

Approved: 3-5-09  
Date

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:04 a.m. on January 28, 2009, in Room 143-N of the Capitol.

All members were present except:  
Representative Kelley- excused

Committee staff present:  
Nobuko Folmsbee, Office of the Revisor of Statutes  
Jim Wilson, Office of the Revisor of Statutes  
Christina Butler, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Kelly Cure, Chief of Staff  
Kathy Holscher, Committee Assistant

Conferees appearing before the committee:  
None

Others attending:  
See attached list.

- Attachment 1 Kansas Department of Social and Rehabilitation Services Committee Responses
- Attachment 2 Kansas Water Authority FY 2009 Annual Report
- Attachment 3 Enhancements for the State Water Plan Fund in the form of a legislative bill
- Attachment 4 Kansas Hospital Association **HB 2022** Written Testimony
- Attachment 5 Kansas Chiropractic Association **HB 2022** Written Testimony
- Attachment 6 Schools for Quality Education **HB 2022** Written Testimony
- Attachment 7 Kansas Medical Society **HB 2022** Written Testimony
- Attachment 8 Kansas Association of Realtors **HB 2022** Written Testimony
- Attachment 9 Wichita Public School **HB 2022** Written Testimony
- Attachment 10 USD # 402 Augusta, Kansas **HB 2022** Written Testimony
- Attachment 11 Kansas Association of Osteopathic Medicine **HB 2022** Written Testimony
- Attachment 12 Kansas Association of Counties **HB 2022** Written Testimony
- Attachment 13 Kansas Veterinary Medical Association **HB 2022** Written Testimony
- Attachment 14 FY 2009 Senate Ways and Means Committee Recommendations
- Attachment 15 Kansas Department of Corrections Reductions FY 2009
- Attachment 16 SRS Impact with 3.6 percent reductions FY 2009
- Attachment 17 SGF 3.4 percent Reductions FY 2009 Approved Budget

Chairman Yoder stated that the Senate will be debating the rescission bill today.

**Representative Feuerborn moved to introduce legislation regarding the Post Secondary Savings Account. The motion was seconded by Representative Sawyer. Motion carried.**

**Representative Watkins moved to introduce legislation regarding the Underground Utility Protection Act. The motion was seconded by Representative Whitham. Motion Carried.**

Katy Belot, Kansas Department of Social Rehabilitation Services, provided an explanation of two bills: 1) temporary children in custody under 18 years old, presently this is at 21 years old; 2) Children 15 years and over will not be taken in to custody for reasons other than abuse and neglect (Attachment 1).

**Representative Watkins moved to introduce legislation regarding changing the age of children in temporary custody from 21 years of age to 18 years of age. The motion was seconded by Representative Whitham. Motion Carried.**

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:04 a.m. on January 28, 2009, in Room 143-N of the Capitol.

**Representative Watkins moved to introduce legislation regarding children over 15 years of age who will not be taken in to custody for reasons other than for abuse and neglect. The motion was seconded by Representative Whitham. Motion carried.**

**Representative Holmes moved to introduce legislation regarding the State Water Plan fund. The motion was seconded by Representative Gatewood. Motion carried.**

Steve Irsik, Chairman of Kansas Water Authority, presented a program overview and referred to the Kansas Water Authority 2009 Annual Report to the Governor and Legislature (Attachment 2). A map of Water Authority Members, basins and Ex Officio Members were reviewed. 60 percent of our water supply comes from local reservoirs. Concerns for our investment of \$2 billion and the loss of water storage capacity was expressed. Solutions and ideas for funding have been developed.

Tracy Streeter, Director of Kansas Water Office, reviewed sections of the Annual Report. The State Water Plan fund resource estimates and recommendations were reviewed. Revenues for FY 2009 are approximately \$21 million. Expenditures for FY 2009 are estimated at over \$23.4 million. Enhancements for the State Water Plan Fund in the form of a legislative bill request was distributed and introduced in to legislation by Representative Holmes (Attachment 3).

Chairman Yoder asked staff to distributed written testimony in regards to the Governors' Recession Bill (Attachment 4), (Attachment 5), (Attachment 6), (Attachment 7), (Attachment 8), (Attachment 9), (Attachment 10), (Attachment 11), (Attachment 12) (Attachment 13).

Alan Conroy, Director, Legislative Research Department, reviewed the Senate Ways and Means Committee FY 2009 Budget Recommendations (Attachment 14). Current adjustments include \$36.6 million in revenue and \$265.1 million in expenditures. This proposal is \$101.3 million greater than the Governor's proposal and includes \$62.6 million less in revenue adjustment and \$163.9 million more in expenditure adjustments.

Alan Conroy responded to questions from Committee members regarding the required dollar balance in an agency's budget, reductions in community based waivers, ending balances that include November and December tax revenues, and Machinery and Equipment revenue estimated for slider payments.

Alan Conroy reviewed recommendations regarding SGF Revenue and Transfer Adjustments. The Governor's recommendation is \$99.2 million, and the Ways and Means Committee recommendations total is \$36.6 million, which is a difference of \$62.6 million.

Alan Conroy responded to questions from Committee members regarding the transfer of revenue balances, health care stabilization reduction, bond payments for the school districts for improvements, K-12 budget cuts, impact on waivers from across the board cuts, projected mental health program reductions and community impact, and the suspension of Head Start program for the remainder of the year.

- Information Requested by Committee Members was distributed
- Kansas Department of Corrections Reductions (Attachment 15)
- SRS Impact with 3.6 percent reductions (Attachment 16)
- SGF 3.4 Percent Reductions FY 2009 Approved Budget (Attachment 17)

Mark Tallman, responded to questions from Committee members in regards to general operating fund reductions for school districts. Addressing these issues involves determining the flexibility of contingency funds, non-contractual employees and non-required expenses, i.e. supply purchases, transportation, student activities and block schedules. An explanation of no fund warrants and the need for budget planning for FY 2010 followed.

Dodie Wellshear, United School Administrators of Kansas, responded to questions from Committee members in regards to the results of a survey from area school superintendents and their suggestions for determining

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:04 a.m. on January 28, 2009, in Room 143-N of the Capitol.

budget cuts with the least impact on students.

- Information Requested by Committee Member
  - Summary of the School Superintendent's Survey

Mike Hammond, Community Mental Health Centers of Kansas, responded to questions from Committee members in regards to the impact on mental health services with a projected 3.4 percent reduction in funding. A state mandate requires that mental health services are available to everyone, regardless of their ability to pay.

Alan Conroy, Legislative Research Department, responded to questions from Committee members in regards to the Governor's budget recommendations and the Senate's proposed budget recommendations. Both the Governor's bill and the Senate bill represented across the board cuts and targeted cuts totaling 6.4 percent, with the exception of K-12, social service caseloads, and the legislative and judicial branches where a 3.4 percent cut was proposed.

Chairman Yoder stated that the Appropriations Committee is on call tomorrow

The next meeting is scheduled for January 29, 2009.

The meeting was adjourned at 10:31 a.m.



Kevin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 1-28-09

NAME	REPRESENTING
Kim Fowler	Judicial Branch
Dode Weelshear	USA/Kansas
Kim Menck	Kenmore & Assoc
Berend Koops	Hein Law Firm
Leslie Kaufmann	Ks Coop Council
Mark Tallman	KASB
Debby [unclear]	Ks Inc
ALAN BURT	SECRETARY OF STATE
Jake Steiger	Robinson Mo River <sup>etc</sup>
TAUIS LOWE	Pinegar, Smith, & Assoc
Ben Rogers	KWA
Sid [unclear]	BAC
Jay R. [unclear]	KWA
Alan Terrell	BAC
Judy Adams	@BAC
Susan Stover	Kansas Water Office
Stacy Woolfe	KAA
Lois Weeks	SRS
Ben Cleaves	SRS

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 1-28-09

NAME	REPRESENTING
Ethan Erickson	KDOT
Ashley Riggs	Rep. Carlin
Shannon Jones	SILCK
Mike Hammond	<del>ACM/PER</del>

January 21, 2009

The Honorable Kevin Yoder  
Chairman, House Appropriations  
140-N, 300 SW 10<sup>th</sup> St.  
Topeka, KS 66612

RE: January 14 Committee Hearing

Dear Chairman Yoder:

During a committee hearing on January 14, committee members had questions about children in need of care, out of home placement and runaway children. Please find attached information in response to these questions.

If you or any member of the committee require additional information please contact Katy Belot at 785-296-3271.

Sincerely,



Don Jordan  
Secretary

Cc: Rep. Jason Watkins  
Rep. Peggy Mast  
Amy Deckard

Appropriations Committee  
Attachment 1-1  
Date 1-28-09  
Budget \_\_\_\_\_

OFFICE OF THE SECRETARY

## SRS Child Welfare Information

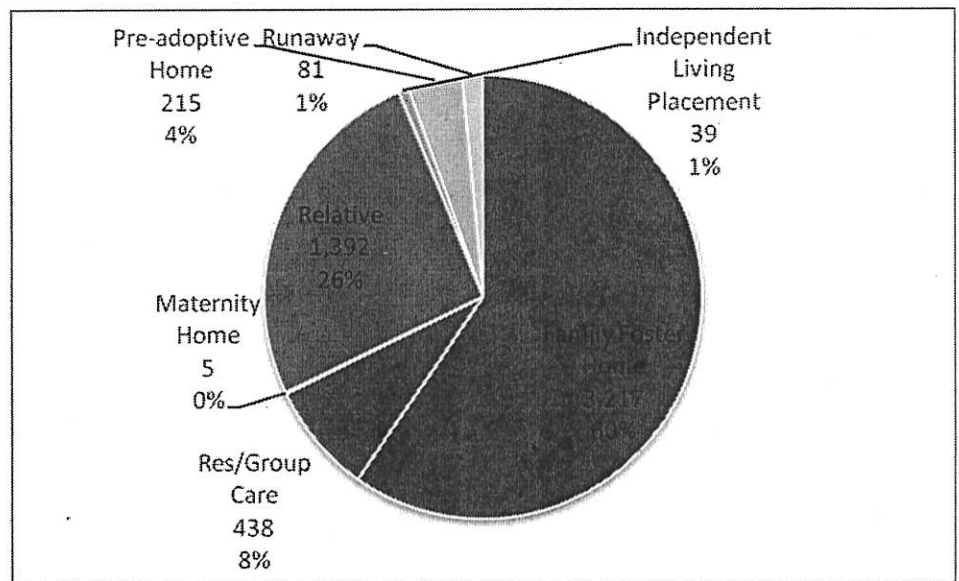
### Information on CINC, placements, and relative placements

Kansas' removal rate into out of home placement is slightly higher than the national rate. In Kansas, for every 1,000 children, 5.2 are removed into foster care. Nationally, for every 1,000 children, 4.1 are removed into foster care.

Statewide, just over one quarter (25.3%) of children in out of home placement are placed with a relative, maintaining pace with the national rate of 25.7%. SRS continuously assesses relative resources, commencing with identification of relative supports during SRS's initial family assessment. SRS conducts an initial team meeting with the family within 48 hours of the start of family preservation or foster care services and assesses relative resources throughout the life of a case. Relatives interested in placement of children undergo a home study for their family and residence, including a safety check for presence on the SRS child abuse central registry and a criminal background check. When relatives residing outside Kansas are considered, the Interstate Compact on Placement of Children requires similar assessments, home studies, and background checks be completed by the relatives' home state. Grandparents are notified of the initiation of a proceeding and shall, upon request, be interested parties, entitling them to notice of further proceedings and the possibility of participating in the proceedings.

Reasons which may preclude a relative from being a placement resource involve risks or threats to the child's safety and well being, progress toward permanency, or court decisions regarding contact. For example, background checks may reveal a relative to be a perpetrator of maltreatment to children, or actions by a relative in violation of court orders or in conflict with a child's visitation or permanency goal also may be a barrier to placement of a child with relatives.

In November 2008, 91% of children in out of home placement resided in a family like setting with relatives (26%), foster or pre-adoptive families (64%), or an independent living setting (1%).



When a child is placed with a relative, there are several financial options available to assist with the cost of caring for a child. Because relatives have a choice of financial options, the amount of financial assistance to relatives varies. The relative may receive TAF assistance from SRS, become the payee for benefits from Social Security, license with KDHE and receive the regular foster care rate, receive a relative payment from the child welfare provider if not licensed, or waive any daily payment for the child's care. Child welfare providers set their own rates for relatives based on the need of the child but are generally between \$5 to \$10 per day with some payments of \$15, \$20, or \$40 per day for children requiring specialized care or treatment. Providers also offer relatives start-up funding to acquire needed items for care, hardship funding, daycare funds, and other flexible funding to support stability and success for relative placements.

Specific responses for those unlicensed relatives who receive a rate (some receive none):

DCCCA	\$5, \$10, or \$15 per day based on need. Some also get customized rates.
Youthville	\$5, \$10, or \$20 per day based on needs of the child (family, specialized, treatment) also start-up, hardship, flex funds
St Francis	\$10 for start and increasing to \$15 - \$40 for special for higher need kids.
TFI	\$8 for those that choose to receive. Also, increased rates based on child and family needs.
KVC	\$6 is basic rate for those who receive reimbursement. There a higher rates for special circumstances.

### Runaways

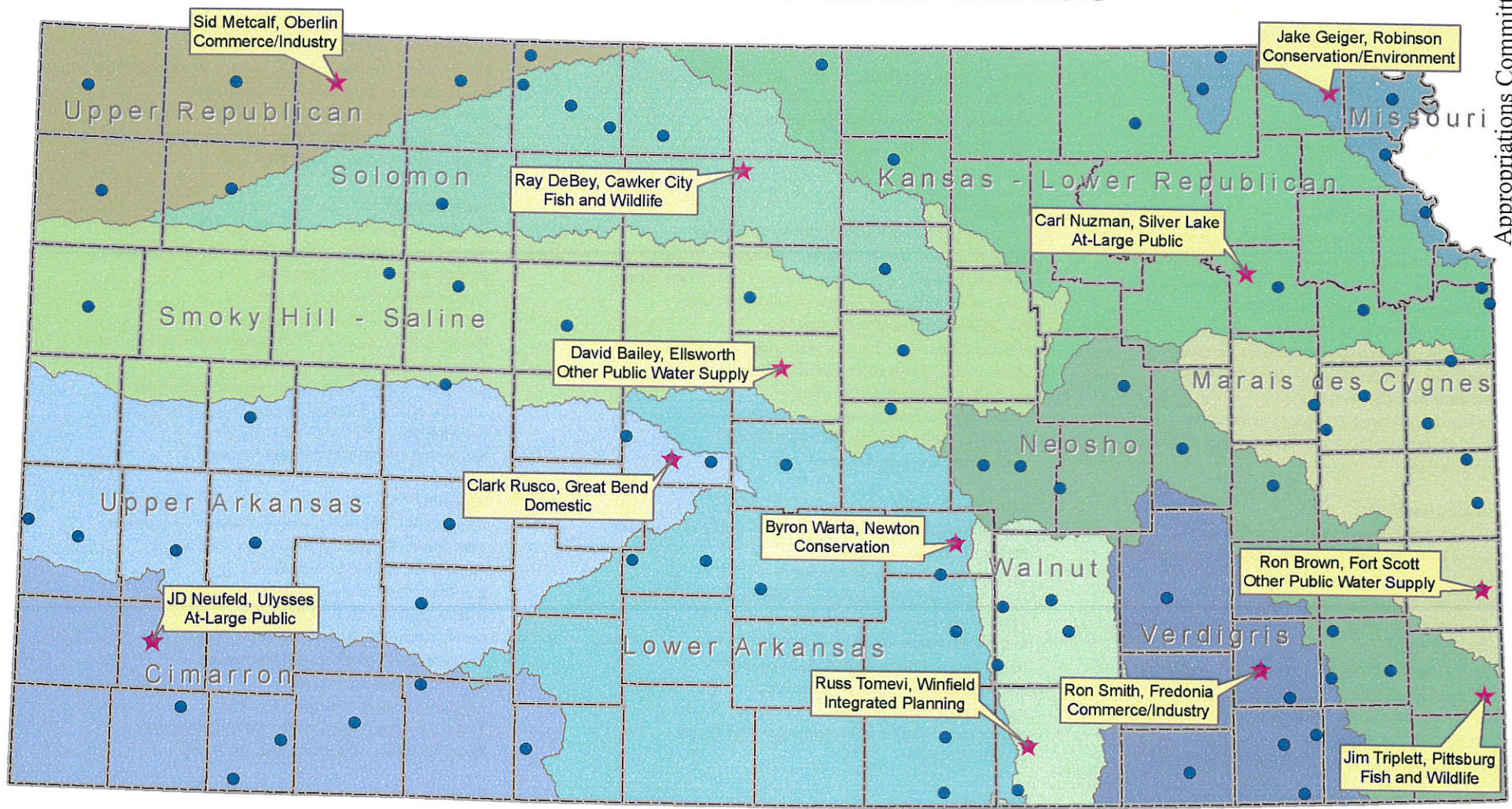
Of the 348 youth removed into Secretary's custody for reasons other than maltreatment, 81 (23%) were regarding a youth who has run away. There are programs and interventions to support families and address impulsive at-risk behavior and mental health needs of youth who have runaway episodes. SRS currently works closely with Juvenile Intake and Assessment Centers and other providers to offer programs and supports to families with these circumstances to prevent out of home placement. One of these programs is used in the Kansas City area by KVC to address behaviors of runaway and can be used with families as part of in home services. The program model is "*Let's Talk: Runaway Prevention Curriculum*," developed by National Runaway Switchboard (NRS) with DePaul University's Center for Community and Organization Development.



State  (All U.S. States)	Rate per 1,000 child population	of-Home Care 2006	
		Child Population- 2006	Number of Children entering foster care
Massachusetts	n/a	1,448,884	N/A
Wyoming	9.7	121,794	1,184
Nebraska	8.5	445,033	3,799
Rhode Island	8.5	237,451	2,024
Iowa	7.9	710,194	5,591
West Virginia	7.8	389,071	3,042
Oklahoma	7.7	894,034	6,927
South Dakota	7.0	194,681	1,356
North Dakota	6.5	144,934	948
Minnesota	6.4	1,257,264	8,017
Kentucky	6.3	999,531	6,315
Nevada	6.2	634,520	3,950
Oregon	6.2	856,259	5,294
Colorado	6.0	1,169,301	7,059
District of Columbia	5.8	114,881	670
Arkansas	5.7	691,186	3,924
Hawaii	5.6	298,081	1,673
Florida	5.5	4,021,555	21,999
Montana	5.4	217,848	1,179
Vermont	5.3	133,389	701
Alaska	5.1	181,434	922
Pennsylvania	5.1	2,804,873	14,209
Kansas	5.0	695,837	3,506
Delaware	5.0	203,366	1,021
Indiana	4.7	1,577,629	7,354
Tennessee	4.6	1,442,593	6,612
Arizona	4.5	1,628,198	7,388
Washington	4.4	1,526,267	6,738
Ohio	4.3	2,770,035	12,016
California	4.3	9,532,614	41,082
Wisconsin	4.2	1,312,530	5,490
New Mexico	4.2	508,930	2,121
Missouri	4.0	1,416,592	5,657
Georgia	4.0	2,455,020	9,762
Idaho	3.9	394,280	1,552
Connecticut	3.8	818,286	3,126
Louisiana	3.6	1,090,001	3,965
Michigan	3.6	2,478,356	9,005
Alabama	3.4	1,114,301	3,791

<u>South Carolina</u>	3.4	1,039,653	3,485
<u>New Jersey</u>	3.0	2,089,338	6,298
<u>North Carolina</u>	3.0	2,155,387	6,413
<u>New York</u>	3.0	4,514,342	13,353
<u>Utah</u>	2.7	791,198	2,173
<u>Maine</u>	2.6	280,994	737
<u>Texas</u>	2.6	6,493,965	16,928
<u>Mississippi</u>	2.6	759,405	1,952
<u>Maryland</u>	2.3	1,360,531	3,174
<u>Virginia</u>	2.2	1,806,847	3,936
<u>New Hampshire</u>	1.9	297,625	557
<u>Illinois</u>	1.6	3,215,244	5,004
<u>n</u>		51	50
<u>Total</u>		73,735,562	294,979

# Basin Advisory Committee Chairpersons and Location of Committee Members



Kansas Water Office November 2008

- Member
- ★ Chairperson

The Basin Advisory Committees provide insight and advice on water issues to the Kansas Water Authority and serve as a forum for community involvement. Each of the state's 12 principal river basins in Kansas has a Basin Advisory Committee. The committees were established on June 28, 1985.

## Basin Advisory Committees

2-2

### Cimarron Basin

*JD Neufeld, Ulysses, At-Large Public, Chairperson*  
*Ellen Verell, Meade, At-Large Public, Vice Chairperson*  
Bill Barby, Meade, Conservation/Environment  
Duane Brumbaugh, Protection, Municipal Public Water Supply  
Gene Pflughoft, Ulysses, Commerce/Industry  
Gregory Shelor, Minneola, At-Large Public  
Judith E. Adams, Meade, At-Large Public  
Larry Swan, Liberal, At-Large Public  
Melvin Webb, Moscow, Fish and Wildlife  
Theron Walker, Kismet, Agriculture  
(1 position vacant)

### Kansas-Lower Republican Basin

*Carl Nuzman, Silver Lake, At-Large Public, Chairperson*  
*Arnold Ross, Webber, Irrigation District, Vice Chairperson*  
Charles Johnson, Concordia, Municipal Public Water Supply  
Chris Mammoliti, Topeka, Fish and Wildlife  
Daniel Howell, Frankfort, Agriculture  
Joel Davidson, Lawrence, Conservation/Environment  
Larry Shannon, Topeka, Water Assurance District  
Laura Calwell, Mission, Recreation  
Shane Munsch, Lawrence, Commerce/Industry  
William Ramsey, Leawood, Planning Restoration Protection  
(1 position vacant)

### Lower Arkansas Basin

*Byron Warta, Newton, Conservation, Chairperson*  
*Vaughn Weaver, Wichita, Fish and Wildlife, Vice Chairperson*  
Brian Meier, Wichita, Commerce/Industry  
Budd Fountain, Langdon, At-Large West  
Carolyn McGinn, Sedgwick, Groundwater Management District  
Daniel Filbert, Macksville, Agriculture  
Jay Zimmerman, South Haven, Conservation/Environment  
Larry Mangan, Wellington, At-Large Public  
Mike Brothers, Lyons, Non-municipal Public Water Supply  
Sharon Falk, Stafford, Recreation  
Suzanne Loomis, Newton, Municipal Public Water Supply

### Marais Des Cygnes Basin

*Ronald Brown, Fort Scott, Other Public Water Supply, Chairperson*  
*Rory Hale, Spring Hill, Municipal Public Water Supply, Vice Chairperson*  
Danny Vender, Fort Scott, Fish and Wildlife  
David Murphy, Ottawa, Recreation  
Francis Bennett, Williamsburg, Conservation/Environment  
Frank Grosshart, Pleasanton, At-Large Public  
Jeff Casten, Quenemo, Agriculture  
Jerry Bennett, Ottawa, At-Large Public  
Larry Walrod, La Cygne, Planning and Zoning  
Lynn Wobker, Osawatomie, Watershed District  
Sherman Cole, Osawatomie, Commerce/Industry

### Missouri

*Jake Geiger, Robinson, Conservation/Environment, Chairperson*  
*Aileen Beard, Leavenworth, Recreation, Vice Chairperson*  
Carol Hughes, Seneca, Education  
Daniel Bowen, Atchison, Fish and Wildlife  
George Jorgensen, Troy, At-Large Public  
Jeffery Grossenbacher, Bern, Agriculture  
Mark Jorgensen, Leavenworth, Municipal Public Water Supply  
Paul Steinbach, Atchison, At-Large Public  
Richard Moppin, Leavenworth, Water Quality  
(2 positions vacant)

### Neosho

*Jim Triplett, Pittsburg, Fish and Wildlife, Chairperson*  
*Peggy Blackman, Marion, Watershed Restoration Protection, Vice Chairperson*  
Danny Matthews, Council Grove, Municipal Public Water Supply  
Daryl Meierhoff, Emporia, Conservation/Environment  
Eric Shoemaker, Saint Paul, Recreation  
Matthew Zimmerman, Emporia, Water Assurance District  
Morgan Marler, Hillsboro, Other Public Water Supply  
Pat Sauble, Cedar Point, Agriculture  
Robert Hammond, New Strawn, Commerce/Industry  
Ronald Nurnberg, Emporia, Watershed District  
Steve Kubler, Chanute, At-Large Public

### Smoky Hill-Saline

*David Bailey, Ellsworth, Other Public Water Supply, Chairperson*  
Bill Scott, Ransom, Recreation  
Chris Meyer, Sylvan Grove, Agriculture  
Darryl Smika, Hays, Conservation/Environment  
Dick Sterrett, Quinter, Commerce/Industry  
Eric Moden, Wakeeney, At-Large Central  
Harold Frasier, Sharon Springs, At-Large West  
J. Neil Jednoralski, Salina, At-Large East  
Karl Esping, Lindsborg, Irrigation  
Martha Tasker, Salina, Municipal Public Water Supply  
(1 position vacant)

### Solomon

*Raymond DeBey, Cawker City, Fish and Wildlife, Chairperson*  
*Orville (Dee) Blubaugh, Phillipsburg, Recreation, Vice Chairperson*  
Dennis Lehmann, Gaylord, Conservation/Environment  
James Metzler, Minneapolis, At-Large Public  
John Wyrill, III, Kirwin, Dryland Farming  
Joseph Keith, Penokee, Commerce/Industry  
Stanley Kats, Prairie View, Agriculture  
(4 positions vacant)

### Upper Arkansas

*Clark Rusco, Great Bend, Domestic, Chairperson*  
*Ron Allen, Dodge City, Recreation, Vice Chairperson*  
Beverly Komarek, Great Bend, Fish and Wildlife  
Jamie Cheatum, Syracuse, Agricultural Industry  
Kermit Thompson, Ellinwood, At-Large Public  
Lynn Freese, Scott City, Commerce/Industry  
Michael (Mick) MacNair, Jetmore, Conservation/Environment  
Randy Hayzlett, Lakin, Surface Water Irrigation  
Roger Mohr, Albert, Groundwater Irrigation  
Steve Cottrell, Garden City, Municipal Public Water Supply  
Steven Hines, Coolidge, Agriculture

### Upper Republican

*Sid Metcalf, Oberlin, Commerce/Industry, Chairperson*  
*Wayne Bossert, Colby, At-Large Public, Vice Chairperson*  
Brad Cowan, Goodland, Agriculture  
Charles Peckham, Atwood, Government  
Danielle Freeman, Colby, Recreation  
David Rietcheck, Goodland, Groundwater Management District  
Jeffery Hill, Atwood, Dryland Farming  
John Keller, Saint Francis, Conservation/Environment  
Joseph Cabrinha, Atwood, Municipal Public Water Supply  
Lee Juenemann, Norton, Fish and Wildlife  
Steven Cox, Long Island, Irrigated Farming

### Verdigris

*Ronald Smith, Fredonia, Commerce/Industry, Chairperson*  
*John Cowley, Eureka, Agriculture, Vice Chairperson*  
Arthur Small, Neodesha, Agriculture  
Bob Timmons, Fredonia, Conservation/Environment  
Charles Shively, Coffeyville, Municipal  
Debbie Smith, Neodesha, Other Public Water Supply  
Doug Blex, Independence, Fish and Wildlife  
J.D. Rector, Sedan, Recreation  
John Head, Thayer, Watershed Protection  
Tamara Christian, Independence, Commerce/Industry  
Wayne Landwehr, Cherryvale, At-Large Public

### Walnut

*Russ Tomevi, Winfield, Integrated Planning, Chairperson*  
*Rodger Maechtlen, Arkansas City, At-Large Public, Vice Chairperson*  
Dale Shaffer, Benton, Municipal  
David Brazil, Winfield, Conservation/Environment  
John Bailey, El Dorado, Recreation  
Kirk Hayden, Rose Hill, At-Large Public  
Kurt Bookout, El Dorado, Fish and Wildlife  
Robert Wilson, Arkansas City, Agriculture  
Roger Black, Arkansas City, Watershed Protection  
Tom Dixon, Leon, Agriculture  
Wayne Kachel, El Dorado, Commerce/Industry

## HOUSE BILL NO. \_\_\_\_\_

By

AN ACT concerning the state water plan fund; relating to increasing fees that contribute to the fund; amending K.S.A. 70a-102 and K.S.A. 2008 Supp. 2-1205, 2-2204, 82a-954 and 82a-2101 and repealing the existing sections.

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

Section 1. K.S.A. 2008 Supp. 2-1205 is hereby amended to read as follows: 2-1205. An inspection fee shall be collected upon all commercial fertilizers sold, offered or exposed for sale, or distributed in Kansas, which shall be at a rate per ton of 2,000 pounds fixed by rules and regulations adopted by the secretary of agriculture, except that such rate shall not exceed ~~\$1.67~~ \$2.37 per ton of 2,000 pounds. The secretary of agriculture may adopt rules and regulations establishing the inspection fee rate under this section. Each person registering any commercial fertilizer shall pay the inspection fee on such commercial fertilizer sold, offered or exposed for sale, or distributed in Kansas. Each such person shall keep adequate records showing the tonnage of each commercial fertilizer shipped to or sold, offered or exposed for sale, or distributed in Kansas. The secretary, and duly authorized representatives of the secretary, shall have authority to examine such records and other pertinent records necessary to verify the statement of tonnage.

Each person registering any commercial fertilizer shall file an affidavit semiannually, with the secretary, within 30 days after each January 1 and each July 1, showing the tonnage of commercial fertilizer sold or distributed in Kansas for the preceding six-month period. Each such person shall pay to the secretary the inspection fee due for such six-month period, except that the registrant shall not be required to pay the inspection fee or report the tonnage of commercial

Appropriations Committee

Attachment 3-1

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fertilizers or fertilizer materials sold and shipped directly to fertilizer manufacturers or mixers. The fertilizer manufacturers or mixers shall keep adequate records of the commercial fertilizers sold or distributed in this state, and report to the secretary the tonnage and pay the inspection fee due. If the affidavit is not filed and the inspection fee is not paid within the 30-day period, or if the report of tonnage is false, the secretary may revoke the registrations filed by such person. If the affidavit is not filed and the inspection fee is not paid within the 30-day period, or any extension thereof granted by the secretary, a penalty of \$5 per day, or commencing on July 1, 2002, and ending on June 30, 2010, a penalty of \$10 per day shall be assessed against the registrant and the inspection fee and penalty shall constitute a debt and become the basis for a judgment against such person. The secretary may grant a reasonable extension of time.

The secretary of agriculture is hereby authorized and empowered to reduce the inspection fee by adopting rules and regulations under this section whenever the secretary determines that the inspection fee is yielding more than is necessary for the purpose of administering the provisions of this act as listed below and the plant pest act. The secretary is hereby authorized and empowered to increase the inspection fee by adopting rules and regulations under this section when it finds that such is necessary to produce sufficient revenues for the purposes of administering the provisions of this act, except that the inspection fee shall not be increased in excess of the maximum fee prescribed by this section. The secretary shall remit all moneys received by or for the secretary under article 12 of chapter 2 of Kansas Statutes Annotated, and amendments thereto, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and shall credit such remittance as follows: (1) An amount equal to ~~\$1.40~~ \$2.10 per ton shall be credited to

the state water plan fund created by K.S.A. 82a-951, and amendments thereto; (2) an amount equal to \$.04 per ton shall be credited to the fertilizer research fund; (3) commencing July 1, 2002, and ending on June 30, 2010, an amount equal to \$.05 per ton shall be credited to the fertilizer and pesticide compliance and administration fund; and (4) the remainder shall be credited to the fertilizer fee fund. All expenditures from the fertilizer fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of agriculture or by a person or persons designated by the secretary.

Sec. 2. K.S.A. 2008 Supp. 2-2204 is hereby amended to read as follows: 2-2204. (a) Every agricultural chemical which is distributed, sold or offered for sale within this state or delivered for transportation or transported in intrastate commerce or between points within this state through any point outside this state shall be registered in the office of the secretary. The secretary may adopt rules and regulations to allow products to be registered for a period not to exceed three years. All registration of products shall expire on December 31 of the year the registration is set to expire, unless such registration shall be renewed, in which event expiration date shall be extended for each year of renewal registration, or until otherwise terminated. Products which have the same formula, and are manufactured by the same person, the labeling of which contains the same claims, and the labels of which bear a designation identifying the product as the same agricultural chemical may be registered as a single product and additional names and labels shall be added by supplement statements during the current period of registration. Within the discretion of the secretary, or an authorized representative of the secretary, a change in the labeling or formulas of an agricultural chemical may be made within the current period of registration without requiring a reregistration of the product. Any agricultural chemical imported into this state which is subject to the provisions of

any federal act providing for the registration and which has been duly registered under the provisions of such federal act, in the discretion of the secretary, may be exempted from registration under this act when such agricultural chemical is sold or distributed in the unbroken immediate container in which such agricultural chemical was originally shipped.

(b) The registrant shall file with the secretary, a statement including: (1) The name and address of the registrant and the name and address of the person whose name will appear on the label if other than the registrant; (2) the name of the agricultural chemical; (3) a complete copy of the labeling accompanying the agricultural chemical and a statement of all claims made and to be made for it and a statement of directions for use; and (4) if requested by the secretary, or an authorized representative of the secretary, a full description of the tests made and the results thereof upon which the claims are based. In the case of renewal of registration, a statement shall be required only with respect to information which is different from that furnished when the product was registered or last reregistered.

(c) On the date of registration, the registrant shall pay a fee fixed by rules and regulations adopted by the secretary of agriculture. Such fee shall equal an amount per registered agricultural chemical, not to exceed ~~\$150~~ \$200, multiplied by the number of years registered. Such fee shall be deposited in the state treasury and credited as follows: (1) An amount equal to ~~\$100~~ \$150 for each year of registration shall be credited to the state water plan fund created by K.S.A. 82a-951, and amendments thereto; and (2) the remainder shall be credited to the agricultural chemical fee fund to be used for carrying out the provisions of this act. The annual fee for each agricultural chemical registered which is in effect on the day preceding the effective date of this act shall continue in effect until the secretary of agriculture adopts rules and regulations fixing a different fee therefor under this



subsection. The secretary of agriculture is hereby authorized and empowered, whenever it determines that the fee imposed by this subsection and paid into the state treasury as provided by law is yielding more revenue than is required for the purposes to which such fee is devoted by law, to reduce the fee imposed by this subsection for such period as the secretary shall deem justified by adopting rules and regulations under this subsection but not for less than one year. In the event that the secretary, after reducing such fee, finds that sufficient revenues are not being produced by such reduced fee, the secretary is authorized and empowered by adopting rules and regulations under this subsection, to restore in full or in part such fee to an amount which, in the judgment of the secretary, will produce sufficient revenues for the purposes as provided in this section, but not exceeding the maximum amount of the fee imposed by this subsection.

(d) The secretary, or an authorized representative of the secretary, whenever it is deemed essential in the administration of this act, may require the submission of the complete formula of any agricultural chemical. If it appears to the secretary, or an authorized representative of the secretary, that the composition of the product is such as to warrant the proposed claims for the product and if the product and its labeling and other material required to be submitted comply with the requirements of this act, the secretary shall register the product.

(e) If it does not appear to the secretary, or an authorized representative of the secretary, that the product is such as to warrant the proposed claims for it or if the product and its labeling and other material required to be submitted do not comply with the provisions of this act, the secretary shall notify the registrant of the manner in which the product, labeling, or other material required to be submitted fail to comply with the act so as to afford the registrant an opportunity to make the necessary corrections.

(f) In order to protect the public, the secretary, or a duly authorized representative of the secretary, on the secretary's own motion, may at any time, after written notice to the registrant, cancel the registration of an agricultural chemical. Any person so notified shall be given an opportunity for a hearing in accordance with the provisions of the Kansas administrative procedure act with regard to the secretary's contemplated action, before any registration is canceled or revoked.

(g) Notwithstanding any other provisions of this act, registration is not required in the case of an agricultural chemical shipped from one plant within this state to another plant within this state operated by the same person.

Sec. 3. K.S.A. 70a-102 is hereby amended to read as follows: 70a-102. (a) Whenever any person desires to take any sand, gravel, oil, gas, mineral, hay, timber or other materials from any river owned by the state or from any land in such river, the person shall obtain the consent of the director of taxation upon such terms of payment to the state of Kansas and under such terms and conditions as the director of taxation determines to be just and proper. Compensation for such products shall be paid to the state of Kansas at such times and under such terms as the director of taxation directs. With respect to river sand, the compensation shall be computed at the rate of ~~\$.15~~ \$.225 per ton removed. The secretary of revenue shall determine, by rule and regulation, the amount of compensation to be paid for other materials removed from rivers owned by the state or from land in such rivers.

(b) No contract shall be entered into giving any person, company or corporation any exclusive privilege of making purchases under this act.

(c) Nothing herein shall prevent the taking without payment of any sand or gravel to be used exclusively for a person's own domestic use.

Sec. 4. K.S.A. 2008 Supp. 82a-954 is hereby amended to read as follows: 82a-954. (a) On and after July 1, ~~1989~~ 2009, there is hereby imposed a water protection fee at the rate of:

(1) ~~Three~~ Four and one-half cents per 1,000 gallons of water sold at retail by a public water supply system and delivered through mains, lines or pipes;

(2) subject to the provisions of subsection (c), ~~three~~ four and one-half cents per 1,000 gallons of water appropriated for industrial use pursuant to a permit granted in accordance with the Kansas water appropriation act; and

(3) ~~three~~ four and one-half cents per 1,000 gallons of water appropriated for stockwatering pursuant to a permit granted in accordance with the Kansas water appropriation act.

(b) As used in this section, "industrial use" and "stockwatering" have the meanings provided by rules and regulations of the chief engineer of the division of water resources of the Kansas department of agriculture and the determination of gallons used shall be based upon figures supplied to the secretary of revenue by the division of water resources.

(c) The fees imposed by subsections (a)(2) and (3) shall be based on the actual amount used for industrial use or stockwatering during the preceding calendar year as reported to the chief engineer of the division of water resources of the Kansas department of agriculture in accordance with the provisions of K.S.A. 82a-732, and amendments thereto, except that: (1) The amount of surface water used for flow through cooling purposes for electric power generating plants shall be based on an average consumptive factor as determined by the division of water resources; and (2) no such fee shall be imposed on the amount of water used for commercial fish farming. If no water use report is filed for such year, the fee shall be based on the amount authorized for industrial use or stockwatering in such year.

(d) The fee imposed by subsection (a)(1) shall be paid quarterly by the public water supplier and shall be transmitted to the department of revenue not later than 45 days following the end of each quarter. The public water supplier may collect the fee directly from each consumer to which water is sold at retail or may pay the amount owed to the department from moneys in its operating or other fund available for that purpose. The fees imposed by subsections (a)(2) and (3) shall be paid by the owner of the permit. If any retailer or permit owner fails to pay the fee required to be collected and paid under this section, there shall be added, to the unpaid balance of the fee, penalty and interest as prescribed under K.S.A. 79-3615, and amendments thereto, for the late payment of sales tax.

(e) The director of taxation shall administer, enforce and collect the fees imposed by this section. All laws and rules and regulations of the secretary relating to the administration, enforcement and collection of the retailers' sales tax shall apply to such fee insofar as they can be made applicable, and the secretary shall adopt such additional rules and regulations as necessary for the efficient and effective administration, enforcement and collection thereof.

(f) The director of taxation shall remit all moneys collected from fees imposed pursuant to this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state water plan fund created by K.S.A. 82a-951, and amendments thereto.

(g) An owner of an industrial use permit who has a contract with the state for withdrawal and use of water pursuant to K.S.A. 82a-1301 et seq., and amendments thereto, shall be exempt from the fee imposed by subsection (a)(2) on any water for which the permit owner is required to pay charges under such contract.



Thomas L. Bell  
President

January 21, 2009

TO: House Appropriations Committee

FROM: Tom Bell, President  
Chad Austin, Vice President, Government Relations

RE: House Bill 2022

The Kansas Hospital Association appreciates the opportunity to comment on House Bill 2022 relating to subsections (a)(2) and (b) of section 88. Specifically, our concerns focus on the potential consequences of the aforementioned provisions of HB 2022 to the Kansas Health Care Stabilization Fund.

The Kansas Health Care Stabilization Fund was created in 1976 by the enactment of the Health Care Providers Insurance Availability Act. Over the past three decades, the fund has provided stability in the availability and cost of medical professional liability coverage for Kansas health care providers. The primary function of the fund is to provide excess professional liability coverage, which is "triggered" when the basic professional liability insurer's projected loss exposure exceeds \$200,000. According to the Health Care Stabilization Fund, the consequence of carrying out the provisions in subsections (a)(2) and (b) of section 88 would result in immediate losses in excess of \$1 million and an even greater amount over the long-term.

In many ways, the Health Care Stabilization Fund has set Kansas apart from other states where the medical malpractice insurance crisis has made it extremely difficult to recruit and retain physicians. It is operated with funds that come from health care providers, not state government, and those funds are used responsibly to maintain an environment that helps protect our state from the vagaries of the insurance market. We are concerned that the financial impact of this legislation may very well cripple a program that has proved essential to creating better access to healthcare across our state.

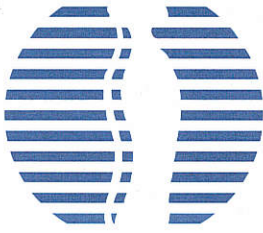
The Kansas Hospital Association appreciates your consideration in supporting the recommendations being offered by the Kansas Health Care Stabilization Fund.

Appropriations Committee

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Date 1/28/09

**Kansas Hospital Association**



# Kansas Chiropractic Association

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## Kansas Chiropractic Association

**TESTIMONY**  
Before the  
**HOUSE COMMITTEE ON APPROPRIATIONS**  
By John Kiefhaber, Executive Director  
January 21, 2009

Concerning House Bill 2022, AN ACT ... concerning appropriations for the fiscal years ending June 30, 2009 and June 30, 2010 ...

Chairperson Yoder and members of the Committee:

The members of the Kansas Chiropractic Association, including 300 practicing doctors of chiropractic as well as 40 students of chiropractic in Kansas, appreciate the opportunity to submit comments concerning House Bill 2022. Our association of health care professionals supports the position of the Health Care Stabilization Fund Board of Governors on this bill and we support its requested amendments.

To take funds from the Stabilization Fund is the equivalent of taking money directly from the pockets of health care providers throughout this state. These doctors and other practitioners pay their taxes to the state, and they pay their fees to the state and many work for state reimbursements below their usual patient fees. There are **NO TAX DOLLARS** involved in the operations of the Fund. Under statutory requirements Kansas health care providers must make up any funding that the appropriation act takes from the fund. This is an insurance reserve built up by providers – there is no cost to the taxpayer here.

Please rescind the cuts proposed on the Health Care Stabilization Fund.

Thank you.

Appropriations Committee

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Schools for Quality Education  
January 21, 2009  
Val DeFever

Mr. Chairman and members of the House Appropriations Committee, thank you for allowing me to share my concerns regarding potential cuts in education funding. Schools for Quality Education (SQE) is an organization of small rural schools. Our small communities across the state have acutely felt the affects of the current recession and understand the need to alter the present allotments to school. Because of our districts have small population but large geographic ares, our budgets are continually stretched therefore it is more challenging finding areas to cut.

As I have asked my members how they will adjust to the potential lose in funding this year, they have shared their tentative plans to give up non-contract positions, eliminate field trips, turn thermostat down to 68 degrees, cut gifted programs and reduce professional development programs. Many have or will freeze purchases of classroom materials and curriculum purchases or updates. They are doing their best to identify potential cuts that will do the least harm to their students academic success.

Tightening our belts in low enrollment districts is an on going process, as we are generally seeing reductions in funding along with declining enrollment. Because of this the Governor's recommendations are expected to be greater than \$22 this year and \$66 next year for these districts. Larger or more affluent districts may be able to raise their LOB to help make up for the lose, while many of SQE member districts are poor and capture low returns per mil if they are able to even consider utilizing this option.

The cuts proposed by Governor Sebelius , \$22 BSAPP this year and \$66 BSAPP next year, are equal to 2%. The decrease in General Fund dollars will reflect a corresponding decrease in LOB dollars. Districts that are already at the maximum of 30% of their LOB will not have the authority to recoup those dollars, so their decrease would be more than 2%. The Governor also recommends that funds for Driver's Education and Professional development be eliminated. These two items raise the purposed cuts to an even higher level. This will vary from district to district but added together the overall percentage decrease is likely to be close to the 3% mark.

Finally, educating Kansas children is the number one focus of leaders in all school districts. Legislative mandates earmark much of every district's budgets. Although most of these mandates may be valid, they leave districts with few options on ways to reduce their costs while maintaining the quality of education expected by policymakers and the public in general. At the mid point in a school year most non-contractual dollars are committed. Districts have been prudent as the economy has been struggling. They have tried to find ways to pare down their budgets in expectation of cuts. The loss of funds the Governor's recommended will provide our districts will many challenges but greater cuts will be devastating.

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**To:** House Appropriations Committee  
**From:** Jerry Slaughter  
Executive Director  
**Date:** January 21, 2009  
**Subject:** HB 2022; Concerning appropriations for state agencies

The Kansas Medical Society appreciates the opportunity to submit the following concerns about HB 2022, specifically regarding subsection (b) of section 88 (on page 62 of the bill) relating to the Health Care Stabilization Fund, and section 7 (on pages 4-5 of the bill) relating to the Healing Arts Board.

Health Care Stabilization Fund

As written, subsection (b) of section 88 of the bill would prevent the state general fund from reimbursing the Health Care Stabilization Fund for amounts paid in medical malpractice cases by the HCSF to defend faculty and residents at the University of Kansas School of Medicine. Under current law, the HCSF advances the cost of defending and paying medical malpractice claims against medical school faculty and residents. Those amounts are then reimbursed by the state general fund upon the submission of proper certification by the HCSF. The amount of money that is involved is not insignificant. Over the past five years the reimbursements to the HCSF have averaged \$2.5 million annually.

This bill would shift the financial burden of medical malpractice case defense and indemnity payments on behalf of the KU Medical School faculty physicians and residents squarely onto the shoulders of the privately practicing physicians and hospitals throughout the state that are required by law to purchase coverage from the HCSF. While we strongly support the medical school, its faculty, hospital, residents and students at both the Kansas City and Wichita campuses, the physicians and hospitals of our state should not be expected to subsidize the liability cost obligations of the entire academic enterprise. In addition, this action establishes a dangerous precedent that could lead to further intrusions in the future for far greater amounts. We are opposed to this action, and urge you to reject this approach by deleting subsection (b) of section 88, lines 17-29.

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Healing Arts Board

In addition, section 7 of the bill "sweeps" funds from the Board of Healing Arts fee fund into the state general fund. While the amount swept in FY 2009 is relatively modest - \$67,618 - all indications are that the amount will grow over the next couple of fiscal years. While it is well known to you, it is worth noting for the record that the Board receives no taxpayer support. Licensees of the Board fully fund agency operations through licensure fees, with about two-thirds of the Board's annual revenue of \$3.5 million attributable to fees paid by physicians. In recent years, with the last time being in FY 2005, the legislature swept over \$1 million of the Board's funds into the state general fund. Those are dollars, paid by physicians and other licensees, which were not available for the agency to upgrade its investigatory and disciplinary staffs, and which would have enabled it to process complaints and respond to public inquiries on a more timely basis. It is unfair to expect licensees to continue to pay this additional tax to support general government operations, and we urge the legislature to reject attempts to do so.

Thank you for the opportunity to present these comments, and we would be happy to respond to any questions.



To: House Appropriations Committee  
From: Luke Bell, Vice President of Governmental Affairs  
Date: January 26, 2009  
Subject: **HB 2022** – Opposition to Fee Fund Sweeps from the Kansas Real Estate Commission

Chairman Yoder and members of the House Appropriations Committee, thank you for the opportunity to appear today on behalf of the Kansas Association of REALTORS® to offer testimony in opposition to certain provisions of **HB 2022**. KAR has represented the interests of the nearly 9,000 real estate professionals and over 700,000 homeowners in Kansas for the last 85 years.

Specifically, we are very concerned with the proposed fund transfers contained in Section 17 on Pages 9 and 10 of **HB 2022** under the heading of Kansas Real Estate Commission. This section calls for the transfer of \$83,095 from the real estate fee fund and a transfer of \$550,000 from the real estate recovery fund to the state general fund.

In addition, we also oppose the Governor's proposal to eliminate the Kansas Savings Incentive Program in Section 88 on Page 61 of this legislation, which would cause an additional \$195,671 transfer from the real estate fee fund to the state general fund. In total, the Governor's proposed budget rescission package would take nearly \$830,000 from the Kansas Real Estate Commission.

The proposed sweeps from the real estate fee fund of \$83,095 and \$195,671 will lead to a dangerously low cash balance in the real estate fee fund by the middle of 2010. The Commission and the Division of Budget have based their budget estimates on an estimated licensee count of 16,000 for Fiscal Year 2010. Due to the current state of the economy, we believe this estimate is overly optimistic and it is much more likely that number of real estate licensees will dip sharply over the next few years.

At this point, we anticipate that the Commission may need to introduce legislation in the 2010 Legislative Session to increase fees on real estate brokers and salespersons to cover the anticipated reduction from the proposed fund sweeps. We strongly believe that any fee increases resulting from the proposed fund sweeps represent a tax increase on real estate brokers and salespersons.

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In addition, the Kansas Real Estate Commission is currently preparing for a much-needed and long-awaited upgrade of the real estate licensing database. The current database is antiquated and is not well suited to addressing the future needs of our industry. If the proposed fee fund sweeps are approved, the Commission will no longer have adequate funds available to continue this upgrade.

Furthermore, the proposed sweeps from the real estate recovery fund of \$550,000 will drastically increase the likelihood of an additional assessment (separate from any fee increases) against all real estate brokers and salespersons in the next few years. The balance of that fund is currently around \$670,000. When the balance in that fund dips below \$100,000, each real estate broker and salesperson in the state must pay a special assessment to the Kansas Real Estate Commission to recapitalize that fund.

The real estate recovery fund is a special fund that exists to compensate consumers when they are harmed by a real estate licensee who cannot pay the claim or does not have errors and omissions insurance. Even though this fund has not had a claim in several years, we anticipate the challenging real estate market may cause an acceleration of claims against that fund over the next few years.

If the proposed sweep from the real estate recovery fund of \$550,000 is approved, then less than \$120,000 will remain in the fund for future claims. In our opinion, this is not an adequate amount to cover all claims that may be made against the real estate recovery fund in the future.

We would respectfully request that the committee strongly consider striking the proposed transfers found in Sections 17 and 88 of **HB 2022**. Thank you for the opportunity to share our concerns and I would be happy to respond to any questions at the appropriate time.



## House Appropriations Representative Yoder, Chair

### H. B. 2022 – 2009 Rescission Bill

*Presented by Diane Gjerstad  
Wichita Public Schools  
January 27, 2009*

Mr. Chairman, members of the Committee:

This is a difficult bill; but these are difficult times. The Wichita Board of Education understands schools must be part of the solution to get through the next several budget years.

Wichita has strategically used the increased school funding. Wichita has extended the teacher contract by four days, reduced class-sizes, trained coaches to help teachers effectively teach all students, and data leaders to analyze and diagnose test results for classroom teachers. The investment the Kansas legislature made has benefited all student groups. From 2000 to 2008 Wichita's state assessment scores rose:

District wide:	Reading up 20.2%	Math up 25.4%
At risk students:	Reading up 26.8%	Math up 34.2%
Special Education:	Reading up 28.7%	Math up 34.8%
English Language Learners:	Reading up 37.9%	Math up 38.2%

The Governor's budget, while flat overall, does not fund this year's enrollment increases and as a result would **reduce funding** for Wichita Public Schools:

Current school year: -\$1.4m and an additional -\$390,000 for special education  
2009 -10 school year: -\$4.4m and an additional -\$1 million for special education

Many Kansas businesses face slowing markets and as a result are slowing production. But the 'production requirements' for Kansas schools has not slowed. Two examples are No Child Left Behind and the 20 Special Education targets. No Child targets increase for reading by 6.1% to 7% and for math 6.6% and 8.9% this year. The special education targets require large increases in staffing to adequately assist the regular ed teacher. The standards march higher and higher each year without pause, and schools which do not pass each and every target for each and every student group face severe penalties.

Mr. Chairman, as we work through very difficult choices, I would encourage the committee to remember that schools do not set their own "production goals" – our production goals are set by state and federal law.

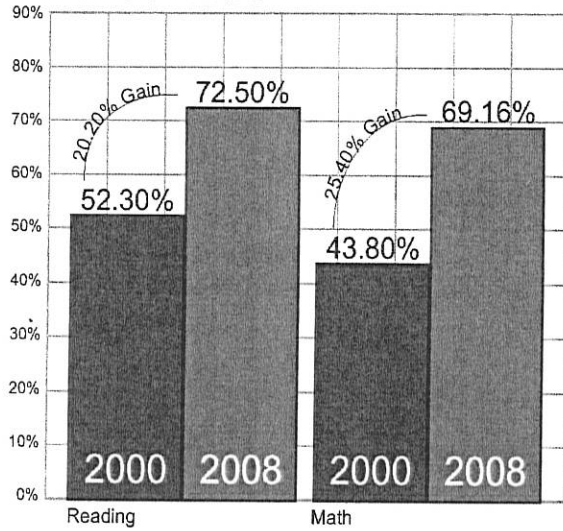
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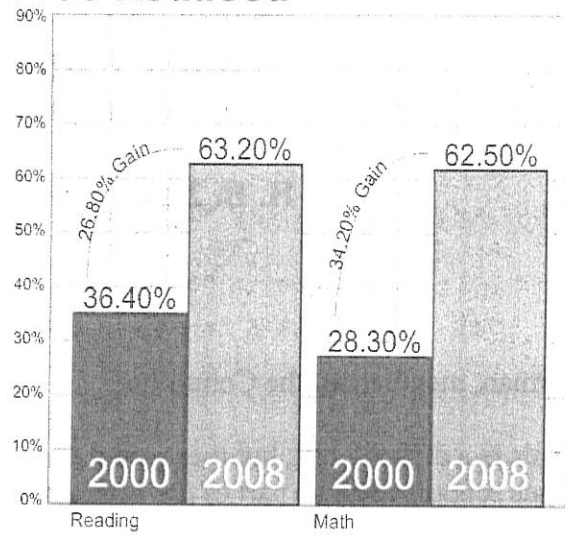
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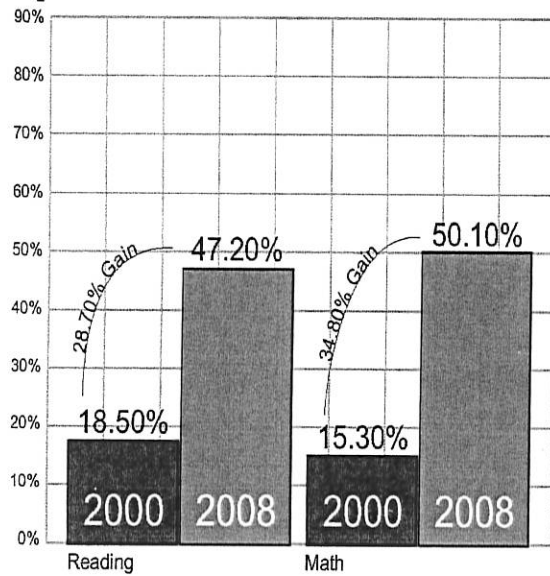
### District-wide



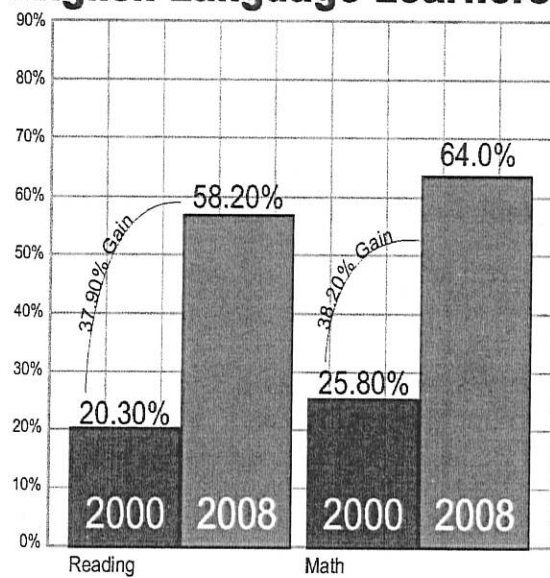
### Free-Reduced



### Special Education



### English Language Learners



Testimony on HB 2022

House Committee on Appropriations

Presented by: Jim Lentz, Superintendent USD 402 Augusta, Kansas

January 22, 2009

Thank you for your commitment to Kansas Public Education over the past three years. The funding that you and your colleagues provided during this period has had a tremendous positive impact on student achievement as measured by Kansas State Assessments. All students and most significantly students at risk, students whose first language is not English and students with special needs have all demonstrated significant increased learning and proficiency in both reading and math. This increase in student achievement is the result of school districts using the additional funding to add certified and classified personnel to provide additional support to students and to reduce student teacher ratio. All day kindergarten, before and after school tutoring programs, summer programs, new instructional technology and additional instructional materials have been provided. Data driven professional learning opportunities for staff, mentors for new teachers and instructional coaches in core subject areas have been added. Teacher salaries have increased in an effort to increase retention and reduce turn over.

The challenge of all school district across the state is to continue that growth in student achievement with less money and quite possibly less personnel. Each year the percentage of students required to Meet Standard on State Assessments continues to rise in order to meet the requirements of NCLB. No matter what happens to school funding, that bar will continue to rise!

The Governor's proposed budget reduces Base State Aid per Pupil by \$22 in 2008-2009 and \$66 in 2009-2010. In Augusta USD 402 that cut results in a reduction in the General Fund of \$57,264 in 08-09 and \$171,640 in 09-10 for a total of \$228,904. In addition the Supplemental General Fund will be reduced by \$18,643 in 08-09 and \$70,135 in 09-10 for a total of \$88,778. We are planning for a total reduction in our two largest funds of \$317,682 for the 09-10 school year. In addition we will lose \$13,500 from Drivers Ed. and \$10,250 from Professional Development or an additional \$23,750 for a grand total of \$341,432 less funding. It takes approximately \$150,000 to fund step and column increases in the teacher's salary schedule or 1.5%. A 1.5% increase for all other employees would cost an additional \$50,000. With no other additional increases in costs, the schools district will be down \$541,432 next year from where we are at the present time.

Like all other districts in Kansas we understand that the state financial crisis is very real. We are meeting with our board of education, district staff, and building site councils to determine where to cut costs. At the same time we know that 85% of our General Fund is used to fund salaries. We also know that the minute we begin cutting personnel we increase the possibility of reduced student achievement.

The public schools in Kansas are absolutely committed to improved student achievement and to preparing our students for success after graduation but we are very concerned that our recent

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achievement gains could be lost if additional funding cuts are approved. Please keep in mind that the future success of our State rests with the future success of our children.

I also encourage you to remember that the largest employer and economic driver in a large per cent of the communities in Kansas is the public school district. School districts do not keep the money provided by the state. School districts pay salaries that are spent locally for food, clothing, utilities, housing, medical care, entertainment, and other services. School districts buy busses, cars, fuel, lawn mowers, snow blowers, building supplies, educational supplies, utilities, insurance, food, and a wide variety of additional services, equipment and supplies. If the Kansas economy is to improve in the future, education spending will be a critical driver not a deterrent.



Kansas Association of Osteopathic Medicine  
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KansasDO@aol.com

## TESTIMONY

### House Appropriations Committee HB 2022 January 21, 2009

My name is Bob Williams, Executive Director of the Kansas Association of Osteopathic Medicine. Thank you for this opportunity to address the committee regarding House Bill 2022.

The Kansas Association of Osteopathic Medicine (KAOM) supports the Health Care Stabilization Fund Board of Governors' position on HB 2022. As pointed out by Mr. Wheelen, Executive Director of the Health Care Stabilization Fund, provisions in HB 2022 would in effect create an indirect tax on health care providers in Kansas. Over the past few years the Kansas Legislature enacted similar legislation which removed funds from the Kansas State Board of Healing Arts. As a result, the Kansas State Board of Healing Arts was hampered in its ability to conduct business and was forced to increase licensing fees for their licensees. KAOM believes it is unreasonable for the Kansas Legislature to balance the state's budget by taxing health care providers.

It should also be pointed out that Kansas is facing a physician shortage. It is to the state's advantage to do all it can to create a positive environment to attract and retain physicians in Kansas. A task force has been created to address the shortage of primary care physicians in Kansas and many health care organizations are working to address this issue. KAOM is concerned the "provider tax" contained in HB 2022 will discourage physicians from practicing in Kansas and contribute to the erosion of health care in this state.

Thank you.

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Written Testimony concerning HB 2022  
FY 2009 Budget Rescission  
House Appropriations Committee  
January 27, 2009  
Submitted by Randall Allen, Executive Director  
Kansas Association of Counties

Mr. Chairman and members of the Committee, thank you for the opportunity to submit written testimony concerning HB 2022, rescinding certain appropriations for State FY 2009. We understand that this is a most difficult time for the State and for the Governor and Kansas Legislature, as you face a huge budget deficit. However, we urge the committee to consider the impact of proposed FY 2009 budget reductions on counties, other units of local government, and most importantly, the citizens in all counties who will ultimately bear the brunt of the State's budget actions as cuts are felt at the local level.

After reviewing the impact of the FY 2009 budget rescission proposal of the Governor, we conclude that:

- 1. HB 2022, if enacted, would mean that counties, other units of local governments, and local property taxpayers would bear an inordinate share of the pain associated with the State of Kansas' budget crisis.** Since 2002, when the State experienced its previous budget period, counties and cities and other units of local government have operated without approximately \$100 million annually in state-shared revenue (primarily Local Ad Valorem Tax Reduction (LAVTR) funds, City-County Revenue Sharing, and certain motor carrier property taxes diverted from the Special City-County Highway Fund). These funds were taken from local governments when the State experienced budget problems earlier in the decade. At no time were these funds restored when the State's budget revenues improved, however. In fact, HB 2022 would layer-on additional cuts, such as \$10.1 million in motor carrier property taxes which should be transferred to the Special City-County Highway Fund but, under this proposal, revert to the State General Fund (SGF).
- 2. HB 2022 perpetuates a major, continuing "disconnect" between State tax policy and budget appropriations.** Quite simply, we seem to be on a continuing course of expanding the list of tax exemptions (both property and sales taxes) while at the same time expecting the tax system to accommodate the many demands for public services. Just a few years ago, new business (and railroad) machinery and equipment was exempted from property taxation. While the exemption continues, there is little if any discussion about repealing the exemption even though revenue shortfalls seriously threaten the State's ability to honor its "slider" mitigation payments in Section 90 of HB 2022.

A 2006 report by Dr. John Wong of Wichita State University on the effects of erosion in the Kansas state retailers' sales tax suggests that exemptions to the State's sales tax alone (not including local-option sales taxes) cost the State \$1,647,663,056 and \$244,754,670 in unrealized sales

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Date 1/28/09  
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and use taxes in FY 2005 alone. This amount included \$288,348,000 in foregone state sales tax collections from governments and nonprofits in Kansas. I cannot imagine any county in this state protesting a change in State tax policy that would require counties to pay state sales taxes on their purchases if, at the same time, all exemptions were removed. Removing these exemptions would more than cover the state's budget shortfall and also allow the State's sales tax to be reduced to some lower rate.

The list of sales tax exemptions in K.S.A. 76-3603 is lengthy. Restoring the exemptions would result in some pain for almost every Kansan.

*However, in this time when we all seek shared sacrifice, why should we not look at our policy on tax exemptions? Why should we not put the list of tax exemptions back on the table for discussion?*

3. **State and county services are inextricably linked – both financially and programmatically.** There is simply no way to have an honest discussion about community mental health services without acknowledging that mental health is a shared function between state and county government. The same holds true for a long list of other programs, including services to the frail elderly, to developmentally disabled persons, and to persons incarcerated in our county jails, juvenile detention facilities, and state corrections system, to name just a few. Solving a State budget problem by merely passing it on to county commissioners, mayors and city council members, and other local government officials only shifts the problem to a place where the only viable solutions are 1) severe budget cuts or 2) unfortunate property tax increases. Neither eventuality is as good as it could be, if we were only able to engage in some joint financial planning.

We urge the Committee to set this bill aside and first consider other alternatives to the current budget dilemma. While spending cuts are unavoidable, other alternatives, such as restoring previously-exempted segments of the property and sales tax bases, should also be considered.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randall Allen or Melissa Wangemann by calling (785) 272-2585.



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**Written Testimony on H.B. 2022  
House Appropriations Committee  
Presented by Kansas Veterinary Medical Association  
Monday, Jan 26, 2009**

Chairman Yoder and members of the House Appropriations Committee, thank you for the opportunity to present written testimony on H.B. 2022.

The Kansas Veterinary Medical Association advocates on behalf of the Kansas veterinary profession through legislative and regulatory representation and educational, communications, and public awareness programs.

The KVMA respectfully requests House Appropriations Committee members to vote against any attempts to sweep any veterinary fee funds from the Kansas Board of Veterinary Examiners into the State General Fund.

It has been the KVMA's observation that the Kansas Board of Veterinary Examiners operates fairly, efficiently, and frugally in its mission to regulate the Kansas veterinary profession and to protect the public health, safety, and welfare.

The Board of Veterinary Examiners is funded totally by fees it collects, such as license renewals from veterinarians. The Board receives none of the State General Fund tax revenues generated from the public.

Sweeping the Board's fee funds into the State General Fund converts veterinary license fee revenues allocated for the operation of the profession's licensing board into tax revenue. Such a process essentially prevents the Board from carrying out even its most basic responsibilities.

This leaves the state with the choice of either directly approving funds for the Board operations, thereby making the sweeps meaningless, or making the conscious decision that the veterinary profession will not be regulated.

The sweep could result in an increase in licensing fees and that in turn could result in subsequent sweeps.

The KVMA feels that this is a myopic sighted approach to the state's financial woes, as opposed to a more structural look at state expenses.

Appropriations Committee

Attachment 13-1

Date 1/28/09

Budget \_\_\_\_\_

Again, the KVMA respectfully requests that members of the House Appropriations Committee oppose any attempts to sweep any veterinary fee funds from the Kansas Board of Veterinary Examiners into the State General Fund.

Thank you for the opportunity to express the KVMA's thoughts on this issue.

Gary Reser, KVMA executive vice president.

## Senate Ways and Means Committee FY 2009 Budget Recommendations

- This Senate Ways and Means Committee recommendations adjust the current year budget by a total \$300 million, including:
  - \$36.6 million in revenue adjustments; and
  - \$265.1 million in expenditure adjustments.
  
- This Senate Committee recommendation makes budget reductions totaling \$101.3 million greater than the Governor has proposed. The recommendations make:
  - \$62.6 million less in revenue adjustments than the Governor recommends; and
  - \$163.9 million more in expenditure adjustments than the Governor recommends.
  
- Addition of language that vulnerable citizens of Kansas be protected as much as possible and direct agencies to first take their reductions in personnel and operating expenditures prior to implementing any program reductions. Plus, agencies could not make their reductions all in the elimination of program(s). The Department of Education will be required to apply their reductions equally to the General State Aid, Supplemental State Aid, and Special Education Aid.
  
- Addition of language that the Machinery and Equipment Local Government Slider Payment would be based on the April State General Fund Consensus Revenue estimates and can not be paid prior to May 15, 2009.
  
- Base reductions in spending of \$205.2 million in FY 2009 through a 3.4 percent across-the-board reduction that should be also reduce the FY 2010 base budget by that same amount.
  
- **This recommendation provides a projected FY 2009 State General Fund ending balance with \$115.5 million or 1.8 percent of expenditures and a projected FY 2010 ending balance of \$209.9 million or 3.3 percent of expenditures.**

14-2

**Comparison of FY 2009 Budget Adjustments  
Senate Ways and Means Committee Recommendations**  
(In Millions)

<b>State General Fund Revenue and Transfer Adjustments</b>	<b>Governor's Recommendation</b>	<b>Ways and Means Committee Recommendations</b>	<b>Difference</b>
<b>Highway Fund Loan Repayment</b> Make 50 percent of the transfer amount and review in FY 2011.	\$ 30.9	\$ 15.5	\$ (15.4)
<b>Do Not Stop Other Fund Loan Repayments to the Underground Petroleum Storage Tank Release Trust Fund (\$2.8), and the Worker's Compensation Fund (\$1.0)</b> Make the transfers from the SGF for repayments of previous loans to the SGF from these special revenue funds.	3.8	-	(3.8)
<b>Reduce Non-SGF Agencies and But Do Not Transfer Balances</b> Reduce non-SGF agencies by 3.0 percent but do not sweep any savings to the SGF.	2.2	-	(2.2)
<b>Continue Kansas Savings Incentive Program (KSIP) But Freeze Program Expenditures</b> Do not end the Kansas Savings Incentive Program which allows state agencies to keep up to 50 percent of the unspent funds for training, equipment or employee bonuses, but freeze the program expenditures.	4.2	-	(4.2)
<b>Transfer Other Special Revenue Balances</b> Make selected reductions of special revenue fund balances and shift to SGF. Only shift balances from the following: Adjutant General Expense Fund - Hazard Mitigation, Adjutant General National Guard Life Insurance Premium Reimbursement Payment Fund, Attorney General Interstate Litigation Fund, Attorney General Medicaid Fraud Prosecution Revolving Fund, Osawatomie State Hospital Patient Fees Fund, Department on Aging LTC Loan and Grant Fund, and Kansas Corporation Commission KETA Development Fund.	29.0	7.6	(21.4)
<b>Transfer Unallocated Gaming Revenue (\$300 KPERS Post-Retirement Benefit Payment)</b> Utilize SGF resources to fully finance KPERS post-retirement benefit increase.	(1.6)	(1.6)	-
<b>Reduce Bioscience Authority Transfer</b> Reduce full transfer amount (\$47.0 million) by 6.5 percent.	12.0	3.1	(8.9)
<b>Reduce Transfers to Special City County Highway Fund (\$10.1), State Water Plan Fund (\$6.0), Health Care Stabilization Fund (\$3.0)</b> Reduce regular full transfers by 6.5 percent.	19.1	1.2	(17.9)
<b>Net All Other Adjustments</b>	(0.4)	(0.4)	-
<b>Reduce each of the following special revenue funds by 6.5 percent and transfer amount to SGF:</b>			
<b>State (Lottery) Gaming Revenue Fund on available funds of \$50 million</b> Economic Development Initiatives Fund (\$42.2 million); Juvenile Detention Facilities Fund (\$2.5 million) Correctional Institutions Building Fund (\$5.0 million); and Problem Gambling and Addictions Grant Fund (\$80,000).		3.3	3.3
<b>Children's Initiatives Fund (tobacco settlement money) on available funds of \$78.0 million</b>	-	5.1	5.1
<b>Machinery and Equipment Local Government Slider Payment of \$44.8 million</b> Also, add language that the Director of the Budget could not release funding for the machinery and equipment "slider" for local units of government no sooner than May 15, 2009 based on the April State General Fund Consensus Revenue estimates.	-	2.9	2.9
<b>Subtotal Revenue Adjustments</b>	<b>\$ 99.2</b>	<b>\$ 36.6</b>	<b>\$ (62.6)</b>

14-3

<b>State General Fund Expenditure Adjustments:</b>	<b>Amount</b>	<b>Ways and Means Committee Recommendations</b>	<b>Difference</b>
<b>Operating Budget Reductions (Governor's 3.0 Percent Excluding K-12 and Social Service Caseload)</b> The 3.0 percent current year budget reduction excluding K-12 and social service caseloads, plus an additional reduction of \$1.6 million for Corrections; \$2.0 million for JJA; and \$1.8 million for SRS.	\$ (38.8)	\$ (44.2)	\$ (5.4)
<b>Regents System Reductions (Governor's 3.0 Percent Excluding K-12 and Social Service Caseload)</b> Regents share of the 3.0 percent current year budget reduction, but keeping \$0.3 million for KAMS	(24.6)	(24.3)	0.3
<b>Debt Restructuring</b> Do not restructure debt.	(14.0)	-	14.0
<b>School Finance Maintained at the FY 2009 Approved (Total State and Local Funds)</b> Utilize \$10 million in additional local aid and provide funding for current authorized BSAPP at \$4,433 and special education at 92 percent of excess costs.	(17.7)	0.8	18.5
<b>Kansas Health Policy Authority--Shift to Fee Funds</b> Do not shift expenditures from SGF to available balances.	(8.5)	-	8.5
<b>Department of Social and Rehabilitation Services-Home and Community Based Services Physically Disabled Waiver</b> Freeze the waiver so no one is removed from the waiver, but no new individuals are added.	8.4	8.4	-
<b>Close Department of Corrections Facilities (Osawatomie and Toronto)</b> Do not make any specific cuts to close these facilities.	(1.6)	-	1.6
<b>Close Atchison Juvenile Correctional Facility</b> Do not make any specific cut to close this facility.	(2.0)	-	2.0
<b>Delay Osawatomie State Hospital 30-Bed Unit</b> Do not make any specific cut to delay the opening of this unit.	(1.8)	-	1.8
<b>Net All Other Adjustments</b>	(0.6)	(0.6)	-
<b>Make a 3.4 percent across-the-board reduction against all State General Fund expenditures, except debt service, KPERS-School, and the School District Capital Improvement Fund.</b> These are the same three exceptions in the \$100 million SGF minimum ending balance law. Add language that agencies in making the across-the-board reductions shall make every attempt to protect services to vulnerable Kansans and should look first to reduce administrative and other operational costs. However, to ensure that vulnerable Kansans are protected, the agency can not totally eliminate a program in order to reach the savings needed in the across-the-board reductions.	-	(205.2)	205.2
<b>Subtotal Expenditure Adjustments</b>	<b>\$ (101.2)</b>	<b>\$ (265.1)</b>	<b>\$ (163.9)</b>
<b>Total Adjustments</b>	<b>\$ 200.4</b>	<b>\$ 301.7</b>	<b>\$ 101.3</b>

14-4

**Senate Ways and Means Committee Recommendations**

Governor's Expenditure Recommendations in FY 2010, less 3.4 percent base reduction from FY 2009

Receipts Adjusted in FY 2009, FY 2010, and FY 2011 for actual receipts through December (\$44.6 below the estimate)

FY 2009 across-the-board reduction of 3.4 Percent in all areas except, debt service including school bonds, and KPERS-School

FY 2008 actual receipts and expenditures

Governor's projection for FY 2011 - 4.0 percent growth in tax receipts; No school finance increase; Less 3.5 percent base

**STATE GENERAL FUND RECEIPTS, EXPEND. AND BALANCES**

FY 2008 - FY 2011

In Millions

	Actual FY 2008	Ways & Means Recommendations FY 2009	Governor's Recommended FY 2010	Governor's Projection FY 2011
Beginning Balance	\$ 935.0	\$ 526.6	\$ 115.5	\$ 209.9
Receipts (November 2008 Consensus) - 4.0 % Growth	5,693.4	5,781.2	5,782.4	6,219.0
Transfer Other Special Revenue Balances	0.0	7.6	2.2	-
Reduce Non-SGF Agencies and Transfer Balances	0.0	0.0	2.9	-
End Kansas Savings Incentive Program and Transfer Balance	0.0	0.0	0.0	-
Delete KDOT Loan Repayment	0.0	15.5	30.9	-
Delete Other Fund Loan Repayments	0.0	0.0	3.8	-
Limit Bioscience Authority Transfer	0.0	3.1	20.0	-
Suspend Trans. City-County Highway; Water Plan; Health Care	0.0	1.2	19.1	-
Transfer Gaming Revenue Fund	0.0	(1.6)	56.7	-
Suspend Property Tax Slider	0.0	0.0	45.3	-
Moratorium KPERS Death/Disability; Health Insurance	0.0	0.0	28.8	-
Net Other Adjustments	0.0	(0.4)	43.1	-
Proposed Tax Legislation (Estate; Corp. Franch.; Others)	0.0	0.0	60.6	-
Proposed Adjustments	0.0	11.3	0.0	-
Actual Receipts through December, 2008	0.0	(44.6)	(44.6)	(44.6)
Adjusted Receipts	5,693.4	5,773.3	6,051.2	6,174.4
Total Available	\$ 6,628.4	\$ 6,299.9	\$ 6,166.7	\$ 6,384.3
KPERS Death/Disability; Health Insurance	-	-	(62.4)	-
School Finance Net Adjustments	-	0.8	(29.5)	-
Regents Systemwide Reductions	-	-	(55.3)	-
State Employee Market Adjustments - 2008 HB 2916	-	-	8.5	8.5
Human Services Caseloads (net adjustments)	-	5.4	(15.2)	60.0
Home and Community Based Services - P.D. Waiver	-	8.4	-	-
Operating Budget Reductions, Including Regents	-	(68.8)	-	-
Debt Restructuring	-	-	(39.3)	-
Net Other Adjustments	-	(9.1)	(46.3)	-
Close or Delay State Facilities (DOC; JJA; SRS)	-	-	(11.5)	-
Additional Adjustments - Regents - KAMS	-	0.3	-	-
Additional Base Budget Reductions	-	(205.2)	(205.2)	(205.2)
All Other Expenditures	6,101.8	6,452.6	6,413.0	6,145.0
Total Expenditures	6,101.8	6,184.4	5,956.8	6,008.3
Ending Balance	\$ 526.6	\$ 115.5	\$ 209.9	\$ 376.0
Ending Balance as a Percentage of Expenditures	8.6%	1.8%	3.3%	6.1%
Receipts Above Expenditures	\$ (408.4)	\$ (411.1)	\$ 94.4	\$ 166.1



COLLECTIONS 5%

KANSAS DEPARTMENT OF CORRECTIONS  
ADDITIONAL BUDGET REDUCTIONS - FISCAL YEAR 2009

1/20/09

	<u>3% Reduction</u> <u>(\$8,049,000)</u>	<u>5% Reduction</u> <u>(\$13,415,000)</u>
Suspend operations of Stockton Correctional Facility, effective 4/1/2009	(339,000)	(339,000)
Suspend operations of Norton Correctional Facility, effective 4/1/2009	(2,489,000)	-
Suspend operations of Winfield Correctional Facility, effective 4/1/2009	(2,036,000)	(2,036,000)
Terminate all offender treatment and intervention programs and shift Correctional Industries Fund and inmate benefit fund financing to the food service contract, effective 4/1/2009	(2,430,000)	(1,830,000)
Abolish parole and postrelease supervision, effective 4/1/2009	-	(2,330,000)
Suspend operations of the Hutchinson Correctional Facility, effective 4/1/2009	-	(5,635,000)
Other adjustments associated with facility closures and other reductions	<u>(755,000)</u>	<u>(1,245,000)</u>
Total	<u>\$ (8,049,000)</u>	<u>\$ (13,415,000)</u>

Appropriations Committee

Attachment 15

Date 1/28/09

Budget \_\_\_\_\_

SRS

Impact of 3.6% Reduction

Div	Description	Program	FY 2009 (Feb. 1)		All Funds
			State Funds	Federal Funds	
All	Salary Reductions	All SRS Programs	2,500,000	2,500,000	5,000,000
ISD	Reduce Child Care Assistance from 170% to 150% FPL	Child Care - Reduce by \$5.0 million SGF (changing FPL to reach this amount)	1,554,277	-	1,554,277
ISD	Eliminate Kansas Early Head Start	Eliminate Early Head Start	575,463	1,314,937	1,890,400
ISD	Eliminate General Assistance (Cash)	GA/Medical	1,684,476	-	1,674,187
DBHS	Mental health State Aid	State Aid	2,575,000	-	2,575,000
dbhs	Eliminate Mental Health Consolidated Grants	Mental Health	4,523,336	-	4,523,336
DBHS	Consumer Run Organizations	CRO Grants	201,750	-	201,750
DBHS	MH Community Medication Program	Mental Health	262,500	-	262,500
DBHS	CSS DD State Aid	DD State Aid	1,290,794	-	1,290,794
DBHS	Eliminate CSS Day & Residential and Family Support Grants	DD State only grants	3,513,442	-	3,513,442
DBHS	Amount available in Excess of MOE	Substance Abuse grants	2,979,448	-	2,979,448
DBHS	Dual Diagnosis Treatment & TRG Serv	PSH Dual Diagnosis	169,165	181,158	350,323
DBHS	MH Certified Match Settlement Delay	Mental Health	340,419	-	340,419
	TOTAL		22,170,070	3,996,095	26,155,876
	Amount to Meet 3.6% Across the Board Reduction		27,760,499		
	Additional Amount to Reduce		(5,590,429)		

**State General Fund Across the Board Reduction of 3.4 Percent Based on FY 2009 Approved**

(Excludes Debt Service, School District Capital Improvement, School District Capital Outlay and KPERS School)

	<b>3.4 Percent Across the Board Reduction</b>	
	<hr/>	
<b>General Government</b>		
Department of Administration	\$	(629,710)
Human Rights		(60,416)
BIDS		(779,516)
KPERS		(240,040)
Department of Commerce		(21,105)
Department of Revenue		(728,927)
Board of Tax Appeals		(62,115)
Governmental Ethics Comm		(18,857)
Office of the Governor		(297,326)
Office of the Lieutenant Governor		(8,648)
Attorney General		(185,142)
Secretary of State		(1,758)
Legislative Coordinating Council		(33,425)
Legislature		(640,972)
Legislative Research Department		(134,471)
Legislative Division of Post Audit		(97,753)
Revisor of Statutes		(137,621)
Judiciary		(3,822,427)
Judicial Council		(5,481)
		<hr/>
<b>Total--General Government</b>	<b>\$</b>	<b>(7,905,709)</b>
 <b>Human Resources</b>		
SRS	\$	(23,253,163)
Kansas Neurological Institute		(377,836)
Larned State Hospital		(1,435,093)
Osawatomie State Hospital		(615,760)
Parsons		(353,928)
Rainbow		(183,481)
<i>Subtotal--SRS</i>	<hr/>	<hr/>
	\$	(26,219,260)
 Kansas Health Policy Authority	\$	(17,579,537)
Department on Aging		(6,779,698)
KDHE-Health		(894,724)
Department of Labor		(20,673)
Commission on Veterans Affairs		(323,396)
Kansas Guardianship Program		(47,142)
		<hr/>
<b>Total--Human Resources</b>	<b>\$</b>	<b>(51,864,431)</b>

Appropriations Committee

Attachment 17-1

Date 1/28/0

Budget \_\_\_\_\_

	<b>3.4 Percent Across the Board Reduction</b>	
	\$	
<b>Education</b>		
Department of Education	\$	(99,208,446)
School for the Blind		(202,505)
School for the Deaf		(318,690)
<hr/>		
<i>Subtotal--Department of Ed.</i>	\$	(99,729,641)
Board of Regents	\$	(7,220,846)
Emporia State University		(1,169,301)
Fort Hays State University		(1,237,309)
Kansas State University		(3,885,043)
Kansas State University - ESARP		(1,838,877)
Kansas State University - Vet Med		(382,753)
University of Kansas		(5,119,499)
Pittsburg State University		(1,273,074)
KU Medical Center		(4,147,733)
Wichita State University		(2,531,567)
<hr/>		
<i>Subtotal--Regents</i>	\$	(28,806,001)
Kansas Arts Commission	\$	(60,154)
Historical Society		(228,928)
State Library		(188,460)
<hr/>		
<b>Total--Education</b>	<b>\$</b>	<b>(129,013,184)</b>
<b>Public Safety</b>		
Department of Corrections	\$	(4,181,106)
El Dorado Correctional Facility		(818,410)
Ellsworth Correctional Facility		(413,093)
Hutchinson Correctional Facility		(953,075)
Lansing Correctional Facility		(1,258,462)
Larned Correctional Mental Health Facility		(320,883)
Norton Correctional Facility		(480,101)
Topeka Correctional Facility		(418,726)
Winfield Correctional Facility		(406,086)
<hr/>		
<i>Subtotal--Corrections</i>	\$	(9,249,942)
Juvenile Justice Authority	\$	(1,339,297)
Atchison Juvenile Correctional Facility		(195,605)
Beloit Juvenile Correctional Facility		(140,549)
Kansas Juvenile Correctional Complex		(522,989)
Larned Juvenile Correctional Facility		(290,220)
<hr/>		
<i>Subtotal--Juvenile Justice</i>	\$	(2,488,659)

**3.4 Percent Across the Board  
Reduction**

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Adjutant General	\$	(938,034)
Highway Patrol		(1,342,969)
Kansas Bureau of Investigation		(588,545)
Kansas Parole Board		(17,779)
Sentencing Commission		(341,174)
		(14,967,102)
<b>Total--Public Safety</b>	<b>\$</b>	<b>(14,967,102)</b>
 <b>Agriculture &amp; Natural Resources</b>		
Department of Agriculture	\$	(415,037)
Animal Health Department		(32,003)
State Conservation Commission		(31,017)
KDHE-Env		(351,839)
Kansas State Fair		(1,530)
Kansas Water Office		(99,038)
Department of Wildlife & Parks		(339,131)
		(1,269,595)
<b>Total--Agriculture &amp; Natural Resources</b>	<b>\$</b>	<b>(1,269,595)</b>
 <b>Pay Plan</b>	 <b>\$</b>	 <b>-</b>
 <b>Total Expenditures</b>	 <b>\$</b>	 <b>(205,020,021)</b>

**Impact of 3.4% Across the Board Reduction \***

Description	FY 2009			Estimated Number Affected	Implementation Requirements
	State Funds	Federal Funds	All Funds		
Additional Salary Reductions	2,500,000	2,500,000	5,000,000	405 positions	Eliminate positions by 03/07/09
Reduce Child Care Assistance from 185% to 150% FPL	1,554,277	-	1,554,277	2,681 children monthly average	Notify clients
Suspend Kansas Early Head Start Program	575,463	1,314,937	1,890,400	1,177 children	Contract termination; notify clients
Limit General Assistance to 18 Months and Revoke the Hardship Provision	475,391	-	475,391	1,486 individuals monthly average	Regulatory change, notify clients
Reduce Mental Health State Aid	2,575,000		2,575,000	1,000 individuals	Notify CMHCs
Reduce Mental Health Consolidated Grants	4,523,336		4,523,336	1,750 individuals	30-day notice to amend contract
Reduce Consumer Run Organizations Grants	201,750		201,750	1,052 individuals	30-day notice to amend contract
Suspend Mental Health Community Medication Program	262,500		262,500	318 individuals	30-day notice to amend contract
Reduce Community Support Services DD State Aid	1,290,794		1,290,794	1,500 individuals	30-day notice to amend contract
Reduce Community Support Services Day and Residential and Family Support Grants	3,513,442		3,513,442	2,100 individuals	30-day notice to amend contract
Meeting Minimum Maintenance of Effort Requirement for Substance Abuse Programs	2,979,448		2,979,448	1,200 individuals	30-day notice to amend contract
Decrease Parsons State Hospital Dual Diagnosis Treatment & Training Services	169,165	181,158	350,323	40 individuals	Notify staff and clients
Mental Health Certified Match Settlement Delay	340,419		340,419	Not applicable	Withhold payment in FY 2009
<b>TOTAL REDUCTIONS</b>	<b>20,960,985</b>	<b>3,996,095</b>	<b>24,957,080</b>		
<b>Amount to Meet 3.4% Across the Board Reduction</b>	<b>26,250,487</b>				
<b>Additional Amount Not Yet Identified</b>	<b>(5,289,503)</b>				

Numbers based upon the decision to reduce being made by February 1st