

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:08 a.m. on February 25, 2009, in Room 143-N of the Capitol.

All members were present except:

Representative Doug Gatewood- excused  
Representative Tom Sawyer- excused  
Representative Lee Tafanelli- excused

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes  
Jim Wilson, Office of the Revisor of Statutes  
Estelle Montgomery, Kansas Legislative Research Department  
Christina Butler, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
J.G. Scott, 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 Budget Committee Report on Kansas Neurological Institute, Parsons State Hospital and Training Center, Osawatomie State Hospital, Larned State Hospital, Rainbow Mental Health Facility, Kansas Guardianship Program
- Attachment 2 Budget Committee Report on Governmental Ethics Commission

Chairman Yoder welcomed Committee members, and discussed the paintings on display by Artist, Deb Schroer of Strong City, Kansas.

Representative Holmes made a motion to introduce legislation regarding joint claims against the state. The motion was seconded by Representative Lane. Motion carried.

Representative Watkins made a motion to introduce legislation regarding Kansas Department of Health and Environment and accreditations. The motion was seconded by Representative Holmes. Motion carried.

Representative Mast, Chair of the Social Services Budget Committee, presented the Kansas Guardianship Program Budget Committee Report for FY 2010, (Attachment 1). The Committee concurs with the Governor's recommendation with the following recommendations and notations: the moratoriums for the Employee Health Plan and KPERs Death and Disability; and the adoption of a reduced resource plan, which would be revisited at Omnibus.

Representative Mast made a motion to approve the Kansas Guardianship Program Budget Committee Report. The motion was seconded by Representative Crum.

Representative Mast responded to questions from Committee members regarding options for determining budget cuts.

Representative Mast renewed the motion to approve the budget report. Motion carried.

Representative Mast, Chair of the Social Services Budget Committee, presented an overview of the Rainbow Mental Health Facility Budget Committee Report, (Attachment 1). The Committee concurs with the Governor's recommendation with the following adjustments and notations: the moratoriums for the Employee Health Plan and KPERs Death and Disability; annualize the FY 2009 reductions; reduce the FY 2010 budget

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:08 a.m. on February 25, 2009, in Room 143-N of the Capitol.

by 3.0 percent; review of enhancement requests and budget at Omnibus; FY 2010 reductions to the budget absorbed in the Department of Social Rehabilitation Services budget; and staffing needs.

Representative Mast made a motion to approve the Rainbow Mental Health Facility Budget Committee Report. The motion was seconded by Representative Ballard.

Representative Mast responded to questions from Committee members regarding budget cuts, which were annualized for FY 2009 and FY 2010. Concerns for the impact of additional budget cuts was expressed.

Estelle Montgomery, Kansas Legislative Research Department, responded to questions from Committee members regarding the 3 percent global budget cuts and 4 percent budget cuts based on Committee recommendations. She noted that the Governor's recommendation was \$1 million less in the State General Fund, resulting in an overall 7.25 percent budget reduction.

Don Jordan, Secretary, of the Department of Social & Rehabilitation Services (SRS), responded to Committee questions regarding the Governor's revised budget cuts and staffing concerns. He stated that budget cuts are absorbed in the SRS budget, and he noted that premiums for Worker's Compensation and Health Insurance have increased.

Representative Mast renewed the motion to approve the Rainbow Mental Health Facility Budget Committee Report. The motion carried.

Representative Mast, Chair of the Social Services Budget Committee, presented an overview of the Parsons State Hospital and Training Center Budget Committee Report, (Attachment 1). The Committee concurs with the Governor's recommendation with the following adjustments and notations: the moratoriums on the Employer Contributions to the State Health Plan and KPERS Death and Disability; annualizing FY 2009 reductions; review enhancement requests at Omnibus; agency budget reductions for FY 2010 be absorbed in the SRS budget; and staffing needs.

Representative Mast made a motion to approve the Parsons State Hospital and Training Center Budget Committee Report. The motion was seconded by Representative Ballard.

Don Jordan, Secretary, SRS, responded to questions from Committee members regarding; enhancements and overtime policies; memorandum agreement; and capital improvements.

Representative Mast renewed the motion to approve the Parsons State Hospital and Training Center Budget Committee report. Motion carried.

Representative Mast, Chair of the Social Services Budget Committee, presented an overview of the Kansas Neurological Institute Budget Committee Report, (Attachment 1). The Committee concurs with the Governor's recommendation with the following adjustments and notations: the moratoriums on the Employer Contributions to the State Health Plan and KPERS Death and Disability; analyzation of FY 2009 approved reductions; review of enhancement request and budget at Omnibus; agency budget reductions for FY 2010 be absorbed in the SRS budget; and staffing needs.

Representative Mast made a motion to approve the Kansas Neurological Institute Budget Committee Report. The motion was seconded by Representative Ballard.

Discussion by Committee members regarding; consolidated resources, dental services and unused space.

Don Jordan, Secretary, SRS explained the increase in SGF funds from FY 2009 to FY 2010 was off-set by budget decreases in all other funds. It was noted that the agency has been spending down over the past few years the Title 19 funds, requiring more SGF.

Representative Mast renewed the motion to approve the Budget Committee Report. Motion carried.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:08 a.m. on February 25, 2009, in Room 143-N of the Capitol.

Representative Mast, Chair of the Social Services Budget Committee, presented an overview of the Larned State Hospital Budget Committee Report, (Attachment 1). The Committee concurs with the Governor's recommendation with the following adjustments and notations: the moratoriums on the Employer Contributions to the State Health Plan and KPERs Death and Disability; analyzation of FY 2009 approved reductions; enhancement requests for establishing a mobile satellite evaluator program and Sexual Predator Treatment Program; agency budget reductions for FY 2010 be absorbed in the SRS budget; and staffing needs.

Representative Mast made a motion to approve the Larned State Hospital Budget Committee Report. The motion was seconded by Representative Ballard.

Discussion by Committee members followed regarding: the Sexual Predator Treatment program and relocation issues.

Secretary Jordan discussed the projected participation increase in the treatment program and community resources.

Representative Feuerborn made motions to 1) strike the recommendation for \$323,928 for six FTE positions and 2) a proviso that would only allow six Sexual Predator Treatment participants in each county. The motion was seconded by Representative Lane.

Discussion followed by Committee members regarding: the use of Larned until other centers are developed for re-entry in communities and cost involved; staffing needs; public safety; and need to review at Omnibus or Committee hearings for further discussion. The concern was raised regarding the waiting period for competency evaluations at Larned.

Representative Feuerborn renewed the motion. Motion failed

Representative Mast renewed the motion. Motion carried.

Representative Mast, Chair of the Social Services Budget Committee, presented an overview of the Osawatomie State Hospital Budget Committee Report, (Attachment 1). The Committee concurs with the Governor's recommendation with the following adjustments and notations: the moratoriums on the Employer Contributions to the State Health Plan and KPERs Death and Disability; analyzation of FY 2009 approved reductions; funding for staff and agency enhancements reviewed at Omnibus; and agency budget reductions for FY 2010 be absorbed in the SRS budget.

Representative Mast made a motion to approve the Osawatomie State Hospital Budget Committee Report. The motion was seconded by Representative Ballard. Motion carried.

Representative Watkins, Chair of the General Government Budget Committee, presented an overview of the Governmental Ethics Commission FY 2010 Budget Committee Report, (Attachment 2). The Committee concurs with Governor's recommendation with the following adjustment and notations: the moratoriums on the Employer Contributions to the State Health Plan and KPERs Death and Disability and analyzation of FY 2009 approved reductions.

Representative Watkins made a motion to approve the Governmental Ethics Commission Budget Committee Report. The motion was seconded by Representative Kelley.

Budget Committee members responded to questions from Committee members regarding budget cuts and fee funds. The budget was not reduced more than the Governor's recommendation. An explanation of the fee fund balance, which includes lobbyist taxes and filing fees was provided. J.G. Scott, Kansas Legislative Research Department, stated that the Governor's across the board cuts averaged 3 percent.

Representative Watkins renew the motion to approve the FY 2010 budget. Motion carried.

Representative Watkins, Chair of the General Government Budget Committee, presented an overview of the

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:08 a.m. on February 25, 2009, in Room 143-N of the Capitol.

FY 2011 Governmental Ethics Commission Budget Committee Report. The Committee concurs with the Governor's recommendation with the following adjustment for the moratoriums on the Employer Contributions to the State Health Plan and KPERS Death and Disability.

Representative Watkins made a motion to approve the Governmental Ethics Commission Budget Committee Report for FY 2011. The motion was seconded by Representative Whitham.

Representative Watkins responded to questions regarding the increase in FY 2011 budget, which included the moratoriums.

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Representative Watkins made a motion to amend the FY 2011 budget to be held flat at the FY 2010 numbers, which could be revisited at Omnibus or during the next session. The motion was seconded by Representative McLeland.

Representative Watkins closed the motion. Motion carried.

Representative Watkins made a motion to approve the FY 2011 Governmental Ethics Commission Budget Committee Report as amended. Motion carried.

The next meeting is scheduled for February 26, 2009.

The meeting was adjourned at 11:03 a.m.



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Kevin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

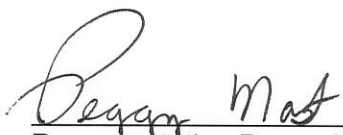
DATE: 2-25-09

NAME	REPRESENTING
Sharon Joseph	disability rights activist
Robin Cluett	Child Welfare Cos.
Michelle Butler	Capital Strategies
Joe Mosimann	Hein Law
Amy Penrod	DOB
Sharon Reed	DOB
Jan Carter	KOSÉ
Kyle Kesler	KVC
Rob MENTY	KEARNEY & ASSOC.

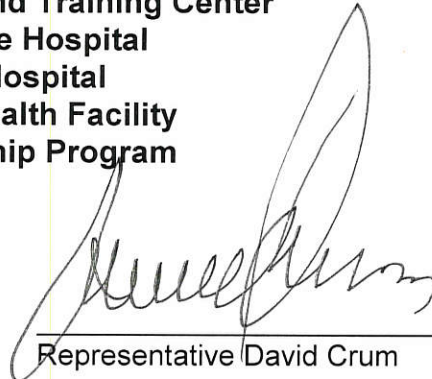
FY 2010

**SOCIAL SERVICES BUDGET COMMITTEE**

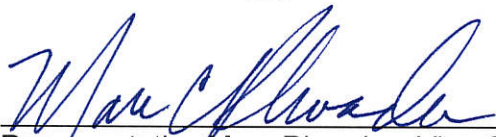
**Kansas Neurological Institute  
Parsons State Hospital and Training Center  
Osawatomie State Hospital  
Larned State Hospital  
Rainbow Mental Health Facility  
Kansas Guardianship Program**



Representative Peggy Mast, Chair



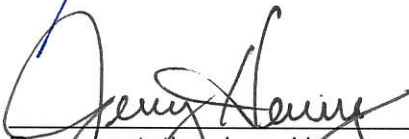
Representative David Crum



Representative Marc Rhoades, Vice-Chair



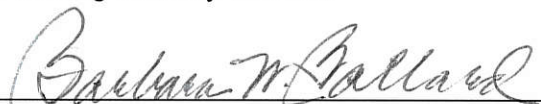
Representative Tom Hawk



Representative Jerry Henry,  
Ranking Minority Member



Representative Mike Kiegerl



Representative Barbara Ballard



Representative Forrest Knox

Appropriations Committee

Attachment 1-1

Date 2-25-09

Budget \_\_\_\_\_

## House Budget Committee Report

**Agency:** Rainbow Mental Health Facility **Bill No.** HB

**Bill Sec.**

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

**Budget Page No. 213**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 6,517,250	\$ 5,525,712	\$ (83,343)
Other Funds	2,586,974	2,617,377	24,473
Subtotal - Operating	<u>\$ 9,104,224</u>	<u>\$ 8,143,089</u>	<u>\$ (58,870)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<b>TOTAL</b>	<u><u>\$ 9,104,224</u></u>	<u><u>\$ 8,143,089</u></u>	<u><u>\$ (58,870)</u></u>
FTE Positions	122.2	122.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>122.2</u></u>	<u><u>122.2</u></u>	<u><u>0.0</u></u>

### Agency Request

The Rainbow Mental Health Facility (RMHF) provides psychiatric services to adults with a mental illness who have been screened and approved for inpatient state hospitalization by community mental health centers. The facility currently serves adult patients from five counties and has a capacity of 50 beds. In FY 2008, RMHF ceased treatment of adolescents and children and began admitting adults only. In FY 2001, administrative services for RMHF were consolidated with Osawatomet State Hospital. The two hospitals currently have a shared administrative team, including the superintendent, who oversees both facilities.

Rainbow Mental Health Facility is primarily funded from three basic sources. The first is the State General Fund, which consists of money collected through various statewide taxes. The second is the Hospital Fee Fund, which includes collections from Medicare, private payments, Social Security, and insurance. The third source is federal Title XIX funding, which is earned as disproportionate share hospital (DSH) funding at the state mental health hospitals. The DSH program allows extra Medicaid payments to hospitals serving a disproportionate number of Medicaid-eligible and low income patients. The federal disproportionate share payments received by the state have declined dramatically in recent years due to both restrictions placed on the payments by the federal government and other federal changes. The Title XIX funding is transferred to the SRS central pool and is then redistributed among the five state hospitals in amounts equal to their approved appropriations.

The **agency** requests FY 2010 operating expenditures of \$9,104,224, including \$6,517,250 from the State General Fund. The request is an all funds increase of \$605,225, or 7.1 percent, and a State General Fund increase of \$605,225, or 10.2 percent, above the FY 2009 revised estimate.

Four enhancements totaling \$750,439, all from the State General Fund, are requested for FY 2010, to fund a policy change for overtime, increases in food, pharmacy, utilities, and outside medical costs, and increases in physicians' salaries.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$8,143,089, including \$5,525,712 from the State General Fund. The request is an all funds increase of \$159,608, or 2.0 percent, above the FY 2009 recommendation, and a reduction of \$961,135, or 10.6 percent, below the agency's FY 2010 request. The Governor does not recommend the agency's four enhancement requests. In addition, the Governor recommends reducing the budget by \$63,160 to capture savings from a nine-month moratorium of employer contributions to the KPERS Death & Disability Fund and \$330,967 from a seven payroll period moratorium of healthcare employer contributions for state employees. Further, the Governor recommends transferring the savings of \$394,127 from the combined moratoriums to the State General Fund.

### **House Budget Committee Recommendation**

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$176,603, including \$154,364 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill.
2. **KPERS Death and Disability Moratorium.** Add \$15,153, including \$12,919 from the State General Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Annualization of FY 2009 Approved Reductions.** Delete \$67,456, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.
4. Delete \$183,170 from the State General Fund to reduce the base budget for FY 2010 by 3.0 percent.
5. The Committee further recommends that the legislature review the agency's enhancement requests and budget at Omnibus to ensure that critical services and proper safety measures are maintained for the agency's patients and staff.



6. The Committee recommends that all FY 2010 reductions to the agency's budget be absorbed in the Department of Social Rehabilitation Services (SRS) budget to ensure critical services are maintained for the patients of this agency.
7. The Committee recognizes that the staffing needs of this agency are critical and at great risk of impacting the quality of treatment having been severely weakened by cost-saving strategies of "artificial shrinkage" as the only way to cover the operating expenditures of drugs, utilities and food when those expenses exceed the allocated budget. This agency has 15 of 122.2 positions unfilled. Absent necessary funding in the face of continued cuts in funding for basic expenses, further staff cuts to provide necessary funds will negatively impact the quality of treatment. Patient stays will likely become shorter, producing an increased risk of premature discharges, problematic challenges for community treatment services, and subsequent recidivism.

## House Budget Committee Report

**Agency:** Parsons State Hospital and Training Center      **Bill No.** HB      **Bill Sec.**  
**Analyst:** Montgomery      **Analysis Pg. No. Vol.-**      **Budget Page No. 211**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,370,186	\$ 10,424,288	\$ 322,956
Other Funds	14,718,172	14,257,026	427,112
Subtotal - Operating	<u>\$ 26,088,358</u>	<u>\$ 24,681,314</u>	<u>\$ 750,068</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	113,670	113,670	0
Subtotal - Capital Improvements	<u>\$ 113,670</u>	<u>\$ 113,670</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 26,202,028</u></u>	<u><u>\$ 24,794,984</u></u>	<u><u>\$ 750,068</u></u>
FTE Positions	497.2	497.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>497.2</u></u>	<u><u>497.2</u></u>	<u><u>0.0</u></u>

### Agency Request

Parsons State Hospital and Training Center is one of two residential treatment, training and care facilities operated by the State of Kansas to serve developmentally disabled persons whose circumstances require specialized residential service provisions. The Center's mission is to serve the habilitation, rehabilitation and residential care needs of each person referred or admitted in ways that fulfill standards of quality and effectiveness and thus enable each person to acquire greater control and additional options for meeting their needs. An individualized treatment plan focusing on clients' needs, wants, and interests is developed for each client in the institution in order to enhance their quality of life. In addition, Parsons State Hospital serves as the statewide resource center for persons with a dual diagnosis of developmental disability and psychiatric impairment in order to provide more appropriate treatment service for these individuals.

Parsons State Hospital and Training Center is primarily funded through three basic sources. The first is the State General Fund, which consists of money collected through various statewide taxes. The second is the Hospital Fee Fund, which includes collections from Medicare, private payments, Social Security, and insurance. The third source is federal Title XIX funding, which is earned by the developmental disability institutions through Medicaid reimbursements for services provided based on a daily room rate. The Title XIX funding is transferred to the SRS central pool and is then redistributed among the five state hospitals in amounts equal to their approved appropriations.

The **agency** requests FY 2010 operating expenditures of \$26,088,358, including \$11,370,186 from the State General Fund. The request is an all funds increase of \$453,309, all from the State General Fund, or 1.8 percent, above the FY 2009 revised estimate. The request

would fund 497.2 FTE positions. Enhancements totaling \$350,341, all from the State General Fund, are requested for pay adjustments related to a policy change in compensation for overtime hours, an increase in physician salaries, and compensation adjustments for increases in outside medical and utility costs.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$24,681,314, including \$10,424,288 from the State General Fund. The request is an all funds decrease of \$651,504, or 2.6 percent, below the FY 2009 recommendation, and a reduction of \$1,407,044, or 5.4 percent, below the agency's FY 2010 request. The Governor does not recommend the agency's three enhancement requests. In addition, the Governor recommends reducing \$119,371, including \$58,107 from the State General Fund, to capture savings from a nine-month moratorium on employer contributions to the KPERs Death & Disability Fund and \$827,134, and \$427,252 from the State General Fund, for a seven payroll period moratorium on healthcare employer contributions for state employees. Further, the Governor recommends transferring the special revenue fund savings of \$946,505 from the combined moratoriums to the State General Fund.

### **House Budget Committee Recommendation**

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$827,134, including \$427,252 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERs Death and Disability Moratorium.** Add \$53,055, including \$25,825 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERs Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERs Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Annualization of FY 2009 Approved Reductions.** Delete \$130,121, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.
4. The Committee recommends that the Legislature review the agency's enhancement requests and budget at Omnibus to ensure that critical services and proper safety measures are maintained for the agency's patients and staff.
5. The Committee recommends that all FY 2010 reductions to the agency's budget be absorbed in the Department of Social Rehabilitation Services (SRS) budget to ensure critical services are maintained for the patients of this agency.

6. The Committee recognizes that the staffing needs of this agency are critical and at great risk of impacting the quality of treatment having been severely weakened by cost-saving strategies of "artificial shrinkage" as the only way to cover the operating expenditures of drugs, utilities and food when those expenses exceed the allocated budget. Absent requisite funding in the face of continued cuts in funding for basic expenses, further staff cuts to provide necessary funds will negatively impact the quality of treatment. Patient stays will likely become shorter, producing an increased risk of premature discharges, problematic challenges for community treatment services, and subsequent recidivism.

## House Budget Committee Report

**Agency:** Kansas Neurological Institute      **Bill No.** HB      **Bill Sec.**  
**Analyst:** Montgomery      **Analysis Pg. No. Vol.-**      **Budget Page No. 205**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 12,620,281	\$ 11,396,168	\$ 269,654
Other Funds	17,493,248	16,858,046	596,359
Subtotal - Operating	<u>\$ 30,113,529</u>	<u>\$ 28,254,214</u>	<u>\$ 866,013</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	124,895	124,895	0
Subtotal - Capital Improvements	<u>\$ 124,895</u>	<u>\$ 124,895</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 30,238,424</u></u>	<u><u>\$ 28,379,109</u></u>	<u><u>\$ 866,013</u></u>
FTE Positions	570.2	570.2	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<u><u>571.2</u></u>	<u><u>571.2</u></u>	<u><u>0.0</u></u>

### Agency Request

The Kansas Neurological Institute (KNI) provides treatment for developmentally disabled adults. The agency's mission is "to support each person who lives at KNI to have a meaningful life," which is accomplished by ensuring well-being, providing opportunities for choice, promoting personal relationships, encouraging participation in the community, and recognizing individuality. The agency has developed a person-centered approach to patient treatment, which focuses on the desires of the resident and not just on the assessments of the various professional disciplines. Many KNI residents require intensive physical and medical supports. Most are unable to speak, about two-thirds have seizure disorders, and about one-third are unable to eat by mouth and receive their nutrition through feeding tubes. Patients at KNI live in 24 homes in five residential lodges. In addition, KNI provides dental services to persons with developmental disabilities living in the community who are unable to access needed care. The agency has sought to consolidate resources and reduce redundancies while maintaining a high investment in direct service staff. This reorganization has led to the consolidation of six basic program areas into three integrated units: administrative services, health care services, and program services.

KNI is primarily funded through four sources. The first is the State General Fund, which consists of funds collected through various statewide taxes. The second is the Hospital Fee Fund, which includes collections from Medicare, private payments, Social Security, and insurance. The third source is Federal Title XIX Funding, which is earned by the developmental disability institutions as Medicaid reimbursements for services provided based on a daily room rate. The Title XIX funding is transferred to the SRS central pool and is then redistributed among the five state hospitals in amounts equal to their approved appropriations. The fourth major source of funding is through the Foster Grandparent Program, which is funded by various federal grants.

The **agency** requests FY 2010 operating expenditures of \$30,113,529, including \$12,620,281 from the State General Fund. The request is an all funds increase of \$922,172, or 3.2 percent, and a State General Fund increase of \$922,172, or 7.9 percent, above the FY 2009 revised estimate. The request would fund 570.2 FTE positions. The request includes a salaries and wages shrinkage rate of 5.0 percent. Enhancements totaling \$661,459, all from the State General Fund, are requested for pay adjustments related to a policy change in compensation for overtime hours, an increase in physician salaries, and for increases in outside medical and utility costs.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$28,254,214, including \$11,396,168 from the State General Fund. The request is an all funds decrease of \$351,845, or 1.2 percent, below the FY 2009 recommendation, and a reduction of \$1,859,315, or 6.2 percent, below the agency's FY 2010 request. The Governor does not recommend the agency's three enhancement requests. In addition, the Governor recommends reducing \$194,128, with \$62,105 from the State General Fund, to capture savings from a nine-month moratorium on employer contributions to the KPERS Death & Disability Fund and \$946,746, with \$380,961 from the State General Fund, for a seven payroll period moratorium on healthcare employer contributions for state employees. Further, the Governor recommends transferring the captured special revenue fund savings of \$1,078,260 from the combined moratoriums to the State General Fund.

### **House Budget Committee Recommendation**

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$946,246, including \$380,961 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$58,677, including \$27,603 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Annualization of FY 2009 Approved Reductions.** Delete \$138,910, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.
4. The Committee recommends that the legislature review the agency's enhancement requests and budget at Omnibus to ensure that critical services and proper safety measures are maintained for the agency's patients and staff.

5. The Committee recommends that all FY 2010 reductions to the agency's budget be absorbed in the Department of Social Rehabilitation Services (SRS) budget to ensure critical services are maintained for the patients of this agency.
6. The Committee recognizes that the staffing needs of this agency are critical and at great risk of impacting the quality of treatment having been severely weakened by cost-saving strategies of "artificial shrinkage" as the only way to cover the operating expenditures of drugs, utilities and food when those expenses exceed the allocated budget. Absent necessary funding in the face of continued cuts in funding for basic expenses, further staff cuts to provide necessary funds will negatively impact the quality of treatment. Patient stays will likely become shorter, producing an increased risk of premature discharges, problematic challenges for community treatment services, and subsequent recidivism.

## House Budget Committee Report

**Agency:** Larned State Hospital      **Bill No.** HB      **Bill Sec.**  
**Analyst:** Montgomery      **Analysis Pg. No. Vol.-**      **Budget Page No. 207**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 48,800,897	\$ 41,602,066	\$ 957,199
Other Funds	12,764,542	13,029,905	154,677
Subtotal - Operating	<u>\$ 61,565,439</u>	<u>\$ 54,631,971</u>	<u>\$ 1,111,876</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 61,565,439</u></u>	<u><u>\$ 54,631,971</u></u>	<u><u>\$ 1,111,876</u></u>
FTE Positions	1,015.2	976.2	0.0
Non FTE Uncl. Perm. Pos.	23.9	16.9	0.0
<b>TOTAL</b>	<u><u>1,039.1</u></u>	<u><u>993.1</u></u>	<u><u>0.0</u></u>

### Agency Request

Larned State Hospital (LSH) provides psychiatric treatment and limited detox facilities to children, adolescents, and adults from the 59 western counties of the state through collaborative efforts with consumers, community based mental health providers, the judicial system, and Department of Corrections. The State Security Hospital serves the entire state as a secure setting for criminal forensic patients during evaluation and treatment, and non-forensic patients with severe behavioral problems who may be transferred from other hospitals. The Sexual Predator Treatment Program (SPTP) provides treatment for convicted sex offenders who have completed their prison sentences and have been civilly committed under the Kansas Sexual Predator Law because of ongoing danger to the community. The Sexual Predator Transition House Program is located on the grounds of Osawatomie State Hospital but is funded in the LSH budget. The Transition House Program accepts clients in Phases 6 and 7 of their treatment and who have been deemed ready for transition from the Treatment Program. Larned State Hospital also provides various support services for Larned Juvenile Correctional Facility, Larned Correctional Mental Health Facility, and the Kansas Soldiers' Home at Fort Dodge.

Larned State Hospital is primarily funded from four sources. The first is the State General Fund, which consists of money collected through various statewide taxes. The second is the Hospital Fee Fund, which includes collections from Medicare, private payments, Social Security, and insurance. The third source is federal Title XIX funding, which is earned as disproportionate share hospital (DSH) funding at the state mental health hospitals. The DSH program allows extra Medicaid payments to hospitals serving a disproportionate number of Medicaid-eligible and low income patients. The federal disproportionate share payments received by the state have declined dramatically in recent years due to both restrictions placed on the payments by the federal



government and other federal changes. The Title XIX funding is transferred to the SRS central pool and is then redistributed among the five state hospitals in amounts equal to their approved appropriations. The fourth source is federal education monies provided to support the on-grounds school.

The **agency** requests FY 2010 operating expenditures of \$61,565,439, including \$48,800,897 from the State General Fund. The request is an all funds increase of \$3,502,460, or 6.0 percent, and a State General Fund increase of \$3,500,848, or 7.7 percent, above the FY 2009 revised estimate. Six enhancements totaling \$5,478,481, all from the State General Fund, and 46.0 FTE positions, are requested for FY 2010.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$54,631,971, including \$41,602,066 from the State General Fund. The recommendation is an all funds decrease of \$662,324, or 1.2 percent, below the FY 2009 recommendation, and a State General Fund decrease of \$508,393, or 1.2 percent, below the agency's FY 2009 request. The Governor recommends one of the agency's enhancement requests totaling of \$323,928, all from the State General Fund, and 6.0 FTE positions to expand the Sexual Predator Treatment Program Transition House located on the Osawatomie State Hospital campus. In addition, the Governor recommends reducing the budget by \$250,976, including \$229,387 from the State General Fund, to capture savings from a nine-month moratorium on employer contributions to the KPERS Death & Disability Fund and \$1,021,751, including \$1,288,316 from the State General Fund, for a seven payroll period moratorium on health care employer contributions for state employees. Further, the Governor recommends transferring the savings of \$1,272,727 from the combined moratoriums to the State General Fund.

### **House Budget Committee Recommendation**

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,527,939, including \$1,382,857 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescision bill.
2. **KPERS Death and Disability Moratorium.** Add \$111,545, including \$101,950 from the State General Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescision bill. The action still captures five months of savings from the moratorium in FY 2010.

3. **Annualization of FY 2009 Approved Reductions.** Delete \$527,608, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.
4. The Committee recognizes the urgent needs created by increasing the waiting-list for admissions and forensic evaluations and the safety concerns related to the increasing the census in the Sexual Predator Treatment program. The Committee recommends that the legislature review the agency's enhancement requests at Omnibus. The enhancements are summarized below:
  - An **enhancement request** of \$339,000 to establish a mobile satellite evaluator program and fund 3.0 FTE positions to complete 93 outpatient forensic evaluations annually that would have historically been completed during an inpatient stay at the Larned State Security Program or Osawatomie State Hospital. The intent of the program is to reduce the number of individuals referred to agency by District Courts, thereby reducing the waiting list for admissions. The program would conduct "competency to stand trial" and "sex predator" evaluations in local county jails to individuals being held for misdemeanor and felony charges and those going through the Sexually Violent Predator determination process. In addition, the enhancement request includes two annual competency evaluator training sessions for Community Mental Health Center (CMHC) staff and increase reimbursements to CMHC's for completed competency evaluations.
  - An **enhancement request** of \$1,948,895 to fund an increase in census in the Sexual Predator Treatment Program (SPTP) which would raise the capacity to 180 patients and fund 37.0 FTE positions to handle the increase in census. Currently, the agency has sufficient funds to serve up to 160 patients. The program has exceeded its current budget capacity as of August 2008 by six patients. The 37.0 FTE positions include direct care staff, support, and therapy positions. Of the new positions, 23.0 FTE positions are included in the agency's supplemental request for FY 2009. If approved, the enhancement would add 14.0 additional FTE positions.
5. The Committee recommends that all FY 2010 reductions to the agency's budget be absorbed in the Department of Social Rehabilitation Services (SRS) budget to ensure critical services are maintained for the patients of this agency.
6. The Committee recognizes that the staffing needs of this agency are critical and at great risk of impacting the quality of treatment having been severely weakened by cost-saving strategies of "artificial shrinkage" as the only way to cover the operating expenditures of drugs, utilities and food when those expenses exceed the allocated budget. Absent necessary funding in the face of continued cuts in funding for basic expenses, further staff cuts to provide necessary funds will negatively impact the quality of treatment. Patient stays will likely become shorter, producing an increased risk of premature discharges, problematic challenges for community treatment services, and subsequent recidivism.

## House Budget Committee Report

Agency: Osawatomie State Hospital Bill No. HB

Bill Sec.

Analyst: Montgomery

Analysis Pg. No. Vol.-

Budget Page No. 209

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 19,879,433	\$ 16,990,433	\$ 353,523
Other Funds	10,112,208	10,146,103	130,290
Subtotal - Operating	<u>\$ 29,991,641</u>	<u>\$ 27,136,536</u>	<u>\$ 483,813</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 29,991,641</u></u>	<u><u>\$ 27,136,536</u></u>	<u><u>\$ 483,813</u></u>
FTE Positions	441.4	441.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>441.4</u></u>	<u><u>441.4</u></u>	<u><u>0.0</u></u>

### Agency Request

Osawatomie State Hospital (OSH) serves people from 46 counties who require inpatient psychiatric treatment or non-medical detoxification for substance abuse. The Adult Psychiatric Program provides inpatient services for people 18 years of age and older. No services are offered for children or adolescents. During FY 1997, the Chemical Dependency Program at OSH was closed. Social Detoxification Service was established to provide short-term detoxification services to persons who would then receive chemical dependency treatment in the community. Certain support services are provided to both the Osawatomie Correctional Facility and the Rainbow Mental Health Facility (RMHF). In FY 2001, administrative services for OSH were consolidated with RMHF. The two hospitals currently have a shared administrative team, including the superintendent who oversees both facilities.

OSH operates a 30-bed Crisis Stabilization Unit (CSU) and three Acute Care Units (ACU). The CSU serves individuals who may be stabilized in a short period of time and returned to the community within 14 days or less. The ACU's have a target length of stay of 30 days or less. OSH delayed the opening of an additional remodeled 30-bed crisis stabilization unit approved in FY 2007. The delay avoids the need for an additional \$1.5 million in FY 2010 to annualize costs, including 49 FTE positions. In addition to these facilities, the Sexual Predator Treatment Program Transition House is located on the grounds of OSH but is administered and funded by Larned State Hospital.

Osawatomie State Hospital is primarily funded from three basic sources. The first is the State General Fund, which consists of money collected through various statewide taxes. The second is the Hospital Fee Fund, which includes collections from Medicare, private payments,

Social Security, and insurance. The third source is federal Title XIX funding, which is earned as disproportionate share hospital (DSH) funding at the state mental health hospitals. The DSH program allows extra Medicaid payments to hospitals serving a disproportionate number of Medicaid-eligible and low income patients. The federal disproportionate share payments received by the state have declined dramatically in recent years due to both restrictions placed on the payments by the federal government and other federal changes. The Title XIX funding is transferred to the SRS central pool and is then redistributed among the five state hospitals in amounts equal to their approved appropriations.

The **agency** estimates FY 2010 operating expenditures of \$29,991,641 including \$19,879,433 from the State General Fund. The estimate is an all funds increase of \$1,721,061, or 6.1 percent, above FY 2009 revised estimate and a State General Fund increase of \$1,721,061, or 9.5 percent, above the FY 2009 revised estimate. The request would fund 441.4 FTE positions. The agency requests three enhancements for FY 2010 totaling \$2,079,377, all from the State General Fund.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$27,136,536, including \$16,990,433 from the State General Fund. The request is an all funds increase of \$592,537, or 2.2 percent, above the FY 2009 recommendation, and a reduction of \$2,855,105, or 9.5 percent, below the agency's FY 2010 request. The Governor does not recommend the agency's three enhancement requests. In addition, the Governor recommends reducing \$211,052 to captures savings from a nine-month moratorium of employer contributions to the KPERS Death & Disability Fund and \$1,196,300 from a seven payroll period moratorium of healthcare employer contributions for state employees. Further, the Governor recommends transferring the savings of \$323,928 from the combined moratoriums to the State General Fund.

### **House Budget Committee Recommendation**

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$657,769, including \$538,531 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill.
2. **KPERS Death and Disability Moratorium.** Add \$52,426, including \$41,374 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.

3. **Annualization of FY 2009 Approved Reductions.** Delete \$226,382, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.
4. The Committee expresses concern about adequate inpatient capacity to meet the needs of Kansans with mental illness and believe that a top priority, to be reviewed at Omnibus is funding the opening of and proper FTE positions for the remodeled 30-bed crisis stabilization unit that was delayed in FY 2009 and FY 2010 due to budget constraints.
5. The Committee further recommends that the Legislature review the agency's enhancement requests and budget at Omnibus to ensure that critical services and proper safety measures are maintained for the agency's patients and staff.
6. The Committee recommends that all FY 2010 reductions to the agency's budget be absorbed in the Department of Social Rehabilitation Services (SRS) budget to ensure critical services are maintained for the patients of this agency.
7. The Committee recognizes that the staffing needs of this agency are critical and at great risk of impacting the quality of treatment having been severely weakened by cost-saving strategies of "artificial shrinkage" as the only way to cover the operating expenditures of drugs, utilities and food when those expenses exceed the allocated budget. Absent requisite funding in the face of continued cuts in funding for basic expenses, further staff cuts to provide necessary funds will negatively impact the quality of treatment. Patient stays will likely become shorter, producing an increased risk of premature discharges, problematic challenges for community treatment services, and subsequent recidivism.

## House Budget Committee Report

**Agency:** Kansas Guardianship Program **Bill No.** HB

**Bill Sec.**

**Analyst:** Dear

**Analysis Pg. No. Vol.-**

**Budget Page No. - 263**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 1,291,473	\$ 1,201,849	\$ 23,508
Other Funds	0	0	0
Subtotal - Operating	\$ 1,291,473	\$ 1,201,849	\$ 23,508
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 1,291,473</b>	<b>\$ 1,201,849</b>	<b>\$ 23,508</b>
FTE Positions	12.0	12.0	(1.0)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>12.0</b>	<b>12.0</b>	<b>(1.0)</b>

### Agency Request

The **agency** requests \$1,291,473, all from the State General Fund, for FY 2010 operating expenditures. The request is a decrease of \$68,838, or 5.1 percent, below the FY 2009 revised estimate. The decrease is attributed to cost reductions in communications, printing and advertising as well as the unavailability of reappropriated funds in FY 2010. The agency states that funding at this level will allow the agency to continue serving 1260 wards and conservatees.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$1,201,849, a decrease of \$83,525, or 6.5 percent, below the FY 2009 Governor's recommendation. The Governor recommends the agency's FY 2010 reduced resource package. The Governor also recommends a seven pay period moratorium on the State's contributions to the Kansas Public Employee Retirement System death and disability insurance program as well as state funded state employee health insurance contributions for a savings of \$25,050 and the transfer of the savings to the State General Fund. The Governor's recommendation is \$89,624, or 6.9 percent, below the agency FY 2010 agency estimate.

## House Budget Committee Recommendation

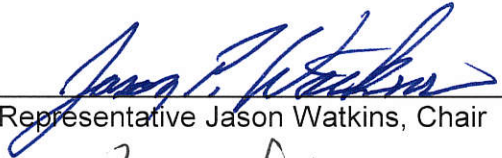
The **Committee** concurs with the Governor's recommendation with the following recommendations and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$21,581, all from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The Kansas Guardianship Program does not participate in the Kansas employer health insurance program. The funds originally recommended by the Governor to be removed in FY 2010 were not removed from the agency's State General Fund account.
2. **KPERS Death and Disability Moratorium.** Add \$1,927, all from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.
3. The Committee recommends adoption of the agency's alternative reduced resource plan which reduces State General Fund Expenditures by \$64,574, the same amount as the original reduced resource plan. The original plan would decrease the ability the of the Guardianship Program to serve approximately 129 wards or conservatees. The agency also would discontinue the addition of new wards to the program currently on the waiting list. It is the position of the committee that with over 200 prospective wards on the waiting list all steps should be taken to avoid reducing services at state agencies while preserving fiscal responsibility. The Committee further recommends that the legislature revisit the reduced resource plan at omnibus. The revised reduced resource plan is summarized below:
  - a. Fully eliminate Wichita support staff position reducing salary and wage expenditures by \$35,694 and 1.0 FTE.
  - b. A one-time write-off for volunteer stipends reducing State General Fund expenditures by \$23,250.
  - c. Transferring two employees from the Kansas Guardianship Program health insurance program to Medicare with supplemental coverage reducing State General Fund expenditures by \$5,630.

FY 2010


HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

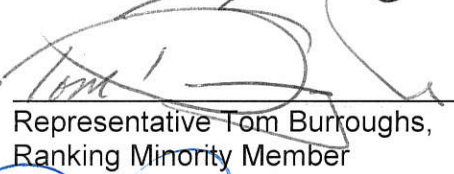
Governmental Ethics Commission

  
Representative Jason Watkins, Chair

  
Representative Jo Ann Pottorff

  
Representative Kasha Kelley, Vice-Chair

  
Representative Tom Sawyer

  
Representative Tom Burroughs,  
Ranking Minority Member

  
Representative Milack Talia

  
Representative Peter DeGraaf

  
Representative Jeff Whitham

  
Representative Owen Donohoe

Appropriations Committee  
Attachment 2-1  
Date 2-25-09  
Budget \_\_\_\_\_



## House Budget Committee Report

**Agency:** Governmental Ethics Commission    **Bill No.** HB

**Bill Sec.**

**Analyst:** Montgomery

**Analysis Pg. No. Vol.-**

**Budget Page No. 491**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 520,214	\$ 478,031	\$ 8,056
Other Funds	161,528	181,582	5,521
Subtotal - Operating	\$ 681,742	\$ 659,613	\$ 13,577
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 681,742</b>	<b>\$ 659,613</b>	<b>\$ 13,577</b>
<b>FTE Positions</b>			
	9.0	9.0	9.0
<b>Non FTE Uncl. Perm. Pos.</b>			
	0.5	0.5	0.5
<b>TOTAL</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>

### Agency Request

The **agency** requests FY 2010 operating expenditures of \$681,742, a decrease of \$23,388, or 3.3 percent, below the FY 2009 revised estimate. The request includes \$520,214 from the State General Fund, a decrease of \$23,824, or 4.4 percent, below the FY 2009 revised estimate. The request includes \$545,845 for salaries and wages, \$125,207 for contractual services, \$5,690 for commodities, and \$5,000 for capital outlay.

### Governor's Recommendation

The **Governor** recommends operating expenditures of \$659,613, a decrease of \$40,230, or 5.7 percent, below the FY 2009 recommendation and a decrease of \$22,129, or 3.2 percent, below the FY 2010 agency request. The recommendation includes reducing the State General Fund appropriation by \$26,011 and offsetting this with an increase of \$26,011 from the Governmental Ethics Fee Fund. In addition, the Governor recommends a reduction of \$2,914 for the statewide moratorium on the KPERS death and disability contributions, of which \$2,130 is from the State General Fund. Also, a reduction of \$19,215 for the statewide moratorium on state employee health insurance, of which \$14,042 is from the State General Fund. In addition, the Governor recommends the reduction of \$5,957 from the Governmental Ethics Fee Fund for the statewide moratoriums of the KPERS death and disability waiver and health insurance be transferred to the State General Fund.

## House Budget Committee Recommendation

The **Committee** concurs with the Governor's FY 2010 recommendation with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$19,215, including \$14,042 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$1,295, including \$947 from the State General Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Annualization of FY 2009 Approved Reductions.** Delete \$6,933, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.

## House Budget Committee Report

**Agency:** Governmental Ethics Commission    **Bill No.** HB

**Bill Sec.**

**Analyst:** Montgomery

**Analysis Pg. No. Vol.-**

**Budget Page No. 491**

Expenditure Summary	Agency Request FY 11	Governor's Recommendation FY 11	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 520,214	\$ 520,214	\$ (6,933)
Other Funds	179,614	179,614	0
Subtotal - Operating	\$ 699,828	\$ 699,828	\$ (6,933)
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 699,828</b>	<b>\$ 699,828</b>	<b>\$ (6,933)</b>
<b>FTE Positions</b>	9.0	9.0	0.0
<b>Non FTE Uncl. Perm. Pos.</b>	0.5	0.5	0.0
<b>TOTAL</b>	<b>9.5</b>	<b>9.5</b>	<b>0.0</b>

### Agency Request

The **agency** requests a FY 2011 operating expenditure of \$699,828, an increase of \$18,086, or 2.7 percent, above the FY 2010 request, mainly in salaries and wages. The request includes \$520,214 from the State General Fund which is the same as the FY 2010 request. The request includes \$557,503 for salaries and wages, \$129,309 for contractual services, \$5,845 for commodities, and \$7,171 for capital outlay.

### Governor's Recommendation

The **Governor** concurs with the agency's request.

### House Budget Committee Recommendation

The **Committee** concurs with the Governor's FY 2011 recommendation with the following recommendations:

1. **Annualization of FY 2009 Approved Reductions.** Delete \$6,933, all from the State General Fund, to annualize FY 2009 reductions, excluding one-time reductions, approved by the 2009 Legislature.