

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 11, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Ty Masterson- excused

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
Dylan Dear, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Theresa Kiernan, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:

Duane Goossen, Secretary, Department of Administration
Senator Steve Abrams
Deb Miller, Secretary, Department of Transportation
Jim Garner, Secretary, Department of Labor
Bill Schafer, Chief Financial Officer, Department of Labor

Others attending:

See attached list.

Introduction of proposed legislation

Senator Emler moved to introduce legislation concerning the state budget, state expenditures and fiscal notes (9rs0928) at the request of Senator Jeff Colyer. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Schmidt moved to introduce legislation concerning property taxation relating to underground storage (9rs0952) at the request of Senator Derek Schmidt. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Introduction of Foreign Exchange Students

Senator Lee introduced and welcomed two foreign exchange students from her district who are visiting the Capitol today. Aygul Dzhuparova from Kazakhstan who is being hosted in Downs and attends Lakeside High School and Ahmed Mahmoud from Egypt who is being hosted in Osborne and attends Osborne High School.

Hearing on SB 296 - Federal stimulus act, review and evaluation.

Jill Wolters, Revisor, explained that **SB 296** would establish a process to evaluate and implement federal funding available for state agencies under the federal American Recovery and Reinvestment Act (ARRA) of 2009 (Attachment 1).

Senator Abrams appeared before the Committee in support of **SB 296** (Attachment 2). Senator Abrams stated that **SB 296** is about Due Diligence, noting that the Legislature should carefully review the requirements and rules before accepting the federal stimulus funds. Since the funds are only available for two years, the

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 11, 2009, in Room 545-N of the Capitol.

Legislature needs to be aware of how agencies will respond when the funding is no longer available. Responding to a question from the Committee, Senator Abrams noted that the legislation is modeled after similar legislation proposed by the state of Idaho. Senator Abrams felt it is important to know how to address funding needs after the end of the one-time federal funding, funding which ends in two years.

Duane Goossen, Secretary, Department of Administration, presented testimony in a neutral position on **SB 296** (Attachment 3). Secretary Goossen noted that Kansas is estimated to receive \$1.7 billion in formula grants, plus a share of competitive grants available in a variety of areas. The Secretary stated that there are many parts to the federal stimulus package with deadlines for applications. Secretary Goossen felt that the requirements in **SB 296** are not necessary and may make it difficult for agencies to comply with application deadlines.

Responding to questions from the Committee, Secretary Goossen stated that current statute allows for the Legislature to appropriate funds and provide authority for the agencies to use the funds. Some authority is already set in statute in certain areas to allow agencies to use federal funding. The Secretary noted that many conditions are not known at this time as rules and regulations are still being written. With regard to a question concerning what the state could do if they make application and then don't agree with the "strings" attached, Secretary Goossen stated that the Legislature could choose to not appropriate the funding.

Deb Miller, Secretary, Department of Transportation (KDOT), presented testimony in a neutral position on **SB 296** (Attachment 4). Ms. Miller noted that if the State Finance Council is required to approve individual projects it could endanger the ability of the state to meet the strict time frames in the legislation and could result in the loss of funding to Kansas. The Secretary stated that KDOT will spend the new funding in the same manner in which the agency already spends federal funding. Secretary Miller noted that they have posted information on the website, www.ksdot.org concerning projects that will be funded with funds from the federal stimulus funding.

There were no other conferees to come before the Committee.

The hearing on **SB 296** was closed.

Subcommittee Report on the School for the Blind and School for the Deaf

Senator Wysong presented the Subcommittee reports on the Governor's budget recommendations for the School for the Blind and the School for the Deaf for FY 2010 with notations and adjustments (Attachment 5).

Senator Wysong, with approval from members of the Subcommittee, moved to include the following statement in the Subcommittee reports on the School for the Blind and the School for the Deaf: "The Subcommittee believes that the School for the Blind and the School for the Deaf are educational entities and not agencies and that both schools have the same requirements and expectations as outlined in No Child Left Behind and K-12 standards. Both schools have made adequately yearly progress. The Subcommittee feels that both schools should be treated as K-12 schools for public education and treated equally as public education". The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Wysong moved for the adoption of the Subcommittee report on the School for the Blind and School for the Deaf for FY 2010 as amended. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Subcommittee Report on the Kansas Historical Society

Senator Wysong, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Kansas Historical Society for FY 2010 and moved for the adoption of the Subcommittee report on the Kansas Historical Society for FY 2010 with notations and adjustments (Attachment 5). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 11, 2009, in Room 545-N of the Capitol.

Subcommittee Report on the Department of Labor

Senator Wysong, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Department of Labor for FY 2010 and moved for the adoption of the Subcommittee report on the Department of Labor for FY 2010 with notations and adjustments (Attachment 6). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Responding to a questions from the Committee, Jim Garner, Secretary, Department of Labor, stated that a portion of the federal recovery act funding has already been automatically disbursed to the agency and is being passed on to unemployed workers. Currently \$25 is being added to weekly benefit checks. Secretary Garner noted that there is approximately \$68 million available to the state through the Unemployment Trust Fund. Legislation has been introduced in the House to meet the requirements to access the funds. Secretary Garner stated that since the downturn of the economy, the agency has added 30 unclassified FTE to handle the influx of unemployment claims. All of these positions are funded through federal allocations.

Responding to another question from the Committee, Bill Schafer, Chief Financial Officer, Department of Labor, stated that the current vacancy rate is approximately 25 percent. Mr. Garner indicated that it is important to have flexibility in staff to respond to the state of the economy.

Subcommittee Report on Health Care Stabilization Fund Board of Governors

Senator Emler, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Health Care Stabilization Fund Board for FY 2010 and moved for the adoption of the Subcommittee report on the Health Care Stabilization Fund Board of Governors for FY 2010 with notations and adjustments (Attachment 7). The motion was seconded by Senator Kelly. Motion carried on a voice vote. Senator Schmidt requested to be recorded as voting "no".

Senator Schmidt moved to amend the Subcommittee report on the Health Care Stabilization Fund Board of Governors by exempting the agency from the required 10 percent budget reduction. Motion died for lack of a second.

Discussion and Action on SB 22 - School districts; no-fund warrants for teacher salaries and benefits.

Senator Vratil presented an amendment to SB 22 and moved for the adoption of the amendment (Attachment 8). The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil explained that "any available source" would relate to the school district's general fund, supplemental general fund or contingency reserve funds.

Responding to a question from the Committee with regard to whether school districts already have the authority to write no-fund warrants for operating expenses, Theresa Kiernan, Revisor, stated that districts do have authority under existing law, but current law imposes certain conditions including a hearing before the state court of tax appeals. The legislation would allow for a more streamlined procedure and the warrants would be issued without the approval of the Court of Tax Appeals.

Senator Vratil moved to recommend SB 22 favorable for passage as amended. The motion was seconded by Senator Wysong. Motion carried on a voice vote. Senator Lee, Senator Kelly and Senator Kultala requested to be recorded as voting "no".

Adjournment

The next meeting is scheduled for March 12, 2009.

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

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: March 11, 2009

NAME	REPRESENTING
Bob Corkins	KLEAR
Barb Hinton	Post Audit
Jerry Swartz	KOWS
Chip Wheelen	HCSF Bd of Governors
Dustin Meyer	KHPT
Effie Swanson	KHPT
Jeanette Magathan	School for the Deaf
Kelly Oliver	KBOE
Julie Mulvihill	KS Humanities Council
Jennie Chinn	Ks Historical So
Debbie A. White	KS Historical Society
Patrick Woods	SRS
JEREMY S BARCLAY	KDOC
Mark Desetti	KNEA
Sheri Rene Jones-Santag	AAAS
Val Defew	SOE
Suzanne Cleveland	KHI
Rob Meali	Kearney Assoc
Russ Jennings	JA
Viola Riggini	KNOE
CAREY M CLUIRE	Connect Care Solutions
Bob Tubitt	KDOC
John	KSSB

MEMORANDUM

To: Senator Emler, Chairman, and Members of the Ways and Means Committee
From: Jill Wolters, Senior Assistant Revisor
Date: January 20, 2009
Subject: Senate Bill No. 296, federal American economic recovery and reinvestment act of 2009 funds

Senate Bill No. 296 establishes a process to evaluate and implement federal funding available for state agencies under the federal American economic recovery and reinvestment act of 2009.

Within 10 days after the effective date of this act, each state agency anticipating receipt of federal funds under the federal act shall report the following information to the director of the budget and the director of legislative research:

- (1) The amount of federal funding the state agency anticipates receiving;
- (2) the date or dates when the state agency anticipates receipt of moneys;
- (3) whether the anticipated federal funding is allocated through an existing or new federal program;
- (4) current levels of state funding for the state agency that would be impacted positively or negatively by the receipt of moneys;
- (5) whether additional appropriation authority would be necessary to expend moneys received;
- (6) whether any additional state employees are necessary to oversee or administer the moneys received and, if so, how many fte's would be required;
- (7) any requirements associated with spending any moneys received, including, but not limited to, state matching or cost sharing requirements, percentage limitations and any time requirements regarding expenditure of such moneys;
- (8) the time or other conditions under which all or part of the funding ends; and
- (9) a plan detailing how the moneys received under the federal act will be expended and how the state agency will address the absence of such funding after it ends.

Each state agency shall review and evaluate whether the state agency is eligible for and would request funding under any provision of the federal act. If any state agency determines it is eligible and desires to receive funding under any provision of the federal act, such state agency shall notify the director of the budget and the director of legislative research, within 10 days after the effective date of this act, of such determination and shall provide the following information in conjunction with such notification:

- (1) The amount of moneys the state agency desires to receive;
- (2) each of the titles and sections of the federal act under which the desired moneys are provided;
- (3) the requirements and deadline for applying for the desired funding;
- (4) the requirements associated with the desired funding, including, but not limited to, spending limitations, state matching or cost sharing requirements, percentage limitations and any time requirements regarding expenditure of such funding;
- (5) when the funding provided under the federal act would end;
- (6) whether additional appropriation authority would be necessary to expend moneys received;
- (7) whether any additional state employees are necessary to oversee or administer the moneys received under the federal act and, if so, how many fte's would be required;
- (8) the number of potential jobs created by the use of any moneys received under the federal act, including all rationales and supporting data justifying the state agency's estir

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Attachment 1

be created; and

(9) a plan detailing how the funds received will be expended and how the state agency will address the absence of funding after the funding provided under the federal act ends.

On and after the effective date of this act, neither the governor nor any other state agency shall apply for any funding under the federal act without prior approval by the state finance council. Such approval also may be given while the legislature is in session.

Each state agency that applies for and receives or is approved to receive moneys under the federal act shall notify the director of the budget and the director of legislative research immediately of such receipt or approval and shall include such related information with such notification as may be requested by the director of the budget. Each such state agency expending moneys received under the federal act shall make such expenditures in accordance with the provisions of appropriation acts in compliance with the provisions of applicable state statutes.

Any individual employed by a state agency in connection with or as a result of funding received under the federal act shall be a temporary employee and such employment shall not continue beyond the expenditure of the moneys received under the federal act.

No expenditures shall be made by any state agency of any moneys received under the federal act and no state agency shall enter into any contract or other obligation to expend any amount in excess of the actual amount of moneys received by or allocated to the state agency under the federal act.

The American recovery and reinvestment act advisory group that was established by the governor shall review all state agency information submitted to the director of the budget under this section and shall submit a written report of its findings and non-binding recommendations to the governor, president of the senate, speaker of the house of representatives, vice-president of the senate, speaker pro tem of the house of representatives, majority leader of the senate, majority leader of the house of representatives, minority leader of the senate, minority leader of the house of representatives, chairperson of the committee on ways and means of the senate, chairperson of the committee on appropriations of the house of representatives, director of the budget, and director of legislative research within 30 days after the effective date of the federal act. The findings and recommendations of the advisory group shall include:

- (1) Which funds under the federal act the governor should request or approve state agency requests for, with priority given to funds that are allocated under the federal act for one-time projects or reducing the need for expenditures from the state general fund dollars in fiscal years 2009, 2010 or 2011, without the need for future, ongoing state expenditures;
- (2) potential impacts or savings to the state general fund which may result from the receipt of the recommended funds;
- (3) positive and negative impacts to state agency budgets for fiscal years 2009, 2010, 2011, or 2012 if the recommended funding is requested and received;
- (4) whether state agencies have adequate appropriation authority for expenditure of the funds recommended to be requested and received; and
- (5) any other recommendations or information as the governor may request.

Records containing information submitted by state agencies to the director of the budget and the recommendations and findings of the advisory group are public records and subject to the provisions of the open records act.

Nothing in this section shall prohibit local governments, local educational agencies as defined in the federal act, or any eligible entity as determined under the federal act from seeking federal funding under the federal act.

The bill defines "state agency" as any state department, office, board, commission, division or subunit thereof within the executive branch of state government.

The will take effect upon publication in the Kansas register.



KANSAS

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

For Immediate Release
January 23, 2009

Nicole Corcoran, Press Secretary
785.368.8500

Sebelius forms group to prepare Kansas for Federal stimulus bill

American Recovery and Reinvestment Act Advisory Group will position state for success

To better prepare Kansas for the Federal American Recovery and Reinvestment Act, Governor Kathleen Sebelius has assembled a group of state leaders to plan for its implementation.

"Right now the United States Congress is beginning to debate the provisions of the American Recovery and Reinvestment Act, with the intention of boosting our nation's economy and stimulating growth in key investment areas," Sebelius said. "Though the timeline for enactment of this stimulus package is unclear, it is crucial that we begin planning for implementation of the Act now, to ensure funds directed to Kansas are used most effectively within the framework of the legislation."

The American Recovery and Reinvestment Act Advisory Group (Advisory Group) will be made up of key officials, including:

- Lt. Governor Mark Parkinson, Chair
- Budget Director Duane Goossen
- Secretary of Commerce David Kerr
- Secretary of Labor Jim Garner
- Secretary of Transportation Deb Miller
- President of KDFA/KHRC Steve Weatherford
- Secretary of SRS Don Jordan
- Secretary of Aging Kathy Greenlee
- Secretary of KDHE Rod Bremby
- Executive Director of KHPA Marci Nielsen
- Commissioner of Education Alexa Posny
- President of the Board of Regents Reggie Robinson
- Director of the Energy Programs Division Ray Hammarlund
- Director of the Water Office Tracy Streeter
- State Treasurer Dennis McKinney

To ensure the state legislature is involved in the planning process, the governor has also asked the four legislative leaders to each appoint one member to the group.

The Advisory Group will have four main goals:

- Communicate with Congress during the deliberation process about key elements of the plan, and the impact on services in Kansas
- Advise the governor on the implementation of the federal American Recovery and

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Reinvestment Act once it becomes law, making sure that funds maximize job creation and stimulate economic growth

- Provide transparency and accountability for funds received in Kansas
- Make periodic reports to the legislature, governmental officials and the Kansas public about fund expenditures

"While we cannot rely on Washington to solve every challenge we face in Kansas, we can make sure our state has a strategic and responsible approach to implementing new Federal policies," Sebelius said.

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STATE OF KANSAS

DR. STEVE E. ABRAMS
SENATOR, 32ND DISTRICT
6964 252ND ROAD
ARKANSAS CITY, KANSAS 67005



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
EDUCATION
FEDERAL AND STATE AFFAIRS
NATURAL RESOURCES

E-mail: steve.abrams@senate.ks.gov

DURING SESSION
STATE CAPITOL—544-N
TOPEKA, KANSAS 66612
OFFICE: 785-296-7381 FAX: 785-368-6365
CAPITOL HOTLINE: 1-800-432-3924 (MESSAGE)

March 11, 2009

Distinguished Chair and members of the Committee:

There are very few Kansans who are unaware of how rapidly national economic policy is changing. Further, I think that most would agree that we, as a nation, are at an historic crossroads.

Our nation has never seen a larger single infusion of public assistance than the American Recovery and Reinvestment Act of 2009 (ARRA), commonly called the Stimulus Bill, others might call it a Bailout Bill. But, even as personal and governmental finances are awash with red ink, the dominant message from our national leadership and this new federal act is for us to borrow more and more, and keep spending more and more. Apparently, it's not fashionable to advise thrift when confronted with hardship.

I would suggest that the Kansas Legislature take a moment to stop and think. That is what SB 296 is all about. It is about Due Diligence. Before committing this state to budgeting billions of additional taxpayer dollars, let's collect a few basic facts that will only take a couple of weeks to assemble. Is there anyone who, if they were led to the entrance of a beautiful new home and were handed it's keys, would not ask "What's the catch?"

With breathtaking speed, Congress has appropriated \$1.7 billion to Kansas over the next two years. We've already received the first several million dollar installment that, it seems, is without obligation and can be spent in any way the Legislature chooses. Is that true? Can anyone verify that with certainty? Even if true, it will certainly not be the case for all of the remaining 95% we could yet accept.

We've also heard one Kansas agency estimate that it's funding from the so called Stimulus Bill will generate 10,000 jobs in this state. That statement should generate some questions. Are those people who are unemployed now? Are they people who will become unemployed if we turn down that part of the federal money?

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Attachment 2

For that matter, are there parts of the \$1.7 billion that we have no choice but to accept? Large portions of it are characterized as "flow through" aid that would go directly to beneficiaries or local units of government. Could the Legislature even legally turn down those funds if it wanted to?

And the biggest question is: What do we do when the \$1.7 billion is gone? In less than two years, we could be debating a new budget that is inflated to such a plateau our state economy cannot sustain even with a massive tax increase. Or, is it possible that we could be forced to cut the state budget by more than the one billion dollar deficit with which we were faced when we arrived in January 2009.

My professional public experience has made me especially sensitive to this problem. The No Child Left Behind Act is a federal mandate that I have wrestled with for years. Its premise of requiring constant, measured student improvement is well founded. However, who would allege that it is without significant flaws: that it isn't tailored to Kansas schools and students, that it doesn't set the student progress expectations that Kansas deems best, or that the federal government doesn't foot the cost of the mandates it has forced upon us? No, Kansas should have taken a moment to stop and do the Due Diligence before it began accepting that money seven years ago.

Before we commit ourselves to accepting a sum of money totaling perhaps up to 27% of our State General Fund budget, we must do our Due Diligence, so that we can commence down this path with our eyes fully open and with some reliable notion of its consequences. Thank you for your time and consideration.

Please recommend SB 296 favorably for passage.

Sincerely,

A handwritten signature in black ink that reads "Steve E. Abrams". The signature is written in a cursive style with a large, stylized "S" and "A".

Steve E. Abrams

MEMORANDUM

TO: Senate Committee on Ways and Means

FROM: Duane A. Goossen, Director of the Budget

DATE: March 11, 2009

SUBJECT: SB 296

The American Recovery and Reinvestment Act invests substantial federal resources through state governments. Kansas is estimated to receive \$1.7 billion in formula grants, plus a share of competitive grants available in a variety of areas.

The new federal resources provide opportunity and help to stabilize the Kansas budget, but the funds are “one-time” and must be managed carefully. To receive the ARRA funding, states must meet many requirements and report extensively on the use of the funds.

Implementation of the ARRA in Kansas will require extensive dialogue between the Governor, Legislature, agencies, and citizens of Kansas. That process has already begun. In January, Governor Sebelius appointed an ARRA advisory group that includes legislators and agency heads. A week and a half ago the Governor sent a Budget Amendment to the Legislature making recommendations about how to incorporate key portions of the ARRA funding into the state budget. A great deal of information has already been gathered and reported.

While some of the ARRA funding, highway funding for example, will come through existing formulas, most of the funding must be incorporated into the state budget and will require legislative approval before it is spent.

Because ARRA spending in Kansas must be incorporated into the budget, the requirements of SB 296 are unnecessary, and may make it difficult for agencies to meet application deadlines.

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Date 3-11-2009

Attachment 3

**TESTIMONY BEFORE
SENATE WAYS & MEANS COMMITTEE**

**REGARDING SENATE BILL 296
RELATING TO THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

March 13, 2009

Mr. Chairman and Committee Members:

I am Deb Miller, Secretary of the Kansas Department of Transportation (KDOT), and I am speaking on Senate Bill 296 relating to the American Recovery and Reinvestment Act (ARRA) of 2009.

ARRA contains numerous reporting requirements for state DOTs, some of which are also contained in SB 296/HB 2361. Additional reporting elements unique to the proposed state legislation include state funding and employment data. KDOT recognizes the importance of timely and transparent reporting for this high profile program and does not anticipate any problems in completing the reporting requirements in SB 296/HB 2361.

The provision in this proposed legislation which is of most concern is section (c) which reads in part:
"On and after the effective date of this act, neither the governor nor any other state agency shall apply for any funding under the federal act without prior approval by the state finance council acting on this matter..."

In conjunction with stakeholders, KDOT has developed a plan for spending the ARRA transportation funds. Public commitments have been made and the first projects are scheduled for the May letting. If the intention of this provision is that the State Finance Council will review the ARRA plan for transportation spending, then our greatest concern, which is timing and the likelihood of delay, would be addressed.

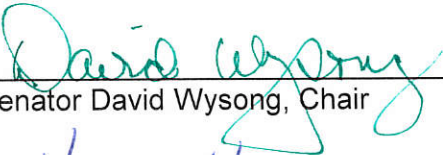
If however, the Finance Council is to approve each individual project before it is ready for construction, this would be of significant concern as it could endanger the ability of the state to meet the strict timeframes in the legislation and could result in the loss of funding to Kansas. . Kansas must obligate 50 percent of the State highway funds by June 30 this year, and 50 percent of our transit funds by September 1, or the funding will be withdrawn from the State. All remaining transportation funding must be obligated by March 2, 2010 or Kansas will lose it. Of utmost importance is that these funds stay within the State. As such, a certain amount of flexibility is necessary to ensure that if a planned project cannot meet these deadlines, the funding can be shifted to another project in the state that can meet the timeframe.

Thank you for your time. I will now stand for questions.

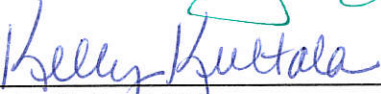
FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

School for the Blind
School for the Deaf
Historical Society



Senator David Wysong, Chair



Senator Kelly Kultala



Senator Jean Schodorf

Senate Ways & Means Cmte

Date 3-11-2009

Attachment 5

House Budget Committee Report

Agency: School for the Blind **Bill No.** HB 2373

Bill Sec. 60

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

Budget Page No. 288

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,625,702	\$ 5,616,588	\$ 164,146
Other Funds	513,700	539,231	5,792
Subtotal - Operating	<u>\$ 7,139,402</u>	<u>\$ 6,155,819</u>	<u>\$ 169,938</u>
Capital Improvements:			
State General Fund	\$ 29,108	\$ 29,108	0
Other Funds	1,245,711	479,884	(479,884)
Subtotal - Capital Improvements	<u>\$ 1,274,819</u>	<u>\$ 508,992</u>	<u>\$ (479,884)</u>
TOTAL	<u><u>\$ 8,414,221</u></u>	<u><u>\$ 6,664,811</u></u>	<u><u>\$ (309,946)</u></u>
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>93.5</u></u>	<u><u>93.5</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2010 operating expenditures of \$7,139,402, an increase of \$407,139, or 6.0 percent, above the FY 2009 revised estimate. The agency requests FY 2010 State General Fund expenditures totaling \$6,625,702, an increase of \$221,478, or 3.5 percent, above the current year revised estimate. The increase is mainly for enhancement requests partially offset by other reductions. The request includes 93.5 FTE positions, the same amount as in the current year.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$6,155,819, an all funds reduction of \$58,291, or 0.9 percent, below the current year recommendation. The Governor recommends FY 2010 State General expenditures of \$5,616,588, a reduction of \$163,483, or 2.8 percent, below the current year recommendation. The State General Fund reduction is offset by an increase in all other funds totaling \$105,192, or 24.2 percent, above the current year recommendation. When compared to the agency's FY 2010 request, the recommendation is an all funds reduction of \$983,583, or 13.8 percent, and a State General Fund reduction of \$1,009,114, or 15.2 percent. The recommendation includes reductions of \$30,017, including \$28,798 from the State General Fund for a moratorium on the employer contribution to the KPERS Death and Disability payment, and \$156,597, including \$151,347 from the State General Fund, for a moratorium on employer contribution for employee health insurance. The Governor recommends a 1.0 percent salary increase to be funded within existing resources, and includes 93.5 FTE positions, the same as the agency request.

House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$156,597, including \$151,347 from the State General Fund, to restore the Governor's suspension of state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010, beginning with the fiscal year's first pay period. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$13,341, including \$12,799 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. Delete \$479,884, all from the State Institutions Building Fund, for roof replacement for three buildings and all rehabilitation and repair capital improvements, and review at Omnibus.

House Appropriations Committee Recommendation

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

House Appropriations Committee

The **House Appropriations Committee** concurs with the House Budget Committee with the following adjustment:

1. Delete \$74,450, all from the State General Fund, to apply a 1.25 percent across-the-board base adjustment to FY 2010.

Senate Subcommittee Report

Agency: School for the Blind Bill No. SB 304

Bill Sec. 61

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

Budget Page No. 288

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,625,702	\$ 5,616,588	\$ 253,453
Other Funds	513,700	539,231	5,792
Subtotal - Operating	<u>\$ 7,139,402</u>	<u>\$ 6,155,819</u>	<u>\$ 259,245</u>
Capital Improvements:			
State General Fund	\$ 29,108	\$ 29,108	\$ 0
Other Funds	1,245,711	479,884	0
Subtotal - Capital Improvements	<u>\$ 1,274,819</u>	<u>\$ 508,992</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 8,414,221</u></u>	 <u><u>\$ 6,664,811</u></u>	 <u><u>\$ 259,245</u></u>
 FTE Positions	 93.5	 93.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>93.5</u></u>	<u><u>93.5</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2010 operating expenditures of \$7,139,402, an increase of \$407,139, or 6.0 percent, above the FY 2009 revised estimate. The agency requests FY 2010 State General Fund expenditures totaling \$6,625,702, an increase of \$221,478, or 3.5 percent, above the current year revised estimate. The increase is mainly for enhancement requests partially offset by other reductions. The request includes 93.5 FTE positions, the same amount as in the current year.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$6,155,819, an all funds reduction of \$58,291, or 0.9 percent, below the current year recommendation. The Governor recommends FY 2010 State General expenditures of \$5,616,588, a reduction of \$163,483, or 2.8 percent, below the current year recommendation. The State General Fund reduction is offset by an increase in all other funds totaling \$105,192, or 24.2 percent, above the current year recommendation. When compared to the agency's FY 2010 request, the recommendation is an all funds reduction of \$983,583, or 13.8 percent, and a State General Fund reduction of \$1,009,114, or 15.2 percent. The recommendation includes reductions of \$30,017, including \$28,798 from the State General Fund for a moratorium on the employer contribution to the KPERS Death and Disability payment, and \$156,597, including \$151,347 from the State General Fund, for a moratorium on employer contribution for employee health insurance. The Governor recommends a 1.0 percent

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salary increase to be funded within existing resources, and includes 93.5 FTE positions, the same as the agency request.

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$156,597, including \$151,347 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 rescission bill.
2. **KPERS Death and Disability Moratorium.** Add \$13,341, including \$12,799 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 Substitutes for S.B. 23, the current rescission bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$74,450, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **Statutory Salary Compliance.** Add \$163,757, all from the State General Fund, to comply with the statutory requirement that ties teacher salaries at the School for the Blind to the teacher salaries for U.S.D. 233, the Olathe school district for the previous year. The Governor recommended increasing the salaries, but did not add any funding to do so.
5. **American Recovery and Reinvestment Act.** The subcommittee heard testimony that, because of the unique nature in which the School for the Blind is treated as a state agency rather than a part of K-12, the school will not receive any direct funding from the American Recovery and Reinvestment Act.

**KANSAS STATE SCHOOL FOR THE BLIND
SYSTEMWIDE REDUCTIONS OF 10% & 8%- FISCAL YEAR 2010**

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Priority Number	FTE's	Proposed Adjustments to Base Budget	Cumulative Adjustment from Base Budget	Percent Change From Base Budget
Adjusted FY09 State General Fund Base Budget				
	93.50	5,691,464		
10% Reduction Target				
1		(2,000)	(2,000)	-0.04%
		Hospitality This will eliminate Graduation Luncheon for graduates and their families, refreshments for community and state leaders.		
2	(0.50)	(32,927)	(34,927)	-0.61%
		Eliminate one Teacher Will adversely affect services to students --- they will not meet Regent's Recommended Qualified Admission Standards		
3	(0.50)	(19,274)	(54,201)	-0.95%
		Eliminate one Sr. Administrative Assistant		
4	(1.00)	(78,393)	(132,594)	-2.33%
		Eliminate Rehab Therapist Adversely affects KSSB's ability to comply with federal Individual Education Plans for students. Risks loss of federal IDEA money and may increase litigation.		
5	(2.00)	(173,514)	(306,108)	-5.38%
		Reduce Statewide Outreach Program Will greatly reduce vital services provided to USD's that they are unable to provide due to inability to hire specialized staff to serve small populations of visually impaired/blind students throughout the state. Will also reduce student evaluations, teacher instructional consultations, and other Professional Development services. These reductions will immediately affect student performance and could increase litigation.		
6		(32,000)	(338,108)	-5.94%
		Replace SGF with Fee Funds Have already used \$106,000 from fund as required by Governor and SB23 for FY09. Due to incurred expenses for Utilities and Outreach staff travel/lodging there is nothing left to absorb this \$32,000 in FY10.		
7		(171,132)	(509,240)	-8.95%
		Reduce the Statewide Extended Year - including VIEWS Program This program has been reduced beginning the 2009 summer session from 3 to 1 week even though it is the number 1 identified service needed from KSSB. Extended Year programing provides these special needs students full immersion in vital life/adaptive skills so they gain the independence needed to be effectively educated in their home district or KSSB. Some of our day/residential students continue through the summer so they don't lose vital skills; this amounts to year long schooling for both groups of students. This service saves money for both the state and local districts because more students can be maintained in their home districts rather than having to be sent to KSSB yearlong. Loss of these services will negatively affect student performance and could result in increased litigation because students are not being educated in their least restrictive environment as required by IDEA. We feel strongly the VIEWS Program is one of the reasons KSSB has an 85% employability rate for our graduates. This is a winning situation for students, families, local districts, and the state because it provides service to students in the least restrictive environment whether that be in the home district or KSSB day/residential program. The same can be said for younger students who come for the summer program for immersion. Note: National employability rate for the blind is 30%		
Reducing summer school from three (3) weeks to one (1) week hurts blind students statewide in three ways:				
Immersion in Braille and "blindness skills" – one (1) week is not long enough for blind/visually impaired students who go to local public schools to get immersed in and sufficiently progress in the "blindness skills" curriculum. These skills are essential to their success and independence, yet are often neglected during the school year due to lack of specialized staff and time.				
Vocational Job Experience (Campus VIEWS Program) – one (1) week does not allow students to get their first job, learn the independence and critical job and social skills required in the work world even with the support of our specially trained staff.				
Vocational Job Experience (Statewide VIEWS Program) – This program is an expansion of our campus VIEWS Program. It uses existing Outreach staff along with local Teachers of the Blind to support students in their local communities to gain the same skills as described in Campus VIEWS Program. . The suspension of the program means these students will not receive vital services from our current Outreach program so they can become fully independent citizens and may increase litigation.				
Budget Target for FY 2010		5,182,224		

(continued on back)

**KANSAS STATE SCHOOL FOR THE BLIND
SYSTEMWIDE REDUCTIONS OF 10% & 8%- FISCAL YEAR 2010**

Priority Number	FTE's	Proposed Adjustments to Base Budget	Cumulative Adjustment from Base Budget	Percent Change From Base Budget
<u>Additional 8% Reduction Target</u>				
8		(150,000)	(150,000)	
		Accessible Arts Will eliminate only source for art education for disabled students and professional development for their teachers statewide. Accessible Arts supplements state funding with matching funds from local, federal, and corporate sources.		
9	(1.00)	(30,811)	(180,811)	-3.18%
		Eliminate one Dietary Worker Currently (3) employees prepare and serve over 130 meals daily plus maintain cleanliness to Health Department standards for a residential facility. This includes Breakfast, Lunch, and Dinner for students with specialized, medically ordered dietary needs. Risks loss of services for medically fragile students and Health Department violations which could increase litigation.		
10		(26,390)	(207,201)	-3.64%
		Eliminate Two Part Time Security Positions, Temporary Elimination of these 2 positions will leave the campus unsecured on the weekends. Dormitory staff will have to secure campus on their arrival on Sunday afternoon so that facility is secure for arrival of students in mid afternoon Sunday. Risks safety of both students and staff, could increase litigation.		
11	(5.00)	(370,978)	(578,179)	-10.16%
		Eliminate remaining Statewide Outreach One Coordinator position will remain to provide minimal emergency services. Entire Tier Two (see attached sheet with triangle diagram) services would be eliminated. School districts with no Visual Impairment (VI) staff due to small populations of visually impaired/blind students will lose all direct teaching of specialized academic/learning skills (Braille, cane travel, specialized technology, use of low vision). This also eliminates student evaluations, instructional consultations, behavior consultations, and workshops for general/special education staff. Statewide, districts who do have Visual Impairment services will lose support services for student evaluations, instructional/behavior consultations, and professional development services. This will negatively affect federally mandated special education services for these special student populations which risks all federal funding for Special Education statewide and could increase litigation. Failure to have these services will also increase costs for local districts to provide these services and will increase the population at KSSB which will increase costs for the state. Elimination of this program fails to keep students in their least restrictive environment which is a major requirement of federal IDEA.		
Total Proposed Reduction		(10.00)	(1,087,419)	-19.11%
Proposed Adjusted General Fund Budget after Target Reductions - FY2010		83.50	<u>4,604,045</u>	

House Budget Committee Report

Agency: School for the Deaf **Bill No.** HB 2373

Bill Sec. 61

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

Budget Page No. 290

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,965,855	\$ 9,066,168	\$ 244,550
Other Funds	334,070	330,855	2,891
Subtotal - Operating	\$ 10,299,925	\$ 9,397,023	\$ 247,441
Capital Improvements:			
State General Fund	\$ 61,286	\$ 61,286	0
Other Funds	894,085	442,000	(442,000)
Subtotal - Capital Improvements	\$ 955,371	\$ 503,286	\$ (442,000)
 TOTAL	 \$ 11,255,296	 \$ 9,900,309	 \$ (194,559)
 FTE Positions	 173.5	 173.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	173.5	173.5	0.0

Agency Request

The **agency** requests FY 2010 operating expenditures of \$10,299,925, an increase of \$666,754, or 6.9 percent, above the revised current year estimate. The **agency** requests FY 2010 State General Fund operating expenditures of \$9,965,855, an increase of \$744,242, or 8.1 percent, above the current year revised estimate. The request includes 173.5 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$9,397,023, a reduction of \$123,069, or 1.3 percent, below the Governor's FY 2009 recommendation. The State General Fund recommendation totals \$9,066,168, a decrease of \$32,451, or 0.4 percent, below the Governor's FY 2009 recommendation. The recommendation includes reductions of \$80,338 in salaries and wages and \$40,270 in other operating expenditures.

When compared to the agency's FY 2010 request, the Governor's recommendation is an all Funds reduction of \$902,902, or 8.8 percent, below the agency's FY 2010 request and a State General Fund reduction of \$899,687, or 9.0 percent. Reductions include: \$28,485, all from the State General Fund achieved by holding currently vacant positions open; \$601,569, all from the State General Fund by not recommending any of the agency's enhancement requests; \$45,733, including \$45,150 from the State General Fund for suspension of the employers contribution on KPERS Death and Disability payments; and, \$227,115, including \$224,483 from the State General Fund, for suspension of the employers contribution on health insurance payments. The recommendation includes a 1.0 percent pay increase funded within existing resources and includes authorization for 173.5 FTE positions.

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House Budget Committee Recommendation

The **House 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 \$227,115, including \$224,483 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 \$20,326, including \$20,067 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. Delete \$442,000, all from the State Institutions Building Fund, for the Roth dormitory renovation and all rehabilitation and repair capital improvements, and review the items at Omnibus.
4. The committee expressed concern over the number of positions currently vacant to achieve the agency's budgeted shrinkage rate. The agency is currently authorized for 173.5 FTE positions, but the committee heard testimony that 30 of those positions are currently vacant.
5. The committee requested the agency provide the following information to the full committee:
 - A breakdown of the number of students served by county; and
 - A breakdown of the number of the out-of-state students, including the tuition charged and the cost of services for these students.

House Appropriations Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the House Budget Committee with the following adjustment:

1. Delete \$117,165, all from the State General Fund, to apply a 1.25 percent across-the-board base adjustment to FY 2010.

Senate Subcommittee Report

Agency: School for the Deaf **Bill No.** SB 304

Bill Sec. 61

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

Budget Page No. 290

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,965,855	\$ 9,066,168	\$ 339,304
Other Funds	334,070	330,855	2,891
Subtotal - Operating	<u>\$ 10,299,925</u>	<u>\$ 9,397,023</u>	<u>\$ 342,195</u>
Capital Improvements:			
State General Fund	\$ 61,286	\$ 61,286	0
Other Funds	894,085	442,000	0
Subtotal - Capital Improvements	<u>\$ 955,371</u>	<u>\$ 503,286</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 11,255,296</u></u>	 <u><u>\$ 9,900,309</u></u>	 <u><u>\$ 342,195</u></u>
 FTE Positions	 173.5	 173.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>173.5</u>	<u>173.5</u>	<u>0.0</u>

Agency Request

The **agency** requests FY 2010 operating expenditures of \$10,299,925, an increase of \$666,754, or 6.9 percent, above the revised current year estimate. The **agency** requests FY 2010 State General Fund operating expenditures of \$9,965,855, an increase of \$744,242, or 8.1 percent, above the current year revised estimate. The request includes 173.5 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$9,397,023, a reduction of \$123,069, or 1.3 percent, below the Governor's FY 2009 recommendation. The State General Fund recommendation totals \$9,066,168, a decrease of \$32,451, or 0.4 percent, below the Governor's FY 2009 recommendation. The recommendation includes reductions of \$80,338 in salaries and wages and \$40,270 in other operating expenditures.

When compared to the agency's FY 2010 request, the Governor's recommendation is an all Funds reduction of \$902,902, or 8.8 percent, below the agency's FY 2010 request and a State General Fund reduction of \$899,687, or 9.0 percent. Reductions include: \$28,485, all from the State General Fund achieved by holding currently vacant positions open; \$601,569, all from the State General Fund by not recommending any of the agency's enhancement requests; \$45,733, including

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\$45,150 from the State General Fund for suspension of the employers contribution on KPERS Death and Disability payments; and, \$227,115, including \$224,483 from the State General Fund, for suspension of the employers contribution on health insurance payments. The recommendation includes a 1.0 percent pay increase funded within existing resources and includes authorization for 173.5 FTE positions.

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$227,115, including \$224,483 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 \$20,326, including \$20,067 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$117,165, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **Statutory Salary Compliance.** Add \$211,919, all from the State General Fund, to comply with the statutory requirement that ties teacher salaries at the School for the Deaf to the teacher salaries for USD 233, the Olathe school district for the previous year. The Governor recommended increasing the salaries, but did not add any funding to do so.
5. **American Recovery and Reinvestment Act.** The subcommittee heard testimony that, because of the unique nature in which the School for the Deaf is treated as a state agency rather than a part of K-12, the school will not receive any funding from the American Recovery and Reinvestment Act.

KANSAS SCHOOL FOR THE DEAF
CONTINUUM OF BUDGET REDUCTIONS
 (To Be Implemented As Needed to Meet Budget Targets)

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	Item	Reductions	Cumulative Reduction	Percent Reduction	Explanation
1.	Carried Forward Reduction	\$117,165	\$117,165	1.3	Leave LPN, Security, & Independent Living Positions Vacant
2.	Three Retiree Positions Not Filled	\$200,273	\$317,438	2.2 (3.5)	Maintenance, Security, Residential
3.	Reduce School Year Two weeks	\$251,773	\$569,211	2.8 (6.3)	Inservice, Preparation, Parent Meetings (Students Maintain Hours Required for Accreditation)
4.	Minimize Residential Services	\$226,796	\$796,007	2.5 (8.8)	Seven (7) positions released. Language support, special assistance programming minimized. Student population decreased.
5.	Dual Placement/Parent Assistance Services	\$80,065	\$876,072	0.9 (9.7)	Eliminate position
6.	Athletic/Student Activities Reduced	\$73,215	\$949,287	0.8 (10.5)	Eliminate position
7.	Reduce Career/Transition Programming	\$117,971	\$1,067,258	1.3 (11.8)	Career Lab and Transition positions deleted
8.	Minimize Vocational/Physical Ed. Instruction	\$168,096	\$1,235,354	1.8 (13.6)	Three (3) positions deleted
9.	Minimize elementary programming	\$91,942	1,327,296	1.0 (14.6)	Increase teacher caseload, eliminate art ad deaf studies
10.	Eliminate Outreach Services	\$212,873	1,540,169	2.3 (16.9)	No observations, evaluations, consultation and counseling for LEAs & community (4 positions)

House Budget Committee Report

Agency: Kansas State Historical Society **Bill No.** HB

Bill Sec.--

Analyst: Tang

Analysis Pg. No. Vol.-

Budget Page No. 321

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,211,655	\$ 5,752,248	\$ 155,706
Other Funds	3,303,569	3,237,877	37,156
Subtotal - Operating	<u>\$ 9,515,224</u>	<u>\$ 8,990,125</u>	<u>\$ 192,862</u>
Capital Improvements:			
State General Fund	\$ 447,400	\$ 285,685	\$ (285,685)
Other Funds	244,136	244,136	0
Subtotal - Capital Improvements	<u>\$ 691,536</u>	<u>\$ 529,821</u>	<u>\$ (285,685)</u>
TOTAL	<u><u>\$ 10,206,760</u></u>	<u><u>\$ 9,519,946</u></u>	<u><u>\$ (92,823)</u></u>
FTE Positions	134.0	134.0	0.0
Non-FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>138.0</u></u>	<u><u>138.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Kansas State Historical Society** requests FY 2010 operating expenditures of \$9,515,224, a decrease of \$275,426, or 2.8 percent, below the FY 2009 revised estimate. The request includes State General Fund expenditures of \$6,211,655, a decrease of \$24,789, or 0.4 percent, below the FY 2009 revised estimate. The request would fund 134.0 FTE positions and 4.0 non-FTE unclassified permanent positions, the same amount as in FY 2009.

The request includes enhancement funding of \$75,000, all from the State General Fund. Absent enhancements, the request totals \$9,440,224, a decrease of \$350,426, or 3.6 percent, below the FY 2009 revised estimate. State General Fund expenditures, absent enhancements, total \$6,136,655, which is a decrease of \$99,789, or 1.6 percent, below the FY 2009 revised estimate.

The Kansas State Historical Society requests \$691,536, including \$447,400 from the State General Fund, for capital improvement projects in FY 2010. The amount includes the \$125,000 for repairs and rehabilitation.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$8,990,125, a decrease of \$587,419, or 6.1 percent, below the FY 2009 recommendation, and a decrease of \$525,099, or 5.8 percent, below the agency request. The Governor's recommendation includes \$5,752,248 from the State General Fund, a decrease of \$459,407, or 7.4 percent, below the agency's request. The Governor recommends salaries and wages shrinkage totaling \$133,193, including \$108,117 from the State General Fund, and partially accepts the agency reduced resources of \$107,218, entirely from the State General Fund. The Governor also recommends moratoriums on employer

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contributions to KPERS Death and Disability, totaling \$30,292, and to the state employee health plan, totaling \$179,396.

The Governor recommends \$579,821, including \$285,685 from the State General Fund, for capital improvement projects in FY 2010. The Governor recommends \$97,500 for repairs and rehabilitation. The Governor recommends \$238,185, which includes \$163,185 in new State General Fund monies, \$25,000 in existing State General Fund monies appropriated for capital improvements, and \$50,000 from fee funds, for the replacement of the steam humidification system. This is the second half of the replacement project. The Governor recommends \$244,136 in private funds for capital improvement projects at Pawnee Rock, Shawnee Indian Mission, and the Cottonwood Ranch.

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 \$179,396, including \$145,012 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 \$13,466, including \$10,694 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. Delete \$285,685, all from the State General Fund, for rehabilitation and repair and the replacement of the steam humidification system, for review at Omnibus.

The Budget Committee recognizes the need for the steam humidification system at the Kansas Museum of History because it is critical to the preservation of the state's irreplaceable artifacts such as the state's Constitution and Civil War battle flags. Without proper humidification, the artifacts will deteriorate.

4. The Budget Committee encourages the State Historical Society to work with local public entities, including city and county governments, to form partnerships to ensure the continued operations of State Historic Sites wherever possible. The Budget Committee recognizes the importance of the state sites to the local economy. According to current statutes, any request for a transfer of ownership of state historic sites would be brought to the Legislature for approval.

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House Committee Recommendation

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

1. **Continue the FY 2009 1.25 percent reduction.** Delete \$84,165 from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
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Senate Subcommittee Report

Agency: Kansas State Historical Society **Bill No.** SB

Bill Sec.

Analyst: Tang

Analysis Pg. No. Vol.-

Budget Page No. 321

Expenditure Summary	Agency Request FY 10	Governor's Recommendation FY 10	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,211,655	\$ 5,752,248	\$ (172,923)
Other Funds	3,303,569	3,237,877	37,156
Subtotal - Operating	<u>\$ 9,515,224</u>	<u>\$ 8,990,125</u>	<u>\$ (135,767)</u>
Capital Improvements:			
State General Fund	\$ 447,400	\$ 285,685	0
Other Funds	244,136	244,136	0
Subtotal - Capital Improvements	<u>\$ 691,536</u>	<u>\$ 529,821</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 10,206,760</u></u>	<u><u>\$ 9,519,946</u></u>	<u><u>\$ (135,767)</u></u>
FTE Positions	134.0	134.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>134.0</u></u>	<u><u>134.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Kansas State Historical Society** requests FY 2010 operating expenditures of \$9,515,224, a decrease of \$275,426, or 2.8 percent, below the FY 2009 revised estimate. The request includes State General Fund expenditures of \$6,211,655, a decrease of \$24,789, or 0.4 percent, below the FY 2009 revised estimate.

The request includes enhancement funding of \$75,000, all from the State General Fund. Absent enhancements, the request totals \$9,440,224, a decrease of \$350,426, or 3.6 percent, below the FY 2009 revised estimate. State General Fund expenditures, absent enhancements, total \$6,136,655, which is a decrease of \$99,789, or 1.6 percent, below the FY 2009 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$8,990,125, a decrease of \$587,419, or 6.1 percent, below the FY 2009 recommendation, and a decrease of \$525,099, or 5.8 percent, below the agency request. The Governor's recommendation includes \$5,752,248 from the State General Fund, a decrease of \$459,407, or 7.4 percent, below the agency's request. The Governor recommends salaries and wages shrinkage totaling \$133,193, including \$108,117 from the State General Fund, and partially accepts the agency reduced resources of \$107,218, entirely from the State General Fund. The Governor also recommends moratoriums on employer

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contributions to KPERS Death and Disability, totaling \$30,292, and to the state employee health plan, totaling \$179,396.

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$179,396, including \$145,012 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 \$13,466, including \$10,694 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$84,165 from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. Delete \$244,464, all from the State General Fund, to achieve the target reduction of 10.0 percent below the Governor's FY 2009 recommendation.

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Additional Budget Reductions (\$328,629)						
1.	Eliminate staffing for Native American Heritage Museum (Highland).	\$ 40,089	SGF (1000)	1 FTE (\$40,089)	The site would not have a caretaker.	Could be implemented July 2009.
2.	Further reductions in pass-through funds to the Kansas Humanities Council and the Kansas Heritage Center to equal 10 percent.	\$ 5,157	SGF (1000)		Would reduce programming funds for both agencies.	Could be implemented July 2009.
3.	Eliminate the purchase of two microfilm readers used by patrons in the research room.	\$ 8,000	GFF (2047)		To keep equipment current, microfilm readers are replaced periodically. This would eliminate the scheduled purchase in FY 2010.	This is a one-time expense in FY 2010.
4.	Eliminate two FTEs that provide divisional administrative support.	\$ 73,750	SGF (1000)	2 FTEs (\$73,750)	Eliminates clerical assistance for the agency causing public delays in providing information.	Could be implemented July 2009; however, long-term this creates a burden on the public as it is estimated that wait times would increase from 5 working days to 30.
5.	Eliminates acquisition, cataloguing, and care of	\$100,454	\$100,454 – SGF (1000)	2 FTEs (\$100,454)	Elimination of the agency as a federal depository and	Could be implemented July

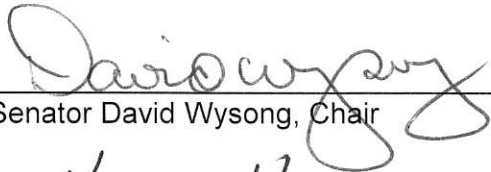
6-19
5-19

	federal publications and non-Kansas library collections.				reduces the number of books in the collections.	2009.
6.	Reduction in short-term exhibits at the Kansas Museum of History (Topeka).	\$ 19,970	SGF (1000)	Reduce one 1.0 FTE to one .5 FTE (\$19,970)	The museum would no longer be able to showcase some of its artifacts in small short-term exhibits.	Could be implemented July 2009.
7.	Reduce two 1.0 FTEs to two .5 FTEs at Fort Hays State Historic Site, reducing public tours and special programs.	\$ 22,542	SGF (1000)	Reduction of two 1.0 FTEs to two .5 FTEs (\$22,542)	Reduces days and hours the site is open to the public, and reduces public tours and special programs.	Implementation date October 31, 2009 to accommodate advertised tourist season.
8.	Close down the buildings at Cottonwood Ranch State Historic Site (Studley).	\$ 36,564	SGF (1000)	1 FTE (\$32,984)	The building would be "moth balled" and exhibits removed. External signage would be installed to allow visitors to the grounds, but the site would not be staffed. In FY 2008, there were 2,109 visitors.	Implementation date October 31, 2009 to accommodate advertised tourist season.
9.	Eliminate educational programs for families including special programming at the Topeka facility, and reduce some tour programs.	\$ 22,103	SGF (1000)	Reduce one 1.0 FTE to one .5 FTE (\$22,103)	In FY 2008, 3,668 people attended family programming, and 24,000 participated in tours.	Could be implemented July 2009, but would prefer to reinstate in 2011 for the sesquicentennial of statehood.

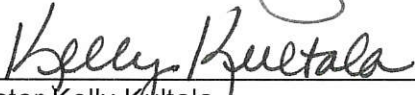
FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Department of Labor



Senator David Wysong, Chair



Senator Kelly Kultala



Senator Mark Taddiken

Senate Ways & Means Cmte

Date 3-11-2009

Attachment 6

House Budget Committee Report

Agency: Department of Labor **Bill No.** HB

Bill Sec.

Analyst: Dear

Analysis Pg. No. Vol.-

Budget Page No. 237

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 692,614	\$ 544,385	\$ 4,680
Other Funds	363,810,321	362,914,532	854,152
Subtotal - Operating	\$ 364,502,935	\$ 363,458,917	\$ 858,832
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	559,518	559,518	0
Subtotal - Capital Improvements	\$ 559,518	\$ 559,518	\$ 0
TOTAL	\$ 365,062,453	\$ 364,018,435	\$ 858,832
FTE Positions	552.0	552.0	0.0
Non FTE Uncl. Perm. Pos.	37.7	37.7	0.0
TOTAL	589.7	589.7	0.0

Agency Request

The agency requests FY 2010 operating expenditures of \$364,502,935, a decrease of \$36,377,300, or 9.1 percent, below the revised estimate. The request includes \$72,000 in enhancements from all special revenue funds for five replacement vehicles.

The request also includes State General Fund expenditures totaling \$692,614, an increase of \$96,445, or 16.2 percent, above the revised estimate. The State General Fund increase is mainly attributed to an enhancement request of \$105,000, a shift from special revenue funds, for the Employment Standards program and increased expenditures for salaries and wages related to Group Health Insurance, Longevity Pay and payments to the Kansas Public Employees Retirement System (KPERs).

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$363,458,917, a decrease of \$37,363,312, or 9.3 percent, below the FY 2009 Governor's recommendation. The Governor's recommendation is \$1,044,018, or 0.3 percent, below the FY 2010 agency request.

The Governor's recommendation includes \$544,385 in State General Fund expenditures, a decrease of \$19,754, or 3.5 percent, below the FY 2009 Governor's recommendation. The decrease in State General fund expenditures is attributable the Governor's recommendation to adopt the agency reduced resource package, reducing State General Fund expenditures by

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\$29,381. The Governor also recommends a moratorium on State contributions to the KPERS death and disability insurance fund and the state employee health insurance fund reducing State General Fund expenditures by \$13,848. The moratoriums would also reduce special revenue fund expenditures by \$795,403. The Governor does not recommend the enhancement requests for a shift in funds from the Federal Indirect Cost Offset Fund and funds for six replacement vehicles.

House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$795,403, including \$11,025 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 \$71,029, including \$1,255 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$7,600, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.

House Appropriations Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation with the following recommendations and notations:

1. Review at Omnibus the status of the Unemployment Insurance Modernization program and the Kansas Unemployment Insurance Call Center.

Senate Subcommittee Report

Agency: Department of Labor **Bill No.** SB

Bill Sec.

Analyst: Dear

Analysis Pg. No. Vol.-

Budget Page No. 237

<u>Expenditure Summary</u>	<u>Agency Request FY 2010</u>	<u>Governor's Recommendation FY 2010</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 692,614	\$ 544,385	\$ (36,660)
Other Funds	363,810,321	362,914,532	843,596
Subtotal - Operating	<u>\$ 364,502,935</u>	<u>\$ 363,458,917</u>	<u>\$ 806,936</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	559,518	559,518	0
Subtotal - Capital Improvements	<u>\$ 559,518</u>	<u>\$ 559,518</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 365,062,453</u></u>	<u><u>\$ 364,018,435</u></u>	<u><u>\$ 806,936</u></u>
FTE Positions	552.0	552.0	0.0
Non FTE Uncl. Perm. Pos.	37.7	37.7	0.0
TOTAL	<u><u>589.7</u></u>	<u><u>589.7</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2010 operating expenditures of \$364,502,935, a decrease of \$36,377,300, or 9.1 percent, below the revised estimate. The request includes \$72,000 in enhancements from all special revenue funds for five replacement vehicles.

The request also includes State General Fund expenditures totaling \$692,614, an increase of \$96,445, or 16.2 percent, above the revised estimate. The State General Fund increase is mainly attributed to an enhancement request of \$105,000, a shift from special revenue funds, for the Employment Standards program and increased expenditures for salaries and wages related to Group Health Insurance, Longevity Pay and payments to the Kansas Public Employees Retirement System (KPERs).

Governor's Recommendation

The **Governor** recommends FY 2010 operating expenditures of \$363,458,917, a decrease of \$37,363,312, or 9.3 percent, below the FY 2009 Governor's recommendation. The Governor's recommendation is \$1,044,018, or 0.3 percent, below the FY 2010 agency request.

The Governor's recommendation includes \$544,385 in State General Fund expenditures, a decrease of \$19,754, or 3.5 percent, below the FY 2009 Governor's recommendation. The decrease in State General fund expenditures is attributable the Governor's recommendation to adopt the

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agency reduced resource package, reducing State General Fund expenditures by \$29,381. The Governor also recommends a moratorium on State contributions to the KPERS death and disability insurance fund and the state employee health insurance fund reducing State General Fund expenditures by \$13,848. The moratoriums would also reduce special revenue fund expenditures by \$795,403. The Governor does not recommend the enhancement requests for a shift in funds from the Federal Indirect Cost Offset Fund and funds for six replacement vehicles.

Senate Subcommittee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$795,403, including \$21,581 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 \$71,029, including \$1,255 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. **Continue the FY 2009 1.25 percent reduction.** Delete \$7,600, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. Delete \$51,896, all 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 from the State General Fund in FY 2010.

**Senate Ways and Means
Kansas Department of Labor Budget Reductions**

Fund	State General Fund	FY 2010 Governor's Recommendation	10% Reduction	13% Reduction	18% Reduction
		\$544,385	\$54,439	\$70,770	\$97,989

PERB:

The vast majority of our outlays in labor relations are for staff salary expenses. At the outset, it should be noted that the reduction already taken by the Governor will eliminate all travel, such as the annual labor-management conference in Missouri, as well as force us to abandon any efforts to hold hearings at locations more convenient to litigants, such as for example, by holding hearings in Wichita, Kansas City, Pittsburg, Hays and so forth.


Agency Response:

Reductions of 10, 13, or 18% would almost certainly force the agency to furlough staff, or shift to part-time staff, or lay off employees, achieving reductions in staffing of .65 to 1.15 FTE. Staff reductions will affect our ability to make unit determinations, hold certification and decertification elections, facilitate mediation, fact-finding, and other impasse resolution services, and to conduct prohibited (unfair labor) practice adjudications. This would impact stakeholders and constituents.

FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Health Care Stabilization Fund Board of Governors



Senator Jay Emler, Chair



Senator Laura Kelly

Senate Ways & Means Cmte
Date 3-11-2009
Attachment 7

House Budget Committee Report

Agency: Health Care Stabilization Fund
Board of Governors

Bill No. HB

Bill Sec.

Analyst: Dear

Analysis Pg. No. Vol.-

Budget Page No. 41

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	34,882,068	34,845,104	285,074
Subtotal - Operating	<u>\$ 34,882,068</u>	<u>\$ 34,845,104</u>	<u>\$ 285,074</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>\$ 34,882,068</u></u>	<u><u>\$ 34,845,104</u></u>	<u><u>\$ 285,074</u></u>
FTE Positions	17.0	17.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>17.0</u></u>	<u><u>17.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2010 operating expenditures of \$34,882,068 from the Healthcare Stabilization Fund, an increase of \$1,133,519, or 3.4 percent, above the revised FY 2009 estimate. Of the request, \$2,132,068 is for the Administrative Program, while the remaining \$32,750,000 is for the payment of claims and claims related expenses.

Governor's Recommendation

The **Governor** recommends \$34,845,104 in operating expenditures for FY 2010, an increase of \$1,348,389, or 4.0 percent, above the FY 2009 Governor's recommendation. The Governor's recommendation is \$36,964, or 0.1 percent, below the agency's FY 2010 request. The decrease from the agency's requested budget is attributable to reductions in death and disability insurance and health insurance payments totaling \$36,964. The Governor recommends the savings be transferred to the State General Fund. The Governor also recommends that the transfers to the Health Care Stabilization fund for payments from the KU residents, faculty and graduate medical education students be stopped. The total impact of this transfer halt cannot be determined but the Governor estimates the total to be approximately \$3,000,0000.

7-2

House Budget Committee Recommendation

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

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$30,261, 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 \$2,979, 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. The committee recommends reinstating the transfers from the State General Fund to the Health Care Stabilization Fund in FY 2010.
4. Add \$251,834, all from special revenue funds, for the sole purpose of expenditures for technology improvements and professional development in FY 2010. These funds were originally part of the agency's FY 2009 Kansas Savings Incentive Program (KSIP) request.

House Appropriations Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** SB

Bill Sec.

Analyst: Dear

Analysis Pg. No. Vol.-

Budget Page No. 41

<u>Expenditure Summary</u>	<u>Agency Request FY 2010</u>	<u>Governor's Recommendation FY 2010</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	34,882,068	34,882,068	(196,851)
Subtotal - Operating	<u>\$ 34,882,068</u>	<u>\$ 34,882,068</u>	<u>\$ (196,851)</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>\$ 34,882,068</u></u>	<u><u>\$ 34,882,068</u></u>	<u><u>\$ (196,851)</u></u>
FTE Positions	17.0	17.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>17.0</u></u>	<u><u>17.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2010 operating expenditures of \$34,882,068 from the Healthcare Stabilization Fund, an increase of \$1,133,519, or 3.4 percent, above the revised FY 2009 estimate. Of the request, \$2,132,068 is for the Administrative Program, while the remaining \$32,750,000 is for the payment of claims and claims related expenses.

Governor's Recommendation

The **Governor** recommends \$34,845,104 in operating expenditures for FY 2010, an increase of \$1,348,389, or 4.0 percent, above the FY 2009 Governor's recommendation. The Governor's recommendation is \$36,964, or 0.1 percent, below the agency's FY 2010 request. The decrease from the agency's requested budget is attributable to reductions in death and disability insurance and health insurance payments totaling \$36,964. The Governor recommends the savings be transferred to the State General Fund. The Governor also recommends that the transfers to the Health Care Stabilization fund for payments from the KU residents, faculty and graduate medical education students be stopped. The total impact of this transfer halt cannot be determined but the Governor estimates the total to be approximately \$3.0 million.

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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 \$30,261, 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 \$2,979, 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 \$230,091, all from Special Revenue funds, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.
4. The Committee recognizes the importance of technology infrastructure to the efficient and cost effective operation of State agencies, the Committee recommends reviewing the agency request for \$212,703 in expenditure authority for technology improvements for the Health Care Stabilization Board at Omnibus.
5. The Committee does not recommend suspending transfers from the State General Fund to the Health Care Stabilization Fund in FY 2010 and instead recommends limiting transfers from the State General Fund to the Health Care Stabilization Fund to \$2,805,000. This is 6.5 percent, or \$195,000, less than the \$3.0 million projected FY 2010 transfer amount.
6. The Committee directs the agency to charge a sufficient fee to fully cover the expenses of the Defense Counsel Seminar and deposit those fees in the Conference Fee Fund.

SENATE BILL No. 22

By Committee on Ways and Means

1-13

9 AN ACT concerning school districts; relating to the issuance of no-fund
10 warrants.

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

12 Section 1. (a) The board of education of any school district may issue
13 no-fund warrants for the purpose of paying teacher salaries and benefits
14 if the board determines that the revenues of the current school year for
15 the general fund of the district are insufficient to finance the adopted
16 budget of expenditures for such fund. Such no-fund warrants shall be
17 issued by the board in the manner and form and shall bear interest and
18 be redeemable in the manner prescribed by K.S.A. 79-2940, and amend-
19 ments thereto, except that the warrants may be issued without the ap-
20 proval of the state board of tax appeals, and without the notation required
21 by such section. The board shall make a tax levy at the first tax levying
22 period after such warrants are issued, sufficient to pay such warrants and
23 the interest thereon.

24 (b) The authority to issue no-fund warrants under this section shall
25 expire on June 30, 2011.

26 Sec. 2. This act shall take effect and be in force from and after its
27 publication in the Kansas register.
28

court

may pay such warrants with revenues from any available source. If there are no available revenues or if such revenues are insufficient to pay such warrants, the board shall make not more than two annual tax levies, as determined by the board, at the next succeeding tax-levying periods

2012