

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 25, 2008, in Room 514-S of the Capitol.

All members were present except:

- Representative JoAnn Pottorff - excused
- Representative Tom Sawyer - excused
- Representative Jason Watkins - excused
- Representative Kay Wolf - excused

Committee staff present:

- Alan Conroy, Legislative Research Department
- J. G. Scott, Legislative Research Department
- Cody Gorges, Legislative Research Department
- Heather O'Hara, Legislative Research Department
- Nobuko Folmsbee, Revisor of Statutes
- Nikki Feuerborn, Chief of Staff
- Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

- David Springe, Consumer Counsel, Citizens' Utility Ratepayer Board (CURB)
- Scott Gates, Director of the Learning Quest Program, State Treasurer's Office
- Amy Boydston, Director, Kansas Chapter of Children's Advocacy Center

Others attending:

See attached list.

- Attachment 1 Testimony on **HB 2919** by David Springe
- Attachment 2 Budget Committee Report on State Treasurer, Office of the Governor, Lieutenant Governor, Attorney General, Secretary of State and Insurance Department
- Attachment 3 Response to Committee questions from Department of Transportation

Hearing on **HB 2919**

Hearing - HB 2919: CURB; negotiation for contracts for professional services.

Nobuko Folmsbee, Office of Revisor of Statutes, explained that **HB 2919** authorizes the Citizens' Utility Ratepayer Board (CURB) to negotiate contracts for professional services, including engineers, accountants, attorneys and economists. In previous sessions, the provisions of the bill have been addressed in a proviso within the Appropriations act. This bill would remove the necessity for a proviso by putting the provisions in statute.

David Springe, Consumer Counsel for the Citizens' Utility Ratepayer Board, presented testimony in support of **HB 2919** (Attachment 1). Mr. Springe stated that CURB is the statutory advocate for residential and small commercial customers in cases before the Kansas Corporation Commission, the Kansas courts and the legislature. Mr. Springe noted that language in **HB 2919** is drawn directly from an existing agency budget proviso, the same procedures used currently in negotiating contracts for professional services.

Responding to a question from the Committee, Mr. Springe stated that information technology support services are provided by the Kansas Corporation Commission (KCC). Because the CURB office is small, it is felt that this procedure is more cost effective.

There were no other proponents or opponents to appear to testify on **HB 2919**.

The hearing on HB 2919 was closed.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 25, 2008, in Room 514-S of the Capitol.

State Treasurer

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Responding to a question from the Committee, Scott Gates, Director of the Learning Quest Program, State Treasurer's Office, stated that the KIDS matching grant program is a part of the Learning Quest program, whereby the State matches contributions made to the Learning Quest college savings account by individuals who are 200 percent under the federal poverty level, currently \$42,000. The program was originally created as a 3-year pilot program and the current year is the 3rd year of the program. The original program was created for 1200 participants with funding for a total of \$720,000. Funding for the program was reduced to \$480,000 in FY 2008 of which \$274,000 was paid-out to 542 participants, with the balance of \$106,000 returned to the State General Fund (SGF).

Office of the Governor

Representative Lane, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Office of the Governor for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2). The motion was seconded by Representative Yoder. Motion carried.

Representative Lane, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Office of the Governor for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2). The motion was seconded by Representative Yoder. Motion carried.

Responding to questions from the Committee regarding the grant programs administered by the Office of the Governor, Amy Boydston, Director, Kansas Chapter of Children's Advocacy Center, stated that the funding for the Child Advocacy Centers is administered through the Governor's federal and other grants program through an allocation process. Local centers who are in receipt of the funding are subject to the same scrutiny and accountability as other grants including filing financial reports and on-site reviews by the Governors office grants program staff. Ms. Boydston indicated that less than 5 percent of the grant funding is spent on administrative costs.

Office of the Lieutenant Governor

Representative Beamer, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Office of the Lieutenant Governor for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Representative Beamer, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Office of the Lieutenant Governor for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 25, 2008, in Room 514-S of the Capitol.

Attorney General

Representative Burroughs, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Representative Burroughs, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

The Budget Committee noted that a minority report is attached to the Budget Committee report on the Attorney General for FY 2009.

The Budget Committee indicated that additional information has been requested prior to Omnibus on a number of the enhancement requests because the budget was prepared by the former Attorney General and may not represent the priorities of the newly installed Attorney General.

Secretary of State

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Secretary of State for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2). The motion was seconded by Representative Beamer. Motion carried.

The Budget Committee noted that a minority report is attached to the Budget Committee report on the Secretary of State for FY 2008.

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Secretary of State for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2). The motion was seconded by Representative Beamer. Motion carried.

Kansas Insurance Department

Representative Lane, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2008 and moved for the adoption of the Budget Committee recommendations for FY 2008 (Attachment 2). The motion was seconded by Representative Yoder. Motion carried.

Representative Lane, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Treasurer for FY 2009 and moved for the adoption of the Budget Committee recommendations for FY 2009 (Attachment 2). The motion was seconded by Representative Burroughs. Motion carried.

Distribution of Information

As requested by the Committee, information from the Department of Transportation (KDOT) on the Traffic Records Enhancement Fund (TREF) was distributed to the Committee (Attachment 3).

The meeting was adjourned at 9:55 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 26, 2008.


Sharon Schwartz, Chair

Citizens' Utility Ratepayer Board

Board Members:

Gene Merry, Chair
Randy Brown, Vice-Chair
Carol I. Faucher, Member
Laura L. McClure, Member
A.W. Dirks, Member



State of Kansas

Kathleen Sebelius, Governor

David Springe, Consumer Counsel
1500 S.W. Arrowhead Road
Topeka, Kansas 66604-4027
Phone: (785) 271-3200
Fax: (785) 271-3116
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HOUSE APPROPRIATIONS COMMITTEE H.B. 2919

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By David Springe, Consumer Counsel
February 25, 2008

Chairperson Schwartz and members of the committee:

Thank you for this opportunity to offer testimony in support of H.B. 2919. HB 2919 authorizes a statutory framework for the Citizens' Utility Ratepayer Board (CURB) to follow when negotiating contracts for professional services. The agency currently follows the procedures set forth in HB 2919 and recommends the committee formalize these procedures through passage of this bill.

CURB is the statutory advocate for residential and small commercial customers in cases before the Kansas Corporation Commission, the Kansas courts and the legislature. The agency is a five member volunteer board appointed by the Governor, composed of one member from each congressional district and one at large appointment. The agency is staffed with three attorneys, one technical analyst and two support staff. The majority of the agency's work in cases is done through the hiring of outside technical experts (accountants, engineers, economists, cost of capital and rate design) who evaluate the utility proposals and serve as expert witnesses on behalf of the agency in trial. The agency is fee funded, paid for by the customers it represents in cases and is not funded through the state general fund.

The agency recommends the committee pass HB 2919 for the following reasons:

- The language in HB 2919 is drawn directly from an existing agency budget proviso. Therefore the agency already follows these procedures in negotiating contracts for professional services.
- This type of standardized practice is more appropriate for statutory treatment, as opposed to annual proviso treatment through the appropriations process.
- The language in HB 2919 mirrors language in K.S.A. 66-1513, which authorizes and sets forth procedures for negotiating contracts for professional services for the Kansas Corporation Commission. Since CURB is a small board, the Kansas Corporation Commission performs a number of administrative and IT services for the agency.

Thank you for the opportunity to support HB 2919.

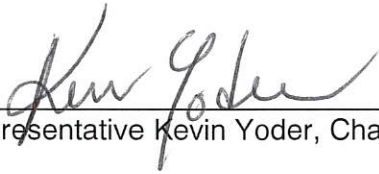
HOUSE APPROPRIATIONS

DATE 2-25-2008
ATTACHMENT 1

FY 2008 and FY 2009

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

Office of the Governor
Office of Lieutenant Governor
Attorney General
Secretary of State
State Treasurer
Insurance Department



Representative Kevin Yoder, Chair



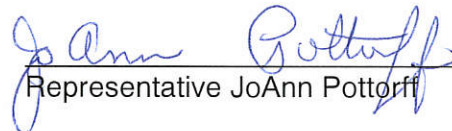
Representative Rocky Fund

Representative Kasha Kelley, Vice-Chair

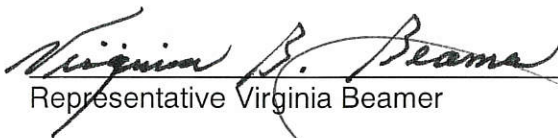
Representative Annie Kuether



Representative Harold Lane,
Ranking Minority Member



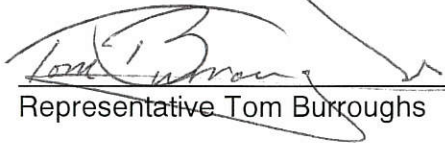
Representative JoAnn Pottorff



Representative Virginia Beamer



Representative Charles Roth



Representative Tom Burroughs

HOUSE APPROPRIATIONS

DATE 2-25-2008
ATTACHMENT 2

House Budget Committee Report

Agency: State Treasurer

Bill No. HB

Bill Sec.

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 407

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 90,929	\$ 90,929	\$ 0
Other Funds	18,266,634	17,476,634	0
Subtotal - Operating	<u>\$ 18,357,563</u>	<u>\$ 17,567,563</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>\$ 18,357,563</u></u>	<u><u>\$ 17,567,563</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 **agency** requests a revised FY 2008 budget totaling \$18,357,563, an increase of \$3,093,159, or 20.3 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$90,929, an increase of \$40,929, or 81.9 percent, above the approved amount. The request would fund the currently approved 55.5 FTE positions. The request does not include the restoration of Local Ad Valorem Tax Reduction Fund (LAVTRF) and County City Revenue Sharing Fund (CCRSF) payments. 2006 SB 480 stipulates that no State General Fund moneys shall be transferred to the LAVTRF or the CCRSF in FY 2007 or FY 2008.

Governor's Recommendation

The **Governor** recommends expenditures of \$17,567,563, an increase of \$2,303,159, or 15.1 percent, above the approved amount, and a decrease of \$790,000, or 4.5 percent, below the agency's FY 2008 request. This recommendation includes the reduction of Pooled Money Investment Board Kansas Savings Incentive Program expenditures of \$400,000, with a corresponding transfer to the State General Fund. The Governor also recommends a \$390,000 reduction in the requested match for the Kansas Investment Developing Scholars (KIDS) program.

House Budget Committee Recommendation

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

1. Review the Governor's recommended reduction made to the KIDS matching grant program funding for FY 2008 at Omnibus.

House Budget Committee Report

Agency: State Treasurer **Bill No.** HB **Bill Sec.**
Analyst: Klaassen **Analysis Pg. No.** Vol.- **Budget Page No.** 407

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 100,000	\$ 0	\$ 0
Other Funds	18,520,755	17,973,555	(85,800)
Subtotal - Operating	<u>\$ 18,620,755</u>	<u>\$ 17,973,555</u>	<u>\$ (85,800)</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>\$ 18,620,755</u></u>	<u><u>\$ 17,973,555</u></u>	<u><u>\$ (85,800)</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>

* All of the Budget Committee's recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests an FY 2009 budget of \$18,620,755, an increase of \$263,192, or 1.4 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$100,000, an increase of \$9,071, or 10.0 percent, above the revised current year estimate. The request would fund 55.5 FTE positions, which is the same amount as in the current year. No State General Fund provision was made for transfer to the LAVTRF or the CCRSF in FY 2009. The request includes enhancement funding of \$100,000, all from the State General Fund. Absent enhancements, the request totals \$18,520,755, which is an increase of \$163,192, or 0.9 percent, above the FY 2008 revised request. Without enhancements, no State General Fund is requested.

Governor's Recommendation

The **Governor** recommends expenditures of \$17,973,555, an increase of \$405,992, or 2.3 percent, above the FY 2008 recommendation and a decrease of \$647,200, or 3.5 percent, below the agency's FY 2009 request. The Governor does not recommend the agency's enhancement request for \$100,000 from the State General Fund for the administration of the Kansas Investments Developing Scholars (KIDS) matching grant program. The Governor recommends a \$620,000

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reduction in the requested match of the KIDS program. The Governor's FY 2009 recommendation includes the addition of \$57,130, for a 2.5 percent base salary adjustment, and \$15,670 for below market adjustment for select employees.

House Budget Committee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$85,800, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$57,130, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$15,670, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$13,000, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.
2. Review the Governor's recommended reduction made to the KIDS matching grant program funding for FY 2009 at Omnibus.
3. Review the State Treasurer's request for \$100,000, all from the State General Fund, for the administration and promotion of the KIDS matching grant program at Omnibus.

House Budget Committee Report

Agency: Office of the Governor **Bill No.** HB --

Bill Sec. --

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

Budget Page No. 169

Expenditure Summary	Agency Estimate FY 2008	Governor's Recommendation FY 2008	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,320,352	\$ 5,320,352	\$ 0
Other Funds	10,881,278	10,881,278	0
TOTAL	<u>\$ 16,201,630</u>	<u>\$ 16,201,630</u>	<u>\$ 0</u>
FTE Positions	38.0	38.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Agency Estimate

The **agency** requests a revised FY 2008 reportable budget totaling \$16.2 million, an increase of \$1.1 million, or 7.5 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$5.3 million, an increase of \$107,765, or 2.1 percent, above the approved amount. The request would fund the currently approved 38.0 FTE positions, a decrease of 2.7 FTE positions below the approved amount.

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 Governor's recommendations.

House Budget Committee Report

Agency: Office of the Governor **Bill No.** HB --

Bill Sec. --

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

Budget Page No. 169

Expenditure Summary	Agency Request FY 2009	Governor's Recommendation FY 2009	Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 8,704,339	\$ 8,821,153	\$ (3,612,814)
Other Funds	9,922,998	9,932,497	(9,499)
TOTAL	<u>\$ 18,627,337</u>	<u>\$ 18,753,650</u>	<u>\$ (3,622,313)</u>
FTE Positions	37.8	37.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>37.8</u>	<u>37.8</u>	<u>0.0</u>

* Of the Budget Committee's recommended overall reduction, \$55,313, including \$45,814 from the State General Fund, is related to pay plan adjustments.

Agency Request

The **agency** requests an FY 2009 reportable budget of \$18.6 million, an increase of \$2.4 million, or 15.0 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$8.7 million, an increase of \$3.4 million (63.6 percent) above the revised current year estimate. The request would fund 37.8 FTE positions, a decrease of 0.2 FTE below the revised current year estimate.

Although the request does not include enhancement funding, it does include \$2.0 million from the State General Fund for grants to child advocacy centers, an increase of \$1.0 million from the revised current year estimate. In addition, the agency proposes adding funding of \$2.5 million from the State General Fund for outreach programs in FY 2009. This outreach funding is to enhance and expand domestic violence and sexual assault outreach services to underserved areas of the state and underserved populations, expanding programs already in place.

Governor's Recommendation

The **Governor** recommends a total of \$18.8 million, including \$8.8 million from the State General Fund in FY 2009. The Governor concurs with the agency's request and adds \$67,000 in additional operating expenditures, and \$55,313, including \$45,814 from the State General Fund, to fund the recommended 2.5 percent salary increase.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations, with the following adjustments and observations:

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1. **Pay Plan Adjustments.** Delete \$55,313, including \$45,814 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$55,313, including \$45,814 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.

2. **Child Advocacy Centers.** Delete \$1.0 million, all from the State General Fund, to remove additional funding recommended for Child Advocacy Centers for review during Omnibus. The Budget Committee recommendation leaves \$1.0 million in the budget for FY 2009.

3. **Domestic Violence and Sexual Assault Outreach Funding.** Delete \$2.5 million, all from the State General Fund, for domestic violence and sexual assault outreach funding in FY 2009 for review during Omnibus. This is new funding, recommended to enhance and expand domestic violence and sexual assault outreach services to underserved areas of the state and underserved populations, and to expand programs already in place. In addition, the Budget Committee notes that a representative of the Kansas Coalition Against Sexual and Domestic Violence asked for an additional \$500,000 in funding for the program. The Budget Committee also intends to consider this request at Omnibus.

4. **Additional Operating Expenditures.** Delete \$67,000, all from the State General Fund, recommended by the Governor for additional operating expenditures in FY 2009, for review during Omnibus. The funding was recommended for the administration program (\$65,000) and Cedar Crest (\$2,000).

House Budget Committee Report

Agency: Office of the Lieutenant Governor **Bill No.** HB --

Bill Sec. --

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

Budget Page No. 305

Expenditure Summary	Agency Estimate FY 2008	Governor's Recommendation FY 2008	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 240,654	\$ 240,654	\$ 0
Other Funds	0	0	0
TOTAL	\$ 240,654	\$ 240,654	\$ 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 **Lieutenant Governor** requests a revised FY 2008 budget totaling \$240,654, all from the State General Fund, an increase of \$22,786 from the amount approved by the 2007 Legislature. The increase is the result of an unlimited reappropriation of \$22,786 which carried forward from FY 2007. Most of the increased expenditure estimate is for salaries and wages (\$18,888), and reflects increased benefits expenditures. Increases are also estimated in contractual services (\$3,548) and commodities (\$350).

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 Governor's recommendations.

House Budget Committee Report

Agency: Office of the Lieutenant Governor **Bill No.** HB --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. Vol. --

Budget Page No. 305

Expenditure Summary	Agency Request FY 2009	Governor's Recommendation FY 2009	Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 213,795	\$ 217,386	\$ (3,591)
Other Funds	0	0	0
TOTAL	\$ 213,795	\$ 217,386	\$ (3,591)
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

* All of the Budget Committee's recommended reduction is related to pay plan adjustments.

Agency Request

The **Lieutenant Governor** requests an FY 2009 budget of \$213,795, all from the State General Fund a decrease of \$26,859, or 11.2 percent, below the revised current year estimate. The decrease reflects one-time expenditures anticipated in FY 2008 that are not budgeted to repeat in FY 2009. The request would fund 3.5 FTE positions, the same as requested for the current year. No enhancement funding is requested.

Governor's Recommendation

The **Governor** concurs with agency's FY 2009 request with the addition of \$3,591 for the Governor's recommended 2.5 percent salary increase.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations, with the following adjustments and observations:

1. **Pay Plan Adjustments.** Delete \$3,591, all from State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$3,591, all from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.

House Budget Committee Report

Agency: Attorney General **Bill No.** HB -- **Bill Sec.** --

Analyst: Robinson **Analysis Pg. No.** Vol. -- **Budget Page No.** 63

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2008</u>	<u>Governor's Recommendation FY 2008</u>	<u>Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 5,229,223	\$ 5,229,223	\$ 0
Other Funds	14,414,299	14,414,299	0
TOTAL	<u>\$ 19,643,522</u>	<u>\$ 19,643,522</u>	<u>\$ 0</u>
FTE Positions	102.0	102.0	0.0
Non FTE Uncl. Perm. Pos.	12.6	12.6	0.0
TOTAL	<u>114.6</u>	<u>114.6</u>	<u>0.0</u>

Agency Estimate

The **agency** requests a revised FY 2008 budget totaling \$19.6 million, an increase of \$1.4 million, or 7.8 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$5.2 million, a decrease of \$92,213, or 1.7 percent, below the approved amount. The request would fund the currently approved 102.0 FTE positions.

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 Governor's recommendations.

House Budget Committee Report

Agency: Attorney General **Bill No.** HB -- **Bill Sec.** --
Analyst: Robinson **Analysis Pg. No.** Vol. -- **Budget Page No.** 63

Expenditure Summary	Agency Request FY 2009	Governor's Recommendation FY 2009	Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 6,372,105	\$ 6,955,289	\$ (1,617,598)
Other Funds	14,630,897	14,700,967	(71,270)
TOTAL	\$ 21,003,002	\$ 21,656,256	\$ (1,688,868)
FTE Positions	115.0	120.0	(18.0)
Non FTE Uncl. Perm. Pos.	12.6	12.6	0.0
TOTAL	127.6	132.6	(18.0)

* Of the Budget Committee's recommended overall reduction, \$184,454, including \$113,184 from the State General Fund, is related to pay plan adjustments.

Agency Request

The **agency** requests an FY 2009 budget of \$21.0 million, an increase of \$1.4 million, or 6.9 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$6.4 million, an increase of \$1.1 million (21.9 percent) above the revised current year estimate. The request would fund 115.0 FTE positions, an increase of 13.0 FTE from the revised current year estimate. The increased positions are the result of enhancement requests.

The request includes enhancement funding of \$1,184,414, all from the State General Fund and 13.0 FTE positions. **Absent the enhancement requests**, the requested FY 2009 budget would total \$19.8 million, including \$5.1 million from the State General Fund, representing a total increase of \$175,066 (0.9 percent) and a State General Fund reduction of \$41,532, or 0.8 percent.

Governor's Recommendation

The **Governor** recommends an FY 2009 budget of \$21.7 million, including \$7.0 million from the State General Fund. The Governor's concurs with all of the enhancements requested by the agency and adds an additional \$470,000 from the State General Fund and 5.0 FTE positions for other recommended enhancements. In addition, the Governor recommends \$183,254, including \$113,184 from the State General Fund, for the Governor's recommended pay plan adjustments. The recommendation is an increase of \$2.0 million, or 10.2 percent, from the revised current year recommendation. The State General Fund recommendation is an increase of \$1.7 million, or 33.0 percent, from the revised FY 2008 recommendation.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations, with the following adjustments and observations:

1. **Pay Plan Adjustments.** Delete \$184,454, including \$113,184 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$183,254, including \$113,184 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Longevity Pay.** Delete \$1,200, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.
2. **Cyber Crime Unit.** Delete \$303,091, all from the State General Fund, and 4.0 FTE positions for development of a cyber crime unit in the Attorney General's office. The agency requested an enhancement of \$453,091, all from the State General Fund, which would expand the existing NetSmartz anti-internet predator education initiative with \$150,000 in additional funding, but would also add \$303,091 and 4.0 FTE positions to provide for broader education opportunities for schools, consumer groups, and seniors, with the goal of decreasing consumer fraud, identity theft, and other computer related crime. The Budget Committee concurs with the recommendation to expand the NetSmartz program, but recommends reviewing the remainder of the enhancement request during Omnibus. The Budget Committee's recommendation for the NetSmartz program provides a total of \$325,000 for the program in FY 2009.
3. **Other Enhancements.** Delete a total of \$1,201,323, all from the State General Fund, and 14.0 FTE positions to remove the following recommended enhancements for review during Omnibus.
 - a. **Mortgage Fraud Program.** Delete \$307,267, all from the State General Fund, and 4.0 FTE positions for a mortgage fraud program, aimed at reducing mortgage fraud and foreclosures related to sub-prime loans, fraudulent marketing, and coercion by certain individuals in the real estate industry.
 - b. **Child Support Enforcement Activities.** Delete \$191,983, all from the State General Fund, and 3.0 FTE positions for child support enforcement activities within the Attorney General's office. One of the recommendations of the 2007 Governor's Task Force on Hunger was that the Attorney General take an active role in child support enforcement. The program would work with court trustees and local prosecutors to refer cases of delinquent support to the Attorney General's office for prosecution.
 - c. **Batterers Intervention Certification Program.** Delete \$73,000, all from the State General Fund, and 1.0 FTE Program Manager position for development of a Batterers Intervention Certification program, aimed at updating certification standards, implementing a training curriculum, and establishing a process for certification of intervention programs.

- d. **Crime Stoppers.** Delete \$109,073 all from the State General Fund, and 1.0 FTE Coordinator position to further develop the Crime Stoppers program in Kansas. The Coordinator would seek and support volunteers for the program and work to increase the number of programs across the state and the overall effectiveness of the programs.
- e. **Drug Awareness and Resistance Education (D.A.R.E.) Program.** Delete \$50,000, all from the State General Fund, for the Drug Awareness and Resistance Education (D.A.R.E.) program, designed to teach students methods for successfully resisting alcohol and drugs. The agency indicates that it has reallocated an existing position to serve as the full-time statewide D.A.R.E. coordinator. The funding would be utilized to provide assistance for an annual conference on school-based programs in Kansas, for four week-long D.A.R.E. officer training courses, and for travel and subsistence for the statewide coordinator.
- f. **Abuse, Neglect, and Exploitation Program.** Delete \$120,000, all from State General Fund, and 2.0 new FTE positions for the agency's Abuse, Neglect, and Exploitation Program. The funds would finance 1.0 new data entry FTE position and 1.0 new investigator FTE position.
- g. **Child Protective Services Oversight Committee.** Delete \$150,000, all from the State General Fund, for a Child Protective Services Oversight Committee. This recommendation includes 1.0 new FTE position. This position would work with the Child Protective Services Task Force to review SRS's Child Protective Services policies and procedures.
- h. **Healthy and Prepared Schools Program.** Delete \$200,000, all from the State General Fund, for a Healthy and Prepared Schools program, including 2.0 new FTE positions. These funds would be used to work with the Kansas State Department of Education to improve coordination between all state agencies and school districts, support school districts in the creation of comprehensive crisis management plans, and develop model training programs to be used throughout the state in schools and communities.

Minority Report

FY 2009 Attorney General Budget Committee Report

I disagree with that portion of the Budget Committee's recommendation to concur with the Governor's recommendation to add \$150,000 from the State General Fund in enhancement funding for the NetSmartz program. Many agencies have appeared before the Budget Committee requesting supplemental funding and enhancements. While I believe this is a worthy request, I do not view this particular request any differently from others, and recommend deferring this item for Omnibus consideration, as we have with the vast majority of enhancement funding requests.


Representative Kasha Kelley, Vice-Chair

House Budget Committee Report

Agency: Secretary of State **Bill No.** HB -- **Bill Sec.** --
Analyst: Robinson **Analysis Pg. No.** Vol. -- **Budget Page No.** 351

Expenditure Summary	Agency Estimate FY 2008	Governor's Recommendation FY 2008	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 149,398	\$ 149,398	\$ 55,477
Other Funds	5,775,445	5,775,445	1,054,068
TOTAL	\$ 5,924,843	\$ 5,924,843	\$ 1,109,545
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 Estimate

The **Secretary of State** requests a revised FY 2008 budget totaling \$5,924,843, the same amount approved by the 2007 Legislature. Although the total amount requested is unchanged, a number of adjustments to funding sources are requested. Major adjustments to the FY 2008 approved budget include: an increase of \$99,398 in State General Fund expenditures. This represents an unlimited reappropriation of FY 2007 matching Help America Vote Act (HAVA) expenditures, which carried forward to FY 2008; a decrease of \$0.4 million in federal funding, to reflect lower than budgeted HAVA expenditures. The funding will shift forward to FY 2009 and an increase of \$0.3 million in other funding sources, primarily from the HAVA Election Voter Information System Fund.

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 Governor's recommendations with the following adjustment:

1. **Help America Vote Act (HAVA) Funds.** Add a total of \$1.1 million, including \$55,477 from the State General Fund. After submitting its budget request, the agency was notified that additional federal Help America Vote Act (HAVA) funding of \$1,054,068 would be made available to the state as its share of additional HAVA funds. The funding requires a state match of \$55,477.

Minority Report

FY 2008 Secretary of State Budget Committee Report

I disagree with that portion of the Budget Committee's recommendation to add \$55,477 from the State General Fund to match federal funds related to the Help America Vote Act. Many agencies have appeared before the Budget Committee requesting supplemental funding and enhancements. While I believe this is a worthy request, I do not view this particular request any differently from others, and recommend deferring this item for Omnibus consideration, as we have with the vast majority of supplemental funding requests.



Representative Kasha Kelley, Vice-Chair

House Budget Committee Report

Agency: Secretary of State **Bill No.** HB -- **Bill Sec.** --
Analyst: Robinson **Analysis Pg. No.** Vol. -- **Budget Page No.** 351

Expenditure Summary	Agency Request FY 2009	Governor's Recommendation FY 2009	Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	6,102,053	6,165,714	(63,661)
TOTAL	<u>\$ 6,102,053</u>	<u>\$ 6,165,714</u>	<u>\$ (63,661)</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>

* All of the Budget Committee's recommended reduction is related to pay plan adjustments.

Agency Request

The **Secretary of State** requests an FY 2009 budget of \$6.1 million, an increase of \$177,210, or 3.0 percent, above the revised current year estimate. The request includes no State General Fund expenditures. The request would fund 55.0 FTE positions, the same as requested for the current year. No enhancement funding is requested.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2009 request and adds \$63,661 to fund the recommended 2.5 percent salary increase.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations, with the following adjustments and observations:

1. **Pay Plan Adjustments.** Delete \$63,661, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$63,661, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.

House Budget Committee Report

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

Bill Sec.

Analyst: Gorges

Analysis Pg. No. Vol.

Budget Page No. 78

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	23,167,004	23,237,004	0
Subtotal - Operating	\$ 23,167,004	\$ 23,237,004	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	120,861	120,861	0
Subtotal - Capital Improvements	\$ 120,861	\$ 120,861	\$ 0
TOTAL	\$ 23,287,865	\$ 23,357,865	\$ 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 current year operating expenditures of \$23,167,004, a decrease of \$152,911, or 0.7 percent, below the amount approved by the 2007 Legislature. The request would be completely funded by special revenue funds.

Governor's Recommendation

The **Governor** concurs with the agency's estimate and adds \$70,000 for a Highway Patrol Security Officer which the agency omitted from their budget submission. The recommendation would be completely funded by special revenue funds.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

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

Bill Sec.

Analyst: Gorges

Analysis Pg. No. Vol.-

Budget Page No. 78

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	23,225,564	23,503,530	(259,416)
Subtotal - Operating	\$ 23,225,564	\$ 23,503,530	\$ (259,416)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	123,054	123,054	0
Subtotal - Capital Improvements	\$ 123,054	\$ 123,054	\$ 0
TOTAL	\$ 23,348,618	\$ 23,626,584	\$ (259,416)
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

* All of the Budget Committee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests budget year operating expenditures of \$23,225,564, an increase of \$58,560, or 0.3 percent, above the revised current year estimate. The increase is partially offset by the one-time bonus payment paid in FY 2008 and would be completely funded by special revenue funds.

Governor's Recommendation

The **Governor** recommends budget year operating expenditures of \$23,503,530, an increase of \$277,966, or 1.2 percent, above the agency's request. The recommendation is an increase of \$266,526, or 1.1 percent, above the Governor's revised current year recommendation. The increase is attributed to \$70,000 to fund a Highway Patrol Security Officer inadvertently omitted from the agency's request, and an \$207,966 to fund salaries and wages based on the Governor's pay plan adjustments. The recommendation would be completely funded by special revenue funds.

House Budget Committee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$259,416, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$174,549 to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$33,417 to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$51,450 to remove the amount recommended by the Governor for longevity bonus payments.

January 17, 2008

The Honorable Dwayne Umbarger, Chair
Kansas Senate Ways and Means Committee
Capitol Building, Room 120-S
300 SW 10th Avenue
Topeka, Kansas 66612-1504

The Honorable Sharon Swartz,
Kansas House Appropriations Committee
Capitol Building, Room 327-S
300 SW 10th Avenue
Topeka, Kansas 66612-1504

Dear Committee Chairs:

In accordance with Section 59 of Chapter 201 of the 2007 Session Laws of Kansas, the Kansas Department of Transportation (KDOT) is submitting the following report on the expenditures of the agency's Traffic Records Enhancement Fund (TREF).

The 2007 Legislature created the TREF, which in July 2007 began receiving 2.50 percent of all fines, penalties and forfeitures remitted by district courts. All monies credited to the fund are required to be used by KDOT for the purpose of enhancing and upgrading the traffic records systems in the state. The Kansas Traffic Records Coordinating Committee (TRCC) makes recommendations to the Secretary of Transportation as to which projects will receive funding from the TREF.

The TRCC is an inter-agency committee formed in June 2005 for the purpose of developing a statewide Traffic Records System (TRS). This group has a multidisciplinary representation from nine state agencies, three federal agencies, and various other groups and associations. The TRCC is responsible for the coordination, development, and integration of traffic records across the state. As such, the TRCC has developed the TRS Strategic Plan to identify traffic records projects and establish funding priorities.

Once a project has been selected for funding, the necessary dollars will be transferred by KDOT to the receiving agency. It is anticipated that the monies will be utilized by various state agencies to aid in the purchase of required hardware and software or to acquire programming services to enhance the capabilities of the TRS. In FY 2008, it is anticipated that the TREF will finance programming services requested by the Kansas Highway Patrol as well as IT consulting services for the statewide TRS.

HOUSE APPROPRIATIONS

DATE 2-25-2008
ATTACHMENT 3

As of December 31st, 2007, the TREF had a cash balance of \$260,552. Since the fund has been in existence for only six months, no expenditures have been made in anticipation of accruing a cash balance. Provided below is the FY 2008 estimated revenues and expenditures for the TREF.

TREF Estimated Budget

<u>Revenues</u>	FY08
Fines, Penalties & Forfeitures - District Court	<u>\$536,961</u>
Expenditures	
Information systems consulting services	\$286,961
Microcomputer Systems and Support Equipment	\$50,000
Software for Computer Systems, Information	\$50,000
Inter-agency transfer (KHP)	\$150,000
	<u>\$536,961</u>

Sincerely,



Marcia Ferrill, Chief
Office of Management and Budget

OFFICE OF MANAGEMENT AND BUDGET

Marcia Ferrill, Chief

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