

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 5, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Jonathan Tang, 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:

Diane Gjerstad, Wichita Public Schools
Bob Vancrum, Blue Valley Unified School District No. 229
Dave Holtwick, Overland Park Chamber of Commerce
Bill Reardon, Representing Kansas City KS Public Schools
Mark Tallman, Kansas Association of School Boards (KASB)

Others attending:

See attached list.

Introduction of Proposed Legislation

Duane Goossen, Secretary, Department of Administration, appeared before the Committee to request the introduction of legislation to merge the Kansas Technology Enterprise Corporation (KTEC) with Department of Commerce. This implements a recommendation of the FY 2010 Governor's budget and Kansas, Inc.

Senator Teichman moved to introduce legislation concerning merging KTEC and Kansas, Inc. with the Department of Commerce. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Lee moved to introduce two bills - (1) FY 2010 MEGA budget bill including Governor's Budget Amendment No. 1, and (2) FY 2009/FY 2010 capital improvements. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Distribution of Information

Information was distributed to the Committee with regard to the Community Development Block Grant (CDBG) funding contained in the federal stimulus package (Attachment 1).

Subcommittee Report on Kansas Bureau of Investigation and Commission on Peace Officer Standards and Training (CPOST)

Senator Teichman, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Kansas Bureau of Investigation (KBI) for FY 2010 and moved for the adoption of the Subcommittee recommendations on the Kansas Bureau of Investigation for FY 2010 with notations and adjustments (Attachment 2). The motion was seconded by Senator Kultala. Motion carried on a voice vote.

The Committee noted that there could be some flexible spending funds available through the federal stimulus

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 5, 2009, in Room 545-N of the Capitol.

package directed through the Department of Corrections which the agency could use for technology.

Senator Teichman, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Commission on Peace Officer Standards and Training (CPOST) for FY 2010 and moved for the adoption of the Subcommittee recommendations on CPOST for FY 2010 with notations and adjustments (Attachment 2). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Subcommittee Report on State Fire Marshal and Emergency Medical Services (EMS)

Senator Masterson, Chair of the Subcommittee, presented the Subcommittee reports on the Governor's budget recommendations for the State Fire Marshal with notations and adjustments for FY 2010 and Emergency Medical Services (EMS) with notations and adjustments for FY 2010 (Attachment 3).

Senator Masterson explained that the Subcommittee has addressed additional information since the development of the Subcommittee report on the State Fire Marshal. The Subcommittee is proposing that instead of taking a 10 percent reduction in the budgets of the State Fire Marshal, EMS and all fee boards, legislation be introduced to raise the cap on the amount of fees contributed to the State General Fund (SGF) each fiscal year. Currently, statute directs that the transfer to the SGF is set at 20.0 percent with a cap of \$200,000. This regulation has been in place for a number of years. The Subcommittee is proposing that the cap be raised from \$200,000 to \$350,000 to allow for the transfer of additional funds to the SGF. The Subcommittee indicated that this will eliminate the need to "sweep" of funds from fee funded agencies to the SGF.

Responding to questions from the Committee, the Subcommittee stated that this is not a policy change but a recommendation to raise the cap on the transfer, a policy already in place. The Subcommittee also noted that it appeared during deliberations that the fee-funded agencies were in support of raising the cap to \$350,000.

Senator Masterson moved to delete Item No. 3 and Item No. 7 from the Subcommittee report on the State Fire Marshal for FY 2010. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Masterson moved to introduce legislation to raise the cap on the transfer by fee funded agencies to the State General Fund from the current statutory cap of \$200,000 to \$350,000. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Masterson moved to introduce legislation to change how the State General Fund statutory administrative services fee is assessed to the levy on fire insurance premiums in order to make it the responsibility of the three agencies the levy supports rather than the full responsibility of the State Fire Marshal. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

The Subcommittee explained of the total 1.25 percent levy on fire insurance premiums, the Board of Emergency Medical Services receives 0.25 percent of the levy, the KU Fire and Rescue Training Institute receives 0.20 percent, and the Office of the State Fire Marshal receives the remaining 0.80 percent of the levy. Currently the statutory administrative services fee is taken from the portion received by the State Fire Marshal. This legislation would allow for the administrative services fee to be assessed to the entire levy.

Senator Masterson moved for the adoption of the Subcommittee report on the State Fire Marshal for FY 2010 as amended. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Masterson moved to delete Item No. 4 from the Subcommittee report on EMS. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Masterson moved for the adoption of the Subcommittee report on EMS as amended. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Subcommittee Report on the Highway patrol, Adjutant General (including the Civil Air Patrol)

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 5, 2009, in Room 545-N of the Capitol.

Senator Masterson, Chair of the Subcommittee, presented the Subcommittee reports on the Governor's budget recommendations for the Kansas Highway Patrol (KHP) for FY 2010 with notations and adjustments and the Adjutant General for FY 2010 with notations and adjustments (Attachment 3).

The Committee voiced concern that the agencies' budget reduction priority lists were not included with the Subcommittee report.

Senator Taddiken moved to request that a list of the agencies' budget reduction priorities be attached to the Subcommittee report on the Kansas Highway Patrol. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Masterson moved for the adoption of the Subcommittee report on the Kansas Highway Patrol for FY 2010 as amended. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Masterson moved to amend the Subcommittee report on the Adjutant General by adding the agency's list of budget reduction priorities. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Masterson moved for the adoption of the Subcommittee report on the Adjutant General for FY 2010 as amended. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Discussion and Action on SB 205 - Prohibiting the development finance authority from refunding any bonds for any state agency unless specifically approved by an act of the legislature.

Jill Wolters, Revisor of Statutes, provided an explanation of the bill.

Senator Vratil presented a proposed amendment to **SB 205** (Attachment 4).

Because of Committee concerns, it was requested that action on the amendment and the bill be delayed until the Committee meeting on March 9th, to allow adequate time for the Committee to review the language in the amendment.

Hearing on SB 21 - School districts; special capital outlay levy for insurance and utility services.

Jill Wolters, Revisor of Statutes, provided an explanation of **SB 21**, stating that the legislation would authorize school districts to create a special capital outlay fund and to levy up to two mills annually to pay the costs of insurance and utility services (Attachment 5).

Senator Vratil presented testimony in support of **SB 21** and noted that the legislation would allow school districts to place the revenue generated by the tax proposed in a special capital outlay fund which would be used to pay the costs of the school district's utility services and insurance (Attachment 6).

The Committee expressed concern that the legislation would produce an inequity between the larger and smaller school districts because of the equalization process.

Diane Gjerstad, Wichita Public Schools, presented testimony in support of the concept of **SB 21** (Attachment 7). Ms. Gjerstad noted that although the School District supports an alternative funding measure for fixed costs of insurance and utilities, the legislation sets up a temporary two-year mechanism for a new mill levy that would be both protestable and unequalized.

Robert Vancrum, Government Affairs Specialist, Blue Valley USD 229, presented testimony in support of **SB 21** (Attachment 8). Mr. Vancrum stated that he supports the legislation; however, has a concern with the legislation in that it will only be in effect for two years.

Dave Holtwick, Overland Park Chamber of Commerce, provided testimony in support of **SB 21** (Attachment 9). Mr. Holtwick noted that the Chamber supports additional flexibility for school districts to assist them in challenging times.

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 5, 2009, in Room 545-N of the Capitol.

Bill Reardon, representing Kansas City KS Public Schools, appeared before the Committee in opposition to **SB 21** (Attachment 10). Mr. Reardon noted that the legislation creates a separate 2 mill Capital Outlay Fund mill levy that is not equalized, providing advantage to high wealth school districts.

Mark Tallman, Kansas Association of School Boards (KASB), presented testimony in opposition to **SB 21** (Attachment 11). Mr. Tallman stated that the legislation would be subject to a protest petition and shift more expense to the local tax payer.

The hearing on **SB 21** was closed.

The next meeting is scheduled for March 6, 2009.

The meeting was adjourned at 12:10 p.m.

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: ___ March 5, 2009 ___

NAME	REPRESENTING
<i>[Signature]</i>	<i>Budget</i>
Bill Reardon	KC Ks. Public Schools
Diane Gjerstad	Wichita Public Schools
Mark Bozanyak	CAPITOL STRATEGIES
Robert Walker	KBEMS
Becky Bahr	Fire Marshal
Dan McLaughlin	" "
Mark Tallman	KASB
Emily Pinkerton	
TERRY FORSYTH	KNEA
Derek Klein	Wichita Firm
Bob Menley	KEMMER & Assoc
Dave Holtwick	Overland Park Chamber
Josh Smith	Intern, Sen. Pyle
Zach Coble	N/A
SHERYL WELLS	KHP
TERRY MAPLE	KHP
JOHN EICHKORF	KHP
Mike Reecht	Charles Braden
Bob VanGrun	Blue Valley USD 229
Missy Taylor	KFE
Ann Storm	SBOE
Val DeJara	SQE

Main Identity from Jleeacernb

From: "Carole A. Jordan" <cjordan@kansascommerce.com>
To: "Senator Janis Lee" <lee@senate.state.ks.us>
Cc: "Jeffrey J. Conway" <jconway@kansascommerce.com>; "David D. Kerr" <dkerr@kansascommerce.com>;
 "Joseph F. Monaco" <jmonaco@kansascommerce.com>
Sent: Wednesday, March 04, 2009 1:33 PM
Subject: Question about CDBG funds

Senator,

Jeff Conway told me that there were some questions about CDBG funding in the stimulus package, and it sounds like there was some confusion about it.

They (HUD) are considering these funds to be part of our '08 action plan, and sort of '08 dollars, but assistance is not limited to '08 projects. We are still trying to get some more information from HUD (that always takes longer than we would like) but we have a preliminary plan on paper, and as soon as we get the answers we need we will share this information with the communities. I'm pasting our internal plan below, along with some questions and answers we received that may be helpful to you. We are determined to get these dollars out where they will do the most for our rural communities.

Carole

Kansas CDBG Stimulus Funds

- We will receive \$4.6 million extra (considered '08 FY funds).
- We will amend our '08 action plan to reflect these new dollars.
- We will submit our new action plan and wait to receive HUD approval (expect that will take 90 days—May?)
- We will receive an allocation contract and can start after that.
- We are looking for 120-day shovel-ready projects to fund with these dollars.
- Our best option is to work through projects we have already applied for but not funded because we didn't have '09 dollars.
- We would fund all categories—starting with community facilities and housing if HUD approves, then moving to unfunded sewer/water.
- We need to contact these communities as soon as we have all the information we need from HUD.
- We will open up another round for funding when '09 regular allocation is received.

Questions and Answers About
American Recovery and Reinvestment Act (ARRA)
Community Development Block Grant (CDBG) Funding
("CDBG-R")
As of February 27, 2009

1. **How will CDBG funds be allocated to grantees?** CDBG will use its existing statutory formula to allocate funds. On average, Entitlement and State grantees' CDBG-R allocation will be about 27% of their regular formula allocation. Separate funding is also provided under this appropriation to Tribes (\$10 million) and Insular Areas (\$7 million).
2. **When will these funds be available?** HUD has posted the allocation amounts on its w

Senate Ways & Means Cmte
Date 3-05-2009
Attachment 1

<http://www.hud.gov/recovery/cdblock.cfm>, and will issue further guidance how grantees can apply for funds and when funds will be available.

3. **Who can apply for the CDBG funds?** Grantees who received a direct grant from HUD in FY 2008. Cities or counties that will begin participating in the Entitlement program for FY2009 are not eligible to receive a direct grant of CDBG-R funds. Any joint agreement between an Entitlement city and an Urban County governing FY 2008 funding will also be in effect for the CDBG-R money.
4. **How will grantees apply for their money?** At present, HUD anticipates that grantees will submit a substantial amendment to their Annual Action plan to identify their planned uses for these funds. (Decisions have not yet been made on several key issues regarding submission deadlines and content.) HUD will review the plans, execute grant agreements and make funds available in each grantee's line of credit.
5. **Will this money be added to our regular 2008 or 2009 allocation of funds?** No. The ARRA requires that these funds be tracked and accounted for separately. The CDBG-R funding will have a separate grant number, which is likely to be similar to your CDBG grant number except for the two-digit alpha code.
6. **When will HUD issue this guidance?** The guidance will be issued as soon as possible. HUD assures all interested parties that the timely administration of ARRA funds is the top priority for HUD. There are a number of legal/policy interpretation issues that must be worked out before guidance can be issued. We cannot speculate on a possible publication date at this point.
7. **How much time will grantees have to develop their Action Plan amendment?** Given the impetus to put these funds to work in the economy, and HUD's desire to get funds in grantees' hands as fast as possible, grantees should be ready to move quickly. Grantees might have as little as four weeks to submit their plan after the guidance is issued. (Decisions have not yet been made on several key issues regarding submission deadlines and content.) HUD does anticipate providing for an expedited public comment process, not unlike the process for the Neighborhood Stabilization Program. However, even absent the publication of HUD's guidance, grantees can begin to identify potential projects and solicit input on the use of these funds from their citizens.
8. **Will all of the eligible activities in the regular CDBG program be eligible for this funding?** The full range of CDBG eligible activities and projects may generally be funded. However, ARRA directs that grantees are to use these funds to maximize job creation and economic benefit. In addition, certain types of activities are prohibited from receiving ARRA funding: casinos or other gambling facilities, aquariums, zoos, golf courses, or swimming pools.
9. **Will HUD waive or suspend other requirements to facilitate the timely use of funds?** HUD will issue guidance that may provide for various statutory suspensions and regulatory waivers, but HUD may do so only to expedite the use of funds. Please note that HUD has no authority to waive requirements relating to fair housing, nondiscrimination, labor standards and the environment.
10. **Is there a deadline for grantees to obligate or expend this money?** ARRA contains a number of provisions regarding obligating or using funds appropriated under this law. HUD is conferring with its lawyers regarding the interpretation of these provisions. The guidance that HUD will issue for grantees will discuss any obligation or expenditure deadlines that will

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apply to these funds. It is clear that Congress intends that these funds be put to use quickly. In selecting activities for CDBG-R funding, grantees are to give priority to activities which can be under contract within 120 days of grant award.

11. **Can CDBG-R be combined with our regular CDBG funds?** The CDBG-R funds are subject to a number of requirements that are not part of the regular CDBG program. The guidance that HUD will issue for grantees will discuss any limitations or other issues grantees will need to consider in combining CDBG-R and regular CDBG funding in the same activity. ARRA requires that the CDBG-R funds be tracked and accounted for separately. The Recovery funds will have a separate grant number.
12. **Will grantees draw down and report on these funds using IDIS?** Yes. Grantees should be aware that additional reporting requirements are imposed by ARRA that go beyond what is required for regular CDBG funding.
13. **Is it true that the ARRA limits grantees to using only 1% of their money for administrative costs?** No. The language in ARRA allows HUD to take up to 1% of the appropriation to cover HUD's administrative costs in implementing this money. That provision does not apply to grantees.
14. **How much of this money will we be allowed to use for planning and administration?** A decision has not yet been made. The guidance that HUD will issue for grantees will discuss any limitations on planning and administrative costs.
15. **Will the 15% cap on public services apply to this money?** A decision has not yet been made. The guidance that HUD will issue for grantees will discuss any limitations on public services activities.

Director,
 Rural Development Division--
 Agricultural Marketing, Community Development, Offices of Rural Opportunity
 Kansas Department of Commerce
 1000 SW Jackson
 Topeka, KS 66612-1354
 (785) 296-3084
 Fax: (785) 296-3776
 cjordan@kansascommerce.com
 www.kansascommerce.com


FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Kansas Bureau of Investigation
Commission on Peace Officer Standards and Training



Senator Ruth Teichman, Chair



Senator Kelly Kultala



Senator Vicki Schmidt

Senate Ways & Means Cmte

Date 3-05-2009

Attachment 2

House Budget Committee Report

Agency: Kansas Bureau of Investigation **Bill No.** HB - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol. - -

Budget Page No. 403

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 17,928,988	\$ 15,567,663	\$ 350,165
Other Funds	10,873,107	10,690,040	198,606
Subtotal - Operating	<u>\$ 28,802,095</u>	<u>\$ 26,257,703</u>	<u>\$ 548,771</u>
Capital Improvements:			
State General Fund	\$ 1,339,560	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 1,339,560</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 30,141,655</u></u>	<u><u>\$ 26,257,703</u></u>	<u><u>\$ 548,771</u></u>
FTE Positions	220.0	221.0	0.0
Non FTE Uncl. Perm. Pos.	125.5	125.5	0.0
TOTAL	<u><u>345.5</u></u>	<u><u>346.5</u></u>	<u><u>0.0</u></u>

Agency Request

For **FY 2010**, the **agency** requests operating expenditures totaling \$28,802,095, which is an increase of \$1,490,951, or 5.5 percent, above the FY 2009 revised request. The request includes \$17,928,988 from the State General Fund, which is an increase of \$1,467,441, or 8.9 percent, above the FY 2009 estimate. The request includes operating enhancements totaling \$1,731,718, including \$1,391,718 from the State General Fund, for maintenance and support of the Kansas Criminal Justice Information System (KCJIS) and replacement vehicles.

For FY 2010, the agency requests capital improvements expenditures of \$1,339,560, all from the State General Fund.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$26,257,703, including \$15,567,663 from the State General Fund. The recommendation is an all funds decrease of \$544,926, or 2.0 percent, below the FY 2009 recommendation, and a decrease of \$2,544,392, or 8.8 percent, below the FY 2010 request. The recommendation is a State General Fund decrease of \$325,369, or 2.0 percent, below the FY 2009 recommendation and a decrease of \$2,361,325, or 13.2 percent, below the FY 2010 request. The Governor does not recommend the agency's KCJIS enhancement, and includes a moratorium on employer contributions on state employee health insurance payments and a moratorium on state funded KPERs Death and Disability payments. As part of the Governor's recommendation on these moratoriums, part of the funds that would be used to make these payments are to be transferred to the State General Fund. The

Governor also recommends a 1.0 percent pay increase for state employees that will come from existing resources.

For FY 2010, the Governor does not recommend any capital improvements expenditures. The Governor's recommendation reduces the agency's base capital improvements budget by \$100,000, and reduces requested debt service principal by \$315,000 for debt service restructuring. The Governor does not recommend any of the agency's capital improvements enhancements.

House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$520,786, including \$333,942 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 \$27,985, including \$16,223 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. **Adjust expenditures to purchase Kansas Criminal Justice Information System (KCJIS) communication lines.** The Committee recommends that the agency make appropriate adjustments to agency expenditures in order to provide \$416,000 in funding from a source other than the State General Fund for the purchase of KCJIS communication lines. The Committee recommends the agency's provided adjustment scenario for the \$416,000, as follows: \$326,000 from record check fee fund that were originally intended to be used for a new KCJIS message switch; \$6,000 in funding provided for the purchase of a refrigerator that the KBI no longer needs; and, \$120,000 in unencumbered KBI's capital improvements program funding, with the inclusion of reappropriation language for FY 2009 funding. The Committee also recommends that funding for communication lines be included as part of the agency's base in FY 2011.
4. **Review funding for a new KCJIS message switch at Omnibus.** The Committee recommends Omnibus review of funding for the purchase of a new KCJIS message switch. As part of the Committee's recommendations, funds originally intended for the replacement of this switch were reallocated for KCJIS communication lines expenditures.

House Committee Recommendation

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

1. **1.25 Percent State General Fund Reduction.** Delete \$216,377, all from the State General Fund, to duplicate a 1.25 percent across-the-board base adjustment to FY 2010 that was included in the FY 2009 budget.
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Senate Subcommittee Report

Agency: Kansas Bureau of Investigation Bill No. SB - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol. - -

Budget Page No. 403

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 17,928,988	\$ 15,567,663	\$ (1,278,806)
Other Funds	10,973,107	10,690,040	(1,425,319)
Subtotal - Operating	<u>\$ 28,902,095</u>	<u>\$ 26,257,703</u>	<u>\$ (2,704,125)</u>
Capital Improvements:			
State General Fund	\$ 1,339,560	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 1,339,560</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 30,241,655</u>	 <u>\$ 26,257,703</u>	 <u>\$ (2,704,125)</u>
 FTE Positions	 220.0	 221.0	 0.0
Non FTE Uncl. Perm. Pos.	125.5	125.5	0.0
TOTAL	<u>345.5</u>	<u>346.5</u>	<u>0.0</u>

Agency Request

For **FY 2010**, the **agency** requests operating expenditures totaling \$28,802,095, which is an increase of \$1,490,951, or 5.5 percent, above the FY 2009 revised request. The request includes \$17,928,988 from the State General Fund, which is an increase of \$1,467,441, or 8.9 percent, above the FY 2009 estimate. The request includes operating enhancements totaling \$1,731,718, including \$1,391,718 from the State General Fund, for maintenance and support of the Kansas Criminal Justice Information System (KCJIS) and replacement vehicles.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$26,257,703, including \$15,567,663 from the State General Fund. The recommendation is an all funds decrease of \$544,926, or 2.0 percent, below the FY 2009 recommendation, and a decrease of \$2,544,392, or 8.8 percent, below the FY 2010 request. The recommendation is a State General Fund decrease of \$325,369, or 2.0 percent, below the FY 2009 recommendation and a decrease of \$2,361,325, or 13.2 percent, below the FY 2010 request. The Governor does not recommend the agency's KCJIS enhancement, and includes a moratorium on employer contributions on state employee health insurance payments and a moratorium on state contributions to KPERS Death and Disability. As part of the Governor's recommendation on these moratoriums, part of the funds that would be used to make these payments are to be transferred to the State General Fund. The Governor also recommends a 1.0 percent pay increase for state employees that will come from existing resources.

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Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$520,786, including \$333,942 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescision bill.
2. **KPERS Death and Disability Moratorium.** Add \$27,985, including \$16,223 from the State General Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **1.25 Percent State General Fund Reduction.** Delete \$216,377, all from the State General Fund, to duplicate a 1.25 percent across-the-board base adjustment to FY 2010 that was included in the FY 2009 budget.
4. **10.0 Percent Expenditure Reduction.** Delete \$3,036,519, including \$1,412,594 from the State General Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
5. **Review the agency's request for Kansas Criminal Justice Information System (KCJIS) Project expenditures at Omnibus.** The Subcommittee recommends Omnibus review of the agency request of \$1,391,718, all from the State General Fund, for continued maintenance and support of the Kansas Criminal Justice Information System (KCJIS). KCJIS provides Kansas criminal justice agencies with continuous access to sensitive, criminal justice related data and provides a secure, instantaneous communication resource. This request includes funding for the following items:
 - a. **Upgrade the Communication Line Capacity \$416,853.** This increases the bandwidth from 56 KB to 1.5 MB on the communication lines provided by the state to many county mandated sites. The agency reports that these lines no longer have sufficient capacity to carry the amount of data required to support law enforcement operations. This item was recommended by the KCJIS Committee after consultation with the Division on Information Systems and Communications (DISC). The agency states that this particular circuitry will be discontinued on December 31, 2009.
 - b. **Project Manager \$74,865.** Includes funding for a project manager to facilitate project planning and ensure that projects are successfully completed on time and within budget. The agency states that there are currently 13 active KCJIS

-related projects underway, and two more major projects in the initiation and planning phases.

- c. **Replacement of Core KCJIS Hardware and Software \$250,000.** The Kansas Criminal Justice Coordinating Council recommended and the agency requests a five-year replacement cycle for KCJIS computer equipment maintained by the KBI. This replacement cycle is consistent with industry best practices. The agency states that 40.0 percent of the inventory is in danger of obsolescence and failure, and that the system cannot be dependable without a commitment to maintaining the technology.
 - d. **Creation of a New Search Engine \$650,000.** The agency states that the variety of Kansas information used by law enforcement is not always easily associated, such as a Kansas driver's licence or vehicle registration has no common identifier that will reliably link it to an individual's criminal history record or to an outstanding warrant. The agency states that the ability to easily associate disparate records is essential to criminal investigation. Funding to provide for the development of a new engine and index would be approximately \$1.5 million over two years. It is estimated that the new system could be delivered in eight months, for an estimated cost savings of \$850,000.
6. The Subcommittee notes its concern in regards to information presented by the agency as to the DNA Scientists case backlog of about 1,500 cases, and that current cuts, and additional cuts will further increase this backlog. The Subcommittee commends the agency's efforts in light of budgetary constraints, and would like to continue to support the agency's efforts as the Subcommittee considers the public safety of Kansans to be a number one priority.

1. **Agency Provided Consequences of Expenditure Reductions:** The Subcommittee notes and includes a listing of consequences that were provided by the agency as to effects of the recommended reductions:
 - a. **Vehicle Replacement:** The KBI will reduce the Investigations Program OOE by \$340,000 for FY 2010 (recommended in the Governor's FY 2010 Budget). This funding is intended for the KBI Vehicle Replacement/Maintenance Fund. While not everyday patrol vehicles, the Investigations Program depends upon their vehicles routinely for surveillance, response to crime scenes, and less often, emergency responses. Currently, the Division of Budget has allowed the Investigations Program to maintain one (1) spare vehicle in the event that a vehicle needs repairs or is damaged in an accident.
 - i. **Consequences:** The reduction of \$340,000 in SGF from the FY 2010 budget will remove all of the monies within the KBI's Vehicle Replacement Fund. Based on current mileage projections, the Investigations Program will need to replace seventeen (17) vehicles throughout FY 2010 at a total cost estimate of \$340,000. This fund also provides for the on-going maintenance and repairs of vehicles within the fleet. The cost of repairs and maintenance will increase significantly as the number of vehicles that need replaced grows and the fleet ages. To meet this potential cut and retain a sufficient amount within the fund for repairs and maintenance, the KBI will not be able to purchase five (5) vehicles this fiscal year. This will mean that the Program will have twenty-two (22) vehicles over the mileage limit by the beginning of FY 2011.
 - b. **Rehabilitation and Repair:** This funding, \$100,000 is for purchasing a new generator for KBI headquarters in Topeka. The current generator is over 25 years old and towards the end of its' serviceable life. This generator is vital for KBI operations. Without reliable electrical backup, an electrical failure could be catastrophic. The electrical back up provided by the generator maintains the integrity of information stored in the KBI data storage computers along with providing power to the laboratory equipment that would be severely damaged from either a power loss or improper power surge. The generator also powers refrigerators and other evidence storage that if subjected to a power loss could result in un-repairable damage to the evidence. This is an FY 2010 savings but would need to be funded in the future as the need will still exist to replace the generator.
 - i. **Consequences:** The KBI Laboratory has estimated that a severe power outage or "power surge" could cause damage to the equipment that would cost as much as \$3,000,000 to replace and or repair. This damage estimate does not place a value on loss productivity during the time the instruments are either replaced or repaired. The requested funding is insurance against such a catastrophic electrical failure.
 - c. **Hardware/Software Replacement:** The KBI data center houses not only those hardware and software systems necessary for support of KBI technology needs, but also for the Kansas Criminal Justice Information System (KCJIS). The KCJIS is not for the KBI, rather it is hosted by the KBI but it's value is to all criminal justice agencies in the state of Kansas. A brief description of KCJIS may be found later in the document. The Kansas Criminal Justice Coordinating Council (KCJCC) has recommended a five-year replacement cycle for core KCJIS hardware and software, thereby replacing approximately 20.0 percent of the inventory annually. This savings would be from foregoing the replacement cycle for FY 2010.

- i. **Consequences:** The KBI last received funding for KCJIS hardware and software replacement in FY 2007, which would have been the last year the hardware and software systems were consistently replaced. If this funding is discontinued in FY 2010 it will mean at least 3 years will have elapsed since the last replenishment, so a full 60.0 percent of critical hardware and software will be operating beyond recommended replacement life cycle and be at significantly increased risk of failure.
- d. **Maintain Current Vacancies:** In FY 2010 the agency would not fill vacant or open positions. This would be a one year savings.
 - i. **Consequences:** By reviewing the openings it is evident that the majority of openings are in the professional positions of Agent and Forensic Scientist. Each position has a role to play in the safety of our citizens. The more scientist positions open that go unfilled, extends the time before a scientist is through the training period and they are making forensic examinations for law enforcement and ultimately the courts. The Agents have a similar affect on completed investigations. KBI agents investigate violent crimes, public corruption, cyber crimes, and significant property crimes. Each vacancy leaves more cases unsolved. While the savings are significant, the cost associated in public safety are significant as well.
- e. **Other Operating Expenditures Reduction - Investigations:** The reduction of \$142,650 from the Investigations Program other operating expenditures budget will reduce the funding available for travel, training, communications equipment, crime scene equipment, and other safety related items. The Governor's FY 2010 recommendation for the Investigations Program other operating expenditures is \$684,581. The proposed cut in other operating expenditures represents an additional 21.0 percent reduction in the Investigations Program other operating expenditures.
 - i. **Consequences:** With the reductions already implemented in FY 2009, this additional reduction of other operating expenditures will cause the Investigations Program to restrict the number and types of cases accepted. The Investigations Program will continue to conduct investigations of violent crimes, public corruption, cyber crimes, and significant property crimes. However, the Investigations Program will no longer be able to conduct narcotics related investigations. Narcotics related investigations would be restricted to the KBI's established task forces (SEKDETF and SWDETF) and the cases initiated by the special agents assigned to federal drug task forces. A 21.0 percent additional reduction in other operating expenditures may also result in a reduction in general Field Division cases related to significant property crimes and potentially, public corruption cases.
- f. **DNA Case/Arrestee Reduction:** In the current fiscal situation, the laboratory will reduce \$209,151 from its budget for DNA in FY 2010. The Biology Section will prioritize casework to person crimes only. The laboratory will further reduce the number of samples analyzed. Once a suspect's DNA profile is identified there will be no further testing of the evidence submitted. If it becomes apparent that the laboratory will not have sufficient funding for DNA casework the laboratory will close the DNA database section which processes convicted offender and arrestee samples. DNA from arrestees and

convicted offenders will be collected and stored until such time that adequate funding is available. Individuals assigned to the DNA database section will assist the DNA casework scientists with processing evidence for DNA.

- i. **Consequences:** 1) *Increase of cases backlogged.* This will impact the potential to identify a suspect before they commit additional serious crimes such as rape or homicide. 2) *Reduction in services.* The DNA laboratory would be reduced to working only cases in which there is a suspect and court dates. The hundreds of non-suspect cases, which have the potential for identifying suspects, will remain unexamined. 3) *The loss of the biology databank will result in major delays in entering arrestee profiles into CODIS which will affect the agency's ability to identify suspects through their DNA and link them to past and future crimes.* Our failure to enter these profiles into the databank will affect not only our ability to identify suspects who commit crimes within our own state but other states as well. 4) *The KBI's ability to generate fee funds.* If cases are not worked, the case will not generate the revenue needed for those items that are paid for through the fee fund such as; positions, equipment, equipment repair and consumables.
- g. **Consequences if the laboratory were to experience additional reductions in funding:**
 - i. Any additional reduction in funding would require the loss of personnel or reduction in hours (furloughs).
 - ii. The laboratory relies heavily on its fee fund to support 14.5 positions and to fund other operating expenses within the laboratory. The KBI laboratory receives no SGF for OOE for operating costs other than for DNA and the salaries for 38 positions. If the forensic scientists are not working they are not generating reports and the KBI does not receive laboratory fee funds.
 - iii. The laboratory will be unable to meet mandated court dates resulting in cases being dismissed or defendants being allowed to plea to lesser offenses.
 - iv. It takes approximately 18 to 24 months to train a forensic scientist. The loss of any personnel will result in a backlog of cases which will take years to recover from. A forensic drug chemist will complete 800 to 1,000 cases per year. The loss of one drug chemist will result in a backlog in the first year of 800 to 1,200 cases. If it takes a year or more to train a new forensic scientist before they can analyze evidence on their own that means the backlog has now grown to 1,600 to 2,400 cases.
 - v. On the national average the cost of training a new forensic scientist is approximately \$129,000 to \$150,000.
- h. **Further Kansas Criminal Justice Information System (KCJIS) considerations:**

The KBI, on behalf of the Kansas Criminal Justice Information System (KCJIS), maintains and supports the state's central message switch and other core KCJIS hardware, software and interfaces. The KCJIS is utilized by over 9,000 criminal justice and law enforcement users in over 1,700 agencies across the state,

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providing 24x7x365 access to sensitive, criminal justice related data and a secure, instantaneous resource with which to communicate with one another. This access is used for the protection of our nation by providing the means for distributing immediate homeland security notifications to law enforcement and for providing criminal justice agencies with time-sensitive, critical information maintained in national, state, and local databases.

Nearly 2.5 million transactions (inquiries/responses) are processed every month as state and local agencies access Kansas vehicle, driver's license, wanted persons and criminal history data. The KCJIS connects Kansas to national data sources, such as the FBI's National Crime Information Center (NCIC) and wanted persons, suspected terrorists, stolen property, registered sex offenders, and Interstate Identification Index (III). And KCJIS connects Kansas to criminal justice systems in other states, allowing split-second access to inter-state criminal justice information.

To ensure reliability of this critical information system, each county, typically the Sheriff's office is provided a dedicated telecommunications link (circuit). The current cost of those circuits is approximately \$300,000/year. The technology for the existing circuits is being discontinued Dec. 31, 2009, by the provider AT&T, in favor of newer technology. Leaving the circuits "as is" is not an option.

The cost for the circuits will increase by \$416,853. In order to continue providing this critical connectivity the KBI will require an additional \$416,853 in state general funds for SFY 2010 and subsequent years. For FY 2010 this amount is a worst case figure, for as soon as funds are available the KBI will work with DISC and AT&T to change over all 105 counties one at a time, completing the change over by the January 1, 2010 deadline. So the new costs will not be incurred until each agency is connected. It is estimated to take approximately 6 months to complete the changeover.

The newer circuitry will not only allow reliable continuity for KCJIS connectivity, but will also enhance the system by providing greater bandwidth for the transmission of images such as drivers license (DL) photos, mug shots, scars/marks/tattoos, palm prints and fingerprints that have become far more prominent since the inception of KCJIS.

- i. **Consequences:** If dedicated circuits are not provided for the KCJIS, the state will lose reliable connectivity. These circuits are vital to the safety of law enforcement officers needing to learn if a vehicle is stolen, if a person is wanted, or who the registered owner of a vehicle is. In practicality most counties will have to pay for the line costs themselves, so there is no tax payer savings, the burden will shift to the counties. In essence a small county will pay the same cost as a large county. A small county may not even be able to afford the line cost and discontinue, thus placing a burden on the safety of the officers. These dollars are not an enhancement for the KBI, the KBI is just the agency that facilitates providing the lines to local law enforcement for the State.

Senate Subcommittee Report

Agency: Kansas Commission on Peace Officers' Standards and Training

Bill No. SB - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol.- -

Budget Page No. 415

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	763,967	644,624	(65,924)
Subtotal - Operating	\$ 763,967	\$ 644,624	\$ (65,924)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 763,967	 \$ 644,624	 \$ (65,924)
 FTE Positions	 7.0	 7.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	7.0	7.0	0.0

Agency Request

For **FY 2010**, the **agency** requests expenditures of \$763,967, all from the Kansas Commission on Peace Officers' Standards and Training Fund, which is an increase of \$86,471, or 12.8 percent, above the FY 2009 estimate. The agency's request includes one enhancement for a vehicle totaling \$20,000, all from the KCPOST fund. This request includes 7.0 FTE positions.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$644,624, all from the Kansas Commission on Peace Officers' Standards and Training (KCPOST) fund, which is an increase of \$1,624, or 0.3 percent, above the FY 2009 recommendation, and a decrease of \$119,343, or 15.6 percent, below the agency's FY 2010 request. The Governor recommends the agency's enhancement request for a vehicle, but at a reduced amount of \$17,000, all from the KCPOST fund. The difference between the agency's request and the Governor's recommendation is due to \$119,343 in recommended reductions, which include the following: \$64,502 in contractual services and capital outlay expenditures; \$21,465 for funding above allocated expenditures; \$18,000 to remove vehicle funding included in the base budget and also submitted as an enhancement; \$3,000 reduction to the agency enhancement request for a vehicle; \$10,157 for a moratorium on state health insurance payments, with a corresponding transfer to the State General Fund; and \$2,219 for a moratorium on state contributions to KPERS Death and Disability, with a corresponding transfer to the State General Fund.

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Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$10,157, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$986, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **10.0 Percent Expenditure Reduction.** Delete \$77,067, all from the KCPOST Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
4. The Subcommittee notes that as this is a new agency and they are still experiencing cost fluctuations related to startup expenditures. As such, a 10.0 percent cut will have a negative effect upon the agency's ability to complete their statutory duties.

FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE


Highway Patrol
Adjutant General
(Including Civil Air Patrol)
Fire Marshal
Emergency Medical Services Board



Senator Ty Masterson, Chair



Senator Jay Emler



Senator Kelly Kultala

Senate Ways & Means Cmte
Date 3-05-2009
Attachment 3

House Budget Committee Report

Agency: Kansas Highway Patrol **Bill No.** HB - -

Bill Sec. - -

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

Budget Page No. 391

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 38,292,393	\$ 35,106,115	\$ 929,280
Other Funds	47,185,771	43,755,526	629,116
Subtotal - Operating	<u>\$ 85,478,164</u>	<u>\$ 78,861,641</u>	<u>\$ 1,558,396</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	1,137,717	1,137,717	0
Subtotal - Capital Improvements	<u>\$ 1,137,717</u>	<u>\$ 1,137,717</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 86,615,881</u></u>	<u><u>\$ 79,999,358</u></u>	<u><u>\$ 1,558,396</u></u>
FTE Positions	859.0	859.0	0.0
Non FTE Uncl. Perm. Pos.	38.0	38.0	0.0
TOTAL	<u><u>897.0</u></u>	<u><u>897.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests **FY 2010** operating expenditures totaling \$85,478,164, which is a decrease of \$2,971,291, or 3.4 percent, below the FY 2009 revised request. The request includes State General Fund expenditures of \$38,292,393, which is an increase of \$500,618, or 1.3 percent, above the FY 2009 revised request. The request includes 859.0 FTE positions. The request includes enhancements totaling \$3,687,844, including \$1,112,189 from the State General Fund. The agency's capital improvement expenditure request for FY 2010 totals \$1,137,717, all from special revenue funds.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends operating expenditures of \$78,861,641, including \$35,106,115 from the State General Fund. The recommendation is an all funds decrease of \$9,377,594, or 10.6 percent, below the FY 2009 recommendation, and a decrease of \$6,616,523, or 7.7 percent, below the FY 2010 request. The recommendation is a State General Fund decrease of \$2,300,079, or 6.1 percent, below the FY 2009 recommendation and a decrease of \$3,186,278, or 8.3 percent, below the FY 2010 request. The Governor does not recommend any of the agency's enhancement requests (\$3,687,844, including \$1,112,189 from the State General Fund), and recommends part of the agency's reduced resources package totaling \$1,473,559, including \$1,039,953 from the State General Fund. The recommendation includes a shift of State General Fund expenditures to the General Fees Fund of \$75,453 for salaries and wages. The Governor

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recommends a transfers of \$100,000 from the Vehicle Identification Number Fee Fund, and \$300,000 from the Kansas Highway Patrol Motor Vehicle Fund to the State General Fund.

The recommendation includes the following reductions: \$1,371,020, including \$905,758 from the State General Fund, for a moratorium on employer contributions on state employee health insurance payments; and \$84,100, including \$52,925 from the State General Fund, for a moratorium on state funded KPERS Death and Disability payments. As part of the Governor's recommendation on these moratoriums, part of the funds that would be used to make these payments are to be transferred to the State General Fund, which includes \$25,056 from KPERS Death and Disability, and \$364,280 from employer health insurance. The Governor also recommends a 1.0 percent pay increase for state employees that will come from existing resources.

House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,371,020, including \$905,758 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 \$37,376, including \$23,522 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. **Restore partial funding for the In-Car Digital Camera Project.** The Committee recommends the addition of \$150,000, all from the KHP Operations Fund, to restore part of the funding that the 2008 Legislature directed be reallocated for fuel expenditures in FY 2008, and to review addition of the remaining \$125,000 at Omnibus. The in-car digital camera project is to replace outdated analog systems with digital systems and DVD recording that was approved in FY 2008. The funding for the project was set to be \$825,000 in FY 2008 and FY 2009, and \$850,000 in FY 2010. As the agency had not yet settled upon a satisfactory product in FY 2008, the 2008 Legislature transferred \$550,000 of this first year funding into FY 2009. The remaining \$275,000 was directed to be used in FY 2008 to provide for additional fuel expenditures the agency was experiencing.
4. The Committee notes information provided by the agency in respect to budgetary concerns, considerations, and projected effects of budget reductions as provided by the Kansas Highway Patrol (KHP), the agency states as follows:
 - a. Implications and effects of budget cuts to the agency. What is the risk and what steps are you taking to mitigate the risk?

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- i. The Public Safety Interoperability Communications (PSIC) Grant Match is expected to be reduced by 1.0 percent by House Substitute for Substitute for SB 23. The State secured a significant amount of funding for the PSIC grant. This grant required a 20.0 percent state match. The details are as follows: \$10,667,169.00 - Federal Funding Available to Kansas, \$ 2,533,452.64 - Total State Match (\$2.0 million KHP; remainder to the Kansas Department of Transportation).
- ii. A 1.0 percent reduction in the \$2.0 million means the State will lose \$80,000 in federal funding and will ultimately have to cut \$100,000 out of the current program for equipment that is already in the process of being purchased (or has been purchased) to strengthen our state's interoperability communications capabilities. The KHP is communicating this possibility to homeland security leaders throughout the state. However, the regions are facing similar budgetary shortfalls and had been promised these funds by the State through contract.
- iii. Upholding and honoring the Memorandum of Agreement with sworn officers is impacted by the State's inability to fund the negotiated and agreed-upon salary increases. This erodes morale and confidence in the State and agency. The quantity of current and forthcoming retirements of experienced and proficient officers makes pay an important factor in attracting quality applicants and encouraging moves to remote areas of the State where spouses may be unable to find work. Because many of the expected retirements are also in law enforcement management ranks, pay must be adequate to motivate existing staff to assume leadership positions with much more responsibility. The Superintendent has been in close contact with association leadership to keep them informed of potential budgetary impacts, and how they might affect rank and file members.
- iv. More severe budget reductions will impact people and public safety. Suspension of Trooper recruit classes is directly related to the retirement eligibility of law enforcement staff. During the next five years, 86 officers at various ranks could retire. Because about one year's time is required for a person to become a Trooper, the Patrol will quickly fall below its necessary workforce strength to maintain current performance, if retirements occur upon eligibility. Reductions in vehicle operating costs could mean stationary patrols and/or parking Patrol vehicles. Currently the KHP's vehicles are primarily covered under warranty. Any extension in the miles driven before vehicle retirement could greatly increase repair and maintenance costs for which there is no existing budget. KHP staff has been informed that the protection of existing positions is the agency's top priority. Miles patrolled and coverage provided may have to be reduced in order to achieve this. Requests have already been made for the voluntary reduction of windshield time which is a shift from deterrence through visibility to one of responding to accidents and other incidents.
- v. Risks include the inability to respond and provide critical public safety services. Aircraft response has already been restricted to only those situations deemed to be emergencies for public and officer safety. More severe budget reductions will begin to jeopardize officer safety. However,

the KHP will continue to attempt to fund what is needed to protect the Troopers.

- vi. Local law enforcement agencies are at risk if capabilities provided by the KHP are reduced or eliminated because of budgetary restrictions. Most local law enforcement agencies throughout the State depend upon the KHP to provide many different types of assistance and response, including Critical Highway Accident Reconstruction Team (CHART), routine accident assistance, Special Response Team call out, canine units, bomb technicians, aircraft, school emergencies and many other situations.
- vii. The reduction in replacement of computers and information technology equipment cannot be sustained. The KHP field and administrative operations both rely heavily on the use of technology to complete the agency's mission.

House Committee Recommendation

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

1. **1.25 Percent State General Fund Reduction.** Delete \$493,739, all from the State General Fund, to duplicate a 1.25 percent across-the-board base adjustment to FY 2010 that was included in the FY 2009 budget.
-

Senate Subcommittee Report

Agency: Kansas Highway Patrol Bill No. SB - -

Bill Sec. - -

Analyst: Klaassen Analysis Pg. No. Vol.- -

Budget Page No. 391

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 38,292,393	\$ 35,106,115	\$ (1,440,540)
Other Funds	47,185,771	43,755,526	(1,298,624)
Subtotal - Operating	<u>\$ 85,478,164</u>	<u>\$ 78,861,641</u>	<u>\$ (2,739,164)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	1,137,717	1,137,717	0
Subtotal - Capital Improvements	<u>\$ 1,137,717</u>	<u>\$ 1,137,717</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 86,615,881</u>	 <u>\$ 79,999,358</u>	 <u>\$ (2,739,164)</u>
 FTE Positions	 859.0	 859.0	 0.0
Non FTE Uncl. Perm. Pos.	38.0	38.0	0.0
TOTAL	<u>897.0</u>	<u>897.0</u>	<u>0.0</u>

Agency Request

The agency requests FY 2010 operating expenditures totaling \$85,478,164, which is a decrease of \$2,971,291, or 3.4 percent, below the FY 2009 revised request. The request includes State General Fund expenditures of \$38,292,393, which is an increase of \$500,618, or 1.3 percent, above the FY 2009 revised request. The request includes 859.0 FTE positions. The request includes enhancements totaling \$3,687,844, including \$1,112,189 from the State General Fund.

Governor's Recommendation

For FY 2010, the Governor recommends operating expenditures of \$78,861,641, including \$35,106,115 from the State General Fund. The recommendation is an all funds decrease of \$9,377,594, or 10.6 percent, below the FY 2009 recommendation, and a decrease of \$6,616,523, or 7.7 percent, below the FY 2010 request. The recommendation is a State General Fund decrease of \$2,300,079, or 6.1 percent, below the FY 2009 recommendation and a decrease of \$3,186,278, or 8.3 percent, below the FY 2010 request. The Governor does not recommend any of the agency's enhancement requests (\$3,687,844, including \$1,112,189 from the State General Fund), and recommends part of the agency's reduced resources totaling \$1,473,559, including \$1,039,953 from the State General Fund. The recommendation includes a shift of State General Fund expenditures to the General Fees Fund of \$75,453 for salaries and wages. The Governor recommends a transfers of \$100,000 from the Vehicle Identification Number Fee Fund, and \$300,000 from the Kansas Highway Patrol Motor Vehicle Fund to the State General Fund.

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The recommendation includes the following reductions: \$1,371,020, including \$905,758 from the State General Fund, for a moratorium on employer contributions on state employee health insurance payments; and \$84,100, including \$52,925 from the State General Fund, for a moratorium on state contributions to KPERS Death and Disability. As part of the Governor's recommendation on these moratoriums, part of the funds that would be used to make these payments are to be transferred to the State General Fund, which includes \$25,056 from KPERS Death and Disability, and \$364,280 from employer health insurance. The Governor also recommends a 1.0 percent pay increase for state employees that will come from existing resources.

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$1,371,020, including \$905,758 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill.
2. **KPERS Death and Disability Moratorium.** Add \$37,376, including \$23,522 from the State General Fund, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **1.25 Percent State General Fund Reduction.** Delete \$493,739, all from the State General Fund, to duplicate a 1.25 percent across-the-board base adjustment to FY 2010 that was included in the FY 2009 budget.
4. **10.0 Percent Expenditure Reduction.** Delete \$3,653,821, including \$1,876,081 from the State General Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
5. The Subcommittee requests Omnibus review of the agency's budget. If additional funds exist the Subcommittee requests consideration to utilize these funds to provide additional funding to agency programs and enhancement requests. As part of this Omnibus review, the Subcommittee requests consideration of restoring \$25,000 in funding reduced as part of the 1.25 percent reduction made to agencies in FY 2009.

The Subcommittee notes that as part of the 1.25 percent reduction, \$25,000 of the \$2.0 million in funding reappropriated into FY 2009 for the Public Safety Interoperability Communications (PSIC) Grant was reduced. The PSIC grant required a 20.0 percent match, which equates to a reduction of \$100,000 in federal funding drawn down. The agency states that it was able to find a way to match those funds so that no federal money will be lost, but the program is still

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\$25,000 short. The Subcommittee notes that testimony provided by the agency states that the distribution of funds is nearing the final stages, and that at this point the reduction will be borne by only one region (South central) as opposed to being equally spread out between regions. The PSIC grant program assists public safety agencies in the acquisition, deployment, and training of interoperable communications systems to enhance the ability of first responders to communicate via voice, data, and/or video signals.

House Budget Committee Report

Agency: Adjutant General **Bill No.** HB - - **Bill Sec.** - -
Analyst: Klaassen **Analysis Pg. No.** Vol.- - **Budget Page No.** 375

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,640,803	\$ 14,836,285	\$ 94,820
Other Funds	225,936,176	87,449,597	575,597
Subtotal - Operating	<u>\$ 259,576,979</u>	<u>\$ 102,285,882</u>	<u>\$ 670,417</u>
Capital Improvements:			
State General Fund	\$ 6,504,072	\$ 300,000	\$ 0
Other Funds	1,000,000	1,000,000	0
Subtotal - Capital Improvements	<u>\$ 7,504,072</u>	<u>\$ 1,300,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 267,081,051</u></u>	<u><u>\$ 103,585,882</u></u>	<u><u>\$ 670,417</u></u>
FTE Positions	220.0	219.0	0.0
Non FTE Uncl. Perm. Pos.	228.1	225.1	0.0
TOTAL	<u><u>448.1</u></u>	<u><u>444.1</u></u>	<u><u>0.0</u></u>

Agency Request

For **FY 2010**, the **agency** requests operating expenditures of \$259,576,979, which is a decrease of \$737,974, or 0.3 percent, below the FY 2009 revised request. The request includes expenditures of \$33,640,803 from the State General Fund and \$225,936,176 from all other funds. The agency requests operating enhancements of \$212,608,313, including \$26,613,489 from the State General Fund. The request includes 220.0 FTE positions, an increase of 1.0 FTE position as part of an enhancement. The agency's FY 2010 capital improvements request totals \$7,504,072, including \$6,504,072 from the State General Fund. The capital improvements request includes enhancements totaling \$4,749,072, all from the State General Fund.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$102,285,882, including \$14,836,285 from the State General Fund. The recommendation is an all funds decrease of \$95,531,077, or 48.3 percent, and a State General Fund decrease of \$12,832,350, or 46.4 percent, below the FY 2009 recommendation. The recommendation is an all funds decrease of \$157,291,097, or 60.6 percent, and a State General Fund decrease of \$18,804,518, or 55.9 percent, below the FY 2010 request. The Governor recommends enhancements totaling \$66,570,701 including \$7,933,751 from the State General Fund, which include: \$40,491, all from the State General Fund, for a pay plan adjustment; \$66,455,210, including \$7,818,260 from the State General Fund for Disaster Assistance; and \$75,000, all from the State General Fund, for operating expenditures at the Salina training center. The recommendation also includes expenditure reductions, which include: a reduction to the Adjutant General Expense Fund -

Hazardous Mitigation of \$10,499,092, including \$1,883,892 from the State General Fund, in respect to the lapse of the same State General Fund amount in the FY 2009 recommendation; and a reduction of \$20,793 in recommended State General Fund shrinkage for the Division of Emergency Management Program.

The recommendation includes the following reductions: \$619,871, including \$87,486 from the State General Fund, for a moratorium on employer contributions on health insurance payments; and \$113,729, including \$16,501 from the State General Fund, for a moratorium on KPERS Death and Disability payments. As part of the Governor's recommendation on these moratoriums, part of the funds that would be used to make these payments are to be transferred to the State General Fund, which includes \$956 from KPERS Death and Disability, and \$4,921 from employer health insurance. The Governor also recommends a 1.0 percent increase for state employees that will come from existing resources.

For FY 2010 the Governor recommends expenditures of \$1,300,000 for capital improvements. This difference is due to a State General Fund reductions of \$1,455,000, from debt service principal for debt restructuring, and no recommended capital improvements enhancement funding (\$4,749,072 from the State General Fund).

House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$619,871, including \$87,486 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 \$50,546, including \$7,334 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. **The Committee recommends Omnibus review of funds to match the federal Emergency Management Performance Grant.** The Committee notes the agency's request for \$365,000 to match the Emergency Management Performance Grant. The Emergency Management Performance Grant program is funded 50.0 percent by the federal government with a 50 percent state cost-share or in-kind match requirement (this would provide a total of \$730,000, in the absence of an in-kind match). These funds are used to provide disaster preparedness support to counties, in an effort to minimize utilization of state resources if a disaster occurs in a smaller county.

4. **The Committee recommends Omnibus review of Hazard Mitigation funds.**
The Committee notes the agency's request for \$77,066,667, including \$9,066,667 from the State General Fund, for Hazard Mitigation funding for the five federal disasters declared since January 2007. The Hazard Mitigation Grant Program helps state and local governments and eligible private non-profits with the cost of planning for, administering, and mitigating losses from future disasters. Hazard Mitigation projects may include, but are not limited to, acquisition or demolition of flood prone properties, construction of tornado safe rooms, limited flood control measures, or enhanced warning systems (The federal government currently pays 75.0 percent of the cost, with a 25.0 percent non-federal match).

5. The Committee notes that while there are significant fluctuations in the agency's budget, these are primarily attributed to federal funding and state match funding for disaster relief. As of December 2008, the agency is making disaster assistance payments on fourteen open disasters. The Committee notes that information provided by the Adjutant General's Office estimates the state's share in disaster relief expenditures at \$26.4 million to match federal funds for payments on the fourteen open disasters. The Committee also notes that in relation to the December 2007 ice storm, electrical facilities may be eligible for up to \$300.0 million, for which the states share would be an estimated \$30.0 million (The federal government currently pays 75.0 percent of the cost, with a 25 percent non-federal match. The States share of the non-federal match has usually been 10.0 percent, with the other 15.0 percent coming from the local unit).

House Committee Recommendation

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

1. **1.25 Percent State General Fund Reduction.** Delete \$344,866, all from the State General Fund, to duplicate a 1.25 percent across-the-board base adjustment to FY 2010 that was included in the FY 2009 budget.
-

Senate Subcommittee Report

Agency: Adjutant General

Bill No. SB - -

Bill Sec. - -

Analyst: Klaassen

Analysis Pg. No. Vol. - -

Budget Page No. 375

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,640,803	\$ 14,836,285	\$ (607,804)
Other Funds	225,936,176	87,449,597	575,597
Subtotal - Operating	<u>\$ 259,576,979</u>	<u>\$ 102,285,882</u>	<u>\$ (32,207)</u>
Capital Improvements:			
State General Fund	\$ 6,504,072	\$ 300,000	0
Other Funds	1,000,000	1,000,000	0
Subtotal - Capital Improvements	<u>\$ 7,504,072</u>	<u>\$ 1,300,000</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 267,081,051</u>	 <u>\$ 103,585,882</u>	 <u>\$ (32,207)</u>
 FTE Positions	 220.0	 219.0	 0.0
Non FTE Uncl. Perm. Pos.	228.1	225.1	0.0
TOTAL	<u>448.1</u>	<u>444.1</u>	<u>0.0</u>

Agency Request

For **FY 2010**, the **agency** requests operating expenditures of \$259,576,979, which is a decrease of \$737,974, or 0.3 percent, below the FY 2009 revised request. The request includes expenditures of \$33,640,803 from the State General Fund and \$225,936,176 from all other funds. The agency requests operating enhancements of \$212,608,313, including \$26,613,489 from the State General Fund. The request includes 220.0 FTE positions, an increase of 1.0 FTE position as part of an enhancement.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$102,285,882, including \$14,836,285 from the State General Fund. The recommendation is an all funds decrease of \$95,531,077, or 48.3 percent, and a State General Fund decrease of \$12,832,350, or 46.4 percent, below the FY 2009 recommendation. The recommendation is an all funds decrease of \$157,291,097, or 60.6 percent, and a State General Fund decrease of \$18,804,518, or 55.9 percent, below the FY 2010 request. The Governor recommends enhancements totaling \$66,570,701 including \$7,933,751 from the State General Fund, which include: \$40,491, all from the State General Fund, for a pay plan adjustment; \$66,455,210, including \$7,818,260 from the State General Fund for Disaster Assistance; and \$75,000, all from the State General Fund, for operating expenditures at the Salina training center. The recommendation also includes expenditure reductions, which include: a reduction to the

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Adjutant General Expense Fund - Hazardous Mitigation of \$10,499,092, including \$1,883,892 from the State General Fund, in respect to the lapse of the same State General Fund amount in the FY 2009 recommendation; and a reduction of \$20,793 in recommended State General Fund shrinkage for the Division of Emergency Management Program.

The recommendation includes the following reductions: \$619,871, including \$87,486 from the State General Fund, for a moratorium on employer contributions on health insurance payments; and \$113,729, including \$16,501 from the State General Fund, for a moratorium on state contributions to KPERS Death and Disability. As part of the Governor's recommendation on these moratoriums, part of the funds that would be used to make these payments are to be transferred to the State General Fund, which includes \$956 from KPERS Death and Disability moratorium, and \$4,921 from employer health insurance moratorium. The Governor also recommends a 1.0 percent increase for state employees that will come from existing resources.

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$619,871, including \$87,486 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 \$50,546, including \$7,334 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. **1.25 Percent State General Fund Reduction.** Delete \$344,866, all from the State General Fund, to duplicate a 1.25 percent across-the-board base adjustment to FY 2010 that was included in the FY 2009 budget.
4. The Subcommittee notes that the agency's FY 2010 budget is already 10.0 percent below the FY 2009 Governor's recommendation.
5. The Subcommittee notes the agency's concern that state disaster funds not be included as part of the 1.25 percent across-the-board base reductions. According to the agency these funds should be exempted, as they are used to draw down significant federal funding. The federal government currently pays 75.0 percent of the cost of qualifying disasters, with a 25 percent non-federal match. The state's share of the non-federal match has usually been 10.0 percent, with the other 15.0 percent coming from the local unit.

House Budget Committee Report

Agency: State Fire Marshal **Bill No.** HB - -

Bill Sec. - -

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

Budget Page No. 389

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,604,115	4,339,644	106,102
Subtotal - Operating	<u>\$ 4,604,115</u>	<u>\$ 4,339,644</u>	<u>\$ 106,102</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>\$ 4,604,115</u>	 <u>\$ 4,339,644</u>	 <u>\$ 106,102</u>
 FTE Positions	 54.0	 53.0	 0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	<u>57.0</u>	<u>56.0</u>	<u>0.0</u>

Agency Request

For **FY 2010** the **agency** requests operating expenditures of \$4,604,115, a decrease of \$411,323, or 8.2 percent, below the FY 2009 estimate. Of the FY 2010 expenditures, \$3,813,825 are financed by the Fire Marshal Fee Fund, a decrease of \$33,002, or 0.9 percent, below the 2009 estimate. The entire budget is funded from fee and federal funds. The request includes 54.0 FTE positions, which is an increase of 1.0 FTE position above the FY 2009 estimate. The additional FTE position is requested as part of the agency's Explosive Unit Administrative Specialist enhancement.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$4,339,644, all from special revenue funds, which is a decrease of \$601,615, or 12.2 percent, below the FY 2009 recommendation, and a decrease of \$264,471, or 5.7 percent, below the agency's FY 2010 request. The Governor does not recommend either of the agency's enhancement requests which total \$77,453, nor the additional FTE position. In addition, the Governor recommends budget reductions totaling \$187,018, all from special revenue funds, and corresponding transfers to the State General Fund, which include: \$82,274 for a 2.0 percent reduction, \$90,216 for a moratorium on state employee health insurance payments, and \$14,528 for a moratorium on state funded KPERS death and disability payments. The Governor also recommends a 1.0 percent increase for state employees wages from existing resources. The Governor's recommendation includes 53.0 FTE positions.

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House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments, request, and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$98,896, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$7,206, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Adjust Assessment of Statutory State General Fund Services Fee:** The Committee requests introduction of a bill to change how the statutory State General Fund services fee is assessed to the 1.25 percent levy on fire insurance premiums to make this fee the responsibility of the three agencies it supports rather than the full responsibility of the State Fire Marshal.

K.S.A. 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance, beginning in 1984, a levy imposed by the State Fire Marshal, not to exceed 1.25 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year.

Per K.S.A. 75-1508, the Board of Emergency Medical Services receives 0.25 percent of this levy, the KU Fire and Rescue Training Institute receives 0.20 percent, and the Office of the State Fire Marshal receives the remaining 0.80 percent, with the statutory administrative services fee (K.S.A. 75-1514) coming only from the Fire Marshal's portion.

The Committee recommends that the fee be assessed to the entire amount of levy funding before it is distributed to each agency. According to the agency, this would result in an estimated increase of \$72,000 to funds received by the State Fire Marshal in FY 2010, a decrease of \$40,000 to the funds received by the Board of Emergency Medical Services, and a decrease of \$32,000 to the funds received by the KU Fire and Rescue Training Institute.

4. **Interim study on funding of State Fire Marshal and Board of Emergency Medical Services:** The Committee requests an interim study on the funding of the State Fire Marshal and Board of Emergency Medical Services. Considerations include redistributing the 0.25 percent of the levy that the Board of Emergency Medical Services currently receives to the State Fire Marshal and instituting an appropriate levy on auto insurance sold in Kansas to fund the operations of the Board of Emergency Medical Services.

5. The Committee notes that the State Fire Marshal's FY 2010 budget is a reduction of \$441,310, or 9.2 percent, below the FY 2009 budget approved by the 2008 Legislature.

6. **Agency Priority Adjustment Listing:** The Committee notes that should additional adjustments need to be made to the agency's budget, a priority listing was provided by the agency. The listing is included in this report as follows (The agency's **Rank 1** priority was to change the assessment of the statutory State General Fund services fee, which is included within the Committee's recommendations, and therefore the included list starts at **Rank 2**):
 - **Rank 2:** Reverse 2008 Senate Substitute for House Bill 2634, which calls for the inspection of non-fuel flammable or combustible liquid above ground storage tanks. The only funding source associated with the bill is from fines incurred for violations after 2013.
 - **Possible Risks, as provided by the agency:** (1) The impact on public safety would be minimal as the agency already has authority for aboveground flammable and combustible liquids; and (2) The cost savings to the agency would be \$78,119 per year.

 - **Rank 3:** Retain Senate Bill 178 that requires all cigarettes sold in the State of Kansas after July 1, 2009, to be tested for ignition with documentation being submitted along with processing fees to the State Fire Marshal's Office.
 - **Possible Risks, as provided by the agency:** (1) The impact on public safety would be the reduction in the number of cigarette related fires, injuries and fatalities. (2) The impact on the agency would be additional revenues.

 - **Rank 4:** Increase total fire insurance levy from 1.25 percent to 1.35 percent, which would generate approximately \$485,395, and distribute additional funding to the Fire Marshal's Office.
 - **Possible Risks, as provided by the agency:** (1) The impact on public safety would be positive through the continued funding of agency services.

 - **Rank 5:** The cancellation of the Bomb Unit. The staffing of the unit is a joint effort between the State Fire Marshal's Office and the Kansas Highway Patrol, but the vehicle, equipment, maintenance, and replacement are the sole burden of the State Fire Marshal.
 - **Possible Risks, as provided by the agency:** (1) The impact on public safety would be continued mitigation of improvised explosive devices in communities without resources. (2) The savings of approximately \$40,000 per year could go to other services provided by the State Fire Marshal's Office.

 - **Rank 6:** The cancellation of the Y-Fire Program. The agency states that the program is part of the education that it provides for Kansans in targeting youth and families experiencing problems with fire setting behavior.
 - **Possible Risks, as provided by the agency:** (1) The impact on public safety would be small as many of the local communities currently have public education personnel promoting similar programs. (2) The savings to the State Fire Marshal's Office would be \$100,905.80 in FY 2010.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: State Fire Marshal **Bill No.** SB - - **Bill Sec.** - -

Analyst: Klaassen **Analysis Pg. No.** Vol. - - **Budget Page No.** 389

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	4,604,115	4,339,644	(212,212)
Subtotal - Operating	<u>\$ 4,604,115</u>	<u>\$ 4,339,644</u>	<u>\$ (212,212)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 4,604,115</u></u>	<u><u>\$ 4,339,644</u></u>	<u><u>\$ (212,212)</u></u>
FTE Positions			
FTE Positions	54.0	53.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	<u><u>57.0</u></u>	<u><u>56.0</u></u>	<u><u>0.0</u></u>

Agency Request

For **FY 2010** the **agency** requests operating expenditures of \$4,604,115, a decrease of \$411,323, or 8.2 percent, below the FY 2009 estimate. Of the FY 2010 expenditures, \$3,813,825 are financed by the Fire Marshal Fee Fund, a decrease of \$33,002, or 0.9 percent, below the 2009 estimate. The entire budget is funded from fee and federal funds. The request includes 54.0 FTE positions, which is an increase of 1.0 FTE position above the FY 2009 estimate. The additional FTE position is requested as part of the agency's Explosive Unit Administrative Specialist enhancement.

Governor's Recommendation

For **FY 2010**, the **Governor** recommends expenditures of \$4,339,644, all from special revenue funds, which is a decrease of \$601,615, or 12.2 percent, below the FY 2009 recommendation, and a decrease of \$264,471, or 5.7 percent, below the agency's FY 2010 request. The Governor does not recommend either of the agency's enhancement requests which total \$77,453, nor the additional FTE position. In addition, the Governor recommends budget reductions totaling \$187,018, all from special revenue funds, and corresponding transfers to the State General Fund, which include: \$82,274 for a 2.0 percent reduction, \$90,216 for a moratorium on state employee health insurance payments, and \$14,528 for a moratorium on state contributions to KPERS Death and Disability. The Governor also recommends a 1.0 percent increase for state employees wages from existing resources. The Governor's recommendation includes 53.0 FTE positions.

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Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$98,896, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$7,206, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **10.0 Percent Expenditure Reduction.** Delete \$318,314, all from special revenue funds, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
4. **Do not transfer reduction savings to the State General Fund and review at Omnibus.** Delete the transfer of \$168,692 from special revenue funds to the State General Fund, and review at Omnibus. This is the amount of savings created by a budget reductions in the Governor's recommendation and will now remain in the agency's fee fund.
5. **Delay implementation of 2008 Senate Sub. for HB 2634.** The Subcommittee requests introduction of a bill to delay the implementation of 2008 Senate Sub. for HB 2634, which created two new laws that concern non-fuel flammable or combustible liquid above ground storage tanks. Under the bill, on or before July 1, 2009, the State Fire Marshal is to conduct an on-site inspection of any facility in existence to determine compliance with standards. If a facility is not in compliance, any necessary changes would be required to be made as soon as practical, but no later than July 1, 2012. No revenues will be available until FY 2013, and then it would be contingent upon a site that is found to be out of compliance. The agency expressed budgetary constraints to the Subcommittee, and this action is estimated to reduce expenditures by \$62,318, all from the Fire Marshal Fee Fund.
6. **Creation of a Fireworks and Explosives Fund.** The Subcommittee requests introduction of a bill to create the Fireworks and Explosives Fund within the State Fire Marshal. The 2007 Legislature established the Kansas Fireworks Act to be administered by the State Fire Marshal. The Act requires any person who intends to sell, offer for sale, possess with intent to sell, any consumer fireworks, display fireworks or articles pyrotechnic or discharge, use, or display fireworks or articles pyrotechnic be required to obtain the appropriate license from the State Fire

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Marshal. License fees are currently deposited into the Fire Marshal Fee Fund, and this would allow for these funds to be separated out for easier tracking.

7. **Raise levy on fire insurance premiums and provide the additional funding to the State Fire Marshal.** The Subcommittee requests introduction of a bill to raise the levy on fire insurance premiums from 1.25 to 1.35, and to provide the additional funding to the State Fire Marshal.

K.S.A. 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance, beginning in 1984, a levy imposed by the State Fire Marshal, not to exceed 1.25 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year.

Per K.S.A. 75-1508, the Board of Emergency Medical Services receives 0.25 percent of this levy, the KU Fire and Rescue Training Institute receives 0.20 percent, and the Office of the State Fire Marshal receives the remaining 0.80 percent, with the statutory administrative services fee (K.S.A. 75-3170) coming only from the Fire Marshal's portion (K.S.A. 75-1514).

The bill would raise the levy's statutory maximum to 1.35 percent, and raise the portion provided to the State Fire Marshal from 0.80 to 0.90.

House Budget Committee Report

Agency: Board of Emergency Medical Services **Bill No. --**

Bill Sec. --

Analyst: Tang

Analysis Pg. No. Vol.-

Budget Page No. 387

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,217,357	2,124,043	21,014
Subtotal - Operating	<u>\$ 2,217,357</u>	<u>\$ 2,124,043</u>	<u>\$ 21,014</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,217,357</u></u>	<u><u>\$ 2,124,043</u></u>	<u><u>\$ 21,014</u></u>
FTE Positions	14.0	14.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency's Request

The **Board of Emergency Medical Services** requests FY 2010 operating expenditures of \$2,217,357, a decrease of \$341,506, or 13.3 percent, below the FY 2009 revised estimate. The decrease is due largely to the loss of federal funds in the EMS Federal Fund, and a significantly reduced cash forward balance from the FY 2009 estimate into the FY 2010 request. The Board is not anticipating nor has it applied for any additional grants for FY 2010.

Governor's Recommendation

The **Governor** recommends \$2,124,043, including \$1,329,211 from the EMS Operating Fund for FY 2010. The amount represents a decrease of \$370,206, or 14.8 percent, below the FY 2009 recommendation and a decrease of \$93,314, or 4.2 percent, below the agency's FY 2010 request. The Governor recommends \$33,608, or 2.0 percent, be reduced from the EMS operating expenditures. The transfer amount from the EMS Operating Fund to the Education Incentive Grant Fund is reduced \$36,129, from \$294,000 to \$257,871. The Governor also recommends a moratorium on State Employee Health Insurance state contributions totaling \$18,963 and on KPERS Death and Disability state contributions totaling \$4,614. The Governor recommends a total of \$92,570 be transferred to the State General Fund.

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House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$18,963, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$2,051, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Adjust Assessment of Statutory State General Fund Services Fee.** The Budget Committee requests introduction of a bill to change how the statutory State General Fund services fee is assessed to the 1.25 percent levy on fire insurance premiums, to make this fee the responsibility of the three agencies it supports rather than the full responsibility of the State Fire Marshal.

KSA 75-1508 requires each fire insurance company doing business in Kansas to pay a levy not to exceed 1.25 percent of the gross cash receipts on all fire business transacted by the company in the preceding calendar year. The statute divides the levy so that the State Fire Marshal receives 0.8 percent of the gross cash receipt, the Board of Emergency Medical Services receives 0.25 percent, and the Fire Services Training Institute at the University of Kansas receives the remaining 0.2 percent. K.S.A. 75-1514 requires that 20.0 percent of the receipts, or a maximum of \$200,000, from the portion of the levy received by the Fire Marshal, shall be transferred to the State General Fund, as reimbursement for administrative services provided to the State Fire Marshal.

The Budget Committee recommends that the services fee be assessed to the entire amount of levy funding before it is distributed to each agency. According to the State Fire Marshal, this would result in an estimated increase of \$72,000 to funds received by the Fire Marshal in FY 2010, a decrease of \$40,000 to the funds received by the Board of Emergency Medical Services, and a decrease of \$32,000 to the funds received by the Fire Services Training Institute.

4. **Interim Study on Funding of the State Fire Marshal and the Board of Emergency Medical Services.** The Budget Committee requests an interim study on the funding of the State Fire Marshal and the Board of Emergency Medical Services. Considerations include redistributing the 0.25 percent of the levy that the Board of Emergency Medical Services currently receives to the State Fire Marshal, and instituting an appropriate levy on auto insurance sold in Kansas to fund the operations of the Board of Emergency Medical Services.

5. The Budget Committee notes that, in the Governor's recommendation, the Board of Emergency Medical Services' FY 2010 budget is a reduction of \$222,160, or 9.6 percent, below the FY 2009 budget approved by the 2008 Legislature.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Board of Emergency Medical Services Bill No. SB

Bill Sec.

Analyst: Tang

Analysis Pg. No. Vol. -

Budget Page No. 387

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,217,357	2,124,043	(87,546)
Subtotal - Operating	<u>\$ 2,217,357</u>	<u>\$ 2,124,043</u>	<u>\$ (87,546)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 2,217,357</u></u>	 <u><u>\$ 2,124,043</u></u>	 <u><u>\$ (87,546)</u></u>
 FTE Positions	 14.0	 14.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Board of Emergency Medical Services** requests FY 2010 operating expenditures of \$2,217,357, a decrease of \$341,506, or 13.3 percent, below the FY 2009 revised estimate. The decrease is due largely to the loss of federal funds in the EMS Federal Fund, and a significantly reduced cash forward balance from the FY 2009 estimate into the FY 2010 request. The Board is not anticipating nor has it applied for any additional grants for FY 2010.

Governor's Recommendation

The **Governor** recommends \$2,124,043, including \$1,329,211 from the EMS Operating Fund for FY 2010. The amount represents a decrease of \$370,206, or 14.8 percent, below the FY 2009 recommendation and a decrease of \$93,314, or 4.2 percent, below the agency's FY 2010 request. The Governor recommends \$33,608, or 2.0 percent, be reduced from the EMS operating expenditures. The transfer amount from the EMS Operating Fund to the Education Incentive Grant Fund is reduced \$36,129, from \$294,000 to \$257,871. The Governor also recommends a moratorium on state employee health insurance state contributions totaling \$18,963 and on KPERS Death and Disability state contributions totaling \$4,614. The Governor recommends a total of \$92,570 be transferred to the State General Fund.

3-24

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$18,963, all from special revenue funds, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$2,051, all from special revenue funds, to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. Delete the transfer of \$68,993 from the EMS Operating Fund to the State General Fund for FY 2010, and review at Omnibus. This is the amount of savings created by a 2.0 percent budget reduction in the Governor's recommendation and by reducing the amount transferred from the EMS Operating Fund to the Education Incentive Grant Fund.
4. Delete \$108,560, all from special revenue funds, to achieve the target reduction of 10.0 percent below the Governor's FY 2009 recommendation.

SENATE BILL No. 205

By Committee on Ways and Means

2-4

Proposed amendment
Senator Vratil
February 27, 2009

Senate Ways & Means Cmte
Date 3-05-2009
Attachment 4

9 AN ACT concerning the development finance authority; relating to the
10 refunding of bonds; amending K.S.A. 2008 Supp. 74-8905 and re-
11 pealing the existing section.
12

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

14 Section 1. K.S.A. 2008 Supp. 74-8905 is hereby amended to read as
15 follows: 74-8905. (a) The authority may issue bonds, either for a specific
16 activity or on a pooled basis for a series of related or unrelated activities
17 or projects duly authorized by a political subdivision or group of political
18 subdivisions of the state in amounts determined by the authority for the
19 purpose of financing projects of statewide as well as local importance,
20 capital improvement facilities, educational facilities, health care facilities
21 and housing developments. Nothing in this act shall be construed to au-
22 thorize the authority to issue bonds or use the proceeds thereof to:

23 (1) Purchase, condemn or otherwise acquire a utility plant or distri-
24 bution system owned or operated by a regulated public utility;

25 (2) finance any capital improvement facilities or educational facilities
26 which are being financed by the issuance of general obligation or utility
27 revenue bonds of a political subdivision, except that the acquisition by
28 the authority of general obligation or utility revenue bonds issued by
29 political subdivisions with the proceeds of pooled bonds shall not violate
30 the provisions of the foregoing; or

31 (3) purchase, acquire, construct, reconstruct, improve, equip, fur-
32 nish, repair, enlarge or remodel property for any swine production facility
33 on agricultural land which is owned, acquired, obtained or leased by a
34 corporation, limited liability company, limited partnership, corporate
35 partnership or trust.

36 Nothing in this subsection (a) shall prohibit the issuance of bonds by
37 the authority when any statute specifically authorizes the issuance of
38 bonds by the authority or approves any activity or project of a state agency
39 for purposes of authorizing any such issuance of bonds in accordance with
40 this section and provides an exemption from the provisions of this sub-
41 section (a).

42 (b) The authority may issue bonds for activities and projects of state
43 agencies as requested by the secretary of administration. Research facil-

4-2

1 ities of state educational institutions shall be subject to the provisions of
 2 this subsection (b). No bonds may be issued pursuant to this act for any
 3 activity or project of a state agency unless the activity or project either
 4 has been approved by an ~~appropriation or other~~ act of the legislature or
 5 has been approved by the state finance council acting on this matter which
 6 is hereby characterized as a matter of legislative delegation and subject
 7 to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and
 8 amendments thereto. ~~When requested to do so by the secretary of ad-~~
 9 ~~ministration, The authority may issue bonds for the purpose of refunding,~~
 10 ~~whether at maturity or in advance of maturity, any outstanding bonded~~
 11 ~~indebtedness of any state agency, on and after the effective date of this~~
 12 ~~act, only upon specific approval for the proposed refunding enacted by~~
 13 ~~an act of the legislature. Upon request by the president of the senate or~~
 14 ~~the speaker of the house of representatives pursuant to such specific ap-~~
 15 ~~proval, the authority may issue such bonds for the purpose of refunding.~~
 16 The revenues of any state agency which are pledged as security for any
 17 bonds of such state agency which are refunded by refunding bonds of the
 18 authority may be pledged to the authority as security for the refunding
 19 bonds.

or approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto

20 (c) The authority may issue bonds for the purpose of financing in-
 21 dustrial enterprises, transportation facilities, agricultural business enter-
 22 prises, educational facilities, health care facilities, housing developments,
 23 research facilities or any combination of such facilities, or any interest in
 24 facilities, including without limitation leasehold interests in and mort-
 25 gages on such facilities, whether located within or outside of Kansas. ~~The~~
 26 ~~authority may additionally issue bonds for the purpose of financing a hall~~
 27 ~~of fame, museum or tourist destination of national significance, as deter-~~
 28 ~~mined by the secretary of commerce. Such authority to issue bonds for a~~
 29 ~~hall of fame, museum or tourist destination of national significance shall~~
 30 ~~expire on December 31, 2007.~~ No less than 30 days prior to the issuance
 31 of any bonds authorized under this act with respect to any project or
 32 activity within Kansas which is to be undertaken for the direct benefit of
 33 any person or entity which is not a state agency or a political subdivision,
 34 written notice of the intention of the authority to provide financing and
 35 issue bonds therefor shall be given by the president of the authority to
 36 the governing body of the city in which the project or activity is to be
 37 located. If the project or activity is not proposed to be located within a
 38 city, such notice shall be given to the governing body of the county. No
 39 bonds for the financing of the project or activity shall be issued by the
 40 authority for a one-year period if, within 15 days after the giving of such
 41 notice, the governing body of the political subdivision in which the project
 42 or activity within Kansas is proposed to be located shall have adopted an
 43 ordinance or resolution stating express disapproval of the project or ac-

1 tivity and shall have notified the president of the authority of such dis-
2 approval. The authority shall not issue bonds for the purpose of financing
3 a project or activity outside Kansas unless the authority has determined
4 that the issuance of such bonds provides a benefit to Kansas or its people
5 and that the owner or operator thereof or an affiliate has a presence or
6 impact in Kansas.

7 (d) The authority may issue bonds for the purpose of establishing and
8 funding one or more series of venture capital funds in such principal
9 amounts, at such interest rates, in such maturities, with such security, and
10 upon such other terms and in such manner as is approved by resolution
11 of the authority. The proceeds of such bonds not placed in a venture
12 capital fund or used to pay or reimburse organizational, offering and ad-
13 ministrative expenses and fees necessary to the issuance and sale of such
14 bonds shall be invested and reinvested in such securities and other in-
15 struments as shall be provided in the resolution under which such bonds
16 are issued. Moneys in a venture capital fund shall be used to make venture
17 capital investments in new, expanding or developing businesses, includ-
18 ing, but not limited to, equity and debt securities, warrants, options and
19 other rights to acquire such securities, subject to the provisions of the
20 resolution of the authority. The authority shall establish an investment
21 policy with respect to the investment of the funds in a venture capital
22 fund not inconsistent with the purposes of this act. The authority shall
23 enter into an agreement with a management company experienced in
24 venture capital investments to manage and administer each venture cap-
25 ital fund upon terms not inconsistent with the purposes of this act and
26 such investment policy. The authority may establish an advisory board to
27 provide advice and consulting assistance to the authority and the man-
28 agement company with respect to the management and administration of
29 each venture capital fund and the establishment of its investment policy.
30 All fees and expenses incurred in the management and administration of
31 a venture capital fund not paid or reimbursed out of the proceeds of the
32 bonds issued by the authority shall be paid or reimbursed out of such
33 venture capital fund.

34 (e) The authority may issue bonds in one or more series for the pur-
35 pose of financing a redevelopment plan project that is approved by the
36 authority in accordance with K.S.A. 74-8921 and 74-8922, and amend-
37 ments thereto, or by Johnson or Labette county in accordance with the
38 provisions of this act.

39 (f) After receiving and approving the feasibility study required pur-
40 suant to K.S.A. 74-8936, and amendments thereto, the authority may
41 issue bonds in one or more series for the purpose of financing a multi-
42 sport athletic project in accordance with K.S.A. 74-8936 through 74-8938,
43 and amendments thereto. If the project is to be constructed in phases, a

H-4

1 similar feasibility study shall be performed prior to issuing bonds for the
2 purpose of financing each subsequent phase.

3 (g) The authority may issue bonds for the purpose of financing resort
4 facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments
5 thereto, in an amount or amounts not to exceed \$30,000,000 for any one
6 resort. The bonds and the interest thereon shall be payable solely from
7 revenues of the resort and shall not be deemed to be an obligation or
8 indebtedness of the state within the meaning of section 6 of article 11 of
9 the constitution of the state of Kansas. The authority may contract with
10 a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-
11 8904, and amendments thereto, or others to lease or operate such resort.
12 The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-
13 874a through 32-874d, and amendments thereto, shall apply to resorts
14 and bonds issued pursuant to this subsection.

15 (h) The authority may use the proceeds of any bond issues herein
16 authorized, together with any other available funds, for venture capital
17 investments or for purchasing, leasing, constructing, restoring, renovat-
18 ing, altering or repairing facilities as herein authorized, for making loans,
19 purchasing mortgages or security interests in loan participations and pay-
20 ing all incidental expenses therewith, paying expenses of authorizing and
21 issuing the bonds, paying interest on the bonds until revenues thereof are
22 available in sufficient amounts, purchasing bond insurance or other credit
23 enhancements on the bonds, and funding such reserves as the authority
24 deems necessary and desirable. All moneys received by the authority,
25 other than moneys received by virtue of an appropriation, are hereby
26 specifically declared to be cash funds, restricted in their use and to be
27 used solely as provided herein. No moneys of the authority other than
28 moneys received by appropriation shall be deposited with the state
29 treasurer.

30 (i) Any time the authority is required to publish a notification pur-
31 suant to the tax equity and fiscal responsibility act of 1982, the authority
32 shall further publish such notification in the Kansas register and on the
33 Kansas development finance authority website.

34 (j) Any time the authority issues private activity bonds, as defined in
35 K.S.A. 74-5059, and amendments thereto, pursuant to this section, the
36 authority shall publish notification of such issuance at least 14 days prior
37 to any bond hearing in the official county newspaper of the county in
38 which the project or activity financed by such bonds are located and in
39 the Kansas register.

40 Sec. 2. K.S.A. 2008 Supp. 74-8905 is hereby repealed.

41 Sec. 3. This act shall take effect and be in force from and after its
42 publication in the Kansas register.

MARY ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY
FIRST ASSISTANT REVISOR

GORDON L. SELF, ATTORNEY
FIRST ASSISTANT REVISOR



OFFICE OF REVISOR OF STATUTES
KANSAS LEGISLATURE

Legal Consultation—
Legislative Committees and Legislators
Legislative Bill Drafting
Legislative Committee Staff
Secretary—
Legislative Coordinating Council
Kansas Commission on
Interstate Cooperation
Kansas Statutes Annotated
Editing and Publication
Legislative Information System

TO: Senate Committee on Ways and Means
FROM: Theresa Kiernan, Senior Assistant Revisor of Statutes
RE: Overview of 2009 Senate Bill No. 21
DATE: February 25, 2009

Senate Bill 21 authorizes school districts to create a special capital outlay fund and to levy up to two mills annually to pay the costs of insurance and utility services.

This authority would be in addition to the existing capital outlay authority of districts under K.S.A. 72-8801 et seq. (The revenues in the two funds could not be co-mingled.) The special capital outlay revenue would not be equalized (no state aid). If a district chooses to impose a special capital outlay levy, the resolution would be subject to a 10% protest petition and election.

Utilities include, but are not limited to, gas, electric, water, telephone, sewage and solid waste disposal.

Insurance means health, medical, dental, errors and omissions, property, fire, casualty and liability insurance.

The authority to levy a tax under the bill expires on June 30, 2011.

The bill is similar to a provision contained in 2009 House Bill No. 2095, except that the authority under the house bill is on-going and is equalized in the same manner that the current capital outlay authority is equalized.

Senate Ways & Means Cmte

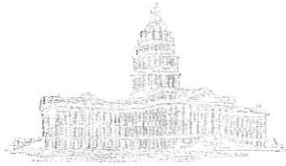
Date 3-05-2009

Attachment 5

300 SW TENTH AVE - STE 010-E, Statehouse—TOPEKA, KANSAS
PHONE (785) 296-2321 FAX (785) 296-6668 E-mail: Revisor'sc

State of Kansas

JOHN VRATIL
SENATOR, ELEVENTH DISTRICT
JOHNSON COUNTY
LEGISLATIVE HOTLINE
1-800-432-3924



Vice President Kansas Senate

COMMITTEE ASSIGNMENTS
VICE CHAIR: EDUCATION
WAYS AND MEANS
MEMBER: JUDICIARY
ORGANIZATION, CALENDAR
AND RULES
INTERSTATE COOPERATION
KANSAS CRIMINAL
CODE RECODIFICATION
COMMISSION

Testimony Presented to
Senate Ways and Means Committee
By Senator John Vratil
February 25, 2009
Concerning Senate Bill 21

Good morning! Thank you for the opportunity to appear before the Senate Ways and Means Committee in support of Senate Bill (SB) 21. Senate Bill 21 seeks to allow local boards of education to levy a tax of up to two mills on tangible property in the school district for a maximum period of two years.

The school district would place the revenue generated by the tax proposed under SB 21 in a special capital outlay fund which would be used to pay the costs of the school district's utility services and insurance. The revenue could also be used to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774 and amendments thereto, for the financing of redevelopment projects located within the school district.

Prior to levying the tax, the school district would be required to publish a resolution announcing its intent and seeking approval to levy the additional tax. The resolution would be subject to a protest petition. If a protest petition is not filed, the tax would be levied.

Please support Senate Bill 21. It is an additional opportunity for local relief as school districts move through the financial challenges facing them and our state in the next few years.

A handwritten signature in black ink that reads "John Vratil".

HOME
9534 LEE BLVD.
LEAWOOD, KS 66206
(913) 341-7559
jvratil@lathropgag.com

DISTRICT OFFICE
10851 MASTIN BLVD.
SUITE 1000
OVERLAND PARK, KS 66210-2007
(913) 451-5100
FAX (913) 451-0875

Senate Ways & Means Cmte
Date 3-05-2009
Attachment 6



**Senate Ways and Means
Senator Emler, Chair**

S.B. 21 Capital Outlay

*Presented by Diane Gjerstad
Wichita Public Schools
February 25, 2009*

Mr. Chairman and Members of the Committee:

We appreciate the thought behind S.B. 21 to allow an alternative funding measure for fixed costs of insurance and utilities. However, we have reservations that S.B. 21, which sets up a temporary two-year mechanism for a new mill levy – both protestable and unequalized - , is the best solution.

We all realize the difficulties we collectively face for Fiscal 2010. The first concern we have with S.B. 21 is the calendar. Assuming the legislature concludes omnibus appropriations at some point in May and is signed by the Governor, local districts would then go back to the bargaining table to conclude negotiations. Salaries are mandatorily negotiable under Kansas law. If a Board negotiated based on passage of S.B. 21, they would have to conclude negotiations (probably in July), meet to pass the resolution, publish for two consecutive weeks, wait 30 days and if successfully protested the Board would have to pay for and schedule an election. Districts are required to notify the County Clerk by August 25th of the tax levy for the next tax year, a deadline which would not be met if the resolution was protested.

S.B. 21 would be a fourth tier of local taxes for the majority of districts (note: a few districts have additional access to local property taxes in “cost of living weighting”, “extraordinary declining enrollment”, and “ancillary weighting”); but most districts are limited to local option budget, capital outlay, and bonds for school construction. Adding a new layer which sounds like capital but it not used for capital will be confusing for school districts patrons.

Finally S.B. 21 does not equalize the mill levy and creates a wide disparity in spending as shown:

Comparing one mill in the Big 6 School Districts

	FTE Enrollment	One mill	One mill per pupil	
Wichita	45,580	2.6m	\$57	<i>3rd</i>
Shawnee Mission	26,580	3.2m	\$120	<i>1st</i>
Olathe	25,222	1.8m	\$71	<i>2nd</i>
Blue Valley	19,953	2.4m	\$120	<i>1st</i>
Kansas City	18,485	\$778,650	\$42	<i>5th</i>
Topeka	12,900	\$636,006	\$49	<i>4th</i>

For these reasons, Mr. Chairman, we would suggest a simpler route, and one better understood by Boards and patrons, would be to increase the local option budget by 2% and **remove the protest provisions**. During these dire financial times, the local Board of Education should be given the ability to fill the funding gap to hopefully maintain the quality of education. The voters maintain their ability to voice their “protest” at the ballot box every two years during school board elections

Senate Ways & Means Cmte
Date 3-05-2009
Attachment 7

Testimony to Senate Ways and Means Committee on SB 21
Robert J. Vancrum, Government Affairs Specialist
Blue Valley USD 229

February 25, 2009

Chairman Emler and Other Honorable Senators:

I am here to testify on behalf of the Blue Valley School District as a proponent of Senate Bill 21. I believe this bill is intended to provide school districts facing serious budget cuts due to rescissions of state funds with some new options to help them at least partially absorb the cuts. I say we are a proponent, because we are a proponent of the intention of these changes, but we think one improvement needs to be made.

Please note that the funds raised by this special capital outlay fund are to be used to cover insurance and utility costs. Yet the bill says such levy can only be raised for two years. Obviously we all hope the economic conditions will improve in two years, but since these are ordinary and necessary costs of operation, if a district uses it and its taken away in two years, it will have a cliff in its funding that will have to be absorbed by the general fund. Thus this becomes one time money for the districts.

You have recognized this problem with regard to SB 73, and you adopted language making it clear the districts could continue levying the LOB as if the BSAPP were \$4433 until such time as it once again reaches \$4433. Although we'd prefer to make the special capital outlay mill levy permanent, perhaps this is a compromise you'd accept.

HB2095, Section 1 had language similar to this bill, but the House agreed to equalize the special capital outlay funds so that many more districts could use it. Even though our district gets no equalization aid, and it wouldn't affect us, we would agree that it should be equalized.

Thank you very much for your attention. I will be happy to stand for questions.

Senate Ways & Means Cmte

Date 3-05-2009

Attachment 8



Testimony in Support of Senate Bill 21

Submitted by Dave Holtwick
On behalf of the Overland Park Chamber of Commerce

Senate Ways and Means
Wednesday, February 25th, 2009

Chairman Emler and Committee Members:

My name is Dave Holtwick and I am Vice President of Government Affairs with the Overland Park Chamber of Commerce. I am appearing today on behalf of our board of directors and our nearly 900 member companies. Our chamber recognizes the importance of quality education to the economic prosperity of Kansas. This is one of the top priorities of our Chamber and is reflected as such on our legislative agenda.

I appreciate the opportunity to share testimony with you today in support of Senate Bill 21 to allow school districts some flexibility to cover the increasing costs for insurance and utility services. As written, SB 21 would allow the board of education of any school district to levy a tax not to exceed two mills for up to two years to provide additional revenues to help pay for insurance and utility services. Especially during this time when revenues are frozen or declining and costs for insurance and utilities are escalating, school districts need the ability to generate additional funds.

For years, the Overland Park Chamber of Commerce has supported increasing the cap on the Local Option Budget (LOB) to allow for additional cost of living adjustments or to cover the increasing costs of health insurance for employees. In fact, we would support phasing out the cap all together. Short of that, I believe this is a good interim measure.

SB 21 contains adequate provisions to notify residents of the intent to levy this tax and it provides the framework for the proposed tax to be taken to a vote of the people if ten percent of the qualified electors sign a petition in opposition to the proposal. This provides more local options to help cover costs that are largely out of the district's control as well as checks and balances to give taxpayers an option if they are opposed to the additional levy.

In summary, I believe this legislation would provide additional flexibility for school districts to help them weather these extremely challenging times. Thank you very much for your time today and I hope you will support Senate Bill 21.



Kansas City, Kansas Public Schools

Unified School District No. 500

SENATE WAYS & MEANS COMMITTEE

SB 21

February 25, 2009

SB 21 creates a separate 2 mill Capital Outlay Fund that is not equalized. This disequalization could result in future litigation. Attempts in recent years to remove the equalization portion of the LOB or the Capital Outlay Fund have failed in either the House or Senate education committee or on the floor of the two houses. I question the wisdom of implementing poor public policy as a partial response to an admittedly difficult economic downturn.

The bill also broadens the acceptable list of capital outlay expenditures to include insurance and utility costs. This change has also been attempted, unsuccessfully, a number of times in the two education committees. If this portion of the bill were to be adopted, it would have a similar affect as an increase in the LOB cap. This change would advantage high wealth districts and potentially widen the achievement gap between students living in high wealth and low wealth districts. Low wealth districts often have high property tax rates. Therefore, accessing the provisions in SB 21 is politically unfeasible in most of these low wealth districts. The Courts have made it clear that the availability of a suitable education cannot be predicated on which zip code a Kansas child resides.

For these reasons, the KCKPS opposes the proposed changes to the capitol outlay fund contained in SB 21.

**Bill Reardon
KCKPS Lobbyist**

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

Testimony before the
Senate Committee on Ways and Means
on
SB 21
by

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards

February 25, 2009

Mr. Chair, Members of the Committee:

Thank you for the opportunity to comment on **SB 21**. KASB has several core principles relevant to this bill. First, the *Legislature* has the responsibility to provide suitable funding for education, not local school districts. Second, the concept of suitable funding includes the goal of improvement, not simply maintaining the status quo. Third, the quality of a child's education should be based on the needs of the child, not the wealth or vote of an individual district. Fourth, any local funding should be "equalized" so funding for education is not dependent on the wealth of the district. These principles have not only been adopted by our members, they are reflected in many Kansas Supreme Court decisions regarding school finance.

SB 21 would create a new "special capital outlay" fund for utilities and insurance, funded by a two-mill local property tax for up to two years that would be subject to protest petition. This provision would help districts shift certain basic costs from the state-supported General Fund to local property tax-payers. However, the help provided would vary dramatically based on local wealth. I've attached a chart showing how much a two mill levy raises in each school district. Even removing the extreme outliers shows some districts can raise more than 10 times as much per pupil as the least wealthy districts. Therefore we cannot support this measure in its current form.

Moreover, none of the purposes specified in this section concern local enhancements. Utilities and insurance are clearly part of the state's responsibility for a suitable education. It should also be remembered that providing certain districts with significantly higher additional budget assistance allows them to have better salaries and benefits, and therefore a competitive advantage compared to other districts.

Finally, we would suggest that if this bill is adopted, the name of this special fund be changed from "Capital Outlay," because these purposes really have little to do with "Capital" costs.

In conclusion, however, we would note that this bill basically offers school districts the opportunity to cushion the impact of state funding cuts by raising taxes. We strongly agree that tax increases should be on the table. We disagree with the premise that *local* tax increases are acceptable but *state* taxes are not.

Senate Ways & Means Cmte

Date 3-05-2009

Attachment 11

To approve this bill must mean the state's economy can absorb a two mill property tax increase in every district in the state, because that is what the bill would allow. If that is the case, we urge the committee to consider raising the statewide mill levy, which would raise approximately \$30 million for each mill to offset school funding reductions for Fiscal Year 2010. There may be political reasons against raising the statewide levy, but if you pass this bill, there would no longer be any economic arguments against doing so. We believe there are many other tax policy choices the Legislature could consider.

In fact, we would suggest that if the Legislature believes additional local funding is a prudent and necessary option, it would be preferable to raise the Local Option Budget authority, which would allow every district to increase its budget by the same percentage and would include equalization to the 81.2nd percentage. It would also allow districts to use these funds for any purpose allowed for the general fund or LOB.

Thank you for your consideration. I would be happy to answer any questions.

2007-08 School Year Financial and Enrollment Data

2007-08 School Year Data:

USD	USDName	2007-08 FTE Enr	Total Assessed Valuation	Valuation Per Pupil	2 Mills per pupil?
507	Satanta	331.5	\$172,418,811	\$520,903	\$1,042
217	Rolla	201.0	\$96,453,531	\$479,868	\$960
209	Moscow	207.3	\$96,923,399	\$467,551	\$935
244	Burlington	819.8	\$379,205,927	\$462,446	\$925
215	Lakin	609.5	\$214,753,368	\$352,344	\$705
332	Cunningham	178.5	\$61,409,381	\$344,030	\$688
210	Hugoton	971.9	\$305,552,810	\$314,387	\$629
452	Stanton County	434.5	\$111,264,068	\$257,258	\$515
216	Deerfield	285.5	\$67,437,942	\$235,797	\$472
213	West Solomon Valley	46.5	\$10,931,027	\$235,076	\$470
374	Sublette	487.6	\$112,841,960	\$231,139	\$462
269	Palco	156.0	\$35,709,735	\$228,909	\$458
321	Kaw Valley	1,092.0	\$232,043,113	\$212,105	\$424
214	Ulysses	1,589.8	\$327,074,797	\$205,384	\$411
363	Holcomb	814.0	\$165,156,214	\$202,895	\$406
399	Paradise	142.0	\$26,987,899	\$190,056	\$380
275	Triplains	87.9	\$15,900,027	\$180,888	\$362
300	Comanche County	319.7	\$55,529,128	\$173,691	\$347
502	Lewis	99.5	\$16,960,957	\$170,462	\$341
106	Western Plains	171.0	\$28,840,394	\$168,657	\$337
220	Ashland	208.6	\$34,620,365	\$166,045	\$332
424	Mullinville	156.9	\$25,931,040	\$164,851	\$330
422	Greensburg	196.5	\$31,518,905	\$160,402	\$321
494	Syracuse	448.0	\$70,890,275	\$158,237	\$316
255	South Barber	217.5	\$34,390,399	\$158,117	\$316
291	Grinnell	89.5	\$14,050,992	\$155,260	\$311
511	Attica	126.5	\$19,549,985	\$154,545	\$309
200	Greeley County	232.8	\$35,903,021	\$154,223	\$308
482	Dighton	234.0	\$34,949,196	\$149,356	\$299
401	Chase-Raymond	126.5	\$18,254,505	\$144,877	\$290
218	Elkhart	653.0	\$92,035,183	\$140,727	\$281
362	Prairie View	953.3	\$134,901,639	\$140,333	\$281
474	Haviland	150.0	\$20,308,970	\$135,393	\$271
228	Hanston	72.0	\$9,294,632	\$129,092	\$258
226	Meade	476.5	\$61,093,720	\$128,213	\$256
303	Ness City	268.6	\$34,134,896	\$127,084	\$254
328	Lorraine	447.0	\$56,088,152	\$125,197	\$250
254	Barber County North	521.5	\$65,248,149	\$124,877	\$250
270	Plainville	364.0	\$45,184,456	\$124,133	\$248
512	Shawnee Mission	26,965.8	\$3,227,777,665	\$119,699	\$239
229	Blue Valley	19,809.8	\$2,369,149,850	\$119,602	\$239
281	Hill City	381.7	\$45,281,797	\$118,725	\$237
432	Victoria	258.5	\$30,315,858	\$117,276	\$235
351	Macksville	302.1	\$35,261,302	\$116,875	\$234
103	Cheylin	143.0	\$16,361,738	\$114,418	\$229
483	Kismet-Plains	686.5	\$77,050,474	\$112,237	\$224
314	Brewster	97.5	\$10,929,460	\$112,097	\$224
387	Altoona-Midway	201.5	\$21,870,159	\$108,268	\$217
203	Piper-Kansas City	1,527.0	\$163,969,710	\$107,380	\$215
403	Otis-Bison	185.0	\$19,356,977	\$104,632	\$209

2007-08 School Year Financial and Enrollment Data

USD	USDName	2007-08 FTE Enr	Total Assessed Valuation	Valuation Per Pupil	2 Mills per pupil?
310	Fairfield	323.5	\$33,068,669	\$102,222	\$204
459	Bucklin	230.0	\$23,121,351	\$100,747	\$201
297	St. Francis	307.5	\$29,406,687	\$95,632	\$191
375	Circle	1,589.6	\$150,914,651	\$94,939	\$190
497	Lawrence	10,208.0	\$973,752,838	\$94,754	\$190
423	Moundridge	445.5	\$41,766,477	\$93,752	\$188
284	Chase County	438.0	\$41,012,281	\$93,635	\$187
292	Wheatland	132.5	\$12,346,436	\$93,534	\$187
468	Healy	87.0	\$8,127,521	\$93,420	\$187
412	Hoxie Community	291.5	\$27,117,659	\$93,028	\$186
299	Sylvan Grove	145.0	\$13,287,612	\$91,639	\$183
383	Manhattan-Ogden	5,402.7	\$497,846,416	\$91,226	\$182
241	Wallace County	212.5	\$19,362,713	\$91,119	\$182
444	Little River	305.2	\$27,598,830	\$90,429	\$181
466	Scott County	836.9	\$75,469,639	\$89,717	\$179
306	Southeast Of Saline	689.2	\$61,535,587	\$89,286	\$179
107	Rock Hills	265.0	\$23,606,531	\$89,081	\$178
476	Copeland	131.8	\$11,721,050	\$88,931	\$178
279	Jewell	116.0	\$10,289,138	\$88,699	\$177
388	Ellis	354.7	\$31,319,906	\$88,051	\$176
208	WaKeeney	420.0	\$35,160,044	\$87,900	\$176
490	El Dorado	2,059.0	\$180,569,005	\$87,697	\$175
390	Hamilton	89.0	\$7,748,979	\$86,581	\$173
271	Stockton	306.0	\$26,024,373	\$84,908	\$170
274	Oakley	409.5	\$34,490,229	\$84,225	\$168
326	Logan	175.5	\$14,617,297	\$83,527	\$167
354	Clafflin	252.0	\$20,997,199	\$83,322	\$167
433	Midway	183.5	\$15,286,692	\$82,631	\$165
225	Fowler	172.5	\$14,241,376	\$82,559	\$165
347	Kinsley-Offerle	325.4	\$26,767,797	\$82,261	\$165
437	Auburn Washburn	5,282.4	\$432,976,464	\$81,966	\$164
489	Hays	2,808.0	\$229,231,330	\$81,635	\$163
382	Pratt	1,096.8	\$89,866,848	\$81,504	\$163
294	Oberlin	393.3	\$32,041,894	\$81,469	\$163
227	Jetmore	276.0	\$22,236,882	\$80,568	\$161
384	Blue Valley-Randolph	203.5	\$16,063,231	\$78,935	\$158
445	Coffeyville	1,791.2	\$141,133,032	\$78,792	\$158
350	St. John-Hudson	375.8	\$29,571,302	\$77,860	\$156
395	LaCrosse	301.0	\$22,977,416	\$76,337	\$153
105	Rawlins County	309.0	\$23,447,235	\$75,881	\$152
397	Centre	246.5	\$18,700,916	\$75,866	\$152
407	Russell County	935.8	\$71,123,711	\$75,623	\$151
245	LeRoy-Gridley	262.0	\$19,798,066	\$75,565	\$151
233	Olathe	24,721.3	\$1,862,632,641	\$75,344	\$151
496	Pawnee Heights	144.2	\$10,782,906	\$75,142	\$150
438	Skyline	368.5	\$27,597,356	\$74,993	\$150
418	McPherson	2,305.7	\$173,613,401	\$74,795	\$150
467	Leoti	417.0	\$30,517,988	\$73,185	\$146
334	Southern Cloud	242.4	\$17,739,704	\$73,184	\$146
416	Louisburg	1,625.7	\$118,936,750	\$73,160	\$146
298	Lincoln	332.5	\$23,955,162	\$71,722	\$143
219	Minneola	277.0	\$19,835,221	\$71,607	\$143
329	Mill Creek Valley	486.5	\$34,932,290	\$71,261	\$143

2007-08 School Year Financial and Enrollment Data

USD	USDName	2007-08 FTE Enr	Total Assessed Valuation	Valuation Per Pupil	2 Mills per pupil?
224	Clifton-Clyde	302.9	\$21,317,771	\$70,706	\$141
109	Republic County	507.5	\$35,400,973	\$70,380	\$141
242	Weskan	113.0	\$7,872,905	\$70,294	\$141
364	Marysville	712.0	\$49,973,407	\$70,227	\$140
223	Barnes	356.1	\$24,734,318	\$69,772	\$140
283	Elk Valley	175.5	\$12,172,827	\$68,929	\$138
477	Ingalls	250.5	\$17,211,253	\$68,708	\$137
232	De Soto	5,704.9	\$391,285,340	\$68,588	\$137
417	Morris County	784.0	\$53,126,688	\$67,764	\$136
331	Kingman - Norwich	1,048.2	\$70,569,513	\$67,324	\$135
352	Goodland	939.7	\$63,100,440	\$67,150	\$134
355	Ellinwood	425.0	\$28,443,438	\$66,847	\$134
369	Burrton	236.5	\$15,612,109	\$66,013	\$132
230	Spring Hill	1,788.1	\$116,589,963	\$65,152	\$130
419	Canton-Galva	388.0	\$25,201,700	\$64,869	\$130
324	Eastern Heights	115.5	\$7,491,145	\$64,858	\$130
108	Washington County	414.5	\$26,579,710	\$64,125	\$128
359	Argonia	189.5	\$12,007,072	\$63,362	\$127
330	Mission Valley	491.0	\$31,144,055	\$63,301	\$127
371	Montezuma	239.6	\$15,091,892	\$62,988	\$126
345	Seaman	3,408.1	\$214,785,513	\$62,928	\$126
479	Crest	228.5	\$14,254,946	\$62,385	\$125
206	Remington-Whitewater	539.7	\$33,475,525	\$62,338	\$125
204	Bonner Springs	2,348.7	\$146,328,461	\$62,275	\$125
473	Chapman	930.7	\$57,819,427	\$62,125	\$124
361	Anthony-Harper	812.0	\$50,219,087	\$61,846	\$124
360	Caldwell	229.9	\$14,180,462	\$61,681	\$123
293	Quinter	290.5	\$18,015,788	\$61,383	\$123
368	Paola	2,062.5	\$126,183,952	\$61,150	\$122
398	Peabody-Burns	343.5	\$20,995,402	\$61,122	\$122
386	Madison-Virgil	230.6	\$13,904,717	\$60,298	\$121
305	Salina	7,007.5	\$422,592,788	\$60,278	\$121
315	Colby	950.7	\$56,985,409	\$59,940	\$120
349	Stafford	272.6	\$16,452,711	\$59,785	\$120
101	Erie	566.2	\$33,803,352	\$59,702	\$119
343	Perry	937.6	\$55,528,458	\$59,224	\$118
250	Pittsburg	2,545.5	\$150,778,436	\$59,157	\$118
415	Hiawatha	892.4	\$52,702,712	\$59,024	\$118
272	Waconda	371.9	\$21,346,021	\$58,466	\$117
282	West Elk	352.3	\$20,576,902	\$58,407	\$117
448	Inman	415.1	\$24,067,491	\$58,204	\$116
259	Wichita	44,280.8	\$2,573,665,335	\$58,121	\$116
442	Nemaha Valley	466.9	\$27,129,014	\$58,105	\$116
431	Hoisington	581.1	\$33,679,526	\$57,670	\$115
458	Basehor-Linwood	2,108.4	\$121,597,935	\$57,534	\$115
366	Woodson	418.9	\$23,994,441	\$57,280	\$115
231	Gardner-Edgerton	4,121.5	\$235,577,610	\$57,158	\$114
285	Cedar Vale	138.0	\$7,886,547	\$57,149	\$114
252	Southern Lyon County	545.7	\$31,071,567	\$56,939	\$114
377	Atchison County	683.5	\$38,784,843	\$56,744	\$113
273	Beloit	704.8	\$39,638,050	\$56,481	\$113
312	Haven	998.6	\$56,289,374	\$56,368	\$113
313	Buhler	2,180.0	\$121,998,224	\$55,962	\$112

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2007-08 School Year Financial and Enrollment Data

USD	USDName	2007-08 FTE Enr	Total Assessed Valuation	Valuation Per Pupil	2 Mills per pupil?
348	Baldwin City	1,315.7	\$73,318,922	\$55,743	\$111
327	Ellsworth	590.4	\$32,044,414	\$55,297	\$111
346	Jayhawk	521.7	\$28,821,497	\$55,214	\$110
492	Flinthills	294.4	\$15,185,888	\$54,724	\$109
484	Fredonia	740.8	\$40,453,258	\$54,608	\$109
309	Nickerson	1,158.7	\$63,170,113	\$54,518	\$109
365	Garnett	1,109.8	\$60,301,903	\$54,336	\$109
488	Axtell	295.3	\$15,905,964	\$53,864	\$108
481	Rural Vista	413.5	\$22,211,721	\$53,716	\$107
260	Derby	6,142.0	\$330,404,174	\$53,653	\$107
239	North Ottawa County	590.2	\$31,587,145	\$53,519	\$107
342	McLouth	524.6	\$28,077,087	\$53,429	\$107
400	Smoky Valley	990.2	\$52,708,129	\$53,230	\$106
311	Pretty Prairie	285.3	\$15,186,442	\$53,062	\$106
385	Andover	4,273.9	\$226,171,205	\$52,919	\$106
102	Cimarron-Ensign	649.5	\$34,362,299	\$52,906	\$106
251	North Lyon County	545.1	\$28,770,388	\$52,780	\$106
392	Osborne County	329.9	\$17,398,874	\$52,740	\$105
237	Smith Center	472.4	\$24,806,110	\$52,622	\$105
320	Wamego	1,305.4	\$68,625,439	\$52,546	\$105
289	Wellsville	828.0	\$43,485,276	\$52,518	\$105
322	Onaga-Havensville-Wheaton	348.0	\$18,236,976	\$52,481	\$105
212	Northern Valley	189.0	\$9,886,740	\$52,311	\$105
287	West Franklin	730.1	\$38,069,181	\$52,043	\$104
426	Pike Valley	246.0	\$12,626,682	\$51,962	\$104
316	Golden Plains	178.0	\$9,247,059	\$51,950	\$104
425	Highland	234.5	\$12,073,472	\$51,486	\$103
258	Humboldt	503.5	\$25,896,275	\$51,331	\$103
409	Atchison	1,560.1	\$79,981,623	\$51,267	\$103
410	Durham-Hillsboro-Lehigh	613.0	\$31,411,653	\$51,234	\$102
501	Topeka	12,606.1	\$644,441,598	\$51,215	\$102
456	Marais Des Cygnes Valley	288.5	\$14,773,025	\$51,206	\$102
290	Ottawa	2,390.7	\$122,408,848	\$51,074	\$102
495	Ft. Larned	852.0	\$43,585,456	\$50,977	\$102
464	Tonganoxie	1,733.8	\$88,771,202	\$50,924	\$102
450	Shawnee Heights	3,432.5	\$172,868,027	\$50,362	\$101
446	Independence	1,850.6	\$93,052,317	\$50,255	\$101
393	Solomon	402.1	\$19,970,383	\$49,665	\$99
453	Leavenworth	3,844.0	\$193,900,159	\$49,623	\$99
286	Chautauqua County	376.5	\$18,577,143	\$49,342	\$99
238	West Smith County	162.5	\$7,997,183	\$49,213	\$98
267	Renwick	1,960.8	\$96,480,840	\$49,205	\$98
378	Riley County	657.0	\$32,282,532	\$49,136	\$98
493	Columbus	1,142.5	\$55,736,293	\$48,742	\$97
266	Maize	6,189.2	\$300,685,424	\$48,490	\$97
341	Oskaloosa	534.5	\$25,544,886	\$47,792	\$96
389	Eureka	596.9	\$28,378,456	\$47,543	\$95
408	Marion-Florence	590.3	\$28,049,201	\$47,436	\$95
449	Easton	653.1	\$30,990,435	\$47,256	\$95
379	Clay Center	1,354.7	\$63,870,333	\$47,047	\$94
435	Abilene	1,567.9	\$72,251,890	\$46,082	\$92
469	Lansing	2,308.4	\$106,522,642	\$46,082	\$92
243	Lebo-Waverly	557.9	\$25,516,626	\$45,688	\$91

2007-08 School Year Financial and Enrollment Data

USD	USDName	2007-08 FTE Enr	Total Assessed Valuation	Valuation Per Pupil	2 Mills per pupil?
264	Clearwater	1,270.0	\$58,272,828	\$45,683	\$91
480	Liberal	4,208.7	\$192,247,594	\$45,487	\$91
411	Goessel	253.9	\$11,544,170	\$45,467	\$91
256	Marmaton Valley	327.5	\$14,881,917	\$45,441	\$91
457	Garden City	6,690.8	\$305,748,757	\$45,390	\$91
440	Halstead	740.1	\$33,396,115	\$45,124	\$90
205	Bluestem	631.9	\$28,449,359	\$45,022	\$90
421	Lyndon	452.5	\$20,368,894	\$45,014	\$90
500	Kansas City	18,104.7	\$814,087,960	\$44,958	\$90
460	Hesston	801.1	\$35,998,505	\$44,936	\$90
308	Hutchinson	4,482.5	\$201,029,221	\$44,666	\$89
380	Vermillion	503.2	\$22,538,060	\$44,648	\$89
323	Rock Creek	818.8	\$36,321,978	\$44,241	\$88
509	South Haven	235.0	\$10,349,250	\$44,039	\$88
405	Lyons	774.7	\$34,114,251	\$44,035	\$88
333	Concordia	1,046.8	\$46,108,339	\$44,026	\$88
376	Sterling	542.8	\$23,726,804	\$43,712	\$87
381	Spearville	349.0	\$15,240,808	\$43,670	\$87
498	Valley Heights	368.5	\$15,946,412	\$43,274	\$87
240	Twin Valley	620.5	\$26,817,079	\$43,218	\$86
358	Oxford	365.2	\$15,790,207	\$43,084	\$86
265	Goddard	4,683.5	\$201,240,745	\$42,878	\$86
325	Phillipsburg	628.0	\$26,885,892	\$42,744	\$85
441	Sabetha	927.0	\$39,575,010	\$42,691	\$85
202	Turner-Kansas City	3,696.1	\$157,572,921	\$42,626	\$85
428	Great Bend	2,958.8	\$126,428,572	\$42,510	\$85
491	Eudora	1,362.7	\$57,252,458	\$42,008	\$84
465	Winfield	2,383.6	\$98,870,999	\$41,480	\$83
307	Ell-Saline	457.0	\$18,861,479	\$41,191	\$82
234	Fort Scott	1,897.4	\$78,137,603	\$41,181	\$82
420	Osage City	677.6	\$27,571,855	\$40,690	\$81
288	Central Heights	577.5	\$23,212,993	\$40,196	\$80
373	Newton	3,421.1	\$137,194,949	\$40,097	\$80
340	Jefferson West	925.1	\$36,833,007	\$39,815	\$80
268	Cheney	770.9	\$30,659,712	\$39,771	\$80
434	Santa Fe Trail	1,129.9	\$44,874,902	\$39,716	\$79
367	Osawatomie	1,132.5	\$44,704,261	\$39,474	\$79
503	Parsons	1,357.2	\$53,451,558	\$39,384	\$79
372	Silver Lake	695.3	\$27,332,751	\$39,282	\$79
262	Valley Center	2,513.5	\$97,743,856	\$38,888	\$78
451	B & B	200.0	\$7,772,046	\$38,860	\$78
461	Neodesha	757.3	\$29,418,191	\$38,846	\$78
486	Elwood	312.5	\$12,344,937	\$38,723	\$77
436	Caney Valley	777.6	\$30,071,139	\$38,667	\$77
253	Emporia	4,458.1	\$173,435,009	\$38,604	\$77
406	Wathena	402.5	\$15,057,837	\$37,318	\$75
247	Cherokee	732.5	\$27,223,960	\$37,065	\$74
463	Udall	394.7	\$14,601,971	\$36,995	\$74
211	Norton Community	660.6	\$24,292,273	\$36,773	\$74
353	Wellington	1,628.6	\$59,419,863	\$36,309	\$73
335	North Jackson	396.2	\$14,388,523	\$36,243	\$72
404	Riverton	810.2	\$29,104,209	\$35,878	\$72
462	Central	348.0	\$12,495,651	\$35,856	\$72

2007-08 School Year Financial and Enrollment Data

USD	USDName	2007-08 FTE Enr	Total Assessed Valuation	Valuation Per Pupil	2 Mills per pupil?
336	Holton	1,085.0	\$38,781,922	\$35,612	\$71
429	Troy	361.5	\$12,852,096	\$35,552	\$71
402	Augusta	2,150.0	\$76,247,132	\$35,409	\$71
338	Valley Falls	413.0	\$14,613,029	\$35,383	\$71
454	Burlingame	324.5	\$11,409,488	\$35,160	\$70
344	Pleasanton	366.0	\$12,691,112	\$34,675	\$69
248	Girard	1,000.9	\$34,733,138	\$34,647	\$69
487	Herington	507.8	\$17,556,743	\$34,574	\$69
471	Dexter	188.8	\$6,456,142	\$34,196	\$68
356	Conway Springs	556.9	\$18,798,462	\$33,575	\$67
413	Chanute	1,782.0	\$58,541,325	\$32,851	\$66
443	Dodge City	5,430.8	\$176,471,787	\$32,540	\$65
339	Jefferson County North	486.5	\$15,601,060	\$32,068	\$64
430	South Brown County	635.5	\$20,292,725	\$31,932	\$64
263	Mulvane	1,813.0	\$57,495,525	\$31,661	\$63
394	Rose Hill	1,706.9	\$53,865,437	\$31,557	\$63
257	Iola	1,425.0	\$44,712,908	\$31,377	\$63
235	Uniontown	445.5	\$13,890,401	\$31,179	\$62
506	Labette County	1,526.5	\$46,926,267	\$30,681	\$61
396	Douglass	792.6	\$23,724,786	\$29,914	\$60
470	Arkansas City	2,701.4	\$80,739,696	\$29,877	\$60
246	Northeast	548.5	\$15,808,634	\$28,822	\$58
249	Frontenac	782.5	\$22,294,210	\$28,455	\$57
508	Baxter Springs	903.7	\$24,904,320	\$27,558	\$55
261	Haysville	4,495.6	\$123,970,696	\$27,499	\$55
357	Belle Plaine	712.5	\$19,173,654	\$26,910	\$54
475	Geary County Schools	6,620.6	\$177,323,606	\$26,738	\$53
337	Royal Valley	953.5	\$24,856,477	\$26,069	\$52
439	Sedgwick	528.5	\$13,664,495	\$25,855	\$52
505	Chetopa-St. Paul	529.0	\$12,844,791	\$24,281	\$49
447	Cherryvale	900.1	\$21,430,222	\$23,809	\$48
504	Oswego	502.5	\$11,228,870	\$22,346	\$45
499	Galena	714.0	\$13,986,698	\$19,589	\$39
207	Ft. Leavenworth	1,602.6	\$2,346,643	\$1,466	\$3

Statewide Summary:				
High	44,280.8	\$3,227,777,665	\$520,903	\$1,042
Median	537.1	\$31,365,780	\$57,407	\$115
Low	46.5	\$2,346,643	\$1,466	\$3