

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on March 2, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Laura Kelly - excused

Senator Vicki Schmidt - excused

Committee staff present:

J. G. Scott, Kansas Legislative Research Department

Michael Steiner, Kansas Legislative Research Department

Estelle Montgomery, Kansas Legislative Research Department

Heather O'Hara, Kansas Legislative Research Department

Jarod Waltner, Kansas Legislative Research Department

Julian Efird, 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:

Katrin Osterhaus, Audit Supervisor, Division of Legislative Post Audit

Others attending:

See attached list.

Introduction of proposed legislation

Senator Abrams appeared before the Committee to request the introduction of legislation concerning state finance; establishing a process to evaluate and implement federal funding available for state agencies under the federal American economic recovery and reinvestment act of 2009.

Senator Vratil moved to introduce legislation concerning state finance (9rs0892). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Tom Day, Kansas Corporation Commission, appeared before the committee to request the introduction of legislation regarding regulation of certain types of wells, including oil and gas. Mr. Day indicated that **HB 2241** addresses the same issue but failed to receive any action in the House before "turnaround".

Senator Lee moved to introduce legislation concerning the regulation of certain types of wells. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee report on Department of Health and Environment-Health

Senator Vratil, member of the Subcommittee, presented that Subcommittee report on the Governor's budget recommendations for the Department of Health and Environment-Health for FY 2010 (Attachment 1).

Senator Vratil moved to amend the Subcommittee report on the Department of Health and Environment-Health by adding language to provide that the Safety Net Clinics be moved to the Kansas Health Policy Authority (KHPA), legislation be prepared to accomplish the move, and the appropriation of approximately \$7 million for FY 2009 follow the agency. The motion was seconded by Senator Teichman. Motion withdrawn with approval of the second.

Senator McGinn made a substitute motion to amend the Subcommittee report on the Department of Health and Environment-Health by adding language to review the move and fully understand the impact of moving the Safety Net Clinics from the Department of Health and Environment to KHPA prior to taking final Committee action. The motion was seconded by Senator Lee. Motion withdrawn with approval of the second.

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 2, 2009, in Room 545-N of the Capitol.

The Committee voiced concern that there is a need to fully understand the ramifications of moving the Safety Net Clinics from the Department of Health and Environment to KHPA before a final decision is made. After discussion, the Committee felt that rather than delay action on the Subcommittee report, the issue could be dealt with in legislation and further deliberation when the bill is worked.

Senator McGinn moved to introduce legislation to move the Safety Net Clinics from the Department of Health and Environment-Health to Kansas Health Policy Authority (KHPA), request information on how the move would affect staffing, the effects of the stimulus package, and effect of the Governor's Budget Amendment No. 1. The motion was seconded by Senator Lee. Motion carried on a voice vote.

The Committee addressed the programs, as set forth by the agency, to be eliminated or to which cuts will be made in order to achieve a 10.0 percent reduction in the agency's FY 2010 budget.

Senator McGinn moved to reinstate the Pregnancy Maintenance Initiative (PMI) funding to the Department of Health and Environment-Health FY 2010 budget. The motion was seconded by Senator Taddiken. Motion failed on a voice vote.

The Committee felt it is not the focus of the Committee to micro-manage state agencies and dictate where to take budget reductions.

Senator Vratil moved for the adoption of the Subcommittee report on the Governor's recommendation for the Department of Health and Environment-Health for FY 2010 with notations and adjustments as amended. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee report on the Department of Health and Environment-Environment

Senator Vratil, member of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Department of Health and Environment-Environment for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Department of Health and Environment-Environment for FY 2010 with notations and adjustments (Attachment 1). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Action on SB 196 - KPERS employment after retirement restrictions to apply to retirants employed by a third-party entity.

Senator Vratil presented a balloon amendment that would require the contract between the school district and a third-party entity to include language stating that the third-party entity would provide compensation information to the school district when requested.

Senator Vratil moved to amend SB 196 by adopting the balloon amendment (Attachment 2). The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Teichman presented a balloon amendment that is intended to "grandfather in" any retirant who is under contract with the third-party entity prior to July 1, 2009 (Attachment 3).

The Committee expressed confusion as to whether the amendment would accomplish the intended result and delayed further action on **SB 196** until a later date.

Overview of Low-Priority Programs Audit

Katrin Osterhaus, Division of Legislative Post Audit, presented an overview of the audit on Low-Priority Programs in Kansas: Identifying Them and the Costs Associated with Operating Them (February 9, 2009; 09PA05) (Attachment 4). The audit was performed to help identify and prioritize programs and sub-programs administrated by state agencies that receive at least some state funding and have the lowest priority relative to State agencies' core missions and objectives.

The next meeting is scheduled for March 4, 2009.
The meeting was adjourned at 11:55 a.m.

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: ___ March 2, 2009 ___

NAME	REPRESENTING
Amy Campbell	KMHC
Donna Ranney	KHI - News Service
Kathy Damon	KU
Cornie Shewers	KANU
Faith Loretto	KPERS
Annex Roe	KCSL
Mark BOZANYSK	CAPITOL SECRETARIES
Katrina Ostrowski	LPA
Beryl Stauffer	Carter Group
Berend Koops	Hein Law Firm
Doug Bowman	CCFCDS
Missy Taylor	KFE
Mark Tallman	KASB
Suzanne Little	Ks Action for Children
Jerry Johnson	Self
Brian Eastridge	JR3
Ben Cleaves	SRS
Ethan ERICKSON	USDOT
Dick Morrissey	KDHE
John Mitchell	KDHE
Aaron Dunkel	KDHE
Tommy & Andy	KDHE
Pat Kuehn	KDHE

Vicki Lynn Hester

Budget

SENATE WAYS & MEANS COMMITTEE
GUEST LIST

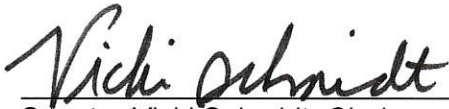
DATE: March 2, 2009

NAME	REPRESENTING
<i>Julie Thomas</i>	<i>DOJ</i>

FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

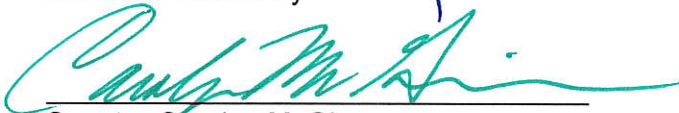
Department of Health and Environment



Senator Vicki Schmidt, Chair



Senator Laura Kelly



Senator Carolyn McGinn



Senator John Vratil

Senate Ways & Means Cmte

Date 3-02-2009

Attachment /

Senate Subcommittee Report

Agency: KDHE - Health

Bill No. SB --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. --

Budget Page No. 227

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 36,330,656	\$ 23,737,910	\$ (142,094)
Other Funds	138,118,061	135,410,562	723,911
Subtotal - Operating	<u>\$ 174,448,717</u>	<u>\$ 159,148,472</u>	<u>\$ 581,817</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 174,448,717</u>	 <u>\$ 159,148,472</u>	 <u>\$ 581,817</u>
 FTE Positions	 380.1	 369.1	 0.0
Non FTE Uncl. Perm. Pos.	170.7	170.7	0.0
TOTAL	<u>550.8</u>	<u>539.8</u>	<u>0.0</u>

Agency Request

For FY 2010, the **agency** requests expenditures of \$174,448,717 for the Health Function, which is an increase of \$13,279,463, or 8.2 percent, above the revised FY 2009 estimate. The request includes:

- **Enhancements** of \$12,478,300, including \$11,305,804 from the State General Fund. Absent enhancements, the Health Function request totals \$161,970,471, which is an increase of \$801,163 above the revised FY 2009 estimate.
- **State General Fund** expenditures of \$36,330,656, which is an increase of \$10,537,301, or 40.9 percent, above the FY 2009 revised request. Absent enhancements the request totals \$25,024,852, which is a decrease of \$768,503 below the revised FY 2009 estimate. The agency reports that State General Fund is used for overall program planning, policy, decision-making, and administrative functions, particularly for activities that are not specifically supported by grant or fee funds. Activities funded through the State General Fund include: the Cancer Registry match, diagnostic and treatment services within the Children with Special Health Care Needs section, background checks for the Health Occupations Credentialing program, pandemic influenza vaccine products, the childcare licensure inspection program, family planning activities, teen pregnancy case management and prevention activities, AIDS testing, school health clinics, and immunization programs.

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- **Children's Initiatives Fund** expenditures of \$7,604,654 are consistent with the revised FY 2009 estimate. Children's Initiatives Fund financed activities include Healthy Start, the Infants and Toddlers program, smoking prevention, treatment for phenylketonuria (PKU) and Hemophilia, newborn hearing aid loaner program, SIDS network grant, and newborn screening.
- **Agency Fee Fund** expenditures total \$17,600,824 and are used to provide services for the program for which the fee was collected. Some major fee funds include the Food Inspection Fee Fund, the Civil Registration and Health Statistics Fee Fund, and the Sponsored Project Overhead Fund.
- **Federal Fund** expenditures total \$111,844,625. Almost 51 percent of the salary request for the Division of Health is financed through federal funds. Other major expenditures categories financed through federal funds include professional services and professional, scientific, and office supplies. Aid to local units and other assistance are also significantly funded through federal funds.
- **Agency Trust Fund** expenditures total \$1,067,958. Trust funds are primarily used for salaries and wages.
- **Aid to Local Units** funding is provided to local health departments and other local entities. The agency requests expenditures of \$46,764,376 for aid to local units in FY 2010. The request is an increase of \$983,084, or 2.1 percent, above the revised FY 2009 estimate.

Other Assistance expenditures for FY 2010 total \$55,115,000, which is an increase of \$3,123,080, or 6.0 percent, above the revised FY 2009 estimate. Of this amount, \$53.0 million is budgeted for the federal Women, Infants, and Children (WIC) program which provides nutrition, education and supplemental foods to income eligible Kansas women who are pregnant, postpartum, breastfeeding, or for a child up to five years old. The \$2.0 million of the increase in other assistance is for an increase in federal funding in the WIC program.

Governor's Recommendation

For FY 2010, the **Governor** recommends expenditures of \$159,148,472 for the Health Function, which is a decrease of \$1,595,827, or 1.0 percent, below the FY 2009 recommendation. The recommendation includes:

- **State General Fund** expenditures of \$23,737,910, which is a decrease of \$1,605,490, or 6.3 percent, below the FY 2009 recommendation. The decrease is primarily attributed to accepting reduced resources detailed below.
- **Children's Initiatives Fund** expenditures of \$9,277,682. The recommendation is a decrease of \$226,874, or 2.4 percent, below the FY 2009 recommendation. The recommendation includes deleting funding of \$208,000, all from the Children's Initiatives Fund, for treatment for phenylketonuria (PKU) and Hemophilia and reducing funding for the Newborn Screening program by \$18,874.
- **Reduced Resources** totaling \$2,214,166, including \$1,331,268 from the State General Fund and 11.0 FTE positions.

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- The Governor recommends the reduction of \$842,450, including \$175,868 from the State General Fund, for a seven pay period moratorium on employer contributions for the state employee health benefit plan. In addition, the Governor recommends that savings of \$205,660 be transferred to the State General Fund.

The Governor also recommends the reduction of \$163,042, including \$34,056 from the State General Fund, for a partial year moratorium on employer contributions to KPERS death and disability payments. In addition, the Governor recommends that savings of \$39,880 be transferred to the State General Fund.

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 \$842,450, including \$175,868 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 \$72,465, including \$15,136 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 \$328,943, 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. Delete \$4,155, all from the State General Fund, to achieve a total 10.0 percent reduction, including the 1.25 percent reduction noted above.

This calculation for the 10.0 percent reduction excluded funding for the safety net clinics from the base amount, as the Subcommittee noted that the majority of this funding is passed directly through to the clinics. The funding for the safety net clinics is vital to the clinics ability to continue to operate, especially as testimony indicated that the clinics anticipate an increase in utilization due to the downturn in the economy. The Subcommittee notes that as the numbers of individuals who have lost their jobs increase, the number of individuals without health insurance will also increase.

The Subcommittee therefore directs that since these funds were excluded from the calculation, the agency not make reductions to this program. However, if the funds are not excluded from the calculation, the Subcommittee directs the agency

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to make every attempt to protect this program, particularly the grants to individual safety net clinics, but notes that the expenditures associated with the safety net clinics constitute a large portion of expenditures from the State General Fund for this agency.

The Subcommittee notes that the agency was directed to provide a revised spreadsheet illustrating the reductions required to achieve a ten percent reduction. This revised spreadsheet is attached.

5. The Subcommittee recommends the addition of language to require the agency make the award of grants for family planning services subject to a competitive grant process.
6. The Subcommittee notes its understanding that reductions to the Children's Initiatives Fund would occur in full committee, and therefore does not make a reduction recommendation for these funds.
7. The Subcommittee recommends that the agency consider deleting funding for the youth mentoring program, as it is a fairly new program, and it does not have measurable outcomes to indicate its validity. Additionally, the Subcommittee recommends that the agency pursue alternate funding sources for this program, with specific attention to charitable organizations.
8. The Subcommittee notes that this agency has the potential to receive federal funds under the American Recovery and Reinvestment Act. The Subcommittee requests that the agency report to the full Committee prior to Omnibus regarding the potential funding and the associated projects.
9. The Subcommittee notes that the Kansas Health Policy Authority is currently working on a medical homes model of care and encourages the Department to work closely with the Kansas Health Policy Authority to provide the best possible outcome for the state of Kansas.

The Subcommittee notes that the Chronic Disease Electronic Management System (CDEMS) which is a system for tracking quality of care improvement indicators for diabetes and other chronic diseases would provide valuable information for this project.

Senate Subcommittee Report

Agency: KDHE - Environment **Bill No.** SB --

Bill Sec. --

Analyst: O'Hara

Analysis Pg. No. Vol.--

Budget Page No. 227

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,760,264	\$ 8,986,204	\$ (203,543)
Other Funds	64,269,178	61,770,549	727,771
Subtotal - Operating	\$ 75,029,442	\$ 70,756,753	\$ 524,228
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 75,029,442	\$ 70,756,753	\$ 524,228
FTE Positions	475.9	473.9	0.0
Non FTE Uncl. Perm. Pos.	75.5	75.5	0.0
TOTAL	551.4	549.4	0.0

Agency Request

For FY 2010, the **agency** requests expenditures of \$75,029,442 for the Environment Function, which is a decrease of \$749,828, or 1.0 percent, below the revised FY 2009 estimate. The FY 2010 request includes:

- **Enhancements** of \$1,920,822, including \$1,304,000 from the State General Fund. Absent enhancements, the Environment Function request totals \$73,108,620, which is a decrease of \$2,670,650, or 3.5 percent, below the revised FY 2009 estimate.
- **State General Fund** expenditures of \$10,760,264, which is an increase of \$504,611, or 4.9 percent, above the revised FY 2009 estimate. Absent enhancements the request totals \$9,456,264, which is a decrease of \$799,389, or 7.8 percent, below the revised FY 2009 estimate. The agency reports that State General Fund is used for overall program planning, policy, and decision-making, and for administrative functions, particularly for activities that are not specifically supported by grant or fee funds. A majority of expenditures from the State General Fund are used for salaries and wages. Activities funded through the State General Fund include: the Livestock Waste Management Program, Methamphetamine Response, the spill response program, water supply and quality programs, matching funds for various programs, the Office of the Director of Environment, and functions within the Health and Environment Laboratories.

- **Children's Initiatives Fund** expenditures of \$1,899,902, which is the same amount requested in the agency's revised FY 2009 estimate. Funding from the Children's Initiatives Fund is used for the Newborn Screening program.
- **State Water Plan Fund** expenditures of \$3,883,986, which is a decrease of \$45,526, or 1.2 percent, below the revised FY 2009 estimate. The decrease is primarily attributed to State Water Plan Fund reappropriations in FY 2009.
- **Agency Fee Fund** expenditures total \$17,004,493 and are used to provide services for the program for which the fee was collected. A majority of expenditures from agency fee funds are used for salaries and wages. Some major fee funds include the Solid Waste Management Fund and Air Quality Fee Fund.
- **Federal Fund** expenditures total \$17,812,881. Federal funds represent about 30 percent of the Division of Environment's salary and wage request. Federal funds are also utilized for construction contracts through the Abandoned Mined Land Fund, to implement non-point source pollution control projects, and implementation of the Kansas Air Quality Act.
- **Agency Trust Fund** expenditures total \$19,418,120. Trust funds are primarily used for to provide professional services from contractors regarding investigations and remedial actions at contaminated sites.
- **Aid to Local Units** expenditures total \$6,152,673. This funding is primarily utilized for State Water Plan Fund programs including the Local Environmental Protection Program, Total Maximum Daily Loads (TMDLs) Initiatives, and the Watershed Restoration and Protection Program (WRAPS); implementation of the Kansas Air Quality Act in Wyandotte, Shawnee, Sedgwick, and Johnson counties; and the Household Hazardous Waste Grant Program, including solid waste recycling and composting grants and waste tire recycling grants.

Governor's Recommendation

For FY 2010, the **Governor** recommends expenditures of \$70,756,753 for the Division of Environment and the Health and Environment Laboratories. The recommendation is a decrease of \$3,450,615, or 4.6 percent, below the FY 2009 recommendation. The Governor does not recommend any of the agency's enhancement requests. The recommendation includes:

- **State General Fund** expenditures of \$8,986,204, which is a decrease of \$483,449, or 5.1 percent, below the FY 2009 recommendation. The decrease reflects decreases for moratoriums on the state's contribution for health insurance (\$230,237) and the state's contribution for KPERS death and disability (\$45,338). In addition, the Governor recommends a decrease of \$118,842 and 2.0 FTE positions to eliminate two vacant, classified FTE positions and a decrease of \$75,643 to eliminate funding for two vacant unclassified non-FTE positions.

- **State Water Plan Fund** expenditures of \$2,617,221, which is a decrease of \$526,389, or 16.7 percent, below the FY 2009 recommendation. The Governor recommends the decrease, due to a projected revenue shortfall in the State Water Plan Fund in FY 2010.
- **Children's Initiatives Fund** expenditures total \$1,884,806 for the Health and Environment Laboratories. The Governor concurs with the agency's FY 2010 request, but recommends a reduction of \$15,096 for salaries and wages.
- The Governor recommends **aid to local units** funding of \$5,397,922, which is a decrease of \$1,727,276, or 24.2 percent, below the FY 2009 recommendation.
- The Governor recommends the reduction of \$895,258, including \$230,237 from the State General Fund, for a seven pay period moratorium on employer contributions for the state employee health benefit plan. In addition, the Governor recommends that savings of \$307,755 be transferred to the State General Fund.

The Governor also recommends the reduction of \$186,524, including \$45,338 from the State General Fund, for a partial year moratorium on employer contributions to KPERS death and disability payments. In addition, the Governor recommends that savings of \$65,578 be transferred to the State General Fund.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2010 recommendation, with the following adjustments and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$895,258, including \$230,237 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$82,900, including \$20,150 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 SB 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 \$129,353, 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 services caseloads, approved by the 2009 Legislature for FY 2009.

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4. **Ten Percent Reduction.** Delete \$324,577, all from the State General Fund, to achieve a total 10.0 percent reduction, including the 1.25 percent reduction noted above. The Senate Subcommittee notes that the agency was directed to provide a revised spreadsheet illustrating the reductions required to achieve a 10.0 percent reduction. The revised spreadsheet is attached to the Senate Subcommittee Report.
5. **State General Fund Transfer to the State Water Plan Fund.** The Senate Subcommittee notes its understanding that reductions to the State Water Plan Fund will occur in the full Senate Committee; therefore, the Senate Subcommittee does not make a reduction recommendation for these funds.
6. **Federal Stimulus Funding.** The Senate Subcommittee notes that this agency has the potential to receive federal funds under the American Recovery and Reinvestment Act. The Senate Subcommittee requests that the agency report prior to Omnibus regarding the potential funding and the associated projects.

**FY2010 Reduction Based on Recommended FY 2009 Governor's Budget
as Recommended by Senate Ways and Means Subcommittee on KDHE**

The SWAM Subcommittee on KDHE recommends adjustments be made to the base FY2009 Governor's Recommendation to be used as the base for the calculation of the required reduction. The committee recommended moving the Primary Care/Safety Net program "off-budget" and adjusting the base against which the FY2010 reduction would be taken. The resulting new base and adjusted reductions are calculated as follows:

FY2009 Governor's Recommendation	34,813,053
ATL Primary Health Projects	-7,020,840
ATL Prescription Support - CBPC	-750,000
Safety Net Operations Costs	-86,719
New Adjusted Base for Reduction	26,955,494
Adjusted 10% Reduction	2,695,549

The table below outlines programs that will be eliminated or to which cuts will be made to achieve a ten percent reduction in State General Fund with the description of the reductions following. These cuts and reductions will require the agency to lay off 23.0 FTE and keep an additional 10.0 positions vacant, resulting in salary savings of \$1,427,382.

Program	SGF 10%	FTE	Salary Savings
1. PMI	400,000	0.0	0
2. Teen Pregnancy Prevention	239,000	0.0	0
3. Use Attainability Analysis-Gov Rec	75,643	1.0	75,643
4. Admin Shrinkage – Gov Rec	181,850	8.0	181,850
5. Health Shrinkage	96,953	3.0	96,953
6. Environment Shrinkage	118,842	2.0	118,842
7. Infant Toddler	85,000	0.0	0
8. Health Promotion Administration	9,899	0.0	9,899
9. Use Attainability Analysis-Other	302,269	7.0	285,133
10. District Office Reductions	141,548	2.0	65,676
11. Oral Health	35,986	0.0	35,986
12. Additional Admin Shrinkage	130,646	2.0	130,646
13. Cerebral Palsy Posture Seating	110,000	0.0	0
14. Data Support	168,014	3.0	159,840
15. Right to Know	84,280	1.0	62,839
16. Asbestos	172,619	3.0	161,515
17. Youth Mentoring Program	343,000	1.0	42,560
Total	2,695,549	33.0	1,427,382

1. PMI – elimination of \$400,000 SGF. Pregnancy Maintenance Initiative grants for four social service agencies will be discontinued; however, since KDHE funding was to expand existing services and provide additional services to those already served there is the assumption that the four agencies may continue to provide some services to pregnant clients.
2. Teen Pregnancy Prevention – reduction of \$239,000 SGF. Teen pregnancy rates are decreasing and all five of the current teen pregnancy grants would be discontinued. This reduction will still allow the agency to provide pregnancy case management service to pregnant Medicaid teens.

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**FY2010 Reduction Based on Recommended FY 2009 Governor's Budget
as Recommended by Senate Ways and Means Subcommittee on KDHE**

3. Use Attainability Analysis (UAA) – reduction of \$75,643 SGF and 1.0 FTE. This reduces the ability to perform assessments of existing and attainable designated uses of Kansas streams for the KDHE Water Quality Standards Program.
4. Administrative Shrinkage – reduction of \$181,850 SGF and 8.0 FTE. This results in not filling 8.0 positions in Central Administration. This will result in longer turn around time for processing accounts payables to vendors.
5. Health Shrinkage – reduction of \$96,953 SGF and 3.0 FTE. This results in not filling 3.0 positions and a decrease of required Medicaid match dollars that will adversely affect the agencies ability to leverage federal funds in the Health Occupational Credentialing program. It will also limit the agency's ability to carry out activities associated with health facility regulation.
6. Environment Shrinkage – reduction of \$118,842 SGF and 2.0 FTE. This results in not filling 2.0 positions and reduced laboratory services.
7. Infant Toddler Program – reduction of \$85,000 SGF. These funds go to local multi-county agencies called networks that serve families who have infants and toddler with disabilities and developmental delays. Based on an individual plan developed for each child, he/she may receive such services as OT, PT, Speech Language, etc. Currently, the cost per child is about \$1,480 per child per year and 6,643 children are served. A reduction of this size approximates serving 57 fewer children per year. However, since services must still be provided to all who need them (federal requirement) then the impact is reduction in level of services to all 6,643 children.
8. Health Promotion Administration– reduction of \$9,899. Move salaries from SGF to other funding. This will result in a like reduction in federal program activities.
9. Use Attainability Analysis – elimination of \$302,269 SGF and 7.0 FTE. This will eliminate the UAA program. This program is responsible for performing assessments of existing and attainable designated uses of Kansas streams for the KDHE Water Quality Standards Program. Use attainability analysis (UAA) surveys are performed according to defined protocols to determine if surface water (stream, wetland, lake) is capable of supporting one or more of the designated uses defined in the Kansas Surface Water Standards. This program also is required to revise the Kansas Surface Water Register and the Kansas Surface Water Quality Standards to reflect the findings of UAA surveys. Fieldwork to gather the necessary information to complete the statutory requirements to complete designated UAAs has been completed, with reporting and analysis of the findings continuing through FY 2009. Future UAA efforts (2010 and beyond) would be limited to keeping findings current and up to date in accordance with existing and evolving state and federal requirements.
10. District Office Reductions – reduction of \$141,548 SGF and 2.0 FTE. This will eliminate administrative support to the NE district office, close the NE district office, and move those operations to Topeka. This will result in increased response time to complaints or requests for assistance in the NE district. Alternative funding sources will need to be identified to cover administrative costs in the remaining 5 district offices. This may affect the agency's negotiated indirect cost rate agreement for federal grants.
11. Oral Health – reduction of \$35,986 SGF. Move salaries from SGF to Medicaid.
12. Additional Administrative shrinkage – reduction of \$130.646 SGF and 2.0 FTE. This will result in increased response time to litigation, and diminished IT support for automating systems.
13. Cerebral Palsy Posture Seating – elimination of \$110,000 SGF. This eliminates financial assistance to eligible persons to obtain seating that addresses the needs of people with significant physical disabilities through the right seating system and correct posture for optimized mobility.
14. Data Support – elimination of \$168,014 SGF and 3.0 FTE. This is the section responsible for storage, retrieval, and presentation of ambient water quality monitoring data. This section is responsible for compiling the biennial Kansas Water Quality Assessment, 305(b), Report as well as the annual register of surface waters of the state. The 305(b) report is mandated by EPA and without this section the job of preparing this

**FY2010 Reduction Based on Recommended FY 2009 Governor's Budget
as Recommended by Senate Ways and Means Subcommittee on KDHE**

report will be much more onerous for the Division of Environment and compiled by staff with no expertise. Failure to produce this report could result in sanctions by the US Environmental Protection Agency against the state of Kansas. In addition, this section manages over 30 years of water quality data for Kansas rivers and lakes. These data paint a picture of water changes over time. This section frequently receives requests for data and without this section the processing of constituent requests for this information would be difficult to provide and response time delayed.

15. Right To Know – elimination of \$84,280 SGF and 1.0 FTE. This program collects and maintains information regarding chemical storage and releases that are made available to concerned parties. The elimination of this program will result in the loss of annual revenue of approximately \$278,000 to the SGF.
16. Asbestos – elimination of \$172,619 SGF and 3.0 FTE. This program monitors the removal of asbestos from buildings during renovation and demolition projects and approves work practices to prevent asbestos fibers from becoming airborne. The elimination of this program will result in the loss of annual revenue of approximately \$182,000 to the SGF.
17. Youth Mentoring Program – elimination of \$343,000 SGF and 1.0 FTE.

SENATE BILL No. 196

By Joint Committee on Pensions, Investments and Benefits

2-4

9 AN ACT concerning retirement and pensions; relating to employment
10 after retirement; retirants employed by third-party entities; amending
11 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.
12

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

14 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
15 follows: 74-4914. (1) The normal retirement date for a member of the
16 system shall be the first day of the month coinciding with or following
17 termination of employment with any participating employer not followed
18 by employment with any participating employer within 30 days and the
19 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
20 pletion of 10 years of credited service or the first day of the month co-
21 inciding with or following the date that the total of the number of years
22 of credited service and the number of years of attained age of the member
23 is equal to or more than 85. In no event shall a normal retirement date
24 for a member be before six months after the entry date of the participating
25 employer by whom such member is employed. A member may retire on
26 the normal retirement date or on the first day of any month thereafter
27 upon the filing with the office of the retirement system of an application
28 in such form and manner as the board shall prescribe. Nothing herein
29 shall prevent any person, member or retirant from being employed, ap-
30 pointed or elected as an employee, appointee, officer or member of the
31 legislature. Elected officers may retire from the system on any date on
32 or after the attainment of the normal retirement date, but no retirement
33 benefits payable under this act shall be paid until the member has ter-
34 minated such member's office.

35 (2) No retirant shall make contributions to the system or receive serv-
36 ice credit for any service after the date of retirement.

37 (3) Any member who is an employee of an affiliating employer pur-
38 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
39 such member's accumulated contributions from the Kansas police and
40 firemen's retirement system may retire before such member's normal
41 retirement date on the first day of any month coinciding with or following
42 the attainment of age 55.

43 (4) Any member may retire before such member's normal retirement

Proposed Amendment to Senate Bill No. 196

Prepared by: Gordon Self
Office of Revisor of Statutes

Senate Ways & Means Cmte
Date 3-02-2009
Attachment 2

1 date on the first day of any month coinciding with or following termination
 2 of employment with any participating employer not followed by employ-
 3 ment with any participating employer within 30 days and the attainment
 4 of age 55 with the completion of 10 years of credited service, but in no
 5 event before six months after the entry date, upon the filing with the
 6 office of the retirement system of an application for retirement in such
 7 form and manner as the board shall prescribe.

8 (5) On or after July 1, 2006, for any retirant who is first employed or
 9 appointed in or to any position or office by a participating employer other
 10 than a participating employer for which such retirant was employed or
 11 appointed during the final two years of such retirant's participation, *and,*
 12 *on or after July 1, 2009, for any retirant who is employed by a third-*
 13 *party entity who contracts services with a participating employer other*
 14 *than a participating employer for which such retirant was employed or*
 15 *appointed during the final two years of such retirant's participation to fill*
 16 *a position covered under subsection (a) of K.S.A. 72-5410, and amend-*
 17 *ments thereto, with such retirant, such participating employer shall pay*
 18 *to the system the actuarially determined employer contribution and the*
 19 *statutorily prescribed employee contribution based on the retirant's com-*
 20 *ensation during any such period of employment or appointment. If a*
 21 *retirant who retired on or after July 1, 1988, is employed or appointed in*
 22 *or to any position or office for which compensation for service is paid in*
 23 *an amount equal to \$15,000 or more, or commencing in calendar year*
 24 *2006, and all calendar years thereafter, \$20,000 or more in any one such*
 25 *calendar year, by any participating employer for which such retirant was*
 26 *employed or appointed during the final two years of such retirant's par-*
 27 *ticipation, and, on or after July 1, 2009, by any third-party entity who*
 28 *contracts services to fill a position covered under subsection (a) of K.S.A.*
 29 *72-5410, and amendments thereto, with such retirant with a participating*
 30 *employer for which such retirant was employed or appointed during the*
 31 *final two years of such retirant's participation, such retirant shall not*
 32 *receive any retirement benefit for any month for which such retirant*
 33 *serves in such position or office. The participating employer who employs*
 34 *such retirant whether by contract directly with the retirant or through*
 35 *an arrangement with a third-party entity shall report to the system within*
 36 *30 days of when the compensation paid to the retirant is equal to or*
 37 *exceeds any limitation provided by this section. Any retirant employed by*
 38 *a participating employer or a third-party entity as provided in this sub-*
 39 *section shall not make contributions nor receive additional credit under*
 40 *such system for such service except as provided by this section. Upon*
 41 *request of the executive director of the system, the secretary of revenue*
 42 *shall provide such information as may be needed by the executive director*
 43 *to carry out the provisions of this act. The provisions of this subsection*

Any participating employer who contracts services with any such third-party entity to fill a position covered under subsection (a) of K.S.A. 72-5410, and amendments thereto, shall include in such contract a provision or condition which requires the third-party entity to provide the participating employer with the necessary compensation paid information related to any such position filled by the third-party entity with a retirant to enable the participating employer to comply with provisions of this subsection relating to the payment of contributions and reporting requirements.

2-2

2-3

1 shall not apply to retirants employed as substitute teachers or officers,
2 employees or appointees of the legislature. The provisions of this subsection
3 shall not apply to members of the legislature prior to January 8, 2000.
4 The provisions of this subsection shall not apply to any other elected
5 officials prior to the term of office of such elected official which com-
6 mences on or after July 1, 2000. The provisions of this subsection shall
7 apply to any other elected official on and after the term of office of such
8 other elected official which commences on or after July 1, 2000. Except
9 as otherwise provided, commencing January 8, 2001, the provisions of
10 this subsection shall apply to members of the legislature. For determi-
11 nation of the amount of compensation paid pursuant to this subsection,
12 for members of the legislature, compensation shall include any amount
13 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
14 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
15 amendments thereto. Notwithstanding any provision of law to the con-
16 trary, when a member of the legislature is paid an amount of compen-
17 sation of \$15,000 or more, or commencing in calendar year 2006, and all
18 calendar years thereafter, \$20,000 or more in any one calendar year, the
19 member may continue to receive any amount provided in subsections (b)
20 and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled
21 to receive such member's retirement benefit. Commencing July 1, 2005,
22 the provisions of this subsection shall not apply to retirants who either
23 retired under the provisions of subsection (1), or, if they retired under
24 the provisions of subsection (4), were retired more than 30 days prior to
25 the effective date of this act and are licensed professional nurses or li-
26 censed practical nurses employed by the state of Kansas in an institution
27 as defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
28 38-2302, and amendments thereto, the Kansas soldiers' home or the Kan-
29 sas veterans' home. Nothing in this subsection shall be construed to create
30 any right, or to authorize the creation of any right, which is not subject
31 to amendment or nullification by act of the legislature. The participating
32 employer of such retirant shall pay to the system the actuarially deter-
33 mined employer contribution based on the retirant's compensation dur-
34 ing any such period of employment.

35 (6) For purposes of this section, any employee of a local governmental
36 unit which has its own pension plan who becomes an employee of a
37 participating employer as a result of a merger or consolidation of services
38 provided by local governmental units, which occurred on January 1, 1994,
39 may count service with such local governmental unit in determining
40 whether such employee has met the years of credited service require-
41 ments contained in this section.

42 Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.

43

1 Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

2-4

SENATE BILL No. 196

By Joint Committee on Pensions, Investments and Benefits

2-4

Proposed Amendment to Senate Bill No. 196
Prepared by: Gordon Self
Office of Revisor of Statutes
March 2, 2009

9 AN ACT concerning retirement and pensions; relating to employment
10 after retirement; retirants employed by third-party entities; amending
11 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.
12

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

14 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
15 follows: 74-4914. (1) The normal retirement date for a member of the
16 system shall be the first day of the month coinciding with or following
17 termination of employment with any participating employer not followed
18 by employment with any participating employer within 30 days and the
19 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
20 pletion of 10 years of credited service or the first day of the month co-
21 inciding with or following the date that the total of the number of years
22 of credited service and the number of years of attained age of the member
23 is equal to or more than 85. In no event shall a normal retirement date
24 for a member be before six months after the entry date of the participating
25 employer by whom such member is employed. A member may retire on
26 the normal retirement date or on the first day of any month thereafter
27 upon the filing with the office of the retirement system of an application
28 in such form and manner as the board shall prescribe. Nothing herein
29 shall prevent any person, member or retirant from being employed, ap-
30 pointed or elected as an employee, appointee, officer or member of the
31 legislature. Elected officers may retire from the system on any date on
32 or after the attainment of the normal retirement date, but no retirement
33 benefits payable under this act shall be paid until the member has ter-
34 minated such member's office.

35 (2) No retirant shall make contributions to the system or receive serv-
36 ice credit for any service after the date of retirement.

37 (3) Any member who is an employee of an affiliating employer pur-
38 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
39 such member's accumulated contributions from the Kansas police and
40 firemen's retirement system may retire before such member's normal
41 retirement date on the first day of any month coinciding with or following
42 the attainment of age 55.

43 (4) Any member may retire before such member's normal retirement

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

3-2

1 date on the first day of any month coinciding with or following termination
2 of employment with any participating employer not followed by employ-
3 ment with any participating employer within 30 days and the attainment
4 of age 55 with the completion of 10 years of credited service, but in no
5 event before six months after the entry date, upon the filing with the
6 office of the retirement system of an application for retirement in such
7 form and manner as the board shall prescribe.

8 (5) On or after July 1, 2006, for any retirant who is first employed or
9 appointed in or to any position or office by a participating employer other
10 than a participating employer for which such retirant was employed or
11 appointed during the final two years of such retirant's participation, and,

12 *on or after July 1, 2009, for any retirant who is employed by a third-*
13 *party entity who contracts services with a participating employer other*
14 *than a participating employer for which such retirant was employed or*
15 *appointed during the final two years of such retirant's participation to fill*
16 *a position covered under subsection (a) of K.S.A. 72-5410, and amend-*

first

17 *ments thereto, with such retirant, such participating employer shall pay*
18 *to the system the actuarially determined employer contribution and the*
19 *statutorily prescribed employee contribution based on the retirant's com-*
20 *ensation during any such period of employment or appointment. If a*
21 *retirant who retired on or after July 1, 1988, is employed or appointed in*
22 *or to any position or office for which compensation for service is paid in*
23 *an amount equal to \$15,000 or more, or commencing in calendar year*
24 *2006, and all calendar years thereafter, \$20,000 or more in any one such*
25 *calendar year, by any participating employer for which such retirant was*
26 *employed or appointed during the final two years of such retirant's par-*
27 *ticipation, and, on or after July 1, 2009, by any third-party entity who*

or a retirant who is first employed

28 *contracts services to fill a position covered under subsection (a) of K.S.A.*
29 *72-5410, and amendments thereto, with such retirant with a participating*
30 *employer for which such retirant was employed or appointed during the*
31 *final two years of such retirant's participation, such retirant shall not*
32 *receive any retirement benefit for any month for which such retirant*
33 *serves in such position or office. The participating employer who employs*
34 *such retirant whether by contract directly with the retirant or through*
35 *an arrangement with a third-party entity shall report to the system within*
36 *30 days of when the compensation paid to the retirant is equal to or*
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38 *a participating employer or a third-party entity as provided in this sub-*
39 *section shall not make contributions nor receive additional credit under*
40 *such system for such service except as provided by this section. Upon*
41 *request of the executive director of the system, the secretary of revenue*
42 *shall provide such information as may be needed by the executive director*
43 *to carry out the provisions of this act. The provisions of this subsection*

3-3

1 shall not apply to retirants employed as substitute teachers or officers,
 2 employees or appointees of the legislature. The provisions of this subsection
 3 shall not apply to members of the legislature prior to January 8, 2000.
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 5 officials prior to the term of office of such elected official which commences
 6 on or after July 1, 2000. The provisions of this subsection shall
 7 apply to any other elected official on and after the term of office of such
 8 other elected official which commences on or after July 1, 2000. Except
 9 as otherwise provided, commencing January 8, 2001, the provisions of
 10 this subsection shall apply to members of the legislature. For determination
 11 of the amount of compensation paid pursuant to this subsection,
 12 for members of the legislature, compensation shall include any amount
 13 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
 14 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
 15 amendments thereto. Notwithstanding any provision of law to the contrary,
 16 when a member of the legislature is paid an amount of compensation of
 17 \$15,000 or more, or commencing in calendar year 2006, and all calendar
 18 years thereafter, \$20,000 or more in any one calendar year, the member
 19 may continue to receive any amount provided in subsections (b) and (d) of
 20 K.S.A. 46-137a, and amendments thereto, and still be entitled to receive
 21 such member's retirement benefit. Commencing July 1, 2005, the provisions
 22 of this subsection shall not apply to retirants who either retired under
 23 the provisions of subsection (1), or, if they retired under the provisions
 24 of subsection (4), were retired more than 30 days prior to the effective
 25 date of this act and are licensed professional nurses or licensed practical
 26 nurses employed by the state of Kansas in an institution as defined in
 27 subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A. 38-2302,
 28 and amendments thereto, the Kansas soldiers' home or the Kansas veterans'
 29 home. Nothing in this subsection shall be construed to create any right,
 30 or to authorize the creation of any right, which is not subject to amendment
 31 or nullification by act of the legislature. The participating employer of
 32 such retirant shall pay to the system the actuarially determined employer
 33 contribution based on the retirant's compensation during any such period of
 34 employment.

35 (6) For purposes of this section, any employee of a local governmental
 36 unit which has its own pension plan who becomes an employee of a participating
 37 employer as a result of a merger or consolidation of services provided by
 38 local governmental units, which occurred on January 1, 1994, may count
 39 service with such local governmental unit in determining whether such
 40 employee has met the years of credited service requirements contained in
 41 this section.

42 Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.

1 Sec. 3. This act shall take effect and be in force from and after its
2 publication in the statute book.

3-4

**Summary of Recent Legislative Post Audit Reports
As of February 26, 2009**

Audit Title	Key Findings for This Committee	Legislative Actions Needed
<p>Low-Priority Programs in Kansas: Identifying Them and the Costs Associated with Operating Them (February 2009, 09PA05)</p>	<p>This audit provides information that can be especially relevant during the budget and appropriations process. To help identify programs that have the lowest priority in relation to State agencies' core missions and objectives, we asked officials representing 47 State entities to identify and prioritize the programs and subprograms they administer that receive at least some State funding. Using their FY09 revised estimated spending levels, we asked them to <u>prioritize</u> their programs and subprograms into the following categories:</p> <ul style="list-style-type: none"> • Buy first: those they would "buy" with the first 80% of their State program funds • Buy next: those they would "buy" with the next 10% of their State program funds • Buy last: those they would "buy" with the last 10% of their State program funds. If these State funds weren't available, these are the programs and subprograms officials said they would "buy" as soon as additional funds became available. [Within this category, we also asked agencies to identify any programs or subprograms they would <u>not</u> buy even if additional State funds became available, which became Don't buy.] <p>We anticipate the budget and appropriations committees will be most interested in reviewing those programs and subprograms prioritized into the "buy last and don't buy" categories. This approach was intended to give agency officials and legislators a different look at State spending—if State funding is reduced, could some whole programs or subprograms be eliminated, rather than reducing staffing or service levels but leaving those programs intact?</p> <p>Altogether, agencies placed programs, subprograms, and some activities accounting for about \$500 million in State spending into the "buy last" category. Those included such diverse programs and subprograms as correctional facilities or other program sites, substantial highway maintenance projects, and provider rates or grants for various services. Many agency officials told us they felt these programs also were critical to their missions or the people of Kansas, but they had placed them there to fulfill the audit instructions. They also reported that <u>some</u> of the costs for these "buy last" programs and subprograms already have been reduced in their fiscal year 2009 or 2010 budgets.</p> <p>Several agencies also put about \$23 million in State spending for programs or subprograms into the "don't buy" category. Those included closing a juvenile correctional facility, eliminating payment inefficiencies from the Medicaid Program, and eliminating the burial assistance program. Agencies reported they already had cut essentially <u>all</u> these costs in their fiscal year 2009 or 2010 budgets.</p> <p>This report is intended to serve as a starting point in discussing such things as which programs and subprograms are most critical to the mission and goals of the State, whether the lowest-priority programs and subprograms still are needed, what would happen if some were temporarily not funded until additional funding became available, what if some were eliminated altogether, and the like.</p>	

Senate Ways & Means Cmte
Date 3-02-2009
Attachment 4

4-2

KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
Programs identified by Agency as "BUY NEXT" (As ranked in order by agency)										
44. General Marketing - Markets the programs/services of Office of Rural Opportunity, Community Development and Agriculture Marketing.	Un-known	Other	Unavailable	-	\$0	\$257,826	\$0	\$0	\$257,826	In addition to general administration dollars, the bulk of this budget is funded from Economic Development Initiatives Fund (EDIF) dollars reallocated from other Department of Commerce programs because of the importance of marketing the State. Rural Development is extremely important to Kansas, However, a slightly less emphasis could be placed on promoting these programs and services if necessary. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
45. Women and Minority Business Office - Provides several certifications of these businesses for procurement opportunities and assists development of all women and minority businesses.	1971	Businesses	Unavailable	74-5010a; Governor Executive Orders 1994 & 2008	\$0	\$140,436	\$0	\$0	\$140,436	FY09 budget includes \$3,001 carried over from FY08.
46. Network Kansas Pass-through - Dollars pass through to Network Kansas.	2007	Businesses	Made information available from Network Kansas	KSA 74-5008c; 74-5009; 74-5014	\$0	\$426,300	\$0	\$0	\$426,300	These are important services to business and entrepreneurs.
47. Senior Community Services Employment Program - Wage Subsidy for On-the-Job Training - Provides one year of wages to disadvantaged seniors while completing on-the-job-training.	Un-known	Elderly financially disadvantaged	120	-	\$4,377	\$4,377	\$1,020,555	\$0	\$1,024,932	This is a good investment (of \$4,000) that produced \$1 million federal funds.
48. Trade Development - Foreign Office Contractors - Europe - Supports the activities of the Export Assistance and International Investment Recruitment programs of the Trade Development Division.	Un-known	All Kansas Citizens	Unavailable	-	\$0	\$124,000	\$0	\$0	\$124,000	LPA Note: The agency reported that is has included <u>all</u> of this program in its efforts to reduce spending for FY09 or FY10.
49. Travel and Tourism - Visitors Publications and Brochures - Encourages travel to and throughout Kansas.	1982	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$124,438	\$0	\$728,000	\$852,438	Costs continue to increase on print jobs and travelers still want hard copies in addition to web information. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.

KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
50. Travel and Tourism - Radio Advertising - Encourages travel to and throughout Kansas.	1982	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$31,000	\$0	\$0	\$31,000	This is an important part of the overall advertising mix out of State, but it has less impact than advertising on television. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
51. Kansas Athletic Commission - Regulates professional sports including professional boxing, sparring, professional kickboxing, professional mixed martial arts, and professional full contact karate.	2004	All Kansas Citizens	514	KSA 74-50,181 et seq	\$0	\$63,421	\$0	\$120,000	\$183,421	Prior to 2004, there wasn't an Athletic Commission. Some regulation of these activities is necessary as a public safety and welfare issue. Legislation could return this function to local governments.
52. Business Development - Kansas Private Activity Bond - Tracks the federal private activity bond allocation and activity in Kansas.	1990	Businesses	Unavailable	KSA 74-5058; 74-5063	\$0	\$14,000	\$0	\$0	\$14,000	FY09 budget includes \$3,100 carried over from FY08. If this program is not appropriately administered and tracked, the bond allocation can be reallocated to other states.
53. Business Development -Board of Tax Appeals Liaison - Performs cost-benefit analyses for property tax abatements and liaisons with businesses and Board of Tax Appeals.	1998	Businesses	Unavailable	KSA 79-213	\$0	\$33,000	\$0	\$0	\$33,000	FY09 budget includes \$3,100 carried over from FY08.
54. Workforce Development - Older Kansans Employment Program - Provides employment counseling, training, placement for Kansans age 55 and older.	about 1983	Elderly Only	2,343	KSA 75-5741	\$0	\$328,368	\$0	\$0	\$328,368	Some older workers could be served through the Workforce Investment Act, but it but doesn't reach the same population and many older Kansans could be excluded. The return on investment is over \$14 million in beginning wages of participants; the average cost per placement is \$258. FY09 budget excludes \$4,124 reappropriated from FY08. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
55. Travel and Tourism - Advertorial Department - Encourages travel to and throughout Kansas.	2006	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$6,000	\$0	\$0	\$6,000	Copywriting work will still need to be accomplished.

4-4

KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
56. Agriculture Products Development - Kansas Pavilions at Trade Shows - Increases sales and marketing of Kansas products.	1996	Businesses	3 national food shows: 17 companies	KSA 74-50,156	\$0	\$3,444	\$0	\$0	\$3,444	The Department has included the program in this category because it was following LPA's instructions for the audit. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
57. Business Development - Support Services to the Kansas Economic Development Alliance, the Kansas Cavalry, and the Governor's Military Council - A partnership support program for business recruitment/retention and support of Governor's Military Council.	Un-known	Other	Unavailable	-	\$0	\$60,000	\$0	\$0	\$60,000	FY09 budget includes \$3,100 carried over from FY08.
58. Travel and Tourism - Domestic Marketing - Group Tour - Encourages travel to and throughout Kansas.	1982	Businesses	All businesses & organizations in Ks. that provide goods and services to traveling public	-	\$0	\$38,419	\$0	\$0	\$38,419	Group travel is an important market segment for Kansas. Some marketing efforts could be shifted to communities/attractions/ businesses.
59. Travel and Tourism - Domestic Marketing - Grants - Develops tourism product offerings.	2005	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$36,840	\$0	\$0	\$36,840	Small destinations and attractions with limited local funding rely on State funding to help market themselves. Limited grant fund makes it difficult to support high-impact projects.
60. Travel and Tourism - Flint Hills Initiative - Supports tourism development in Flint Hills.	2005	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$20,000	\$0	\$0	\$20,000	Supports "Symphony in the Flint Hills" expenses, which has received multi-year funding assistance. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
61. Travel and Tourism - Denver Media Event - Encourages travel to and throughout Kansas.	2006	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$11,000	\$0	\$0	\$11,000	Opportunity to meet one-on-one with travel journalists to promote Kansas. The Kansas City event provides a better market.
Subtotal					\$4,377	\$1,722,869	\$1,020,555	\$848,000	\$3,591,424	LPA Note: These "Buy Next" programs represent 7.6% of the total State dollars this agency reported spending on the programs it included in this document.

KANSAS DEPARTMENT OF COMMERCE

4-5

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Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
Programs identified by Agency as "BUY LAST" (As ranked in order by agency)										
62. Business Development - Kansas Film Commission - Assists filmmaking in Kansas.	1982	Businesses	Not provided	KSA 74-9201; 74-9202	\$0	\$124,174	\$0	\$0	\$124,174	
63. Community Development - Rural Business Development Tax Credits - Provides tax credits to regional foundations for economic development, including \$175,000 in credits for FY08.	2004	Businesses	7 regional foundations	KSA 74-50,154	\$0	\$18,828	\$0	\$0	\$18,828	The program helps rural businesses, it's a worthy program but few use it. Recommend deferring.
64. Economic Development - Secretary's Discretionary Grants - An administrative secretary position helps administer these grants.	Un-known	Not provided	Not provided	-	\$0	\$100,000	\$0	\$0	\$100,000	
65. Trade Development - Foreign Office Contractors - Japan - Supports the activities of the Export Assistance and International Investment Recruitment programs of the Trade Development Division.	Un-known	Kansas Citizens	Not provided	-	\$0	\$189,000	\$0	\$0	\$189,000	LPA Note: The agency reported it has included all of this program in its efforts to reduce spending in FY09 and FY10.
66. Travel and Tourism - Print Advertising - Encourages travel to and throughout Kansas.	1982	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$25,693	\$0	\$358,200	\$383,893	This is an important part the overall advertising mix for out-of-State efforts. The Department will try to subsidize print advertising with private dollars. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
67. Kansas Commission on Disability Concerns - This program serves as a catalyst for change in government for people with disabilities.	1949	All Physically or intellectually disabled citizens	65,000 directly; 540,000 indirectly	KSA 74-6701 et seq	\$236,543	\$236,543	\$0	\$0	\$236,543	While we do not believe this program should be eliminated, the economic impact is considered to be less than other agency economic development programs. LPA Note: The agency reported that it has included part of this program in its efforts to reduce spending for FY09 or FY10.
68. Travel and Tourism - Travel Shows - Encourages travel to and throughout Kansas.	1982	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$11,969	\$0	\$0	\$11,969	Includes Kansas State Fair and Kansas Sampler Festival, which are primarily promoted to in-State residents.
69. Agriculture Products Development - International Trade - Food Export Midwest - Helps increase the sales of Kansas products.	1996	Businesses	10 Businesses	-	\$0	\$57,310	\$0	\$0	\$57,310	The Department has included the program in this category because it was following LPA's instructions for the audit.

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KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
<u>70. Community Development - Incentives Without Walls</u> - Provides grants to mainstreet businesses.	Un-known	Businesses	Not provided	-	\$0	\$195,000	\$0	\$0	\$195,000	
<u>71. Agriculture Products Development - Alternative Energy Tax Credits - Ethanol Production Incentive Funds</u> - Encourages the production of renewable fuel.	2006	Businesses	7 ethanol production facilities	KSA 79-32,216	\$0	\$40,918	\$0	\$0	\$40,918	Energy programs will be important in the future. The Department has included the program in this category because it was following LPA's instructions for the audit.
<u>72. Business Development - Certified Development Companies</u> - Establishes a "Statewide risk capital system" of regional offices that are small business association certified to package loans and administer various forms of financing for small business.	1986	Businesses	Statewide	KSA 74-5007a(l)	\$0	\$273,910	\$0	\$0	\$273,910	Based on performance, a set funding amount is given to each office to supplement operating budgets. The Department would consider re-establishing funding in better economic times.
<u>73. Travel and Tourism - International Marketing - United Kingdom (UK) Advertising</u> - Encourages travel to and throughout Kansas.	2006	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$4,000	\$0	\$0	\$4,000	This is an Important leveraged investment with Oklahoma - Europeans are very interested in Kansas. This is a less important market than Germany.
<u>74. Travel and Tourism - International Marketing - United Kingdom (UK) Product Development</u> - Encourages travel to and throughout Kansas.	2006	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$8,000	\$0	\$0	\$8,000	This is an Important leveraged investment with Oklahoma - Europeans are very interested in Kansas. This is a less important market than Germany.
<u>75. Travel and Tourism - International Research</u> - Encourages travel to and throughout Kansas.	2008	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$17,500	\$0	\$0	\$17,500	This program allows the Department to partner with VISA to track international tourism spending in Kansas. The Department has included the program in this category because it was following LPA's instructions for the audit. LPA Note: The agency reported that it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
<u>76. Business Development - 1st Stop Clearing house</u> - Assists start-up companies.	Before 1996	Businesses	Statewide	-	\$0	\$61,335	\$0	\$0	\$61,335	When initiated, the Department was sole provider; now services overlap with other agencies' services. FY09 budget includes \$3,100 carried over from FY08. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.

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KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
77. Travel and Tourism - Domestic Marketing - Travel Media Showcase - Encourages travel to and throughout Kansas.	2005	Businesses	All businesses that provide goods and services to traveling public	-	\$0	\$22,800	\$0	\$0	\$22,800	Opportunity to meet one-on-one with travel journalists to promote Kansas. However, Department officials reported this as the least return-on-investment from travel media marketplaces. LPA Note: The agency reported that it has included <u>part</u> of this program in its efforts to reduce spending in FY09 or FY10.
78. Community Development - Community Service Tax Credits - Provides tax credits to non-profits for community service projects.	1994	Adults financially disadvantaged	Not provided	KSA 79-32,195	\$0	\$4,626	\$0	\$0	\$4,626	This program has been used, but was cut in the Governor's budget.
79. Agriculture Products Development - Promotional Activities - Increases awareness of agriculture and new products.	1996	Businesses	Provided promotional activities to numerous Kansans	KSA 74-50,156	\$0	\$12,106	\$0	\$0	\$12,106	The Department has included the program in this category because it was following LPA's instructions for the audit. This would cut sponsorships, Agriculture Day, the State fair, etc.. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
80. Agriculture Products Development - Kansas Products Trademark Program - Builds agriculture-based businesses that create jobs. During FY08, 15 business enhancement grants of \$28,456 were awarded.	1996	Businesses	327 registered businesses	KSA 74-50,156	\$0	\$27,728	\$0	\$23,500	\$51,228	The Department has included the program in this category because it was following LPA's instructions for the audit. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
81. Agriculture Products Development - Agritourism - Builds agriculture-based businesses that create jobs.	2004	Businesses	250 registered agritourism businesses	KSA 74-50,165 to 74-50,173	\$0	\$32,000	\$0	\$0	\$32,000	The Department has included the program in this category because it was following LPA's instructions for the audit. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.

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KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
82. Business Development - Business Retention and Expansion Evaluation Survey - Assists communities in assessing existing companies' needs on which to base business retention and expansion efforts.	2000	Other	Non-Metro Communities Statewide	-	\$0	\$25,000	\$0	\$0	\$25,000	A lot of in-State travel is involved in community training. In addition, staff time is needed to enter data and produce reports. FY09 budget includes about \$4,000 carried over from FY08. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
83. Business Development - Business Appreciation - Recognizes select existing companies making contributions to the State's economy.	Before 1996	Businesses	Statewide	-	\$0	\$20,000	\$0	\$0	\$20,000	The Department recommends cutting funding until better economic times. FY09 budget includes about \$4,000 carried over from FY08. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
84. Trade Development - Data Management - Provides trade statistics management and reporting.	Unknown	Businesses	Unknown	-	\$0	\$60,000	\$0	\$0	\$60,000	LPA Note: The agency reported it has included <u>all</u> of this program in its efforts to reduce spending for FY09 or FY10.
Subtotal					\$236,543	\$1,568,440	\$0	\$381,700	\$1,950,140	LPA Note: These "Buy Last" programs represent 6.9% of the total State dollars this agency reported spending on the programs it included in this document.
Programs identified by Agency as "DON'T BUY"										
85. Business Development - Kansas Match - Assists existing Kansas companies in identifying other Kansas companies to buy products or services from each other.	Unknown	Businesses	Unavailable	-	\$0	\$6,000	\$0	\$0	\$6,000	The program idea has merit, but unfortunately there are current legal issues; as the Program currently is structured, it conflicts with privacy laws implemented since the program was started. FY09 budget includes \$1,410 carried over from FY08. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
86. Administration - Research - Provides research support for Department of Commerce programs, and in some cases prospective businesses.	Unknown	Businesses	Not applicable	-	\$0	\$131,100	\$0	\$0	\$131,100	It is not mission-critical to have a research program. LPA Note: The agency reported is has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.

KANSAS DEPARTMENT OF COMMERCE

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
87. Workforce Development - Wheat Harvest Program - Match wheat producers with customer harvesters.	1965	Businesses	18 Businesses	proviso in 2008	\$0	\$16,900	\$0	\$500	\$17,400	Most producers have existing relationships with custom harvesters; a minimal number of producers are served through this program.
Subtotal					\$0	\$154,000	\$0	\$500	\$154,500	These "Don't Buy" programs represent .7% of the total State dollars this agency reported spending on the programs it included in this document.
Programs identified by Agency (Agency did not prioritize)										
88. Base Realignment and Closure (BRAC) - The Governor's Military Council assists in the developing, coordinating, and implementing strategies required by any future change in missions proposed by the Department of Defense.	2004	Not provided	Not provided	-	\$0	\$375,000	\$0	\$0	\$375,000	
89. Small Business Cafeteria Plan - This program is intended to encourage and expand use of cafeteria plans authorized by 26 USC 125 by small employers. This program was transferred to the Kansas Health Policy Authority.	2007	Not provided	Not provided	-	\$0	\$150,000	\$0	\$0	\$150,000	The program was transferred to the Kansas Health Policy Authority by the 2008 Legislature but no provisions were made for the transfer of funding from Department of Commerce to the Authority.
90. Healthcare Association Development Program - This program is intended to make grants or no interest loans for the initial costs of forming associations to assist members in obtaining access to quality and affordable health care plans. This program was transferred to the Kansas Health Policy Authority.	2007	Not provided	Not provided	-	\$0	\$500,000	\$0	\$0	\$500,000	The program was transferred to the Kansas Health Policy Authority by the 2008 Legislature but no provisions were made for the transfer of funding from Department of Commerce to the Authority.
91. Affordable Airfare Program - This program is designed to provide more air flight options, more competition for air travel, and affordable airfares for Kansans.	Unknown	Kansas Citizens	750,000 travelers	KSA 74-50,150	\$0	\$5,000,000	\$0	\$0	\$5,000,000	
Subtotal					\$0	\$6,025,000	\$0	\$0	\$6,025,000	LPA Note: These un-prioritized programs represent 26.4% of the total State dollars this agency reported spending on the programs it included in this document.
Grand total of agency's reported program expenditures					\$240,920	\$22,818,071	\$1,020,555	\$2,095,375	\$25,934,001	

4-10

OFFICE OF THE ATTORNEY GENERAL

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
Programs identified by Agency as "BUY NEXT" (Agency did not rank within this category)										
15. Criminal - Solicitor General - Handles appeals and litigation at the federal level.	2007	All Kansas Citizens			\$40,000	\$40,000	\$0	\$0	\$40,000	The agency said they could implement temporary reductions to meet immediate needs.
16. Criminal - Criminal Prosecution - Conducts prosecutions of high severity level criminal cases and aids local county attorneys and district attorneys.		All Kansas Citizens			\$89,000	\$89,000	\$0	\$0	\$89,000	Agency provides Criminal Prosecution/investigation services. Agency indicates they could implement a temporary reduction.
17. Civil - Civil Disciplinary Actions - Provides legal counsel to the State and State agencies.		All Kansas Citizens			\$122,000	\$122,000	\$0	\$0	\$122,000	Agency provides legal services for other State agencies/entities. Loss of this service would mean additional costs to State and agencies. However, agency indicates they could implement a temporary reduction.
18. Legal Opinions and Government Counsel - Legal Advice To State/Local Officials - Provides legal advice to State agencies, boards and commissions. Also reviews regulation changes.		All Kansas Citizens		KSA 2-1904; 66-106; 74-4908	\$42,000	\$42,000	\$0	\$0	\$42,000	Agency provides legal services for other State agencies/entities. The Attorney General may consider charging for these services. Loss of this service would mean additional costs to the State and agencies.
19. Legal Opinions and Government Counsel - Discretionary Advice To State Officers/Agencies - Provides legal advice to State agencies, boards, and commissions. Also reviews regulation changes.		All Kansas Citizens			\$42,000	\$42,000	\$0	\$0	\$42,000	Agency provides legal services for other State agencies/entities. The Attorney General may consider charging for these services. Loss of this service would mean additional costs to the State and agencies.
20. Victim Services - Administration - Provides Statewide coordination of local crime victims and witness programs. The oversight of the services is overseen by this unit. Also administers the Amber alert program.		Other	45,000	KSA 74-7337; 74-7325	\$130,000	\$130,000	\$0	\$0	\$130,000	This would be funded through a transfer of monies from Crime Victims Compensation.
21. Victim Services - Drug Abuse Resistance Education (D.A.R.E.) - Organizes and supports the Statewide D.A.R.E. program and provides training to D.A.R.E. officers.	1996	Children Only	12,000	KSA 75-721	\$10,000	\$10,000	\$0	\$0	\$10,000	The agency would request funding from the Children's Endowment Fund.
Subtotal					\$475,000	\$475,000	\$0	\$0	\$475,000	LPA Note: These "Buy Next" programs represent 9% of the total State dollars this agency reported spending on the programs it included in this document.

OFFICE OF THE ATTORNEY GENERAL

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
Programs identified by Agency as "BUY LAST" (Agency did not rank within this category)										
<u>22. Administration - Fiscal Services - Accounts Payable</u>		Other			\$60,000	\$60,000	\$0	\$0	\$60,000	Agency reported they could implement temporary reductions to address immediate needs.
<u>23. Administration - Netsmartz Internet Training Kids</u> - Provides Internet safety training for kids.	2006	Children Only	70,000		\$325,000	\$325,000	\$0	\$0	\$325,000	Agency reported they could implement temporary reductions. This does not affect the core duties of the agency.
<u>24. Consumer Protection - Consumer Protection</u> - Provides enforcement of the Kansas Consumer Protection Act and antitrust laws. Provides education to Kansans on identity theft and lemon laws.		All Kansas Citizens			\$165,000	\$165,000	\$0	\$0	\$165,000	This would be funded through the fee fund. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
Subtotal					\$550,000	\$550,000	\$0	\$0	\$550,000	LPA Note: These "Buy Last" programs represent 10.4% of the total State dollars this agency reported spending on the programs it included in this document.
Grand total of agency's reported program expenditures					\$5,266,500	\$5,266,500	\$70,000	\$0	\$5,336,500	

4-12

KANSAS DEPARTMENT OF WILDLIFE AND PARKS

Agency Mission: *The Department's mission is to conserve and enhance Kansas' natural heritage, its wildlife, and its habitats to assure future generations the benefits of the state's diverse, living resources. The Department also strives to provide the public with opportunities for use and appreciation of the natural resources of Kansas consistent with the conservation of those resources.*

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
Programs identified by Agency as "BUY FIRST"										
1. Parks--Parks - To provide outdoor recreation in a controlled environment.	1955	All Kansas Citizens	6,519,500 visitors (The Dept. counts visitors each time they visit a park)	KSA 32-804; 32-837	\$5,386,782	\$5,386,782	\$676,103	\$5,171,061	\$11,233,946	The Department said it was unprepared to identify where there would be a lack of service. Reductions in funding would be resolved through an attempt to keep all facilities open while using other cost-savings measures, such as closing park campgrounds and cleaning facilities less often. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
2. Administration-Executive Services- Environmental Services - To monitor streamflows throughout Kansas.	1993	All Kansas Citizens	N/A	None	\$0	\$40,000	\$0	\$0	\$40,000	If necessary, the Department would shift funding from the State Water Plan Fund to another funding source (e.g. fees, other dedicated funds, etc.). LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
3. Capital Improvements - To maintain the infrastructure of the State parks.	1987	All Kansas Citizens	6,519,500 visitors (The Dept. counts visitors each time they visit a park)	KSA 32-807	\$1,451,640	\$3,930,050	\$3,530,004	\$9,394,384	\$16,854,438	The Department said if this program were eliminated, there would be NO loss of Federal funds. The FY 2010 Governor's Budget Report has some reductions to this program, which if implemented would require no further action on the agency's part to reach a 20% decrease in funding (for those funds about which Post Audit asked).
Grand total of agency's reported program expenditures					\$6,838,422	\$9,356,832	\$4,206,107	\$14,565,445	\$28,128,384	LPA Note: These "Buy First" programs represent 100% of the total State dollars this agency reported spending on the programs it included in this document.

DEPARTMENT ON AGING

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
15. Operations - Home and Community Based Services/Frail Elderly Program & Targeted Case Management - Administration - Costs associated in administration of program.	1997	Elderly financially disadvantaged			\$264,239	\$264,239	\$264,243	\$0	\$528,482	
16. Operations - Money Follows the Person - Administration - Costs associated in administration of program.	2007	Elderly financially disadvantaged			\$43,041	\$43,041	\$67,645	\$0	\$110,686	The "Money Follows the Person" program supports the federal "Money Follows the Person" grant.
Subtotal					\$31,890,497	\$31,890,497	\$47,250,110	\$0	\$79,140,607	LPA Note: These "Buy Next" programs represent 16.5% of the total State dollars this agency reported spending on the programs it included in this document.

Programs identified by Agency as "BUY LAST" (As ranked in order by agency)

17. Community Grants - Seniors Care Act - State - Prevents premature nursing home placement for persons who have not exhausted their financial resources.	1989	Elderly Only	Average monthly caseload 3,008	KSA 75-5926	\$2,801,088	\$2,801,088	\$0	\$1,256,082	\$4,057,170	This is an optional State supplemental support for at-risk seniors. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 or FY10.
18. Nutrition Program - Older Americans Act - Congregate Meals & Home Deliver Nutrition Services - SGF Non Match - Grants awards to Area Agencies on Aging for the provision of nutrition services in either a congregate setting or in the homes for older Kansans who are home bound.	1977	Elderly Only	38,600	KSA 75-5903	\$3,076,959	\$3,076,959	\$0	\$0	\$3,076,959	This is an optional State supplemental support of the Older Americans Act.
19. Operations - Aging and Disability Resource Centers - Develops Aging and Disability Resource Centers in Kansas for effective service delivery.	2005	Adults Only	24,811		\$21,926	\$21,926	\$416,606	\$0	\$438,532	This is an optional federal grant program from the Administration on Aging and Centers for Medicare and Medicaid Services.
20. Operations - Core Funding - Provides operational funding to the Area Agencies on Aging for costs not covered by other programs.	2009	Elderly Only			\$750,000	\$750,000	\$0	\$0	\$750,000	This is an optional State grant program in its first year of funding.
21. Operations - Senior Medicare Patrol - A new 3-year grant to continue educating Kansas Medicare and Medicaid beneficiaries about health care error, fraud and abuse.	2005	All Kansas Citizens	6,433		\$24,701	\$24,701	\$74,082	\$0	\$98,783	This program is an optional federal grant program.

4-14

KANSAS BOARD OF REGENTS

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
16. Regents Distinguished Professorship - To provide supplemental financial resources to enable state research universities to attract faculty whose capabilities enhance economic development in Kansas.	1964	Adults Only	4 facilities	-	\$108,000	\$108,000	\$0	\$0	\$108,000	The program helps to attract established scholars whose research projects can increase the State's economic and industrial development. If the program was cut, federal funds could be lost in proportion to individual professors' research. The program is ranked here because other private or university funds may be available to attract talented faculty to Kansas.
17. Optometry Service Scholarship - To encourage selected Kansas residents to practice optometry in Kansas.	FY 1987	Adults Only	30 students	KSA 74-3270 et seq	\$113,850	\$113,850	\$0	\$4,560	\$118,410	The program is not based on financial need and its demand is lower than other scholarship programs.
18. Military Service Scholarship - To assist individuals who served after September 11, 2001, in one or more of a specified military operation.	2007	Adults Only	136 students	Session Law 2008, Ch. 119	\$500,844	\$500,844	\$0	\$0	\$500,844	Students may be able to receive financial assistance through a new federal G.I. Bill that may replace this program. The agency is waiting for details from the federal government.
19. Dependents/Spouses of Deceased Public Safety Officer & Military Personnel, and Prisoner of War Tuition Waiver - To assist these dependents of the individuals who died while serving in active military duty after September 11, 2001; and any residents who have been declared prisoners of war.	2005	Adults Only	18 students	KSA 75-4364	\$90,000	\$90,000	\$0	\$0	\$90,000	The program is ranked here because there would not be an impact on students if funding for this program was eliminated. Instead, there may be private sources of funding for the program, or State institutions would not be reimbursed for the tuition costs of these individuals.
20. Technology Innovation and Internship - To provide startup support for innovative technical courses or programs in emerging technologies, manufacturing or areas of skill shortages, and for internships to enable Career and Technical Education (CTE) faculty to work in industrial settings or to enable industrial employees to work in an educational setting at postsecondary institutions providing CTE programs.	1991	Other	18 Career and Technology Education (CTE) faculty did internships	KSA 72-4466 et seq	\$0	\$248,277	\$0	\$0	\$248,277	The 18 faculty who participated in internships came from 10 institutions. Five postsecondary institutions received Innovative Technology Grants. The program is ranked here because it is not critical to the agency's mission; instead, it is a faculty- and institution-focused program.
21. Kansas Academy for Mathematics and Science - To invest in Kansas high school students who are most likely to provide the infrastructure for highly technical scientific fields, which will help reinvigorate and restructure the State's economy.	2006	Children Only	-	KSA 72-9711 et seq	\$295,000	\$295,000	\$0	\$0	\$295,000	This program is in its start-up year. Funding was awarded to Fort Hays State University after a competitive application process, but it has not been appropriated by the Legislature for 2009. The program is ranked here because it is not critical to the agency's mission and because it serves a limited number of high school students.

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KANSAS STATE HISTORICAL SOCIETY

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
39. Museum - Exhibits - Short term/occasional - Designs and builds temporary exhibits for special occasions.	1961	All Kansas Citizens	50,000 visitors		\$39,457	\$39,457	\$0	\$5,000	\$44,457	The agency is asked to represent the State in a variety of commemorative events. The agency uses these types of exhibits to meet these obligations, but these exhibits aren't as critical as others in meeting audience needs. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.
40. Education - Kansas Kaleidoscope - Magazine for elementary school students about themes in Kansas history and government.	1998	Children Only	1,037		\$12,456	\$12,456	\$0	\$12,000	\$24,456	We would like to replace this magazine with an annual fourth grade workbook on a theme required by State curricular standards.
41. Historic Sites - First Territorial Capitol - Preserves and interprets the early capitol which reflects the history of the territorial legislature and the fight over slavery in Kansas Territory.	1901	All Kansas Citizens	1,256 visitors		\$4,697	\$4,697	\$0	\$9,855	\$14,552	This property is owned by the U.S. Army, but in 1901 the State made an agreement with the U.S. government to run the property as an historic site. The site is run in partnership with the local community, but has decreased in attendance since 2001 due to increased security at Ft. Riley.
Subtotal					\$393,916	\$393,916	\$0	\$56,736	\$450,652	LPA Note: These "Buy Next" programs represent 9.7% of the total State dollars this agency reported spending on the programs it included in this document.
Programs identified by Agency as "BUY LAST" (As ranked in order by agency)										
42. Historic Sites Hollenberg Station - Fall/Winter (7 months operation) - Preserves and interprets the Pony Express Station as it reflects the history of the Pony Express and the Oregon-California Trail in Kansas.	1942	All Kansas Citizens	2,190 visitors	KSA 76-2017	\$28,793	\$28,793	\$0	\$0	\$28,793	This site has very low attendance during the winter months and could be run successfully with seasonal hours.
43. Historic Sites - Mine Creek Battlefield- Fall/Winter (7 months operation) - Preserves and interprets the Civil War battlefield Mine Creek.	1974	All Kansas Citizens	3,477 visitors	KSA 76-2040 to 76-2043	\$31,242	\$31,242	\$0	\$0	\$31,242	The site could be run on a seasonal basis by closing the visitor's center from September through March. In 2011, the nation will commemorate the sesquicentennial of the Civil War which should draw visitors to the site.
44. Education - Public Programs - Families (Topeka) - A series of programs that attract visitors to the Kansas Museum of History for seasonal events.	1980	All Kansas Citizens	3,668 visitors		\$21,850	\$21,850	\$0	\$3,200	\$25,050	These programs attract more visitors to the museum, but in some cases the agency can raise private money to cover expenses. LPA Note: The agency reported it has included <u>part</u> of this program in its efforts to reduce spending for FY09 or FY10.

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Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
Programs identified by Agency as "BUY NEXT" (As ranked in order by agency)										
23. Reservoir Beneficial Use Account - The 2008 Legislature created the Reservoir Beneficial Use Account in the State General Fund to fund the purchase of water supply storage in federal reservoirs.	2008	Kansas Citizens	Unknown	KSA 82a-1301	\$534,000	\$534,000	\$0	\$0	\$534,000	While we agree with the need for and approach of the Reservoir Beneficial Use Fund, current budget proviso prevents our being able to use it for the legislative intent.
24. Wichita Aquifer Storage and Recovery - To meet the water supply needs through the year 2050, the Aquifer Storage and Recovery (ASR) project in the Equus Beds aquifer was developed as a significant component of the Integrated Local Water Supply Plan for the City of Wichita.	2008	Kansas Citizens	Unknown	none	\$0	\$127,000	\$0	\$0	\$127,000	The Wichita Aquifer and Storage Recovery project is a multi-year project and the State contribution is not year dependent. LPA Note: The agency reported it has included this part of the program in its efforts to reduce spending for FY 09 and FY10.
Subtotal					\$534,000	\$661,000	\$0	\$0	\$661,000	LPA Note: These "Buy Next" programs represent 10% of the total State dollars this agency reported spending on the programs it included in this document.
Programs identified by Agency as "BUY LAST" (As ranked in order by agency)										
25. Wichita Aquifer Storage and Recovery - To meet the water supply needs through the year 2050, the Aquifer Storage and Recovery (ASR) project in the Equus Beds aquifer was developed as a significant component of the Integrated Local Water Supply Plan for the City of Wichita.	2008	Kansas Citizens	Unknown	none	\$0	\$168,000	\$0	\$0	\$168,000	This is a multi-year project and the state contribution is not year dependent. LPA Note: The agency reported it has included this part of the program in its efforts to reduce spending for FY09 and FY10.
26. Weather Modification - Equipment Upgrades - Funding is used to contract with the Western Kansas Weather Modification Program to supplement equipment upgrades for the aerial seeding of thunderstorm clouds in ten (10) counties in Western Kansas.	2007	Kansas Citizens	Unknown	KSA 82a-1405	\$0	\$120,000	\$0	\$0	\$120,000	Equipment upgrades are important, but ongoing program operations are a higher priority. LPA Note: The agency reported it has included part of this program in its efforts to reduce spending for FY09 and FY10.
27. Technical Assistance to Water Users - Irrigation Guidelines - Provides assistance to irrigation producers that are required by the Chief Engineer to adopt and implement a water conservation plan.	1989	Kansas Citizens	Unknown	KSA 82a-733	\$0	\$30,000	\$0	\$0	\$30,000	Few irrigation conservation plans are currently being required. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.

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Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
28. Reservoir Sediment Database Development - A database and corresponding web-site to collect and compile information on sedimentation in water supply reservoirs.	2009	Kansas Citizens	Unknown	KSA 74-2608	\$0	\$35,000	\$0	\$0	\$35,000	Marketing and public outreach are not as high priority. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.
29. Upper Republican Reconnaissance Study - A study to help local stakeholders identify possible uses of Colorado water and funding from Colorado and Nebraska.	2009	Kansas Citizens	Unknown	KSA 74-2608	\$0	\$25,000	\$0	\$0	\$25,000	This project can be delayed until compact compliance issues in Nebraska and Colorado are closer to resolution. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.
30. Sunflower H2O Public Water Supply Study - This study would partner with the local stakeholder group, the State of Oklahoma and the Corps of Engineers to evaluate options to the water supply problems.	2009	Kansas Citizens	Unknown	KSA 74-2616	\$0	\$40,000	\$40,000	\$0	\$80,000	This is the first year of a multi-year planning effort that can be delayed. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.
31. Northwest Kansas Modeling Scenarios - Evaluation of alternative ground water management techniques using a hydrologic computer model originally developed for the Republican River Compact in Northwest Kansas.	2008	Kansas Citizens	Unknown	KSA 74-2608	\$0	\$25,000	\$0	\$0	\$25,000	Additional modeling scenarios are currently being discussed by local stakeholders. Federal funds may become available through the Bureau of Reclamation. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.
32. Non-Native Phreatophyte Demonstration Project - Cooperation with Colorado to control tamarisk along the Arkansas River watershed. (Tamarisk is salt cedar, an invasive shrub from Eurasia.)	2006	Kansas Citizens	Unknown	none	\$0	\$29,992	\$0	\$0	\$29,992	This is a demonstration project that has shown some success. Local stakeholders will be asked to take a larger role. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.
33. Lower Arkansas Groundwater Availability Study - The State will evaluate the alluvial and Wellington aquifers, the amount of water available and the potential for use of that water by the growing community for the area south of Wichita.	2009	Kansas Citizens	Unknown	KSA 74-2616	\$0	\$22,500	\$0	\$0	\$22,500	This is the first year of a multi-year planning effort that can be delayed. LPA Note: The agency reported it has included all of this program in its efforts to reduce spending for FY09 and FY10.