

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Vice-Chairman John Vratil at 10:30 a.m. on February 26, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Jay Emler - excused

Committee staff present:

J. G. Scott, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Estelle Montgomery, Kansas Legislative Research Department  
Reagan Cussimano, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes  
Melinda Gaul, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Carol Williams, Governmental Ethics Commission  
Russell Jennings, Commissioner, Juvenile Justice Authority (JJA)  
Roger Werholtz, Secretary, Department of Corrections  
Randall Allen, Kansas Association of Counties  
Fred Lucky, Senior Vice-President, Kansas Hospital Association  
Bain Farris, Administrator, Saint John Hospital  
Dan Morin, Director of Government Affairs, Kansas Medical Society

Others attending:

See attached list.

### **Introduction of Legislation**

Senator Schmidt moved to introduce legislation regarding all-terrain vehicles (9rs0888). The motion was seconded by Senator Wysong. Motion carried on a voice vote.

Senator Kultala moved to introduce legislation regarding the whistleblowers act (9rs0882). The motion was seconded by Senator Wysong. Motion carried on a voice vote.

### **Subcommittee Report on Governmental Ethics Commission**

Senator Vratil, Chair of the Subcommittee on Governmental Ethics Commission, presented the Subcommittee report on the Governor's budget recommendation for the Governmental Ethics Commission for FY 2010 and FY 2011 (Attachment 1). Senator Vratil noted that the Subcommittee recommends introduction of a bill repealing a section of KSA 46-247 which requires faculty members of state education institutions who receive an annual salary of \$50,000 or greater to file a Statement of Substantial Interests.

Responding to a question from the Committee, Carol Williams, Governmental Ethics Commission, noted that the policy of the Governmental Ethics Commission has been revised wherein reports filed by lobbyists are entered online and revisions cannot be made unless a revised report is filed by the lobbyist. The Subcommittee noted that there are adequate balances in the special revenue funds. There is not a need to raise fees at this time.

Senator Lee moved to adopt the Subcommittee report on the Governmental Ethics Commission for FY 2010 and FY 2011 with notations and adjustments and allow for technical corrections. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

## CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 26, 2009, in Room 545-N of the Capitol.

### **Subcommittee Report on Lottery Commission**

Senator Teichman, Chair of the Lottery/Racing Gaming Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Lottery Commission for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Lottery Commission for FY 2010 with notations and adjustments (Attachment 2). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

### **Subcommittee Report on Racing and Gaming Commission**

Senator Teichman, Chair of the Lottery/Racing and Gaming Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Racing and Gaming Commission for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Racing and Gaming Commission for FY 2010 with notations and adjustments (Attachment 2). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

The Subcommittee requested that additional time be given to review agency budgets during future legislative sessions.

### **Action on Subcommittee Report on Secretary of State**

Reagan Cussimano, Legislative Research Department, explained a corrected report pertaining to the Subcommittee report on the Secretary of State presented on February 25, 2009 (Attachment 3).

Senator Schmidt moved to adopt the Subcommittee report on the Governor's budget recommendations for the Secretary of State for FY 2010 with notations and adjustments as presented on February 26, 2009 (Attachment 3). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

### **Subcommittee Report on Postsecondary Education**

Senator Teichman, member of the Subcommittee on Higher Education, presented the Subcommittee report on the Governor's budget recommendations for Postsecondary Systemwide, including the University of Kansas, Kansas State University, KSU-Veterinary Medical Center, KSU-Extension, Wichita State University, Board of Regents, University of Kansas Medical Center, Emporia State University, Fort Hays State University, Pittsburg State University and Regents Systemwide for FY 2010 (Attachment 4).

The Subcommittee noted that there is a need for several technical corrections to the report, including:

- The \$2.1 million under the Governor's recommendation should read \$2.1 billion.
- Item No. 4 should read \$26.3 million instead of \$25.2 million.

Senator McGinn moved to amend the Subcommittee report on Postsecondary Systemwide by adding language to Item No. 8 stating "The Board of Regents should be encouraged to work closely with state Medicaid officials and others to make full use of any new economic stimulus dollars to meet the short-term funding needs of graduate medical education programs in Kansas". The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

The Committee noted that if **HB 2005** does not pass during the 2009 Legislative Session, Kan-Ed will have no funding. It was also noted that **SB 285**, referred to the Senate Ways and Means Committee, addresses Kan-Ed funding.

Senator Umbarger moved to delete Item No. 5 from the Subcommittee Report on Postsecondary Systemwide, indicate that the Subcommittee concurs with the Governor's recommendation for Kan-Ed funding for FY 2010 and review at Omnibus. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Teichman moved for the adoption of the Subcommittee Report on Postsecondary Systemwide for FY 2010 with notations and adjustments as amended and allow for technical corrections. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

## CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 26, 2009, in Room 545-N of the Capitol.

### **Hearing on SB 252 - Criminal offenders in custody, health care costs; department of corrections and juvenile justice authority.**

Jarod Waltner, Kansas Legislative Research Department, explained that **SB 252** would amend current statute to allow the Department of Corrections and the Juvenile Justice Authority (JJA) to pay health care providers the lesser of the actual amount billed or the Medicaid rate for health care services provided to individuals who are in the custody of either agency and are not covered by private health insurance. The fiscal note indicates that the passage of **SB 252** would reduce the amount the Department of Corrections pays through their inmate medical contract by approximately \$700,000.

The Committee questioned whether the fiscal note is accurate.

Russell Jennings, Commissioner, Juvenile Justice Authority (JJA), provided testimony in support of **SB 252** (Attachment 5). Mr. Jennings noted that currently juveniles who are in the custody of the commissioner and placed in a community residential placement are covered by a medical card and medical service providers are paid at the Medicaid reimbursement rate. Medical care coverage ceases upon a juvenile being placed in a secure detention center or juvenile correctional facility. **SB 252** would expand the population served by medical professionals and hospitals at the Medicaid rate by the number of juvenile offenders placed in juvenile correctional facilities or approximately 350 youth.

Responding to questions from the Committee, Mr. Jennings noted that JJA has a medical contract for medical services done onsite. Mr. Jennings stated that **SB 252** is directed at medical services done in hospitals, emergency rooms or other offsite medical facilities. The fiscal effect on JJA would be a savings estimated between \$95,000-\$156,000. Mr. Jennings stated that JJA presently negotiates with hospitals and is sometimes successful in obtaining a lower or Medicaid rate. The Commissioner noted that youth are not always taken to local hospitals, but depending on the treatment needed, are sometime taken to other hospitals or treatment centers.

Roger Werholtz, Secretary, Department of Corrections, provided written testimony in support of **SB 252** (Attachment 6) and responded to questions from the Committee. Secretary Werholtz stated that the Department of Corrections has a single contract with Correct Care Solutions (CCS) for medical services provided to all correctional facilities. CCS has indicated that they will reduce their contract with the Department of Corrections by \$700,000 annually. The Secretary stated that the fee paid to CCS is 10 percent of medical costs.

- The Committee requested a report from CCS on hospital costs for inmates and the amount of reduction in costs that has been negotiated by CCS.

Randall Allen, Kansas Association of Counties, provided testimony in support of **SB 252** (Attachment 7).

- The Commission requested a report on the county jail savings on inmate health care costs from the enactment of **2006 HB 2893** by county.

The Committee expressed concern because county hospitals are partially supported by property taxes. Lowering hospital costs by applying Medicaid rates to services could place an extra burden on the small county hospitals and result in a property tax increase.

- The Committee requested a list of county hospitals across the state who are supported by a local property tax.

Fred Lucky, Kansas Hospital Association, provided testimony in opposition to **SB 252** (Attachment 8). Mr. Lucky stated that they oppose the inclusion of the Department of Corrections in the bill because their claims are paid through a contracted service with CCS and they have the ability to enter into contracts with many of the hospitals and physicians in the regions surrounding the prison facilities to obtain lower medical costs.

Bain Farris, Administrator, Saint John Hospital, Leavenworth, provided testimony in opposition to **SB 252**

## CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on February 26, 2009, in Room 545-N of the Capitol.

(Attachment 9). Mr. Farris noted that it is difficult to get hospitals to take patients at the Medicaid rate and passage of **SB 252** would add to the problem. Responding to a question from the Committee, Mr. Farris indicated that hospitals would not be required to take Department of Corrections inmates under **SB 252** at the Medicaid rate because the CCS contract would be a separate contract from their Medicaid provider contract.

Responding to a question from the Committee, Secretary Werholtz stated that the Department of Corrections has a 9-year contract with CCS and currently is in the 5<sup>th</sup> year of the contract. Commissioner Jennings indicated that JJA does not have a full indemnification contract for medical services. Their medical contract only provides facility-based medicals services. Any outside medical services are paid for by JJA.

Dan Morin, Director of Government Affairs, Kansas Medical Society, presented testimony in opposition to **SB 252** (Attachment 10). Mr. Morin stated that expanding the population to be covered at the Medicaid rate would pose a hardship on many medical facilities.

There were no other conferees on **SB 252** to come before the Committee.

The hearing on **SB 252** was closed.

### **Adjournment**

The next meeting is scheduled for March 2, 2009.

The meeting was adjourned at 12:00 p.m.

**SENATE WAYS & MEANS COMMITTEE  
GUEST LIST**

**DATE: February 26, 2009**

NAME	REPRESENTING
Chris Decker	Budget
Sean Tomb	Budget
Roger Basinger	Dept A
Barb Hinton	Post Audit
Cynthia Smith	SCU Health System
Brian Francis	St John's Hospital, Lenoir County
Scott Richardson	Lumina Journal - World
Allen Askew	Federico Consulting
Ray Hawke	Emporia State University
<del>John Damron</del>	<del>KSU</del>
Tavis Lowe	Pinegar, Smith, & Assoc.
Mark Borczyk	Capitol Services
Don Cowby	KS Planning & Financing
Nase Thomas	KRGC
Jay Hall	KRGC
Sarah Tidwell	KSWA
Kathleen Utzgen	KEIC
David Barclay	
Carolyn Smith	VEHS
John McElroy	KSGA
Shannon Bell	Little Government Relations
Carol Williams	K Educ's Care Care
Rn Seeber	KARA

**SENATE WAYS & MEANS COMMITTEE  
GUEST LIST**

**DATE: February 26, 2009**

NAME	REPRESENTING
Rep MEALY	KENNANEY + ASSOC.
Dayle Shaw	KHCC
SCOTT CARLSON	SCC
Jennifer Cross	KCS Coalition for School Readiness
Berend Koops	Hein Law Firm
Lindsay Holwick	Kansas Bioscience Authority
Brad Stauffer	Carter Group
Kip Peterson	KBOR
Brad Williams	KBOR
Nancy Bryant	SOS
John Wall	KDOL
Tim Maddin	KNOC
Nancy Zogelman	Polsinelli
Sandra Braden	Gaches Braden
J.P. Small	Stockton, Kansas
Dan Morin	KCS Medical Society
Chad Austin	KHA
FRED Luckey	KANSAS HOSP. ASSOC.
Russ Jennings	HA
Catherine Moyer	Pioneer Communications
Mike Huffles	Rural Independent Telephone Co.

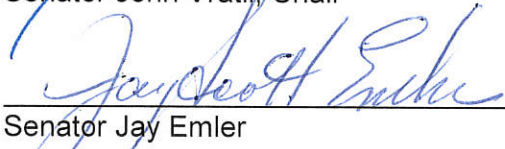
FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Governmental Ethics Commission



Senator John Vratil, Chair



Senator Jay Emler



Senator Janis Lee

Senate Ways & Means Cmte  
Date 2-26-2009  
Attachment 1

## Senate Subcommittee Report

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

**Bill Sec.**

**Analyst:** Montgomery

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

**Budget Page No.**

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 520,214	\$ 478,031	\$ (36,302)
Other Funds	161,528	181,582	56,812
Subtotal - Operating	\$ 681,742	\$ 659,613	\$ 20,510
<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>\$ 20,510</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 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 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.



## Senate Subcommittee Recommendation

The **Committee** concurs with the Governor's 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 S.B. 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.
4. Delete \$44,358, all from the State General Fund, for FY 2010, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
5. Add \$51,291, all from special revenue funds, and grant the agency authority to utilize fee funds for operating expenditures in place of reductions made the to the agency's State General Fund.
6. The Committee recommends introduction of a bill repealing KSA 46-247: section (I) which requires faculty members of state education institutions who receive an annual salary of \$50,000 or greater to file a Statement of Substantial Interests (SSI). Repealing this provision to the current law will spare the agency 3,900 to 4,100 in redundant filings.

## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission    **Bill No.** SB    **Bill Sec.**  
**Analyst:** Montgomery    **Analysis Pg. No. Vol.-**    **Budget Page No.**

Expenditure Summary	Agency Request FY 11	Governor's Recommendation FY 11	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 520,214	\$ 520,214	\$ (47,803)
Other Funds	179,582	179,582	47,803
Subtotal - Operating	<u>\$ 699,796</u>	<u>\$ 699,796</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 699,796</u></u>	<u><u>\$ 699,796</u></u>	<u><u>\$ 0</u></u>
<b>FTE Positions</b>			
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
<b>TOTAL</b>	<u><u>9.5</u></u>	<u><u>9.5</u></u>	<u><u>0.0</u></u>

### 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.

### Senate Subcommittee 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.

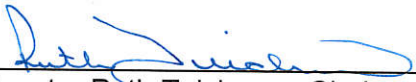
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2. Delete \$40,870, all from the State General Fund, for FY 2011.
3. Add \$47,803, all from special revenue funds, and grant the agency authority to utilize fee funds for operating expenditures in place of reductions made the to the agency's State General Fund.

FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Lottery Commission  
Racing and Gaming Commission

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

  
\_\_\_\_\_  
Senator Kelly Kultala

  
\_\_\_\_\_  
Senator Jean Schodorf

  
\_\_\_\_\_  
Senator John Vratil

Senate Ways & Means Cmte  
Date 2-26-2009  
Attachment 2

## Senate Subcommittee Report

**Agency:** Kansas Lottery

**Bill No.** SB - -

**Bill Sec.** - -

**Analyst:** Gorges

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

**Budget Page No.** 73

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	134,033,604	76,732,650	164,424
Subtotal - Operating	<u>\$ 134,033,604</u>	<u>\$ 76,732,650</u>	<u>\$ 164,424</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>\$ 134,033,604</u></u>	<u><u>\$ 76,732,650</u></u>	<u><u>\$ 164,424</u></u>
FTE Positions	99.0	99.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>99.0</u></u>	<u><u>99.0</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** estimates FY 2010 operating expenditures of \$134.0 million, all from special revenue funds, which is an increase of \$82.1million above the FY 2009 revised estimate. The increase is primarily due to increases related to the implementation of 2007 SB 66 regarding expanded lottery. The estimate includes \$304,600 for 17 replacement vehicles. Seven of the vehicles are related to the expanded lottery program, while the remaining ten would serve regular lottery purposes. **Without the enhanced funding**, the request is \$133.7 million, an increase of 157.6 percent, above the approved amount. The request would fund 99.0 FTE.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$76.7 million, all from special revenue funds, which is an increase of \$25.8 million, or 50.7 percent, above the FY 2009 recommendation, and \$57.3 million, or 42.8 percent, below the agency's FY 2010 request. The increase is mainly due to increases of \$2.5 million, or 11.5 percent, in the agency's main operating fund and \$23.2 million from the expanded lottery fund for expected casino activity in FY 2010. The recommendation includes a reduction and transfer to the State General Fund of \$30,996 for the moratorium on state-funded KPERS death and disability benefits and \$150,647 for the moratorium on state employee health benefit payments. The recommendation includes \$49,792 for a 1.0 percent pay increase to be paid out of existing resources. The Governor does not recommend any enhanced funding.

## Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$150,647, all from special revenue funds, 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 \$13,777, all from special revenue funds, 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. **Vehicle Replacement.** The committee requests review, at Omnibus, of the possible addition of \$304,600, all from special revenue funds, for 17 vehicle replacements.
4. **Expanded Lottery Act Revenue Funds.** The committee requests review, at Omnibus, of updated consensus revenue estimates for the Expanded Lottery Act Revenue Fund (ELARF).
5. The committee notes that the Lottery generates and transfers revenue into the State Gaming Revenues Fund (SGRF) and to the State General Fund. For FY 2010, the recommendation includes a transfer of \$50.0 million to the State Gaming Revenues Fund, and a transfer of \$25.0 million to the State General Fund.

## Senate Subcommittee Report

**Agency:** Racing and Gaming Commission      **Bill No.** SB - -

**Bill Sec.** - -

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

**Budget Page No.** 75

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	19,606,042	8,305,246	185,707
Subtotal - Operating	\$ 19,606,042	\$ 8,305,246	\$ 185,707
<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>\$ 19,606,042</b>	<b>\$ 8,305,246</b>	<b>\$ 185,707</b>
FTE Positions	119.5	73.5	0.0
Non FTE Uncl. Perm. Pos.	8.0	0.0	0.0
<b>TOTAL</b>	<b>127.5</b>	<b>73.5</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2010 operating expenditures totaling \$19,606,042, all from special revenue funds, which is an increase of \$4.6 million, or 30.9 percent, above the revised FY 2009 estimate. Most of the net increase in funding and staffing would be for the Expanded Lottery Act Regulation Program, and the anticipated operation of gaming machines during FY 2010. The request includes enhancement funding of \$54,800, all from special revenue funds. **Without the enhanced funding**, the increase is \$4.6 million, or 30.6 percent, above the revised FY 2009 estimate. The agency indicates that cash flow will allow repayment of both the \$3.0 million and the \$2.0 million loan, used to start expanded gaming operations, by the end of FY 2010.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures totaling \$8,305,246, all from special revenue funds. The request is \$11.3 million, or 57.6 percent, below the agency's FY 2010 request, and \$1.9 million, or 18.9 percent, below the Governor's FY 2009 recommendation. The largest reduction is due to the lack of expected racetrack operators in FY 2010. Additionally, the recommendation includes decreases in expanded lottery expenditures as well, most notably in the Gaming Machine Examination Fund, due to the lack of electronic gaming machines at parimutuel racing sites. The recommendation includes 73.5 FTE positions, a reduction of 6.5, from the Governor's FY 2009 recommendation. All FTE positions are in the Racing Operation Program. The recommendation includes reductions and transfers to the State General Fund of \$25,267 for a moratorium on state funded KPERS death and disability payments and \$134,477 for a moratorium

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on employer contributions for state employee health insurance payments. The recommendation also includes a 1.0 percent pay increase to come from existing resources

### **Senate Subcommittee Recommendation**

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$134,477, all from special revenue funds, 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 \$11,230, all from special revenue funds, 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. **Vehicle Replacement.** Add \$40,000, all from special revenue funds, to replace two vehicles for the Gaming Program.
4. **Expanded Lottery Act Revenue Funds.** The committee requests review, at Omnibus, of updated consensus revenue estimates for the Expanded Lottery Act Revenue Fund (ELARF).
5. The committee notes there are currently two bills introduced that would impact expanded lottery in Kansas - HB 2187 and SB 273. HB 2187 would decrease the threshold requirements for the Southeast Gaming Zone to match the Southwest Gaming Zone. Privilege fees would be reduced from \$25.0 million to \$5.5 million, and investment in infrastructure would be reduced from \$225.0 million to \$50.0 million. Additionally, HB 2187 would increase the percentage of income from slot machines distributed to racetrack facility managers from 25.0 percent to 43.0 percent and decrease the distribution to the state from 40.0 percent to 22.0 percent. SB 273 would also adjust distribution of income from slot machines to the same levels as HB 2187, and would eliminate the cap on distributions to purse supplement funds.



## Senate Subcommittee Report

**Agency:** Secretary of State      **Bill No.** SB      **Bill Sec.**  
**Analyst:** Cussimanio      **Analysis Pg. No.** Vol.-      **Budget Page No.** 128

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 165,117	\$ 0	\$ 0
Other Funds	7,565,866	7,568,735	(611,094)
Subtotal - Operating	<u>\$ 7,730,983</u>	<u>\$ 7,568,735</u>	<u>\$ (611,094)</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>\$ 7,730,983</u></u>	<u><u>\$ 7,568,735</u></u>	<u><u>\$ (611,094)</u></u>
FTE Positions	55.0	55.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>55.0</u></u>	<u><u>55.0</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests an FY 2010 budget of \$7.7 million, an increase of \$1.7 million, or 28.0 percent, above the revised current fiscal year estimate. The request includes \$165,117 in State General Fund expenditures. The request would fund 55.0 FTE positions, with one position shifted internally in conjunction with the agency enhancement request. Enhancement funding of \$165,117 and financing for 1.0 FTE position is requested from the State General Fund for work related to the upcoming federal census.

### Governor's Recommendation

The **Governor** recommends FY 2010 expenditures of \$7.6 million, an increase of \$1.5 million, or 25.5 percent, above the revised current fiscal year recommendation. The Governor recommends the new census position be funded from available resources and does not recommend State General Fund financing.

### Senate Subcommittee Recommendation

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

**Senate Ways & Means Cmte**  
**Date** 2-26-2009  
**Attachment** 3

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$83,895, all from special revenue funds, 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.
2. **KPERS Death and Disability Moratorium.** Add \$7,445, all from special revenue funds, 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 a part of House Substitute for Substitute for SB 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. Delete \$519,754, all from special revenue funds, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
4. The Subcommittee encourages greater use of electronic filing and the utilization of electronic copies of publications. The Committee requests the agency review the process and look into the changes that would be necessary to make all filings electronic.

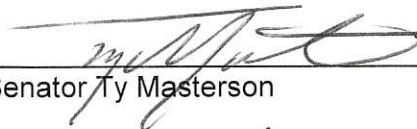
FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE


University of Kansas  
Kansas State University  
KSU - Veterinary Medical Center  
KSU - Extension  
Wichita State University  
Board of Regents  
University of Kansas Medical Center  
Emporia State University  
Fort Hays State University  
Pittsburg State University  
Regents Systemwide

  
\_\_\_\_\_  
Senator Jay Emler, Chair

  
\_\_\_\_\_  
Senator Laura Kelly

  
\_\_\_\_\_  
Senator Ty Masterson

  
\_\_\_\_\_  
Senator Jean Schodorf

  
\_\_\_\_\_  
Senator Ruth Teichman

Senate Ways & Means Cmte  
Date 2-26-2009  
Attachment 4

## Senate Subcommittee Report

**Agency:** University of Kansas **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. 313**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 153,172,063	\$ 140,025,146	\$ (5,575,181)
Other Funds	390,093,113	383,017,539	5,215,115
Subtotal - Operating	\$ 543,265,176	\$ 523,042,685	\$ (360,066)
Capital Improvements:			
State General Fund	\$ 688,383	\$ 688,383	\$ 0
Other Funds	24,245,200	8,705,200	0
Subtotal - Capital Improvements	\$ 24,933,583	\$ 9,393,583	\$ 0
TOTAL	\$ 568,198,759	\$ 532,436,268	\$ (360,066)
FTE Positions	5,515.0	5,515.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5,515.0	5,515.0	0.0

### Agency Request

The **agency** requests an FY 2010 operating budget of \$543.3 million which is an increase of \$928,483, or 0.2 percent, above the current year estimate. The agency requests State General Fund expenditures of \$153.2 million which is a decrease of \$862,601, or 0.6 percent, below the current year.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$523.0 million, including \$140.0 million from the State General Fund. The recommendation is a reduction of \$14.6 million, or 2.7 percent, all funds and \$9.4 million, or 6.3 percent, State General Fund below the approved amount.

The recommendation is a reduction of \$20.2 million, or 3.7 percent, all funds and \$13.1 million or 8.6 percent, State General Fund below the agency request. The recommendation includes a 7.0 percent State General Fund reduction of \$10.8 million. In addition, the Governor makes reductions for the moratorium on employer contributions to the state health plan of \$7.3 million, including \$2.7 million from the State General Fund and the KPERS death and disability moratorium of \$2.0 million, including \$628,332 from the State General Fund.

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$7,275,576, including \$2,662,821 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 \$881,619, including \$279,259 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. Continue the FY 2009 1.25 percent reduction. Delete \$1,882,169, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$6,635,092, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$6.6 million, in addition to the \$1.9 million reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.

## Senate Subcommittee Report

**Agency:** Kansas State University **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. 305**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 118,063,494	\$ 106,608,892	\$ (4,296,266)
Other Funds	388,354,889	384,665,386	3,244,689
Subtotal - Operating	<u>\$ 506,418,383</u>	<u>\$ 491,274,278</u>	<u>\$ (1,051,577)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Other Funds	7,914,557	7,914,557	0
Subtotal - Capital Improvements	<u>\$ 8,104,003</u>	<u>\$ 8,104,003</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 514,522,386</u></u>	<u><u>\$ 499,378,281</u></u>	<u><u>\$ (1,051,577)</u></u>
FTE Positions	3,537.0	3,537.0	
Non FTE Uncl. Perm. Pos.	0.0	0.0	
<b>TOTAL</b>	<u><u>3,537.0</u></u>	<u><u>3,537.0</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests an FY 2010 operating budget of \$506.4 million which is a decrease of \$4.3 million, or 0.8 percent, below the current year estimate. The agency requests State General Fund expenditures of \$118.1 million, which is an increase of \$866,900, or 0.7 percent, above the current year estimate, which reflects fringe benefit increases.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$491.3 million, including \$106.6 million from the State General Fund. The recommendation is a reduction of \$15.9 million, or 3.1 percent, all funds and \$7.1 million, or 6.2 percent, State General Fund below the approved amount.

The recommendation is a reduction of \$15.1 million, or 3.0 percent, all funds and \$11.5 million, or 9.7 percent, State General Fund below the agency request. The recommendation includes a 7.0 percent State General Fund reduction of \$8.3 million. In addition, the Governor makes reductions for the moratorium on employer contributions to the state health plan of \$5.4 million, including \$2.5 million from the State General Fund and the KPERs Death and Disability moratorium of \$1.4 million, including \$644,579 from the State General Fund.

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## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$5,434,415, including \$2,545,578 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 \$642,331, including \$286,479 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. Continue the FY 2009 1.25 percent reduction. Delete \$1,428,325, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$5,699,998, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$5.7 million, in addition to the \$1.4 million reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.

## Senate Subcommittee Report

**Agency:** Kansas State University Veterinary Medical Center **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No.** 309

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,687,263	\$ 10,593,209	\$ (339,429)
Other Funds	21,433,701	21,050,327	336,013
Subtotal - Operating	\$ 33,120,964	\$ 31,643,536	\$ (3,416)
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	0
Other Funds	189,400	189,400	0
Subtotal - Capital Improvements	\$ 189,400	\$ 189,400	\$ 0
<b>TOTAL</b>	<b>\$ 33,310,364</b>	<b>\$ 31,832,936</b>	<b>\$ (3,416)</b>
FTE Positions	314.9	314.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>314.9</b>	<b>314.9</b>	<b>0.0</b>

### Agency Request

The **agency** requests an FY 2010 operating budget of \$33.1 million which is a decrease of \$1.6 million, or 4.5 percent below the current year estimate. The agency requests State General Fund expenditures of \$11.7 million which is an increase of \$100,000, or 0.9 percent, above the current year estimate. The decrease reflects the expenditures of carryforward funds from FY 2008 in FY 2009. The decrease is partially offset by the enhancement request for \$100,000, all from the State General Fund, for the fourth year of the Veterinary Training Program for Rural Kansas service scholarship.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$31.6 million, including \$10.6 million from the State General Fund. The recommendation is a reduction of \$2.7 million, or 7.9 percent, all funds and \$655,436, or 5.8 percent, State General Fund below the FY 2009 recommendation.

The Governor's recommendation is a reduction of \$1.5 million, or 4.5 percent, all funds and \$1.1 million, or 9.4 percent, State General Fund, below the agency request. The recommendation includes a 7.0 percent State General Fund reduction of \$790,108, as well as reductions for the moratorium on employer contributions to the state health plan of \$535,318, including \$237,195 from the State General Fund and the KPERS death and disability moratorium of \$152,002, including \$66,751 from the State General Fund.

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## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$535,318, including \$237,195 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 \$67,557, including \$29,667 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. Continue the FY 2009 1.25 percent reduction. Delete \$140,718, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$465,573, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$25.2 million, in addition to the \$10.6 million reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.

## Senate Subcommittee Report

**Agency:** Kansas State University - **Bill No.** SB  
Extension Systems and Agriculture Research Program

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. 307**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 55,256,862	\$ 50,099,569	\$ (1,103,525)
Other Funds	69,348,225	68,277,743	955,117
Subtotal - Operating	\$ 124,605,087	\$ 118,377,312	\$ (148,408)
<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>\$ 124,605,087</b>	<b>\$ 118,377,312</b>	<b>\$ (148,408)</b>
<b>FTE Positions</b>			
FTE Positions	1,262.8	1,262.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>1,262.8</b>	<b>1,262.7</b>	<b>0.0</b>

### Agency Request

The **agency** requests an FY 2010 operating budget of \$124.6 million which is a decrease of \$808,917, or 0.6 percent, below the current year estimate. The agency requests State General Fund expenditures of \$55.3 million which is a decrease of \$866,900, or 1.5 percent, below current year estimate. The reduction reflects the elimination of the operating expenditures fund, and the transfer of the funds to the Main Campus operating fund to more closely reflect actual expenditures between the Main Campus and the ESARP.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$118.4 million, including \$50.1 million from the State General Fund. The recommendation is a reduction of \$5.4 million, or 4.3 percent, all funds and \$4.3 million, or 8.0 percent, State General Fund below the FY 2009 recommendation.

The recommendation is a reduction of \$6.2 million, or 5.0 percent, from the agency all funds request and \$5.2 million or 9.3 percent from the agency State General Fund request. The difference reflects the following reductions: 7.0 percent State General Fund reduction - \$3.9 million; moratorium on the employer's portion of death and disability payments of \$470,711, including \$263,056 from the State General Fund; and moratorium on health insurance payments of \$1.9 million, including \$1.3 million from the State General Fund.

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## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,889,083, including \$1,026,256 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 \$209,206, including \$116,916 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. Continue the FY 2009 1.25 percent reduction. Delete \$676,058, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$1,570,639, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$1.6 million, in addition to the \$676,058 reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.

## Senate Subcommittee Report

**Agency:** Wichita State University **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. 317**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 77,129,285	\$ 67,558,998	\$ (160,217)
Other Funds	136,105,349	134,741,443	1,218,880
Subtotal - Operating	\$ 213,234,634	\$ 202,300,441	\$ 1,058,663
<b>Capital Improvements:</b>			
State General Fund	\$ 1,340,000	\$ 0	\$ 0
Other Funds	2,797,399	2,797,399	0
Subtotal - Capital Improvements	\$ 4,137,399	\$ 2,797,399	\$ 0
<b>TOTAL</b>	<b>\$ 217,372,033</b>	<b>\$ 205,097,840</b>	<b>\$ 1,058,663</b>
FTE Positions	1,897.0	1,897.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>1,897.0</b>	<b>1,897.0</b>	<b>0.0</b>

### Agency Request

The **agency** requests an FY 2010 operating budget of \$213.2 million which is a decrease of \$13,458, or less than 0.1 percent, below the current year estimate. The agency requests State General Fund expenditures of \$77.1 million which is a decrease of \$62,940 or 0.1 percent, below the current year estimate, reflecting increased fringe benefit rates offset by reductions in other areas. The all funds reduction reflects the one-time reappropriated funds available in FY 2008 that are not available for FY 2009.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$202.3 million, including \$67.6 million from the State General Fund. The recommendation is a reduction of \$8.6 million, or 4.1 percent, all funds and \$7.3 million, or 9.8 percent, State General Fund below the FY 2009 recommendation.

The recommendation is a reduction of \$10.9 million, or 5.1 percent, all funds and \$9.6 million, or 12.4 percent, State General Fund below the agency request. The recommendation includes a State General Fund reduction for aviation infrastructure of \$2.5 million and a 7.0 percent reduction of \$5.2 million. In addition, the Governor makes reductions for the moratorium on employer contributions to the state health plan of \$436,667, including \$387,674 from the State General Fund and the KPERS death and disability moratorium of \$603,012, including \$341,963 from the State General Fund.

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## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$2,628,570, including \$1,525,713 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 \$268,005, including \$151,982 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. Continue the FY 2009 1.25 percent reduction. Delete \$930,723, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$907,189, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$900,317, in addition to the \$930,723 reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.
5. **Wichita State University - National Center for Aviation Training.** Concur with the Governor's reduction to fund the National Center for Aviation Training (NCAT) at \$2.5 million, all from the Economic Development Initiatives Fund, and consider the addition of \$2.0 million from the State General Fund at Omnibus
6. **Wichita State University - National Institute for Aviation Research.** Add language allowing the reappropriation of unspent Economic Development Initiatives Fund (EDIF) in FY 2010 to FY 2011 in the agency aviation research account.

## Senate Subcommittee Report

**Agency:** Kansas Board of Regents      **Bill No.** SB

**Bill Sec.**

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

**Budget Page No.** 291

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 226,260,555	\$ 178,278,089	\$ (6,037,169)
Other Funds	29,864,452	32,295,969	(9,938,132)
Subtotal - Operating	\$ 256,125,007	\$ 210,574,058	\$ (15,975,301)
Capital Improvements:			
State General Fund	\$ 5,000,000	\$ 5,000,000	\$ 0
Other Funds	48,755,000	42,480,000	0
Subtotal - Capital Improvements	\$ 53,755,000	\$ 47,480,000	\$ 0
 TOTAL	 \$ 309,880,007	 \$ 258,054,058	 \$ (15,975,301)
FTE Positions			
	63.5	63.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	63.5	63.5	0.0

### Agency Request

The **agency** requests FY 2010 operating expenditures of \$256.1 million which is a net increase of \$29.5 million, or 13.0 percent, above the current year estimate. Of this amount, \$226.3 million is from the State General Fund and is an increase of \$31.4 million, or 16.1 percent, above the current year estimate. The request includes enhancements totaling \$33.5 million, including \$33.0 million from the State General Fund.

Absent the enhancement requests, the agency request is \$223.1 million, including \$193.2 million from the State General Fund, which is a decrease of \$3.6 million, or 1.6 percent, all funds and \$1.6 million, or 0.8 percent, State General Fund, from the FY 2009 estimate.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$210.6 million, including \$178.3 million from the State General Fund. The recommendation is a reduction of \$11.3 million, or 5.1 percent, all funds and \$11.4 million, or 6.0 percent, State General Fund below the FY 2009 recommendation.

The recommendation is a reduction of \$45.6 million, or 17.8 percent, all funds and \$48.0 million, or 21.2 percent, State General Fund below the agency request. The recommendation includes a 7.0 percent State General Fund reduction of \$13.4 million. In addition, the Governor makes reductions for the moratorium on employer contributions to the state health plan of \$102,851,

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including \$63,997 from the State General Fund and the KPERS death and disability moratorium of \$28,768, including \$19,531 from the State General Fund. The recommendation does not include the agency enhancement requests.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$102,851, including \$63,997 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 \$12,786, including \$8,680 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. Continue the FY 2009 1.25 percent reduction. Delete \$2,654,723, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$3,805,123, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$3.8 million, in addition to the \$2.7 million reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governor's FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require the agency to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.
5. **Eliminate KAN-ED Funding.** Delete \$9,981,092, all from the KAN-ED Fund, to remove the Governor's recommended funding for KAN-ED in FY 2010. The 2008 Legislature mandated that the Board of Regents identify an alternative funding source for KAN-ED and provide a report to the Joint Committee on Information Technology (JCIT). In it's 2008 report, the JCIT made the following recommendation:

"The Committee notes that in a report required by 2008 Senate Sub. for HB 2946, Kan-Ed recommended KUSF as its primary funding source. The Committee recommends that Kan-Ed be included in the effort to balance the State budget. Given the value of grants awarded by the network to assist in the purchase of services and equipment across the state, the Committee recommends that any

reductions be made in operating expenditures. The Committee also recommends that Kan-Ed minimize its use of the KUSF by use of E-Rate funds or other as yet unidentified funding sources.”

The Subcommittee notes that the statute authorizing Kansas Universal Service Fund as source of funding for KAN-ED expires on June 30, 2009. However, 2009 HB 2005 has been introduced and referred to the House Energy and Utilities Committee that would amend the statutes to allow not more than \$10.0 million annually for KAN-ED. The Subcommittee recommends review of this item at Omnibus, pending passage of this legislation.

6. **Kansas Academy of Math and Science.** Add \$350,000, all from the State General Fund, for the KAMS program in FY 2010 with 30 students.
7. The Subcommittee request the Board of Regents report to the Ways and Means Committee on the fiscal year 2010 budget needs for Graduate Medical Education in Wichita with regard to long range funding and sustainability by noon on April 3, 2009.



## Senate Subcommittee Report

**Agency:** University of Kansas Medical Center      **Bill No.** SB

**Bill Sec.**

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

**Budget Page No.** 315

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 126,513,393	\$ 112,417,904	\$ (1,530,605)
Other Funds	139,812,759	136,366,077	3,096,406
Subtotal - Operating	\$ 266,326,152	\$ 248,783,981	\$ 1,565,801
<b>Capital Improvements:</b>			
State General Fund	\$ 415,000	\$ 415,000	\$ 0
Other Funds	1,415,000	1,415,000	0
Subtotal - Capital Improvements	\$ 1,830,000	\$ 1,830,000	\$ 0
 TOTAL	 \$ 268,156,152	 \$ 250,613,981	 \$ 1,565,801
 FTE Positions	 2,604.9	 2,604.9	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,604.9	2,604.9	0.0

### Agency Request

The **agency** requests an FY 2010 operating budget of \$266.3 million which is a decrease of \$4.8 million, or 1.8 percent, below the current year estimate. The agency requests State General Fund expenditures of \$126.5 million which is a decrease of \$109,326, or 0.1 percent, below the current year. The reduction reflects reappropriations in FY 2009 that are not available for FY 2010.

### Governor's Recommendation

The **Governor** recommends FY 2010 expenditures of \$248.8 million, including \$112.4 million from the State General Fund. The recommendation is a reduction of \$18.6 million, or 7.0 percent, all funds and \$10.5 million, or 8.5 percent, State General Fund below the FY 2009 recommendation. The recommendation includes a 7.0 percent State General Fund reduction of \$8.5 million, and reduces funding for the Wichita Center for Graduate Medical Education (WCGME) by \$2.5 million, all from the State General Fund. In addition, the Governor makes reductions for the moratorium on employer contributions to the state health plan of \$5.3 million, including \$2.5 million from the State General Fund and the KPERS death and disability moratorium of \$1.2 million, including \$552,378 from the State General Fund

The recommendation is a reduction of \$17.5 million, or 6.6 percent, all funds and \$14.1 million, or 11.1 percent, State General Fund below the agency request.

4-15

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$5,344,381, including \$2,528,197 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 \$525,723, including \$245,501 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. Continue the FY 2009 1.25 percent reduction. Delete \$1,524,902, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$2,779,401, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$2.8 million, in addition to the \$1.5 million reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.
5. **Wichita Center for Graduate Medical Education.** The Subcommittee request the Board of Regents report to the Ways and Means Committee on the fiscal year 2010 budget needs for Graduate Medical Education in Wichita with regard to long range funding and sustainability by noon on April 3, 2009.

## Senate Subcommittee Report

**Agency:** Emporia State University **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. 301**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,591,647	\$ 32,050,175	\$ (974,764)
Other Funds	45,473,924	44,845,335	564,128
Subtotal - Operating	\$ 81,065,571	\$ 76,895,510	\$ (410,636)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,207,000	1,207,000	0
Subtotal - Capital Improvements	\$ 1,207,000	\$ 1,207,000	\$ 0
 TOTAL	 \$ 82,272,571	 \$ 78,102,510	 \$ (410,636)
 FTE Positions	 830.1	 830.1	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	830.1	830.1	0.0

### Agency Request

The **agency** requests an FY 2010 operating budget of \$81.1 million which is a decrease of \$2.5 million, or 3.0 percent, below the current year estimate. The agency requests State General Fund expenditures of \$35.6 million which is a decrease of \$4,338, or less than 0.1 percent, below the current year. The request does not reflect any transfer from the Board of Regents for operating grant increases.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$76.9 million, including \$32.0 million from the State General Fund. The recommendation is a reduction of \$5.6 million, or 6.8 percent, all funds and \$2.5 million, or 7.2 percent State General Fund from the FY 2009 recommendation.

The FY 2010 recommendation is a decrease of \$4.2 million, or 5.1 percent, all funds and \$3.5 million, or 10.0 percent, State General Fund from the agency request. The reduction reflects a 7.0 percent State General Fund reduction of \$2.5 million, a reduction of \$305,890, including \$189,862 from the State General Fund for the moratorium on employer contributions to the KPERS Death and Disability Insurance Fund, and \$1.4 million, including \$860,195 from the State General Fund for the moratorium on employer contribution to the state health plan.

4-17

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following adjustments:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,372,756, including \$860,195 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 \$135,952, including \$84,385 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. Continue the FY 2009 1.25 percent reduction. Delete \$429,890, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$1,489,454, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$1.5 million, in addition to the \$429,890 reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.

## Senate Subcommittee Report

**Agency:** Fort Hays State University    **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. 303**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 37,554,220	\$ 33,857,186	\$ (981,132)
Other Funds	49,404,236	48,973,721	386,742
Subtotal - Operating	\$ 86,958,456	\$ 82,830,907	\$ (594,390)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,875,590	4,875,590	0
Subtotal - Capital Improvements	\$ 4,875,590	\$ 4,875,590	\$ 0
 TOTAL	 \$ 91,834,046	 \$ 87,706,497	 \$ (594,390)
FTE Positions			
	769.8	769.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	769.8	769.8	0.0

### Agency Request

The **agency** requests an FY 2010 operating budget of \$87.0 million, a decrease of \$65,616, or 0.1 percent, below the FY 2009 estimate. The agency State General Fund request of \$37.6 million is a decrease of \$101,356, or 0.3 percent, below the FY 2009 estimate, which reflects reappropriations available in FY 2009 that will not be available in 2010. The request does not reflect any transfer from the Board of Regents for operating grant increases.

### Governor's Recommendation

The **Governor** recommends FY 2010 expenditures of \$82.8 million, including \$33.9 million from the State General Fund. The recommendation is a reduction of \$3.1 million, or 3.6 percent, all funds and \$2.7 million, or 7.3 percent, State General Fund below the FY 2009 recommendation.

The recommendation is a reduction of \$4.1 million, or 4.7 percent, from the agency all funds request and \$3.7 million or 9.8 percent from the agency State General Fund request. The recommendation includes a reduction of \$4.1 million, including \$3.7 million from the State General Fund as follows: 7.0 percent State General Fund reduction of \$2.6 million; moratorium on the state portion of death and disability payments of \$279,662, including \$200,876 from the State General Fund; and moratorium on health insurance payments of \$1.2 million, including \$867,363 from the State General Fund.

4-19

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following adjustments:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,219,092, including \$867,363 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 \$124,293, including \$89,280 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. Continue the FY 2009 1.25 percent reduction. Delete \$454,893, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$1,482,882, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$1.5 million, in addition to the \$454,893 reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.

## Senate Subcommittee Report

**Agency:** Pittsburg State University      **Bill No.** SB      **Bill Sec.**  
**Analyst:** Dunkel      **Analysis Pg. No.** Vol.-      **Budget Page No.** 311

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 38,590,792	\$ 35,084,144	\$ (1,260,760)
Other Funds	48,110,271	47,385,715	651,488
Subtotal - Operating	<u>\$ 86,701,063</u>	<u>\$ 82,469,859</u>	<u>\$ (609,272)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 320,348	\$ 155,348	\$ 0
Other Funds	2,511,879	2,511,879	0
Subtotal - Capital Improvements	<u>\$ 2,832,227</u>	<u>\$ 2,667,227</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 89,533,290</u></u>	<u><u>\$ 85,137,086</u></u>	<u><u>\$ (609,272)</u></u>
FTE Positions	896.8	896.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>896.8</u></u>	<u><u>896.8</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests an FY 2010 operating budget of \$86.7 million which is a decrease of \$40,829, or less than 0.1 percent, below the current year estimate. The agency requests State General Fund expenditures of \$38.6 million which is a decrease of \$17,142, or less than 0.1 percent, below the current year estimate. The reductions reflect reappropriations available in FY 2009 that will not be available in FY 2010. Offset by annual fringe benefit increases. The agency requests no enhancements.

### Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of 82.5 million, including \$35.1 million from the State General Fund. The recommendation is a reduction of \$3.1 million, or 3.6 percent, all funds and \$2.4 million, or 6.3 percent, State General Fund below the FY 2009 recommendation.

The recommendation is a reduction of \$4.2 million, or 4.9 percent, all funds and \$3.5 million, or 9.1 percent State General Fund, below the agency request for FY 2010. The reduction reflects a 7.0 percent State General Fund reduction of \$2.7 million, savings from the KPERS death and disability moratorium of \$283,278, including \$151,755 from the State General Fund and the moratorium on employer contributions to the state health plan of \$1.2 million, including \$653,905 from the State General Fund.

4-21

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,246,938, including \$653,905 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 \$125,902, including \$67,447 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. Continue the FY 2009 1.25 percent reduction. Delete \$468,042, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$1,514,070, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$1.5 million, in addition to the \$468,042 reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agency, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.



## Senate Subcommittee Report

**Agency:** Postsecondary Systemwide **Bill No.** SB

**Bill Sec.**

**Analyst:** Dunkel

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

**Budget Page No. Various**

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 879,819,574	\$ 766,573,312	\$ (22,259,047)
Other Funds	1,318,000,919	1,224,248,745	5,730,446
Subtotal - Operating	<u>\$ 2,197,820,493</u>	<u>\$ 1,990,822,057</u>	<u>\$ (16,528,601)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 7,953,177	\$ 6,448,177	\$ 0
Other Funds	93,911,025	99,061,995	0
Subtotal - Capital Improvements	<u>\$ 101,864,202</u>	<u>\$ 105,510,172</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 2,299,684,695</u></u>	<u><u>\$ 2,096,332,229</u></u>	<u><u>\$ (16,528,601)</u></u>
<b>FTE Positions</b>	17,691.8	17,691.8	0.0
<b>Non FTE Uncl. Perm. Pos.</b>	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>17,691.8</u></u>	<u><u>17,691.8</u></u>	<u><u>0.0</u></u>

### Agency Request

The **FY 2010 operating request** for the postsecondary education system is \$2.2 billion which is an increase of \$16.3 million, or 0.7 percent, above the current year estimate. State General Fund expenditures for FY 2010 are requested at \$879.8 million which is an increase of \$30.3 million, or 3.6 percent, above the current year estimate. The State General Fund increase is offset by reductions in other funds expenditures which reflects reappropriations available in FY 2009 that will not be available in FY 2010.

The request includes enhancements totaling \$33.1 million, all from the State General Fund

### Governor's Recommendation

The **Governor** recommends FY 2010 expenditures of \$2.1 billion, including \$766.6 million from the State General Fund. The recommendation is a reduction of \$89.0 million, or 4.1 percent, all funds and \$58.1 million, or 7.0 percent, State General Fund, below the FY 2009 recommendation. The recommendation includes a 7.0 percent State General Fund reduction of \$45.2 million. In addition, the Governor makes reductions for the moratorium on employer contributions to the state health plan of \$27.0 million, including \$13.0 million from the State General Fund and the KPERs death and disability moratorium of \$6.7 million, including \$3.1 million from the State General Fund.

4-23

## Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor with the following recommendations and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$27,048,980, including \$12,971,220 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 \$2,993,374, including \$1,359,596 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. Continue the FY 2009 1.25 percent reduction. Delete \$10,590,443, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 percent reduction from the FY 2009 Governor's Recommendation.** Delete \$26,349,420, all from the State General Fund, to meet the target recommendation of 10.0 percent below the FY 2009 Governor's recommendation. The \$25.2 million, in addition to the \$10.6 million reduction for the continuation of the 1.25 percent reduction in FY 2009 reduces the budget to the Governors FY 2009 recommendation, excluding student aid, less 10.0 percent. According to the agencies, this reduction will require institutions to hold positions open for longer periods of time, eliminate positions, and begin to reduce or eliminate programs in order to operate within budget constraints.
5. **Board of Regents - Eliminate KAN-ED Funding.** Delete \$9,981,092, all from the KAN-ED Fund, to remove the Governor's recommended funding for KAN-ED in FY 2010. The 2008 Legislature mandated that the Board of Regents identify an alternative funding source for KAN-ED and provide a report to the Joint Committee on Information Technology (JCIT). In it's 2008 report, the JCIT made the following recommendation:

"The Committee notes that in a report required by 2008 Senate Sub. for HB 2946, Kan-Ed recommended KUSF as its primary funding source. The Committee recommends that Kan-Ed be included in the effort to balance the State budget. Given the value of grants awarded by the network to assist in the purchase of services and equipment across the state, the Committee recommends that any reductions be made in operating expenditures. The Committee also recommends that Kan-Ed minimize its use of the KUSF by use of E-Rate funds or other as yet unidentified funding sources."

4-24

The Subcommittee notes that the statute authorizing Kansas Universal Service Fund as source of funding for KAN-ED expires on June 30, 2009. However, 2009 HB 2005 has been introduced and referred to the House Energy and Utilities Committee that would amend the statutes to allow not more than \$10.0 million annually for KAN-ED. The Subcommittee recommends review of this item at Omnibus, pending passage of this legislation.

6. **Wichita State University - National Center for Aviation Training.** Concur with the Governor's reduction to fund the National Center for Aviation Training (NCAT) at \$2.5 million, all from the Economic Development Initiatives Fund, and consider the addition of \$2.0 million from the State General Fund at Omnibus
7. **Wichita State University - National Institute for Aviation Research.** Add language allowing the reappropriation of unspent Economic Development Initiatives Fund (EDIF) in FY 2010 to FY 2011 in the agency aviation research account.
8. **University of Kansas Medical Center - Wichita Center for Graduate Medical Education.** The Subcommittee request the Board of Regents report to the Ways and Means Committee on the fiscal year 2010 budget needs for Graduate Medical Education in Wichita with regard to long range funding and sustainability by noon on April 3, 2009.
9. **Board of Regents - Kansas Academy of Math and Science.** Add \$350,000, all from the State General Fund, for the KAMS program in FY 2010 with 30 students.
10. The Subcommittee commends the Board of Regents and all of the postsecondary institutions for their efforts and patience as the Legislature works to address budget concerns for FY 2010.

**TESTIMONY ON SB252**

**SENATE WAYS AND MEANS**

**February 26, 2009**



**J. Russell Jennings**  
**Commissioner**  
785-296-0042  
rjennings@jja.ks.gov

Senate Ways & Means Cmte  
Date 2-26-2009  
Attachment 5

JJA supports the provisions of SB252. This bill will limit the amount paid by JJA for medical services provided to juvenile offenders who are placed in a juvenile correctional facility to the amount a provider would be entitled to bill for services when services are covered by Medicaid or the actual amount billed by a provider if less than the Medicaid reimbursement rate.

Currently all medical services for juvenile offenders placed in a juvenile correctional facility are paid by state general funds in the amount billed by the provider or a lesser amount if such lesser amount can be negotiated by JJA. Juveniles who are in the custody of the commissioner and are placed in a community residential placement are covered by a medical card and medical service providers are paid at the Medicaid reimbursement rate. Medical card coverage ceases upon a juvenile being placed in a secure detention center or juvenile correctional facility. This bill would serve to expand the population served by medical professionals and hospitals at the Medicaid rate by the number of juvenile offenders placed in juvenile correctional facilities, approximately 350 youth.

If SB252 becomes law, JJA estimates a maximum annual savings for medical services in the amount of \$156,172 and a minimum amount of \$95,493. Actual savings will be dependent upon the amount of outside medical services required at juvenile correctional facilities.



# KANSAS

KANSAS DEPARTMENT OF CORRECTIONS  
ROGER WERHOLTZ, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Testimony on SB 252  
to  
The Senate Ways and Means Committee

By Roger Werholtz  
Secretary  
Kansas Department of Corrections  
February 26, 2009

The Department of Corrections supports SB 252. SB 252 amends K.S.A. 22-4612 to include the Juvenile Justice Authority and the Department of Corrections as law enforcement agencies that would be charged medicaid rates for the medical treatment provided to persons in their custody. Current law provides for medicaid rates for the medical treatment provided to persons in the custody of city and county law enforcement agencies, including their detention facilities, as well as the Kansas Highway Patrol.

Law enforcement agencies are required by Kansas law and the United States Constitution to provide necessary medical care to persons in their custody. Since application of medicaid rates to prisoners in the custody of cities, counties and the Highway Patrol in 2006, Kansas taxpayers have saved over \$7.8 million or 69.5% in medical costs. A chart of the savings experienced by county jails is attached.

The Department of Corrections' health care contractor has advised us that SB 252 would result in a reduction in medical contract costs in the amount of \$700,000 annually.

To add perspective to the cost of medical treatment provided to prisoners, it must be noted that indigent persons who are not prisoners must be provided necessary medical care at hospitals. Those costs are not usually recovered from the indigent patient. However, if that indigent person is in the custody of a law enforcement agency, hospitals prior to enactment of K.S.A. 22-4612 typically charged law enforcement agencies a higher rate than charged to health insurance companies even though the payment of the indigent prisoner's medical costs are fully guaranteed by the law enforcement agency.

K.S.A. 22-4612 has served Kansas taxpayers well and SB 252 would extend savings to taxpayers by including persons in the custody of the Juvenile Justice Authority and the Department of Corrections.

The department urges favorable consideration of SB 252.



# THE KANSAS COLLABORATIVE

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The Kansas Collaborative is a joint effort between the State of Kansas, the Kansas Association of Counties and the League of Kansas Municipalities to foster collaboration and improve government efficiency. By working together, local and state officials improve accountability and maximize public resources – leading to better results for Kansas.

Projects of The Kansas Collaborative are managed and facilitated by TeamTech Inc.

TheKansasCollaborative.com

## County Jail Savings on Inmate Health Care Costs from the enactment of HB 2893

*A project of The Kansas Collaborative in partnership with the Kansas Sheriffs' Association*

Updated as of January 1, 2009

Time period	# of claims	Billed Charges	Medicaid Amt.	Savings	Average Savings %
June to December 2006	990	\$1,064,228.49	\$350,950.00	\$713,278.49	67.0%
January to June 2007	1,710	\$2,005,146.97	\$664,506.54	\$1,340,640.43	66.9%
July to December 2007	2,218	\$2,751,820.99	\$716,563.21	\$2,035,257.78	74.0%
January to June 2008	1,883	\$2,790,464.38	\$984,672.45	\$1,805,791.93	64.7%
July to December 2008	2,094	\$2,617,906.21	\$710,330.78	\$1,907,575.43	72.9%
<b>TOTALS</b>	<b>8,895</b>	<b>\$11,229,567.04</b>	<b>\$3,427,022.98</b>	<b>\$7,802,544.06</b>	<b>69.5%</b>

Note: Sedgwick County's savings are included in the Prescription Drug savings data.

Wyandotte County was added beginning January 2008. Johnson County data for 2008 was reported starting in March 2008.

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Senate Ways & Means Cmte

Date 2-26-2009

Attachment 7



Thomas L. Bell  
President

**TO:** Senate Committee on Ways and Means  
**FROM:** Fred J. Lucky, Senior Vice President  
**DATE:** February 26, 2009  
**RE:** Senate Bill 252

The Kansas Hospital Association appreciates the opportunity to provide comments on Senate Bill 252 which would amend K.S.A. 22-4612 by allowing the Kansas Department of Corrections and the Kansas Juvenile Justice Authority to receive Medicaid payment rates from health care providers for services rendered to inmates. This is not a new issue for the Legislature to consider. It has its genesis with the passage of House Bill 2893 during the 2006 session. House Bill 2893 was achieved because the two sides, hospitals and local law enforcement agencies, had issues in conflict that needed to be corrected. For hospitals, it was the practice of "un-arresting" individuals in custody to avoid paying for services. For the Sheriff's Association the issue was payment rates. In the end, both sides agreed that if providers would accept Medicaid payment rates for services rendered then the practice of "un-arresting" would be discontinued. It was a win-win for both sides.

#### **Department of Corrections Inclusion**

During the negotiations and subsequent hearings on House Bill 2893, the Kansas Department of Corrections attempted to be included in the bill. Our members were unanimous in their opposition to their inclusion for several reasons:

- The state was not responsible for the payment of claims for inmates. They had contracted that out to Correct Care Solutions.
- Correct Care Solutions had entered into contracts with many of the hospitals and physicians in the regions surrounding the prison facilities and had negotiated discounts and access provisions appropriate for the area.
- Provider Assessment-enhanced Medicaid payment rates were still below the cost of care and they were not willing to shift those losses to employers and others in their communities responsible for keeping the local hospital afloat.

Senate Ways & Means Cmte  
Date 2-26-2009  
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**Kansas Hospital Association**

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- The costs for providing care to prison inmates far exceed the average costs for a typical Medicaid patient.

The RFP between the state and Correct Care Solutions includes several comments that should be brought to the committee’s attention regarding the DOC’s request:

**Section 5.4.2 Off-site Hospital Care:** “The CCS Network Development Department has established a Kansas Correctional Healthcare Network (KCHN), which includes active contracts with over 100 specialty providers and hospitals throughout the state. (CCS map of contracting hospitals attached.) ..... It is important to note that CCS has worked in good faith with hospitals throughout the state. It is imperative that the KDOC and the State aggressively pursue a program where providers accept Medicaid or Medicare rates. Our present proposal cannot assure all providers will accept these rates...”

**Page 1 of RFP Addendum:** “The combination of losses, compensation and the need for CCS to generate a modest return on the project can be summarized as follows:

Compensation FY '05	\$30,861,528
Operating Loss	\$ 1,000,000
Profit Margin (10%)	<u>\$ 3,186,152</u> ”

**Page 2 of RFP Addendum:** “I am sure that there are companies suggesting that they can provide services cheaper than CCS, but how? Cut salaries? Cut staff? Better hospital discount? (We currently receive discounts in excess of 45% through strong relationships and prompt payments).” – signed Jerry Boyle, President and CEO.

**Page 30 of RFP Addendum:** 8% Operation Margin is slim, – Options One and Three – Example two (*example one dealt with pharmaceuticals*): Should events and standard costs increase 10% each, **we would lose almost 1/3 of our total budgeted profit or \$1,000,000.** An aging population and increased violence with the facilities, compounds this issue.

### **Background on Medicaid Payment Rates to Hospitals and Physicians**

Until the passage of the Medicaid Provider Assessment legislation during the 2004 session, Medicaid payment rates to hospitals and physicians had not received an “inflationary” update since the early 1980’s. Some fees on the schedule remained at the same level as when they were first developed in the early 1970’s. Growth in state expenditures was solely due to case load increases and additional mandates from the federal government, not from indexed increases in payments. Cost report data showed that the Medicaid program was paying less than 54 percent of the costs for outpatient services and 20 percent for inpatient.

It became evident that these rates were not sustainable and the Medicaid Provider Assessment program was created. In essence, hospitals were asked to contribute to the

state's share to draw down federal matching dollars to improve payment rates. Hospitals are taxed nearly \$35 million annually which in turn creates nearly \$88 million in payment increases for hospitals and physicians. And while this is welcome relief it still does not cover the cost of providing services to Medicaid beneficiaries. The provider assessment "enhanced" fee schedule is still far below that of other payers.

Milliman, one of the world's largest independent actuarial and consulting firms, was commissioned by the America's Health Insurance Plans, the Blue Cross and Blue Shield Association, and the American Hospital Association in 2008 to evaluate the financial impact to insurers and employers of the "cost shift" resulting from Medicaid and Medicare underpayments. They determined that the cost shift resulted in a 15 percent hidden tax. Jon Pickering, Principal and Consulting Actuary at Milliman, Inc., who co-authored the report concluded "As we consider approaches to expand coverage ..., we need to keep in mind the disparity among Medicare, Medicaid, and commercial provider payment rates, and the pressure that this disparity places on hospitals, physicians, and commercial payers."

Hospital's are already contributing their fair share – by providing \$35,000,000 annually to support the Medicaid fee schedule and by providing services to every Medicaid patient at a loss. The rationale our members expressed during last session are still valid. Asking hospitals and employers to underwrite losses for providing health care services to inmates while the company responsible for paying for and providing those services is guaranteed a profit from the Department is wrong. While we support efforts to work cooperatively with the Department of Corrections and their contractors, imposing arbitrary payment levels such as those from Medicaid or Medicare that are inadequate and inappropriate for inmate services is not something the legislature should mandate.

Thank you for your consideration of our comments.



**Providence Medical Center  
Saint John Hospital**

*Sisters of Charity of Leavenworth Health System*

**Testimony on S.B. 252**  
AN ACT concerning criminal procedure;  
relating to payment rates for offenders in custody  
**Kansas Senate Ways & Means Committee**  
**February 28, 2009**

**Bain J. Farris, Administrator  
Saint John Hospital, Leavenworth**

I am Bain Farris, the Administrator of Saint John Hospital in Leavenworth. Saint John Hospital is part of the Sisters of Charity of Leavenworth Health System, a faith-based hospital system which has existed in Kansas since 1864.

This is the third time we have appeared before a legislative committee to describe our opposition to this bill. You have heard from others in the past about the origins and negotiations between the sheriff's representatives and the Kansas Hospital Association which prompted the Department of Corrections to try to get this bill passed almost every year since 2006.

We were disappointed to learn that the Department of Corrections intended to seek reductions in what the State pays for health care for prisoners at our hospitals. The State should not seek to reduce its costs on the backs of community hospitals like Saint John Hospital and Providence Medical Center, which have already agreed to provide health services at a significantly discounted rate to persons jailed in our State prisons. They are not easy patients to serve.

Providence Medical Center and Saint John Hospital have contracts with CCS to provide both inpatient and outpatient care to prisoners at Lansing Correctional and other State prison facilities. These contracts were signed in October 2003, and are extended annually unless either party gives notice of termination at least 30 days prior to the expiration date.

Our current reimbursement rates are set well below charges, at 52 percent of billed charges for inpatient care, and 65 percent of billed charges for outpatient surgery and emergency room services. In 2008, the two hospitals' charges for these patients totaled \$2.92 million, and under the contract, CCS paid \$1.51 million. Today's Medicaid rates would be more than 56 percent lower with just over \$662,000 in reimbursement to the hospitals for the nearly \$3 million in charges. We are concerned that these rates may be reduced even further.

DOC representatives have previously testified that the amendments they propose would save them from \$250,000 to \$500,000 in health care expenses – on the backs of your community hospitals – by paying Medicaid rates. **We calculate that our hospitals alone would lose almost \$847,000 in revenue annually, as the attached chart shows.**

No community hospital can survive on Medicaid rates alone. Such a drastic reduction in reimbursement would force us to reevaluate our desire to have a contract with CCS in the future.

We urge you to reject this bill. I would be happy to respond to

**Senate Ways & Means Cmte**  
**Date** 2-26-2009  
**Attachment** 9

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<b>IMPACT IF STATE OF KANSAS PRISON BUSINESS PAYMENTS TRANSITION TO MEDICAID</b>							
<b>PROVIDENCE MEDICAL CENTER (Kansas City)</b>							
						Change In	
	CCS	CCS	Current	Medicaid	Medicaid	Net Revenue	Percent
	<u>2008 Charges</u>	<u>Reimbursement</u>	<u>Net Revenue</u>	<u>Reimbursement</u>	<u>Net Revenue</u>	<u>Per Year</u>	<u>Change</u>
Inpatient	\$ 1,999,745	50.8%	\$ 1,015,870	28.2%	\$ 563,928	\$ (451,941)	-44.5%
Outpatient	\$ 614,096	59.0%	\$ 362,317	9.0%	\$ 55,269	\$ (307,047)	-84.7%
Total	\$ 2,613,841		\$ 1,378,187		\$ 619,197	\$ (758,989)	-55.1%
<b>SAINT JOHN HOSPITAL (Leavenworth)</b>							
						Change In	
	CCS	CCS	Current	Medicaid	Medicaid	Net Revenue	Percent
	<u>2008 Charges</u>	<u>Reimbursement</u>	<u>Net Revenue</u>	<u>Reimbursement</u>	<u>Net Revenue</u>	<u>Per Year</u>	<u>Change</u>
Inpatient	\$ 84,495	52.0%	\$ 43,937	25.3%	\$ 21,377	\$ (22,559)	-51.3%
Outpatient	\$ 220,881	39.4%	\$ 87,027	9.9%	\$ 21,867	\$ (65,159)	-74.9%
Total	\$ 305,376		\$ 130,965		\$ 43,244	\$ (87,719)	-67.0%
<b>PROVIDENCE &amp; SAINT JOHN COMBINED</b>			\$ 1,509,152		\$ 662,441	\$ (846,708)	-56.1%



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**To:** Senate Committee on Ways and Means

**From:** Dan Morin  
Director of Government Affairs

**Date:** February 26, 2009

**Subject:** SB 252; concerning health care costs for the Department of Corrections and the Kansas Juvenile Justice Authority

The Kansas Medical Society appreciates the opportunity to submit the following comments on SB 252. This legislation limits the amounts that the Department of Corrections and the Kansas Juvenile Justice Authority would be obligated to pay health care providers for services rendered. Under the bill, that limit would essentially be the applicable Medicaid rate.

Our principal concerns with the bill were addressed during the 2006 session when discussing House Bill 2893.

We certainly understand the challenges faced by county commissions in having to provide all necessary medical care to persons in their custody. It is very difficult to budget for such expenditures when the county doesn't have any way to know who will be in their jails from one year to the next, and what their medical needs will be. The available information seems to confirm that the number of individuals in the custody of the law enforcement agencies covered in the bill is relatively small statewide, so we do not oppose its provisions. SB 252 expands current statute to cover other populations. As the scope of the bill is expanded to potentially cover more individuals, we would urge you to consider setting the reimbursement standard higher than Medicaid rates, possibly to rates comparable to that paid health care providers under programs that cover state and county employees, for example. Another approach that might be fair to all involved would be to set the standard at the "Medicaid rate, plus 30%," or some other reasonable level. Thank you for considering our comments.

We would be happy, as was done during the 2006 session, to sit down with interested parties and discuss a mutually beneficial solution for all. Thank you for the opportunity to offer comments today. We would be happy to assist in any way possible.

Senate Ways & Means Cmte  
Date 2-26-2009  
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