

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 19, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Estelle Montgomery, Kansas Legislative Research Department  
Christina Butler, Kansas Legislative Research Department  
Reagan Cussimano, Kansas Legislative Research Department  
Dylan Dear, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research Department  
Heather O'Hara, 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  
Melinda Gaul, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:

Others attending:

See attached list.

**Introduction of proposed legislation**

Senator Schodorf moved to introduce legislation concerning repeal of the home inspector law (9rs1018). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

**Hearing on SB 304 - Appropriations for FY 2009 through FY 2013 for various state agencies and SB 309 - Appropriations for FY2010 and FY2011 for capital improvements for various state agencies.**

Written testimony from the following was distributed to the Committee:

Jerry Slaughter, Kansas Medical Society (Attachment 1)  
Doug Wareham, Kansas Bankers Association (Attachment 2)

Senator McGinn moved to amend subcommittee reports on all state agencies into SB 304 and SB 309. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

J. G. Scott, Legislative Research Department, presented the following information:

- Summary of Major State General Fund Budget Recommendations for FY 2010 (Attachment 3).
- Comparison of FY 2010 Recommended Expenditures; Governor's Recommendation and Senate Committee Recommendation (Attachment 4).

Amy Deckard, Legislative Research Department, presented the following information:

- Children's Initiatives Fund (CIF), FY 2009 - FY 2010 (Attachment 5).

Michael Steiner, Legislative Research Department, presented the following information:

- Economic Development Initiatives Fund (EDIF), FY 2009 - FY 2010 (Attachment 6).

Heather O'Hara, Legislative Research Department, presented the following information:

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 19, 2009, in Room 545-N of the Capitol.

- State Water Plan Fund (Attachment 7).

Alan Conroy, Legislative Research Department, presented the following information:

- Status of the State General Fund, FY 2009-FY 2012 (Attachment 8).

Copies of an Attorney General's opinion, as requested by the Subcommittee on the Parole Board, was distributed to the Committee (Attachment 9). The opinion concerned the assessment of a \$100 application fee to an offender submitting an application for clemency. It also pertained to the authority under K.S.A. 22-3722 to assess a \$50 application fee for early discharge from parole.

The Committee made the following amendments to **SB 304** and **SB 309**:

Senator Vratil moved to make the transfer of \$10.1 million to the Special City and County Highway Fund for FY 2010. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil moved to suspend payment of 50.0 percent of the Business and Machinery Tax Slider for FY 2010. The motion was seconded by Senator Taddiken.

Senator Kelly made a substitute motion to accept the Governor's recommendation to suspend the Business and Machinery Tax Slider for FY 2010. The motion was seconded by Senator Kultala. Motion carried on a vote of 6-4.

Senator Lee moved to reduce the Juvenile Justice Authority (JJA) budget by 1.25 percent, approximately \$5.99 million State General Fund (SGF), rather than the 10.0 percent reduction, to allow JJA facilities to remain open until a review by the Facilities Closure and Realignment Commission. The motion was seconded by Senator Schmidt. Motion carried on a voice vote. Senators Vratil and Taddiken requested to be recorded as voting "no".

Senator Umbarger moved to restore funding of approximately \$6.8 million SGF to the Department of Corrections budget to keep facilities open that are scheduled for closing until the Facilities Closure and Realignment Commission have met and reviewed the possible closures relating to Osawatomie, Toronto, Stockton and Labette. The motion was seconded by Senator Lee. Motion failed on a voice vote.

Senator Schmidt moved to accept the Governor's Budget Amendment (GBA) on the Juvenile Justice Authority of approximately \$600,000. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator McGinn moved for the longevity bonuses to be funded within agencies' budgets which would add approximately \$6.2 million to the ending balance in the SGF. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Taddiken moved to restore funding in the Department of Agriculture budget in the amount of \$56,463 SGF for the statutory required Swine Nutrient Implementation Plan program for the Department of Agriculture. The motion was seconded by Senator Lee. Motion failed on a voice vote.

Senator Kelly made a substitute motion to move the Swine Nutrient Implementation Plan program to Kansas Department of Health and Environment (KDHE). The motion was seconded by Senator Teichman. Motion failed on a voice vote. The Chairman returned to the original motion for action.

Senator McGinn moved to direct Kansas Health Policy Authority (KHPA) to appropriate \$6.5 of the federal stimulus funding to the Wichita Center for Graduate Medical Education (WCGME), encourage KHPA, University of Kansas Medical Center and WCGME to continue working together to find a long-term solution for WCGME funding and report back to the Committee before Omnibus. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

The meeting was recessed at 12:00 and reconvened at 12:25 p.m.

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 19, 2009, in Room 545-N of the Capitol.

Senator Vratil moved to reduce the transfer of gaming revenue to the SGF from \$56.7 million to \$6.7 million. The motion was seconded by Senator Masterson. Motion carried on a vote of 5-4.

Senator Emler moved to extend the loan repayment date for the Racing and Gaming Commission from June 30, 2010 to June 30, 2012. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil moved to recommend not making a 13 percent reduction in special revenue funds from the Department of Transportation (KDOT) in the amount of \$87 million (Attachment 10). The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Senator Vratil moved to eliminate debt restructuring in FY 2010 as recommended by the Governor. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Emler moved to accept the Governor's Budget Amendment (GBA) on Higher Education. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Taddiken moved to accept the GBA on stimulus funding of approximately \$40.5 million for Department of Corrections. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Kelly moved to eliminate 50.0 percent of the slider payment of \$26 million to be made on June 30, 2009. The motion was seconded by Senator Lee. Motion carried on a vote of 7-4.

Senator McGinn moved to add language with reference to (a) SGF appropriations and (b) legislature special revenue fund, stating "provided, that no expenditures shall be made from this fund for payment of any amounts under K.S.A. 46-137c, and amendments thereto, to any member who is not physically present in the chambers for at least a portion of any day when the legislature is in session and such member's house is meeting pro forma during fiscal year 2010: Provided further, that expenditures may be made from this fund to pay such amounts only if the member is individually excused and approved by the presiding officer of such member's house of the legislature: And provided further, that such verification and approval shall be in writing which designates the reason for such absence. The motion was seconded by Senator Lee. Motion carried on a voice vote. Senator Masterson requested to be recorded as voting "no".

Senator McGinn moved to revisit items contained in a Subcommittee minority report on Larned State Hospital and Parsons State Hospital and Training Center at Omnibus. The motion was seconded by Senator Teichman. Motion carried on a voice vote. Senator Lee requested to be recorded as voting "no".

Senator Vratil moved to delete the Governor's budget recommendation of a self-funded 1.0 percent base salary adjustment. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to delete all funding for programs as identified in a report of the Division of Legislative Post Audit on the Kansas Department of Education (Attachment 11) . The motion was seconded by Senator Wysong. Motion failed on a 5-6 vote.

Senator Masterson moved to approve a request from the Highway Patrol, requesting authority to spread the 10 percent reduction between operations and capital expenditures (Attachment 12). The motion was seconded by Senator Kultala. Motion carried on a voice vote.

The meeting was recessed at 1:25 p.m. and reconvened at 5:10 p.m.

Senator Vratil moved to delete \$240,000 SGF from Item No. 12 for the funding of the National Board Certification for teachers in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Senator Vratil moved to delete \$400,000 SGF from Item No. 13 for the funding of the After School Programs for Middle School Students in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 19, 2009, in Room 545-N of the Capitol.

Senator Vratil moved to delete \$375,000 SGF for Item No. 14 for the funding of the After School Enhancement Grant in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. The motion failed on a vote of 4-8.

Senator Kelly moved to reconsider prior Committee action with regard to the funding for the After School Programs for middle school students in Item No. 13 (Attachment 11). The motion was seconded by Senator Kultala. Motion carried on a vote of 7-5.

Senator Kelly moved to restore the \$400,000 SGF on Item No. 13 for the After School Programs for middle school students in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Teichman. Motion carried on a vote of 7-5.

Senator Vratil moved to delete \$50,000 SGF for Item No. 15 relating to the Kansas Historical Society in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Wysong. Motion carried on a vote of 7-5.

Senator Vratil moved to delete \$35,000 SGF for Item No. 17 relating to the Kansas Association for Conservation and Environmental Education in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete \$35,000 SGF for Item No. 18 relating to the Communities in Schools in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Taddiken. Motion failed on a vote of 5-7.

Senator Vratil moved to delete \$35,000 SGF for Item No. 20 relating to the Agriculture in the Classroom in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete \$50,000 SGF for Item No. 22 relating to Declining Enrollment in the budget of the Department of Education (Attachment 11). The motion was seconded by Senator Wysong. Motion carried on a voice vote.

Responding to a request from the Committee for an update on the state of the FY 2010 budget as a result of prior Committee actions, J. G. Scott, Legislative Research Department, stated that the Committee has increased expenditures by \$33.4 million, decreased revenues by \$65.1 million for total adjustments of \$98.5 million creating a deficit of approximately \$50 million.

Senator Kelly moved to reconsider prior Committee action and suspend the transfer of \$10.1 to the Special City and County Highway Fund. The motion was seconded by Senator Kultala. Motion failed on a voice vote.

Senator Lee moved to reconsider prior Committee action and increase gaming revenue by \$25 million. The motion was seconded by Senator Kultala. Motion withdrawn with permission from the second.

Senator Lee moved to require a 10.0 percent reduction in all fee-funded agencies' FY 2010 budgets if **SB 308** does not become law during the 2009 legislative session. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Vratil moved to delete funding of \$1.2 million for expansion of the State Children's Health Insurance Program (SCHIP) program. The motion was seconded by Senator Masterson. Motion carried on a 7-6 vote.

Senator Vratil moved to delete \$8.5 million in the FY 2010 budget for the state employee undermarket pay. The motion was seconded by Senator Wysong.

Senator Vratil amended the motion, with approval of the second, to reduce the funding of \$8.5 million for state employee undermarket pay by 75.0 percent. Motion carried on a voice vote. Senators Kelly, Lee, Schmidt and Kultala requested to be recorded as voting "no".

## CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on March 19, 2009, in Room 545-N of the Capitol.

Senator Wysong moved to recommend a 12-day furlough for all state employees during FY 2010. The motion was seconded by Senator Vratil. Motion failed on a voice vote.

Senator Schodorf made a substitute motion to accept the original position of the Committee as a result of the Subcommittee's recommendations. The motion was seconded by Senator Kelly. Motion failed on a 6-7 vote.

A copy of proposed reductions from base budget for FY 2010 for the Department of Corrections was distributed to the Committee (Attachment 13).

Senator Taddiken moved to reduce the budget of the Department of Corrections by reductions in priority numbers 20 through 31 for a total of \$10 million (Attachment 13). The motion was seconded by Senator Vratil. Motion failed on a voice vote.

Senator Wysong moved to recommend a 8-day furlough for all state employees during FY 2010, including legislators, legislative staff and excluding teachers, to be determined by heads of each state agency. The motion was seconded by Senator Vratil. Motion failed on a 6-7 vote.

Senator Umbarger moved to reconsider prior Committee action and accept the Governor's recommendation on debt restructuring, adding \$34.1 million. The motion was seconded by Senator Lee. Motion carried on a voice vote. Senators Vratil, Taddiken, Wysong and McGinn requested to be recorded as voting "no".

Senator Schmidt moved to stop the transfer of \$5 million from the SGF to the Disaster Relief Fund. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

J. G. Scott, Legislative Research Department, stated that Committee actions, as of this time, on the FY 2010 budget, leaves a positive ending balance of \$5 million.

The hearing on **SB 304** and **SB 309** was closed.

**Action on SB 304 - Appropriations for FY 2009 through FY 2013 for various state agencies; SB 309 - Appropriations for FY2010 and FY2011 for capital improvements for various state agencies and HB 2354 - Claims against the state.**

Senator Vratil moved to roll **SB 304** as amended and **SB 309** as amended into **HB 2354** as amended for **Senate Substitute for HB 2354** and allow for technical adjustments as needed. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Teichman moved to recommend **Senate Substitute for HB 2354** favorable for passage. The motion was seconded by Senator Vratil. Motion carried on a roll call vote of 13-0.

### Adjournment

The next meeting is scheduled for March 23, 2009.

The meeting was adjourned at 7:30 p.m.

**SENATE WAYS & MEANS COMMITTEE  
GUEST LIST**

DATE: March 19, 2009

NAME	REPRESENTING
Linda Fendt	KACCT
Trauis Lowe	Pinegar, Smith & Assoc.
Dick Koerth	KDWP
Russ Jennings	JIA
LARRY K BAKER	LKKA
Wayne Ballig	KCVA
Shermene Jones-Santag	AAAS
Ethan Erickson	KDOT
DICK CARTER	JCCC
Jane Rhee	KCPD
KATHY LOBB	SACK
Mark Boranysk	CAPITOL STRATEGIES
Jean Bolini	Bd of Tech Professions
Jennifer Delaney	KACIL
He Marie Hoff	SKIL
Jim Bruning	KSBD
Jana Hill	Commerce
Diane Dufy	Kc Board of Regents
Craig Kunkin	S. H. Advance Solutions KS
Stuart Little	Little Govt. Relations
Kenton Ladouceur	VSD 382 half
Chad Austin	KS Hosp Assoc.
Nancy Zogleman	Polsinell.





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**To:** Senate Ways and Means Committee

**From:** Jerry Slaughter  
Executive Director

**Date:** March 19, 2009

**Subject:** SB 304 amendments concerning Professional Liability Insurance for KU Medical School Faculty and Residents

As you may recall from your recent deliberations and action on SB 23, the FY 2009 budget rescission legislation, Governor Sebelius – through a combination of a line-item veto and the “allotment” authority under KSA 75-3722 – prohibited the state general fund from transferring to the Health Care Stabilization Fund (HCSF) the amounts owed to it for costs expended to defend and settle claims against KU faculty and residents in medical malpractice liability actions. Under state law (KSA 40-3403), the HCSF pays costs associated with such claims in advance and then the state reimburses those costs through a demand transfer obligation on the state general fund. The Consensus Group has estimated that the State of Kansas will owe the HCSF \$3.0 million for FY 2009 and same amount for FY 2010. The Governor has again proposed the same procedure for FY 2010, which is found at section 96, page 234, of SB 304.

Since 1976, Kansas law has required all licensed physicians, hospitals and selected other health care providers to maintain a policy of professional liability insurance. The required insurance is basically a public/private program wherein physicians purchase “basic insurance” coverage of \$200,000 per claim from the private markets of their choice, and then pay a premium surcharge into the Health Care Stabilization Fund for an additional layer of insurance above the basic coverage limit. Taken together the combination of insurance provides physicians and other providers with the standard \$1 million per claim insurance coverage.

To recognize the special circumstances of the medical school faculty and residents, about twenty years ago the legislature created a unique arrangement whereby faculty and residents (both in Kansas City and Wichita/WCGME affiliated) are partially self-insured by the state through the demand transfer arrangement with the state general fund required by KSA 40-3403. The roughly 400 faculty covered by this program pay the annual applicable HCSF premium surcharge, which varies with the specialty of the faculty member. In general, surgical specialties (orthopedics, obstetrics, general and trauma surgery, etc.) pay higher surcharges than non-surgical specialties (such as internal medicine, family medicine, psychiatry, etc.). In addition to the premium surcharge, the faculty practice corporations in Kansas City and Wichita together are responsible

Senate Ways & Means Cmte

Date 3-19-2009

Attachment 1



for maintaining a "private practice reserve fund" which must start each fiscal year (July 1) with a balance of \$500,000. When a faculty member is sued in a medical malpractice action, the HCSF pays all claims costs (attorney fees, expert witness fees, settlements and judgments), and then is reimbursed from the private practice foundation reserve fund until the \$500,000 is depleted. After the reserve fund is depleted, then the HCSF is reimbursed by a transfer from the state general fund. In this way the state of Kansas partially self-insures medical school faculty for their liability costs. Over the last 5 years the annual transfer from the SGF has averaged a little over \$1 million for the faculty program.

The 717 KU residents in training also pay a Stabilization Fund surcharge, but it is an amount that is in essence, fixed in statute. Unlike the faculty program, the residents' program is entirely subsidized by the SGF. When a resident is sued, the Stabilization Fund pays all claim costs and then is reimbursed by a transfer from the SGF. Over the last 5 years the annual transfer attributable to residents has averaged about \$1.45 million.

Because of the unique professional liability construct we have in Kansas, the Governor's action had a consequence that probably went unrecognized by many. Since her action prevents the SGF from repaying the HCSF for amounts expended in defending and paying claims against KU faculty and residents, it in essence shifts those cost obligations from the SGF to the private-practicing physicians and hospitals throughout the state. In just these two years, FY 2009 and 2010, the total amount that the physicians and hospitals of the state will have to absorb through higher liability premium surcharges to the HCSF will exceed \$5.3 million, and may approach \$6.0 million, as has been estimated by the Consensus Group.

Let me make it clear that we recognize and appreciate the substantial contributions made by the medical school faculty and residents. Our ability to train adequate numbers of physicians to meet the needs of our state depends on the entire medical school and graduate medical education enterprise, and most particularly the physician faculty. Because of the demands on their time for teaching and necessary research activities, it is very difficult if not impossible for many faculty to maintain a clinical practice at a level that generates enough revenue to cover the full costs of professional liability. For that reason, the state made a decision years ago to share in those costs, through the partial self-insurance arrangement that utilizes the transfers from the state general fund to the HCSF.

A number of legislators have expressed concern about this demand transfer arrangement. Some have suggested that the medical school and its faculty should absorb more of the cost of their liability exposure. However, in our view, it is unrealistic and unfair to expect the institution and its faculty to take over the full responsibility for their liability costs that had previously been covered by the SGF. If the faculty and residents programs were forced to go out into the private insurance markets for coverage at this point, it would be prohibitively expensive, if coverage could even be obtained, which is not a certainty. Because these programs have been operated as essentially state-supported self-insurance programs, the accrued liabilities for prior acts would complicate, if not prevent, placing these programs in private markets.

Given all those factors, the option that best seems to begin to address the concerns of legislators, prevents significant cost increases and disruption to KU and its physician faculty, and does not

shift their liability costs to the private physicians and hospitals of the state, is the following approach:

- place the insurance program for all faculty and residents in the Health Care Provider Insurance Availability Plan (the Plan), which is an insuring mechanism established by law (KSA 40-3413) that the Stabilization Fund operates through a servicing carrier contract with KaMMCO, a Kansas-based professional liability insurer. That will provide those programs with good claims administration and loss prevention activities for faculty and residents, which together should improve loss results going forward; and
- replace the open-ended SGF transfer feature with a fixed appropriation to the HCSF of \$2.805 million for “Professional liability coverage for university of Kansas residents and faculty” for FY 2010. That is exactly the amount recommended by the Subcommittee and adopted by the full Committee, in your earlier action on the Health Care Stabilization Fund FY 2010 budget. That action limited transfers from the SGF to \$2.805 million, which is 6.5%, or \$195,000, less than the \$3.0 million projected FY 2010 transfer amount. If claims costs exceed \$2.805 million in the next fiscal year, the HCSF will cover the shortfall; if the claims costs are less than that amount the HCSF will carry the difference forward and use it to offset the appropriation for FY 2011.

The benefits of this approach are better control of claims costs and losses through focused claims management and loss prevention education for faculty and residents, better program controls, increased accountability, lower administrative costs, and less complexity to the state, the medical school, and the faculty. This approach will provide the state with a means to eventually transition away from the current demand transfer arrangement into a more conventionally budgeted and funded insurance program for faculty and residents while avoiding the disruption and problems that would occur by making such a transition abruptly.

Obviously, this is just a short term “fix”, which will require the legislature, KU and the HCSF to revisit the issue again next year. However, after having spent quite a bit of time on this over the past several weeks with representatives from KU and the Stabilization Fund, we believe this course makes the most sense. It will give us some time to stabilize the insurance program for faculty and residents over the next year or so, and then be in a position to have more detailed discussions about options for a long-term solution to how the liability costs of faculty and residents should be borne in the coming years.

Attached to our testimony is a proposed amendment to SB 304 which accomplishes the approach described above. We would be happy to respond to any questions. Thank you.

Draft amendments to sections 33 & 96 of 2009 SB304  
(3/18/09)

[On page 41]

Sec. 33.

HEALTH CARE STABILIZATION FUND BOARD OF  
GOVERNORS

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2010, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Health care stabilization fund..... No limit  
Conference fee fund..... No limit

(b) Expenditures from the health care stabilization fund for the fiscal year ending June 30, 2010, other than refunds authorized by law for the following specified purposes shall not exceed the limitations prescribed therefor as follows:

Operating expenditures ..... \$1,373,854 1,177,003  
*Provided*, That expenditures from the operating expenditures account for official hospitality shall not exceed \$500.  
Legal services and other claims expenses ..... No limit

[On page 42]

Claims and benefits ..... No limit

(c) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2009, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Conference fee fund..... No limit

(d) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2010, the following:

Professional liability coverage for university of Kansas residents and faculty \$2,805,000

Provided, That all expenditures from the professional liability coverage for university of Kansas residents and faculty account shall be pursuant to K.S.A 40-3414, and amendments thereto, for the purpose of professional liability coverage of the persons engaged in residency training as defined in subsection (r) of K.S.A. 40-3401, and amendments thereto, each private practice corporation or foundation and their full-time physician faculty employed by the university of Kansas medical center, and each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine. And provided further, such professional liability coverage shall be purchased from the health care provider insurance availability plan created by K.S.A. 40-3413, and amendments thereto, and shall cover any claim made before or during the period of purchased coverage for personal injury or death arising out of the rendering of or the failure to render professional services during any time that the health care provider against whom the claim is made was self insured or otherwise covered pursuant to K.S.A. 40-3414, and amendments thereto.

(e) On and after July 1, 2009, notwithstanding the provisions of subsection (j) of K.S.A. 40-3403, and amendments thereto, or any other statute, the director of accounts and reports shall not make any transfers pursuant to the provisions of subsection (j) of K.S.A. 40-3403, and amendments thereto, or any other statute, from the state general fund to the health care stabilization fund during the fiscal year ending June 30, 2010.

[On page 234 delete section 96 and renumber ensuing sections]

1-4



**Date:** March 19, 2009

**To:** Senate Ways & Means Committee  
Senator Jay Emler - Chairman

**From:** Doug Wareham, Senior Vice President-Government Relations

**Re:** Opposition to Banking Provisions Contained in S.B. 304

The following statement is submitted on behalf of the Kansas Bankers Association (KBA). KBA's membership includes 327 Kansas banks, which operate more than 1,300 banking facilities in 440 towns and cities across the state. Thank you for the opportunity to share our concerns with the provisions of Senate Bill 304 that impact the Office of the State Bank Commissioner.

KBA is specifically concerned with and objects to the fund transfers (sweeps) found on Page 5 (Section 4, subsection c) of S.B. 304 under the heading State Bank Commissioner. This section calls for the transfer of \$343,854 from the bank commissioner's fee fund to the state general fund. The fee fund sweeps proposed in S.B. 304 places a burden on the Banking Department at a time when their role in ensuring safety and soundness is increasingly important to Kansas banks and to individual Kansans. Furthermore, any transfer of fee funds increases the likelihood of fee increases that will increase the cost of doing business for state-chartered banks in Kansas.

The Office of the State Bank Commissioner is funded entirely (100%) by bank industry fees that bankers have willingly provided since the agencies' inception in 1891. Today, 247 Kansas banks utilize the state-bank charter and in doing so recognize the Office of the State Bank Commissioner as their primary regulator. What Kansas bankers object to is that totally fee funded agencies, such as the OSBC, have become a continual target for balancing the funding needs for non-fee funded state programs. The sweeping of OSBC funds does not simply place a burden the banking department, but will always in the end be an added burden, fee or tax on state-chartered Kansas banks that generate the fees in the first place.

Bankers do have a sincere appreciation for the financial challenges facing the State and they contribute in many ways to the state general fund. Kansas banks support the state general fund through payment of the privilege tax, property and sales taxes.

KBA respectfully ask the Senate Ways & Means Committee to strongly consider striking the proposed transfers found on Page 5 (Section 4, subsection c). Thank you for the opportunity to share concerns regarding S.B. 304. For more information, please contact Doug Wareham, Senior Vice President-Government Relations, Kansas Bankers Association at (785) 232-3444 or at [dwareham@ksbankers.com](mailto:dwareham@ksbankers.com).

## Summary of Major State General Fund Budget Recommendations for FY 2010

(Dollars in Millions)

	Governor's Recommendation	Senate Committee Tentative
<b><u>REVENUE ADJUSTMENTS:</u></b>		
<b><u>Tax Policy Adjustments:</u></b>		
Suspend Phase-Out of Corporate Franchise Tax (HB 2028)	\$ 14.0	\$ -
Suspend Phase-Out of Estate Tax (HB 2047)	5.0	-
Eliminate Community Service Credit (HB 2070)	4.4	-
Accelerate Severance Tax Due Date (HB 2046)	10.0	-
Attribute All Liquor Taxes to State General Fund (SB 27)	27.2	-
<i>Sub-Total Tax Policy Changes:</i>	\$ 60.6	\$ -
 <b><u>Transfers Out of the State General Fund Adjustments:</u></b>		
Stop Highway Fund Loan Repayment	\$ 30.9	\$ 30.9
Limit Bioscience Authority Transfer (\$60 million to \$40 million)	20.0	20.0
Suspend Transfer to Special City and County Highway Fund (\$10.1); State Water Plan Fund (\$6.0); and Health Care Stabilization Fund (\$3.0)	19.1	16.1
Suspend Deferred Maintenance Transfer to Regents	15.0	15.0
Suspend Restoration of Local Ad Valorem Tax Reduction Fund Transfer	13.5	13.5
Suspend Business and Machinery Tax Slider	45.3	45.3
Net Other Transfers Out	5.8	5.8
<i>Sub-Total Transfers Out of the State General Fund:</i>	\$ 149.6	\$ 146.6
 <b><u>Sweep Funds into State General Fund:</u></b>		
Transfer Gaming Revenue (Operation in Dodge City; Privilege Fees of \$25 million each in Wyandotte and Sumner Counties)	\$ 56.7	\$ 56.7
Education "Lockbox" Funds Shifted to FY 2009	-	(37.2)
Sweep Special Revenue Funds Savings by Moratorium on Employer Contributions on Employee Health and Death and Disability Insurance	28.7	2.8
Reduce Children's Initiative Fund Expenditures and Transfer Balance	9.2	9.2
Reduce Economic Development Initiatives Fund Expenditures and Transfer Balance (SB 303)	3.5	3.5
Reduce non-SGF Agencies and Sweep Balances	2.9	-
One-Time Special Revenue Sweep Balances	2.2	-
<i>Sub-Total Sweeps into State General Fund:</i>	\$ 103.2	\$ 35.0
<i>Total Revenue Adjustments:</i>	\$ 313.4	\$ 181.6

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**Expenditures Adjustments:**

**Education Adjustments:**

	<u>Governor's Recommendation</u>	<u>Senate Committee Recommendation</u>
Do Not Fund School Finance Consumer Price Index Increase	\$ (108.4)	\$ (108.4)
Do Not Fund Special Education Increase to maintain 92.0 percent of Excess Cost	(37.9)	(37.9)
Do Not Fund Other School Finance Increases (mainly due to local property tax increase)	(18.7)	(18.7)
Reduce Regents System 4.0 percent	(56.3)	(56.3)
Shift Kan-Ed to Kansas Universal Service Fund	(2.0)	(2.0)
Eliminate Wichita Center for Graduate Medical Education Appropriation	(2.5)	(2.5)
<i>Sub-Total Education Reductions:</i>	<u>\$ (225.8)</u>	<u>\$ (225.8)</u>

**Human Services Adjustments:**

Freeze Nursing Home Rates at FY 2009 Rates	\$ (6.0)	\$ (6.0)
Switch Kansas Health Policy Authority State General Fund to Fee Funds	(5.7)	(5.7)
Reduce Kansas Health Policy Authority--Administrative Initiatives	(9.6)	(9.6)
Reduce Department of Social and Rehabilitation Services for New Foster Care Contract	(14.1)	(14.1)
Fund the State Childrens Heath Insurance (SCHIP) Expansion	1.2	1.2
Limit MedKan and General Assistance to 18 months (instead of 24 months)	(12.3)	(17.3)
Limit Children In Need of Care Services (Age Eligibility and Non-Abused or Neglected) (SB 92 and SB 94)	(3.8)	(3.8)
Reduce Grants to Community Mental Health Centers	(7.0)	(2.0)
Reduce Grants to Community Developmental Disability Organizations	(2.0)	(2.0)
<i>Sub-Total Human Services Reductions:</i>	<u>\$ (59.3)</u>	<u>\$ (59.3)</u>

**Public Safety Adjustments:**

Close Department of Corrections Facilities	\$ (11.5)	\$ (11.5)
Day Reporting (Shawnee, Sedgwick) Osawatomie, Toronto, Stockton, Men/Women's Conservation Camp Labette County, Close Atchison Juvenile Correction Facility		
Suspend Kansas Highway Patrol New Trooper Class	(1.0)	(1.0)
<i>Sub-Total Public Safety Reductions:</i>	<u>\$ (12.5)</u>	<u>\$ (12.5)</u>

**American Recovery and Reinvestment Act Adjustments:**

	<u>Governor's Recommendation</u>	<u>Senate Committee Recommendation</u>
Medicaid		
Health Policy Authority	\$ (45.5)	\$ (45.5)
Social and Rehabilitation Services	(35.6)	(35.6)
Department on Aging	(21.1)	(21.1)
Juvenile Justice Authority	(0.6)	-
Fiscal Stabilization Flexible		
Department of Corrections	(40.5)	-
Fiscal Stabilization Education		
Department of Education	(103.7)	(103.7)
Special Education		
Department of Education	(53.5)	(53.5)
<i>Sub-Total American Recovery and Reinvestment Act:</i>	<u>\$ (300.5)</u>	<u>\$ (259.4)</u>
Debt Restructuring	\$ (34.1)	\$ (34.1)
Delay State Contribution for Employee Health Insurance and Death and Disability Insurance	(62.4)	(16.9)
Net of Other Adjustments	(44.5)	(44.5)
State Employee Undermarket Pay	8.5	8.5
Reduce State Agencies by the same 1.25 percent as in FY 2009	-	(27.4)
Language for a 1.0 percent self-funded base salary adjustment	-	-
Reduce State Agencies to achieve 10.0 percent below FY 2009 GBR	-	(52.0)
Miscellaneous Budget Committee Adjustments	-	1.5
<i>Total Expenditure Adjustments:</i>	<u>\$ (730.6)</u>	<u>\$ (721.9)</u>
<b>GRAND TOTAL ADJUSTMENTS:</b>	<b>\$ 1,044.0</b>	<b>\$ 903.5</b>

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1  
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**COMPARISON OF FY 2010 RECOMMENDED EXPENDITURES  
GOVERNOR'S RECOMMENDATION AND SENATE COMMITTEE RECOMMENDATION  
(Reflects House Substitute for Substitute for S.B. 23 and Committee Action as of March 17, 2009)**

FY 2010:

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation*	\$ 5,757,311,441	\$ 13,356,802,415	41,616.2
<b>Senate Committee Recommendation</b>	<b>5,724,956,562</b>	<b>13,272,250,335</b>	<b>41,616.7</b>
<i>Difference From Governor's Recommendation</i>	<u>\$ (32,354,879)</u>	<u>\$ (84,552,080)</u>	<u>0.5</u>

\*Includes Governor's Budget Amendment No. 1

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES  
AS RECOMMENDED BY SENATE COMMITTEE  
In Millions  
(Reflects House Substitute for Substitute for S.B. 23 and Committee Action as of March 17, 2009)**

	<u>Actual FY 2008</u>	<u>Senate Committee Rec. FY 2009</u>	<u>Senate Committee Rec. FY 2010</u>
Beginning Balance	\$ 935.0	\$ 526.6	\$ 249.5
Receipts (November 2008 Consensus Estimate)	5,693.4	5,781.2	5,782.4
Governor's Recommended Receipt Adjustments	0.0	99.2	313.4
Senate Recommended Receipt Adjustments	0.0	31.4	(74.2)
Federal Economic Stimulus Legislation Tax Reductions	0.0	(12.0)	(65.5)
Adjusted Receipts	<u>5,693.4</u>	<u>5,899.8</u>	<u>5,956.1</u>
Total Available	\$ 6,628.4	\$ 6,426.4	\$ 6,205.6
Less Expenditures	6,101.8	6,279.7	6,121.2
Federal Economic Stimulus Legislation	0.0	(102.8)	(396.2)
Ending Balance	<u>\$ 526.6</u>	<u>\$ 249.5</u>	<u>\$ 480.6</u>
Ending Balance as a Percentage of Expenditures	8.6%	4.0%	7.9%

\* Receipts reflect the November Consensus Revenue Estimate. However, actual tax receipts only collections through February were \$82.0 million below the estimate. Legislation to collect \$60.2 million in additional tax revenue has not been approved. Taking the lower than estimated receipt collections and reduced tax collections into account the ending balance in FY 2010 would be \$256.4 million or 4.2 percent.

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**State General Fund Revenue Adjustments  
As Recommended by the Senate Committee as of March 18, 2009**

**FY 2009:**

None

**FY 2010:**

Transfer to the State Water Plan Fund		
State Conservation Commission		
Water Office	\$	(2,400,000)
		(825,487)
Health Care Stabilization Fund		
Transfer up to \$2.8 million to the Health Care Stabilization Fund		(2,805,000)
Department of Education		
Do not transfer from the State Safety Fund		(2,900,000)
Do not transfer from the Motorcycle Safety Fund		(132,587)
Do not transfer Education Lock Box funding used in FY 2009		(37,170,000)
Moratorium		
Do not transfer KPERS Death and Disability funding used in FY 2009		(2,249,397)
Do not transfer State Employee Health Insurance funding used in FY 2009		(23,684,911)
Various Agencies		
Do not transfer funds from special revenue funds		(2,067,999)
		<hr/>
<b>Total FY 2010</b>	<b>\$</b>	<b>(74,235,381)</b>
		<hr/> <hr/>

**Senate Appropriations Bill**  
**(Reflects Senate Adjustments for FY 2009, FY 2010, and FY 2011)**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<b>FY 2009</b>				
<u>Department of Administration</u>				
1. Delete \$1,285,749, all from the State General Fund, for the MacVicar assessment charged by the city of Topeka for road improvements near the surplus property facility in FY 2009.	(1,285,749)	0	(1,285,749)	0.0
<i>Agency Subtotal</i>	<i>(\$1,285,749)</i>	<i>\$0</i>	<i>(\$1,285,749)</i>	<i>0.0</i>
<u>Department on Aging</u>				
1. Adopt GBA No. 1, Item 1, which deletes \$21.1 million, all from the State General Fund, and adds the same amount from federal funds in FY 2009 for Medicaid expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Health Policy Authority</u>				
1. Adopt GBA No. 1, Item 1, which deletes \$45.5 million, all from the State General Fund, and adds the same amount from federal funds in FY 2009 for Medicaid expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Social and Rehabilitation Services</u>				
1. Adopt GBA No. 1, Item 1, which deletes \$35.6 million, all from the State General Fund, and adds the same amount from federal funds in FY 2009 for Medicaid expenditures.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<b>TOTAL: FY 2009</b>	<b>(\$1,285,749)</b>	<b>\$0</b>	<b>(\$1,285,749)</b>	<b>0.0</b>

<b>FY 2010</b>				
<u>Abstracters Board of Examiners</u>				
1. Delete the transfer of \$656 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Board of Accountancy</u>				
1. Delete the transfer of \$13,000 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>State Bank Commissioner</u>				
1. Delete the transfer, but not the reduction, of \$343,854 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 4.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Board of Barbering</u>				
1. Delete the transfer of \$2,885 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Behavioral Sciences Regulatory Board</u>				
1. Delete the transfer of \$33,918 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Board of Healing Arts</u>				
1. Delete the transfer of \$70,432 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of savings created by a 2.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0

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Agency Subtotal

\$0 \$0 \$0 0.0

Board of Cosmetology

1. Delete the transfer of \$15,805 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's reduction and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Department of Credit Unions

1. Delete the transfer, but not the reduction, of \$37,380 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 4.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Kansas Dental Board

1. Delete the transfer of \$15,293 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of savings created by a 4.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Board of Mortuary Arts

1. Delete the transfer of \$17,448 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments

1. Delete the transfer of \$625 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Board of Nursing

1. Delete the transfer of \$72,693 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 4.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Optometry Board

1. Delete the transfer of \$5,838 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of savings created by a 4.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Board of Pharmacy

1. Delete the transfer of \$24,796 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

Agency Subtotal

\$0 \$0 \$0 0.0

Real Estate Commission

1. Delete the transfer of \$76,739 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.
2. Transfer \$200,000 from the Real Estate Revolving Recovery Fund to the Real Estate Commission Fee Fund.
3. Add \$200,000 from the Real Estate Revolving Recovery Fund to the Real Estate Commission Fee Fund for the purpose of converting its licensing system, which uses Visual Basic 6 (VB.6) to a Microsoft web-based system because Microsoft no longer supports VB.6.

0 0 0 0.0

0 0 0 0.0

0 200,000 200,000 0.0

Agency Subtotal

\$0 \$200,000 \$200,000 0.0

Real Estate Appraisal Board

1. Delete the transfer of \$13,072 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.

0 0 0 0.0

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Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Securities Commissioner</u>				
1. Delete the transfer, but not the reduction, of \$57,920 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 2.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Board of Technical Professions</u>				
1. Delete the transfer of \$32,368 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Board of Veterinary Examiners</u>				
1. Delete the transfer of \$125,000 from the agency's fee fund to the State General Fund for FY 2010. This is the amount of the savings created by a 3.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Governmental Ethics Commission</u>				
1. Delete \$44,358, all from the State General Fund, for FY 2010 in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for the agency's expenditures in FY 2010.	(44,358)	0	(44,358)	0.0
2. Add \$51,291, all from special revenue funds, and grant the agency authority to utilize fee funds for operating expenditures in place of reductions made to the agency's State General Fund.	0	51,291	51,291	0.0
<i>Agency Subtotal</i>	(\$44,358)	\$51,291	\$6,933	0.0
<u>Legislative Coordinating Council</u>				
1. Delete \$9,832, all from the State General Fund, to continue the 1.0 percent FY 2009 reduction in FY 2010.	(9,832)	0	(9,832)	0.0
<i>Agency Subtotal</i>	(\$9,832)	\$0	(\$9,832)	0.0
<u>Legislature</u>				
1. Delete \$188,448, all from the State General Fund, to continue the 1.0 percent FY 2009 reduction in FY 2010.	(188,448)	0	(188,448)	0.0
2. Delete \$1,835,079, 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 Legislative branch expenditures in FY 2010.	(1,835,079)	0	(1,835,079)	0.0
<i>Agency Subtotal</i>	(\$2,023,527)	\$0	(\$2,023,527)	0.0
<u>Legislative Research Department</u>				
1. Delete \$39,550, all from the State General Fund, to continue the 1.0 percent FY 2009 reduction in FY 2010.	(39,550)	0	(39,550)	0.0
<i>Agency Subtotal</i>	(\$39,550)	\$0	(\$39,550)	0.0
<u>Revisor of Statutes</u>				
1. Delete \$35,486, all from the State General Fund, to continue the 1.0 percent FY 2009 reduction in FY 2010.	(35,486)	0	(35,486)	0.0
<i>Agency Subtotal</i>	(\$35,486)	\$0	(\$35,486)	0.0
<u>Division of Post Audit</u>				
1. Delete \$28,750, all from the State General Fund, to continue the 1.0 percent FY 2009 reduction in FY 2010.	(28,750)	0	(28,750)	0.0
<i>Agency Subtotal</i>	(\$28,750)	\$0	(\$28,750)	0.0
<u>Office of the Governor</u>				
1. Delete \$176,124, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(176,124)	0	(176,124)	0.0
<i>Agency Subtotal</i>	(\$176,124)	\$0	(\$176,124)	0.0

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Attorney General

- |  |           |   |           |     |
|--|-----------|---|-----------|-----|
| 1. Delete \$355,362 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 in FY 2010. | (355,362) | 0 | (355,362) | 0.0 |
|--|-----------|---|-----------|-----|

<i>Agency Subtotal</i>	(\$355,362)	\$0	(\$355,362)	0.0
------------------------	-------------	-----	-------------	-----

Secretary of State

- |   |   |           |           |     |
|---|---|-----------|-----------|-----|
| 1. Delete \$519,754, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. | 0 | (519,754) | (519,754) | 0.0 |
|---|---|-----------|-----------|-----|

<i>Agency Subtotal</i>	\$0	(\$519,754)	(\$519,754)	0.0
------------------------	-----	-------------	-------------	-----

State Treasurer

- |  |   |           |           |     |
|--|---|-----------|-----------|-----|
| 1. Delete \$377,511, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010, and review at Omnibus.   | 0 | (377,511) | (377,511) | 0.0 |
| 2. Delete the transfer of \$224,324 from all special revenue funds to the State General Fund for FY 2010, and review at Omnibus. This is the amount of the savings created by a 5.3 percent budget reduction in the Governor's recommendation and will now remain in the agency's special revenue funds. | 0 | 0         | 0         | 0.0 |
| 3. Delete the no limit expenditure authority for the Kansas Postsecondary Education Savings Program Trust Fund and replace with \$0.   | 0 | 0         | 0         | 0.0 |

<i>Agency Subtotal</i>	\$0	(\$377,511)	(\$377,511)	0.0
------------------------	-----	-------------	-------------	-----

Insurance Department

- |   |   |             |             |       |
|---|---|-------------|-------------|-------|
| 1. Delete \$1,335,415, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.   | 0 | (1,335,415) | (1,335,415) | 0.0   |
| 2. Delete 5.0 full-time equivalent positions to properly reflect current salary and wage funding levels in FY 2010.   | 0 | 0           | 0           | (5.0) |
| 3. Delete \$6,000, all from special revenue funds, to reduce expenditures for general rehabilitation and repair of Kansas Insurance Department buildings, in order to reach a target of 10.0 percent below the FY 2010 Governor's recommendation. | 0 | (6,000)     | (6,000)     | 0.0   |

<i>Agency Subtotal</i>	\$0	(\$1,341,415)	(\$1,341,415)	(5.0)
------------------------	-----	---------------	---------------	-------

Health Care Stabilization Fund Board

- |   |   |           |           |     |
|---|---|-----------|-----------|-----|
| 1. Delete \$230,091, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. | 0 | (230,091) | (230,091) | 0.0 |
|---|---|-----------|-----------|-----|

<i>Agency Subtotal</i>	\$0	(\$230,091)	(\$230,091)	0.0
------------------------	-----	-------------	-------------	-----

Board of Indigents' Defense Services

- |   |           |   |           |     |
|---|-----------|---|-----------|-----|
| 1. Add \$1,271,865, all from the State General Fund, to adopt the agency's FY 2009 request for FY 2010. | 1,271,865 | 0 | 1,271,865 | 0.0 |
|---|-----------|---|-----------|-----|

<i>Agency Subtotal</i>	\$1,271,865	\$0	\$1,271,865	0.0
------------------------	-------------	-----	-------------	-----

Judicial Branch

- |   |             |   |             |     |
|---|-------------|---|-------------|-----|
| 1. Delete \$8,948,976, all from the State General Fund, to reflect an 8.0 percent reduction in the agency's FY 2009 estimate.   | (8,948,976) | 0 | (8,948,976) | 0.0 |
| 2. Delete \$1,876,865, all from the State General Fund, in FY 2010. This reduction reflects an 8.0 percent reduction in the Board of Indigents' Defense FY 2009 estimate being absorbed by the Judicial Branch. | (1,876,865) | 0 | (1,876,865) | 0.0 |

<i>Agency Subtotal</i>	(\$10,825,841)	\$0	(\$10,825,841)	0.0
------------------------	----------------	-----	----------------	-----

Kansas Public Employees Retirement System (KPERs)

- |   |           |   |           |     |
|---|-----------|---|-----------|-----|
| 1. Delete \$639,134, all from the State General Fund, for the KPERs 13th check interest bond payment and consider at Omnibus. | (639,134) | 0 | (639,134) | 0.0 |
|---|-----------|---|-----------|-----|

<i>Agency Subtotal</i>	(\$639,134)	\$0	(\$639,134)	0.0
------------------------	-------------	-----	-------------	-----

Kansas Human Rights Commission

- |  |           |   |           |     |
|--|-----------|---|-----------|-----|
| 1. Delete \$106,478, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. | (106,478) | 0 | (106,478) | 0.0 |
|--|-----------|---|-----------|-----|

<i>Agency Subtotal</i>	(\$106,478)	\$0	(\$106,478)	0.0
------------------------	-------------	-----	-------------	-----

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Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Kansas Corporation Commission</u>				
1. Delete \$1,494,560, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	0	(1,494,560)	(1,494,560)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$1,494,560)</i>	<i>(\$1,494,560)</i>	<i>0.0</i>
<u>Citizens' Utility Ratepayer Board</u>				
1. Delete \$7,905, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	0	(7,905)	(7,905)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$7,905)</i>	<i>(\$7,905)</i>	<i>0.0</i>
<u>Department of Administration</u>				
1. Delete \$481,362, from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(481,362)	0	(481,362)	0.0
<i>Agency Subtotal</i>	<i>(\$481,362)</i>	<i>\$0</i>	<i>(\$481,362)</i>	<i>0.0</i>
<u>Court of Tax Appeals</u>				
1. Delete \$109,759, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(109,759)	0	(109,759)	0.0
<i>Agency Subtotal</i>	<i>(\$109,759)</i>	<i>\$0</i>	<i>(\$109,759)</i>	<i>0.0</i>
<u>Department of Revenue</u>				
1. Delete \$1,055,501, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,055,501)	0	(1,055,501)	0.0
2. Delete \$155,659, all from special revenue funds, to fund the operations of the Information Network of Kansas (INK). INK will remain in Kansas, Inc in FY 2010.	0	(155,659)	(155,659)	0.0
<i>Agency Subtotal</i>	<i>(\$1,055,501)</i>	<i>(\$155,659)</i>	<i>(\$1,211,160)</i>	<i>0.0</i>
<u>Kansas Racing and Gaming Commission</u>				
1. Add \$40,000, all from special revenue funds, to replace two vehicles for the Tribal Gaming Program in FY 2010. Funding for the vehicles would be reimbursed by the Tribes.	0	40,000	40,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$40,000</i>	<i>\$40,000</i>	<i>0.0</i>
<u>Department of Commerce</u>				
1. Delete \$1,838,955, all from the Economic Development Initiatives Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	0	(1,838,955)	(1,838,955)	
2. Delete \$9,044,430, including \$7,534,430 from the Economic Development Initiatives Fund (EDIF), and restore Kansas, Inc in FY 2010.	0	(9,044,430)	(9,044,430)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$10,883,385)</i>	<i>(\$10,883,385)</i>	<i>0.0</i>
<u>Kansas Inc.</u>				
1. Add \$514,533 including \$358,874 from the Economic Development Initiatives Fund (EDIF), to restore funding for Kansas, Inc. in FY 2010.	0	514,533	514,533	4.5
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$514,533</i>	<i>\$514,533</i>	<i>4.5</i>
<u>Department of Labor</u>				
1. Delete \$51,896, all from the State General Fund, 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.	(51,896)	0	(51,896)	0.0
2. Delete \$23,230, all from special revenue funds, to reduce expenditures for the renovation of the basement of the building located at 1309 Topeka Blvd, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	0	(23,230)	(23,230)	0.0
3. Delete \$4,000, all from special revenue funds, to reduce expenditures for general rehabilitation and repair of Department of Labor buildings, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	0	(4,000)	(4,000)	0.0
<i>Agency Subtotal</i>	<i>(\$51,896)</i>	<i>(\$27,230)</i>	<i>(\$79,126)</i>	<i>0.0</i>

4-7

Commission on Veterans Affairs

1. Delete \$100,000, all from special revenue funds, for street, curb and parking lot repair and replacement at the Kansas Soldier's Home and place project pending the outcome of the state's investigation into facilities closure. 0 (100,000) (100,000) 0.0
2. Delete \$38,279, all from special revenue funds, for window replacement at the Kansas Soldiers Home and place project pending the outcome of the state's investigation into facilities closure. 0 (38,279) (38,279) 0.0
3. Delete \$176,505, all from special revenue funds, for window replacement at the Kansas Veteran's Home and place project pending the outcome of the state investigation into facilities closure. 0 (176,505) (176,505) 0.0

*Agency Subtotal* \$0 (\$314,784) (\$314,784) 0.0

Dept. of Health and Environment - Health

1. Delete \$4,155, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. The calculation excludes funding for the safety net clinics from the budget. (4,155) 0 (4,155) 0.0
2. Add language requiring the agency to make the award of family planning services funding subject to a competitive grant process. 0 0 0 0.0

*Agency Subtotal* (\$4,155) \$0 (\$4,155) 0.0

Dept. of Health and Environment - Environment

1. Delete \$324,577, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. (324,577) 0 (324,577) 0.0

*Agency Subtotal* (\$324,577) \$0 (\$324,577) 0.0

Department on Aging

1. Adopt GBA No. 1, Item 1, which deletes \$36.8 million, all from the State General Fund, and adds the same amount from federal funds in FY 2010 for Medicaid expenditures. 0 0 0 0.0

*Agency Subtotal* \$0 \$0 \$0 0.0

Health Policy Authority

1. Adopt GBA No.1, Item 1, which deletes \$100.9 million, all from the State General Fund, and adds the same amount from federal economic stimulus funds in FY 2010 for Medicaid expenditures. 0 0 0 0.0
2. Adopt GBA No.1, Item 2, which adds \$4.3 million, including \$1.2 million from the State General Fund, in FY 2010 to increase funding for the State Children's Health Insurance Program (SHCIP) to expand eligibility from 200 to 250 percent of the federal poverty level. 0 0 0 0.0
3. Delete \$5.0 million, all from the State General Fund, in FY 2010 to capture additional savings from limiting MediKan benefits to 18 months from the current 24 months with no hardship provisions. (5,000,000) 0 (5,000,000) 0.0
4. Establish a position limitation of 272.7 FTE positions for FY 2010 in the bill. 0 0 0 0.0

*Agency Subtotal* (\$5,000,000) \$0 (\$5,000,000) 0.0

Social and Rehabilitation Services

1. Adopt GBA No. 1, Item 1, which deletes \$61.1 million, all from the State General Fund, and adds the same amount from federal funds in FY 2010 for Medicaid expenditures. 0 0 0 0.0
2. Add \$5.0 million, all from the State General Fund, for grants to the Community Mental Health Centers. 5,000,000 0 5,000,000 0.0
3. Add \$520,000, all from the State General Fund, to restore partial funding for the Funeral Assistance Program. This funding would allow for payment at the FY 2007 rate of \$545 per funeral. 520,000 0 520,000 0.0
4. Add \$4.3 million, all from federal funds, to adjust for the correct federal medical assistance percentage. 0 4,269,802 4,269,802 0.0
5. Delete \$426,295, all from the State Institutions Building Fund, in FY 2010 to achieve a 10.0 percent reduction in capital improvement expenditures. 0 (426,295) (426,295) 0.0

*Agency Subtotal* \$5,520,000 \$3,843,507 \$9,363,507 0.0

Kansas Guardianship Program

1. Review at Omnibus the status of health care cost reductions for the Kansas Guardianship program. 0 0 0 0.0

4-8

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
2. Delete \$37,871, all from the State General Fund, in order to reach a target of 8.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(37,871)	0	(37,871)	0.0
<i>Agency Subtotal</i>	<i>(\$37,871)</i>	<i>\$0</i>	<i>(\$37,871)</i>	<i>0.0</i>
<u>Board of Regents</u>				
1. Delete \$3,805,123, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(3,805,123)	0	(3,805,123)	0.0
2. Add \$350,000, all from the State General Fund, for the Kansas Academy of Math and Science (KAMS) in FY 2010.	350,000	0	350,000	0.0
<i>Agency Subtotal</i>	<i>(\$3,455,123)</i>	<i>\$0</i>	<i>(\$3,455,123)</i>	<i>0.0</i>
<u>Kansas State University</u>				
1. Delete \$5,699,998, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(5,699,998)	0	(5,699,998)	0.0
2. Add \$1.5 million, all from special revenue funds, and a new Sheep and Goat Facility Fund for the construction of a new sheep and goat facility in FY 2010.	0	1,500,000	1,500,000	0.0
<i>Agency Subtotal</i>	<i>(\$5,699,998)</i>	<i>\$1,500,000</i>	<i>(\$4,199,998)</i>	<i>0.0</i>
<u>KSU - Extension Systems and Agricultural Research Program</u>				
1. Delete \$1,570,639, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,570,639)	0	(1,570,639)	0.0
<i>Agency Subtotal</i>	<i>(\$1,570,639)</i>	<i>\$0</i>	<i>(\$1,570,639)</i>	<i>0.0</i>
<u>KSU - Veterinary Medical Center</u>				
1. Delete \$465,573, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(465,573)	0	(465,573)	0.0
<i>Agency Subtotal</i>	<i>(\$465,573)</i>	<i>\$0</i>	<i>(\$465,573)</i>	<i>0.0</i>
<u>University of Kansas</u>				
1. Delete \$6,635,092, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(6,635,092)	0	(6,635,092)	0.0
<i>Agency Subtotal</i>	<i>(\$6,635,092)</i>	<i>\$0</i>	<i>(\$6,635,092)</i>	<i>0.0</i>
<u>University of Kansas Medical Center</u>				
1. Delete \$2,779,401, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(2,779,401)	0	(2,779,401)	0.0
<i>Agency Subtotal</i>	<i>(\$2,779,401)</i>	<i>\$0</i>	<i>(\$2,779,401)</i>	<i>0.0</i>
<u>Fort Hays State University</u>				
1. Add \$2.1 million, all from special revenue funds, and a new Soccer Facility Fund for the construction of a new soccer facility in FY 2010.	0	2,100,000	2,100,000	0.0
2. Add \$13.0 million, all from special revenue funds, and a new Wind Power Generation Facility Fund for a new 5 megawatt wind power generation facility in FY 2010.	0	13,000,000	13,000,000	0.0
3. Delete \$1,482,882, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,482,882)	0	(1,482,882)	0.0
<i>Agency Subtotal</i>	<i>(\$1,482,882)</i>	<i>\$15,100,000</i>	<i>\$13,617,118</i>	<i>0.0</i>
<u>Emporia State University</u>				
1. Delete \$1,489,454, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,489,454)	0	(1,489,454)	0.0
<i>Agency Subtotal</i>	<i>(\$1,489,454)</i>	<i>\$0</i>	<i>(\$1,489,454)</i>	<i>0.0</i>
<u>Pittsburg State University</u>				
1. Add authority to raze the Student Health Center Building with existing funds in FY 2010.	0	0	0	0.0
2. Delete \$1,514,070, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,514,070)	0	(1,514,070)	0.0
<i>Agency Subtotal</i>	<i>(\$1,514,070)</i>	<i>\$0</i>	<i>(\$1,514,070)</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Delete \$907,189, all from the State General Fund, to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(907,189)	0	(907,189)	0.0
<i>Agency Subtotal</i>	<i>(\$907,189)</i>	<i>\$0</i>	<i>(\$907,189)</i>	<i>0.0</i>

4-9



Department of Education

1. Adopt GBA No. 1, Item 4 to delete \$103,700,000 , all from the State General Fund, and add \$138,700,000 from the federal American Recovery and Reinvestment Act in FY 2010. This is an increase of \$35,000,000 which was added to maintain the Base State Aid Per Pupil to the FY 2009 level of \$4,400. 0 0 0 0.0
2. Adopt GBA No. 1, Item 5 to delete \$53,500,000, all from the State General Fund, and add \$53,500,000 from the federal American Recovery and Reinvestment Act in FY 2010 for special education. 0 0 0 0.0
3. Add \$20,000, all from the Service Clearing Fund, to replace one vehicle in FY 2010. 0 20,000 20,000 0.0
4. Delete the transfer of \$2.9 million from the State Safety Fund for the Driver's Education program to the State General Fund in FY 2010. 0 0 0 0.0
5. Delete the transfer of \$132,587 from the Motorcycle Safety Fund to the State General Fund in FY 2010. 0 0 0 0.0

*Agency Subtotal* \$0 \$20,000 \$20,000 0.0

State Library

1. Delete \$68,225, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. (68,225) 0 (68,225) 0.0

*Agency Subtotal* (\$68,225) \$0 (\$68,225) 0.0

Kansas Arts Commission

1. Delete \$163,614, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. (163,614) 0 (163,614) 0.0

*Agency Subtotal* (\$163,614) \$0 (\$163,614) 0.0

School for the Blind

1. Delete \$120,364, all from the State Institutions Building Fund, to apply a 10.0 percent reduction target to capital improvements based on the Governor's FY 2009 recommendation for FY 2010. 0 (120,364) (120,364) 0.0
2. Add \$163,757, all from the State General Fund, in FY 2010 to comply with the statutory requirement that ties teacher salaries at the school to the teacher salaries for USD 233, the Olathe School District, for the previous year. 163,757 0 163,757 0.0

*Agency Subtotal* \$163,757 (\$120,364) \$43,393 0.0

School for the Deaf

1. Add \$211,919, all from the State General Fund, in FY 2010 to comply with the statutory requirement that ties teacher salaries at the school to the teacher salaries for USD 233, the Olathe School District, for the previous year. 211,919 0 211,919 0.0
2. Delete \$242,000, all from the State Institutions Building Fund, for Roth West Wing Dorm Electrical Upgrades as part of the first step in renovating the Roth Building for FY 2010. 0 (242,000) (242,000) 0.0
3. Add \$100,000, all from the State Institutions Building Fund, to partially fund the agency's request to repair the foundation affecting window wells and drains on campus for FY 2010. 0 100,000 100,000 0.0

*Agency Subtotal* \$211,919 (\$142,000) \$69,919 0.0

State Historical Society

1. Delete \$71,090, all from the State General Fund, for FY 2010 capital improvements. (71,090) 0 (71,090) 0.0
2. Delete \$364,357, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. (364,357) 0 (364,357) 0.0

*Agency Subtotal* (\$435,447) \$0 (\$435,447) 0.0

Juvenile Justice Authority

1. Delete \$74,170, all from the State Institutions Building Fund, to adjust the FY 2010 capital improvements budget for a reduction of 10.0 percent, excluding debt service, from the FY 2009 Governor's recommendation. 0 (74,170) (74,170) 0.0
1. Delete \$5,207,510, including \$3,501,744 from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. (3,501,744) (1,705,766) (5,207,510) 0.0

4-10

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
2. Add \$268,783, all from the State Institutions Building Fund, to pay off both Master Lease Programs for the high-pressure boiler burner replacement at Kansas Juvenile Correctional Complex and the high-pressure boiler replacement at Beloit Juvenile Correctional Facility.	0	268,783	268,783	0.0
<i>Agency Subtotal</i>	<i>(\$3,501,744)</i>	<i>(\$1,511,153)</i>	<i>(\$5,012,897)</i>	<i>0.0</i>
<u>Kansas Juvenile Correctional Complex</u>				
1. Delete \$1,430,550, including \$1,378,203 from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,378,203)	(52,347)	(1,430,550)	0.0
<i>Agency Subtotal</i>	<i>(\$1,378,203)</i>	<i>(\$52,347)</i>	<i>(\$1,430,550)</i>	<i>0.0</i>
<u>Atchison Juvenile Correctional Facility</u>				
1. Delete \$40,328, including \$33,230 from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(33,230)	(7,098)	(40,328)	0.0
<i>Agency Subtotal</i>	<i>(\$33,230)</i>	<i>(\$7,098)</i>	<i>(\$40,328)</i>	<i>0.0</i>
<u>Beloit Juvenile Correctional Facility</u>				
1. Delete \$347,164, including \$346,292 from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(346,292)	(872)	(347,164)	0.0
<i>Agency Subtotal</i>	<i>(\$346,292)</i>	<i>(\$872)</i>	<i>(\$347,164)</i>	<i>0.0</i>
<u>Larned Juvenile Correctional Facility</u>				
1. Delete \$742,908, including \$731,902 from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(731,902)	(11,006)	(742,908)	0.0
<i>Agency Subtotal</i>	<i>(\$731,902)</i>	<i>(\$11,006)</i>	<i>(\$742,908)</i>	<i>0.0</i>
<u>State Fire Marshal</u>				
1. Delete the transfer of \$168,692 from special revenue funds to the State General Fund, and review at Omnibus. This is the amount of savings created by a budget reductions in the Governor's recommendation and will now remain in the agency's fee fund in FY 2010.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Parole Board</u>				
1. Delete \$37,084, all from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(37,084)	0	(37,084)	0.0
<i>Agency Subtotal</i>	<i>(\$37,084)</i>	<i>\$0</i>	<i>(\$37,084)</i>	<i>0.0</i>
<u>Highway Patrol</u>				
1. Delete \$3,653,821, including \$1,876,081 from the State General Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,876,081)	(1,777,740)	(3,653,821)	0.0
<i>Agency Subtotal</i>	<i>(\$1,876,081)</i>	<i>(\$1,777,740)</i>	<i>(\$3,653,821)</i>	<i>0.0</i>
<u>Kansas Bureau of Investigation</u>				
1. Delete \$3,036,519, including \$1,412,594 from the State General Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(1,412,594)	(1,623,925)	(3,036,519)	0.0
<i>Agency Subtotal</i>	<i>(\$1,412,594)</i>	<i>(\$1,623,925)</i>	<i>(\$3,036,519)</i>	<i>0.0</i>
<u>Emergency Medical Services Board</u>				
1. Delete the transfer of \$68,993 from the agency's special revenue funds to the State General Fund for FY 2010, and review at Omnibus. This is the amount of the savings created by a 2.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's special revenue funds.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Sentencing Commission</u>				
1. Delete \$868,825, including \$439,557 from the State General Fund, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010.	(439,557)	(429,268)	(868,825)	0.0
<i>Agency Subtotal</i>	<i>(\$439,557)</i>	<i>(\$429,268)</i>	<i>(\$868,825)</i>	<i>0.0</i>

4-11

Kansas Commission on Peace Officers' Standards and Training (KCPOST)

- | Agency/Item  | State General Fund | All Other Funds   | All Funds         | FTEs       |
|--|--------------------|-------------------|-------------------|------------|
| 1. Delete \$77,067, all from special revenue funds, in order to reach a target of 10.0 percent below the FY 2009 Governor's recommendation for agency expenditures in FY 2010. | 0                  | (77,067)          | (77,067)          | 0.0        |
| <hr/>  |                    |                   |                   |            |
| <i>Agency Subtotal</i>   | <i>\$0</i>         | <i>(\$77,067)</i> | <i>(\$77,067)</i> | <i>0.0</i> |

Department of Agriculture

- |   |                    |            |                    |            |
|---|--------------------|------------|--------------------|------------|
| 1. Delete \$389,969, all from the State General Fund, to reduce the agency's State General Fund amount by 6.4 percent in FY 2010. | (389,969)          | 0          | (389,969)          | 0.0        |
| <hr/>   |                    |            |                    |            |
| <i>Agency Subtotal</i>  | <i>(\$389,969)</i> | <i>\$0</i> | <i>(\$389,969)</i> | <i>0.0</i> |

Animal Health Department

- |   |                 |                   |                   |            |
|---|-----------------|-------------------|-------------------|------------|
| 1. Add \$57,000, all from the State General Fund, for the purchase of information technology equipment in FY 2010.  | 57,000          | 0                 | 57,000            | 0.0        |
| 2. Delete \$87,803, all from special revenue funds, and transfer the same amount to the State General Fund to reduce the agency's State General Fund amount by 10.0 percent in FY 2010. | 0               | (87,803)          | (87,803)          | 0.0        |
| <hr/>   |                 |                   |                   |            |
| <i>Agency Subtotal</i>  | <i>\$57,000</i> | <i>(\$87,803)</i> | <i>(\$30,803)</i> | <i>0.0</i> |

Kansas State Fair Board

- |   |            |                 |                 |            |
|---|------------|-----------------|-----------------|------------|
| 1. Add \$40,000, all from the State Highway Fund, for road maintenance at the State Fairgrounds in FY 2010. | 0          | 40,000          | 40,000          | 0.0        |
| <hr/>   |            |                 |                 |            |
| <i>Agency Subtotal</i>  | <i>\$0</i> | <i>\$40,000</i> | <i>\$40,000</i> | <i>0.0</i> |

State Conservation Commission

- |  |                   |                    |                    |            |
|--|-------------------|--------------------|--------------------|------------|
| 1. Delete \$45,272, all from the State General Fund, to reduce the agency's FY 2010 State General Fund amount by 10.0 percent below the Governor's FY 2009 recommendation.                                       | (45,272)          | 0                  | (45,272)           | 0.0        |
| 2. Transfer \$2,425,721 from the State General Fund to the State Water Plan Fund in FY 2010 to restore all but 10.0 percent of the portion of the State General Fund transfer which funds the agency's programs. | 0                 | 0                  | 0                  | 0.0        |
| 3. Add \$587,865, all from the State Water Plan Fund, for the Water Resources Cost-Share program in FY 2010.   | 0                 | 587,865            | 587,865            | 0.0        |
| 4. Add \$625,277, all from the State Water Plan Fund, for the Non-Point Source Pollution Assistance program in FY 2010.  | 0                 | 625,277            | 625,277            | 0.0        |
| 5. Add \$189,900, all from the State Water Plan Fund, for the Watershed Dam Construction program in FY 2010.   | 0                 | 189,900            | 189,900            | 0.0        |
| 6. Add \$179,723, all from the State Water Plan Fund, for the Lake Restoration and Management program in FY 2010.  | 0                 | 179,723            | 179,723            | 0.0        |
| 7. Add \$743,635, all from the State Water Plan Fund, for the Water Transition Assistance Program (Water TAP) in FY 2010.  | 0                 | 743,635            | 743,635            | 0.0        |
| 8. Add \$45,321, all from the State Water Plan Fund, for the Riparian and Wetland program in FY 2010.  | 0                 | 45,321             | 45,321             | 0.0        |
| 9. Add \$54,000, all from the State Water Plan Fund, for the Water Quality Buffer Initiative program in FY 2010.   | 0                 | 54,000             | 54,000             | 0.0        |
| 10. Add language which authorizes the agency to reappropriate funding from FY 2009 to FY 2010 for the Conservation Reserve Enhancement Program (CREP).   | 0                 | 0                  | 0                  | 0.0        |
| <hr/>  |                   |                    |                    |            |
| <i>Agency Subtotal</i>   | <i>(\$45,272)</i> | <i>\$2,425,721</i> | <i>\$2,380,449</i> | <i>0.0</i> |

Kansas Water Office

- |  |   |         |         |     |
|--|---|---------|---------|-----|
| 1. Transfer \$825,487 from the State General Fund to the State Water Plan Fund in FY 2010 to restore all but 10.0 percent of the portion of the State General Fund transfer that would fund the agency's programs. | 0 | 0       | 0       | 0.0 |
| 2. Add \$142,500, all from the State Water Plan Fund, for the Assessment and Evaluation program in FY 2010.  | 0 | 142,500 | 142,500 | 0.0 |
| 3. Add \$47,500, all from the State Water Plan Fund, for the GIS Database Development program in FY 2010.  | 0 | 47,500  | 47,500  | 0.0 |
| 4. Add \$57,950, all from the State Water Plan Fund, for the MOU - Storage Operations and Maintenance program in FY 2010.  | 0 | 57,950  | 57,950  | 0.0 |
| 5. Add \$118,735, all from the State Water Plan Fund, for the Technical Assistance to Water Users program in FY 2010.  | 0 | 118,735 | 118,735 | 0.0 |

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Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
6. Add \$14,802, all from the State Water Plan Fund, for the Water Resource Education program in FY 2010.	0	14,802	14,802	0.0
7. Add \$15,200, all from the State Water Plan Fund, for the Weather Stations program in FY 2010.	0	15,200	15,200	0.0
8. Add \$41,800, all from the State Water Plan Fund, for the Weather Modification program in FY 2010.	0	41,800	41,800	0.0
9. Add \$57,000, all from the State Water Plan Fund, for the Neosho River Basin Issues program in FY 2010.	0	57,000	57,000	0.0
10. Add \$330,000, all from the State Water Plan Fund, for the Wichita Aquifer Storage and Recovery (ASR) Project in FY 2010.	0	330,000	330,000	0.0
11. Add language to broaden the agency's ability to spend funding from the Reservoir Beneficial Use Fund for studies or other actions necessary to insure reservoir storage sustainability.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$825,487</i>	<i>\$825,487</i>	<i>0.0</i>
<u>Department of Wildlife and Parks</u>				
1. Add \$1.5 million, all from the Department Access Road Fund, to the agency's capital improvements budget for road maintenance.	0	1,500,000	1,500,000	0.0
2. Transfer \$1.5 million from the State Highway Fund to the agency's Department Access Road Fund in FY 2010. This transfer is in addition to the \$1.6 million transfer from the State Highway Fund to the Department Access Road Fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$1,500,000</i>	<i>\$1,500,000</i>	<i>0.0</i>
<u>Kansas Department of Transportation</u>				
1. Delete \$65,479,000, all from special revenue funds, to achieve a 10.0 percent reduction to expenditures. The agency provided a scenario in which substantial maintenance spending would be reduced in FY 2010.	0	(65,479,000)	(65,479,000)	0.0
2. Delete an additional \$19,644,000, all from special revenue funds, to achieve an additional 3.0 percent reduction to expenditures. The agency estimated that a portion of this reduction would come from operating expenditures (\$8.0 million) and another portion would be reduced from substantial maintenance (\$11.6 million) in FY 2010.	0	(19,644,000)	(19,644,000)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$85,123,000)</i>	<i>(\$85,123,000)</i>	<i>0.0</i>
<u>Health Care Stabilization Board Transfer</u>				
1. Limit transfers from the State General Fund to the Health Care Stabilization Fund to \$2,805,000, which is 6.5 percent, or \$195,000, less than the \$3.0 million projected FY 2010 amount.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Insurance Department Transfer</u>				
1. Delay the transfer of \$1.0 million in FY 2010 from the State General Fund to the Workers Compensation Fund to FY 2012 and review the transfer prior to June 30, 2013.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>KPERS Death and Disability Moratorium</u>				
1. Add \$16,656,758, including \$13,499,799 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 S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.	13,499,799	3,156,449	16,656,248	0.0
<i>Agency Subtotal</i>	<i>\$13,499,799</i>	<i>\$3,156,449</i>	<i>\$16,656,248</i>	<i>0.0</i>
<u>Health Plan Moratorium</u>				
1. Add \$65,020,571, including \$31,986,503 from the State General Fund, to restore state contributions to the state employee Health Insurance Premium Reserve Fund for seven payroll periods for all state agencies in FY 2010, which has been accelerated to FY 2009.	31,986,503	33,034,068	65,020,571	0.0
<i>Agency Subtotal</i>	<i>\$31,986,503</i>	<i>\$33,034,068</i>	<i>\$65,020,571</i>	<i>0.0</i>
<u>1.25 Percent Reduction</u>				
1. Delete \$35.0 million, including \$26.9 million from the State General Fund, for the 1.25 percent across the board reduction in FY 2010 excluding debt service, Department of Education and human services caseloads.	(26,857,524)	(8,132,320)	(34,989,844)	0.0

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Agency Subtotal (\$26,857,524) (\$8,132,320) (\$34,989,844) 0.0

**TOTAL: FY 2010 (\$32,354,879) (\$52,197,201) (\$84,552,080) (.5)**

**FY 2011**

Abstracters Board of Examiners

1. Delete \$647, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (647) (647) 0.0

Agency Subtotal \$0 (\$647) (\$647) 0.0

Board of Accountancy

0. Delete \$17,029, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (17,029) (17,029) 0.0

Agency Subtotal \$0 (\$17,029) (\$17,029) 0.0

State Bank Commissioner

1. Delete \$400,996, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (400,996) (400,996) 0.0

Agency Subtotal \$0 (\$400,996) (\$400,996) 0.0

Board of Barbering

1. Delete \$3,181, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (3,181) (3,181) 0.0

Agency Subtotal \$0 (\$3,181) (\$3,181) 0.0

Behavioral Sciences Regulatory Board

1. Delete \$29,426, all from the Behavioral Sciences Regulatory Board Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (29,426) (29,426) 0.0

Agency Subtotal \$0 (\$29,426) (\$29,426) 0.0

Board of Healing Arts

1. Delete the transfer of \$71,732 from the agency's fee fund to the State General Fund for FY 2011. This is the amount of savings created by a 2.0 percent budget reduction in the Governor's recommendation and will now remain in the agency's fee fund. 0 0 0 0.0

2. Delete \$105,333, all from the Healing Arts Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (105,333) (105,333) 0.0

Agency Subtotal \$0 (\$105,333) (\$105,333) 0.0

Board of Cosmetology

1. Delete \$17,412, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (17,412) (17,412) 0.0

Agency Subtotal \$0 (\$17,412) (\$17,412) 0.0

Department of Credit Unions

1. Delete \$54,275, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (54,275) (54,275) 0.0

Agency Subtotal \$0 (\$54,275) (\$54,275) 0.0

Kansas Dental Board

1. Delete \$15,786, all from the Dental Board Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (15,786) (15,786) 0.0

Agency Subtotal \$0 (\$15,786) (\$15,786) 0.0

Board of Mortuary Arts

1. Delete \$17,318, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (17,318) (17,318) 0.0

Agency Subtotal \$0 (\$17,318) (\$17,318) 0.0

Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments

1. Delete \$1,374, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010. 0 (1,374) (1,374) 0.0

Agency Subtotal \$0 (\$1,374) (\$1,374) 0.0

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Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
<u>Board of Nursing</u>				
1. Delete \$4,329, all from the Board of Nursing Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(4,329)	(4,329)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$4,329)</i>	<i>(\$4,329)</i>	<i>0.0</i>
<u>Optometry Board</u>				
1. Delete \$4,959, all from the Optometry Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(4,959)	(4,959)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$4,959)</i>	<i>(\$4,959)</i>	<i>0.0</i>
<u>Board of Pharmacy</u>				
1. Delete \$36,359, all from the Board of Pharmacy Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(36,359)	(36,359)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$36,359)</i>	<i>(\$36,359)</i>	<i>0.0</i>
<u>Real Estate Commission</u>				
1. Delete \$69,679, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(69,679)	(69,679)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$69,679)</i>	<i>(\$69,679)</i>	<i>0.0</i>
<u>Real Estate Appraisal Board</u>				
1. Delete \$27,836, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(27,836)	(27,836)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$27,836)</i>	<i>(\$27,836)</i>	<i>0.0</i>
<u>Securities Commissioner</u>				
1. Delete \$113,780, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(113,780)	(113,780)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$113,780)</i>	<i>(\$113,780)</i>	<i>0.0</i>
<u>Board of Technical Professions</u>				
1. Delete \$35,720, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(35,720)	(35,720)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$35,720)</i>	<i>(\$35,720)</i>	<i>0.0</i>
<u>Board of Veterinary Examiners</u>				
1. Delete \$15,587, all from special revenue funds, to hold the agency budget for FY 2011 at the level recommended by the Committee for FY 2010.	0	(15,587)	(15,587)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$15,587)</i>	<i>(\$15,587)</i>	<i>0.0</i>
<u>Governmental Ethics Commission</u>				
1. Delete \$6,933, all from the State General Fund, for the 1.25 percent across the board reduction in FY 2011.	(6,933)	0	(6,933)	0.0
2. Delete \$40,870, all from the State General Fund, for FY 2011.	(40,870)	0	(40,870)	0.0
3. Add \$47,803, all from special revenue funds, and grant the agency authority to utilize fee funds for operating expenditures in place of reductions made to the agency's State General Fund.	0	47,803	47,803	0.0
<i>Agency Subtotal</i>	<i>(\$47,803)</i>	<i>\$47,803</i>	<i>\$0</i>	<i>0.0</i>
<b>TOTAL: FY 2011</b>	<b>(\$47,803)</b>	<b>(\$923,223)</b>	<b>(\$971,026)</b>	<b>0.0</b>

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# Children's Initiatives Fund

FY 2009 - FY 2010

Senate Committee Adjustments as of March 18th

	House Sub for Sub SB 23 FY 2009	Gov. Rec. FY 2010	Senate Adjustments FY 2010
<b>Department of Health and Environment</b>			
Healthy Start/Home Visitor	\$ 250,000	\$ 250,000	\$ -
Infants and Toddlers Program (Tiny K)	5,700,000	5,700,000	-
Smoking Cessation/Prevention Program Grants	1,000,000	1,000,000	-
PKU/Hemophilia	208,000	-	- b
Newborn Hearing Aid Loaner Program	50,000	50,000	-
SIDS Network Grant	75,000	75,000	-
Newborn Screening	2,204,472 c	2,202,682	17,084 c
Subtotal - KDHE	\$ 9,487,472	\$ 9,277,682	\$ 17,084
<b>Juvenile Justice Authority</b>			
Juvenile Prevention Program Grants	\$ 5,579,530	\$ 5,579,530	\$ -
Juvenile Graduated Sanctions Grants	3,420,470	3,420,470	-
Subtotal - JJA	\$ 9,000,000	\$ 9,000,000	\$ -
<b>Department of Social and Rehabilitation Services</b>			
Children's Cabinet Accountability Fund	\$ 540,831 c	\$ 541,802	\$ 971 c
Children's Mental Health Initiative	3,800,000	3,800,000	-
Family Centered System of Care	5,000,000	5,000,000	-
Therapeutic Preschool	-	-	-
Child Care Services	1,400,000	1,400,000	-
Community Services - Child Welfare	3,136,934	-	-
Smart Start Kansas - Children's Cabinet	8,443,279	8,442,190	-
Family Preservation	3,313,066	3,241,062	-
School Violence Prevention	-	-	-
Attendant Care for Independent Living (ACIL)	-	-	-
Early Childhood Block Grants	11,098,632 c	11,098,462	1,368 c
Pre-K Pilot	-	-	-
Early Head Start	3,452,779	3,452,779	-
Child Care Quality Initiative	500,000	500,000	-
Subtotal - SRS	\$ 40,685,521	\$ 37,476,295	\$ 2,339
<b>Kansas Health Policy Authority</b>			
HealthWave	\$ 2,000,000	\$ - a	\$ -
Medical Assistance	3,000,000	-	-
Immunization Outreach	500,000	-	-
Subtotal - KHPA	\$ 5,500,000	\$ -	\$ -
<b>Department of Education</b>			
Reading and Vision Research	\$ 100,000	\$ -	\$ -
Four Year Old at Risk/General State Aid	100,000	-	-
Parents as Teachers	7,539,500	7,539,500	-
Pre-K Pilot	5,000,000	5,000,000	-
Subtotal - Dept. of Ed.	\$ 12,739,500	\$ 12,539,500	\$ -
<b>University of Kansas Medical Center</b>			
Tele-Kid Health Care Link	\$ 394	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 77,412,887</b>	<b>\$ 68,293,477</b>	<b>\$ 19,423</b>

	House Sub for Sub SB 23 FY 2009	Gov. Rec. FY 2010	Senate Adjustments FY 2010
Beginning Balance	\$ 12,747,981	\$ 601,064	\$ 601,064
Plus: Other Income*	-	-	-
State General Fund Transfer	-	-	-
Children's Initiatives Reserve Fund	-	-	-
Transfer In**	825,952	825,952	825,952
KEY Fund Transfer In	64,458,892	66,885,884	66,885,884
Total Available	\$ 78,032,825	\$ 68,312,900	\$ 68,312,900
Less: Expenditures	77,412,887	68,293,477	68,312,900
Transfer Out to KEY Fund	-	-	-
Transfer Out to Children's Initiatives Reserve Fund**	-	-	-
Transfer Out to State General Fund	18,874	18,874	-
<b>ENDING BALANCE</b>	<b>\$ 601,064</b>	<b>\$ 549</b>	<b>\$ -</b>

\* Other Income includes released encumbrances, recoveries and reimbursements.

\*\* The 2006 Legislature established the Children's Initiatives Reserve Fund (CIRF) and transferred any unencumbered balance in the Children's Initiatives Fund (CIF) on June 30, 2007 to the CIRF. On July 1, 2007, 25 percent of the balance in the CIRF was transferred to the CIF. On July 1, 2008, one-third of the remaining balance of the CIRF is to be transferred to the CIF. On July 1, 2009, 50 percent of the remaining balance of the CIRF is to be transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

Staff Note: The Governor's recommendation for FY 2010 transfers \$9.2 million from the Kansas Endowment for Youth (KEY) Fund to the State General Fund. In addition, the Governor's recommendation transfers \$385,540 from the Kansas Endowment for Youth Fund to the Attorney General. In FY 2008, \$500,000 was transferred from the KEY fund to the Attorney General.

a) Expenditures shifted to the Medical Programs Fee Fund.

b) Expenditures shifted to the State General Fund.

c) Accelerates the moratoriums on employer contributions to the State employee health plan and employer contributions to the KPERs Death and Disability Group Insurance Fund from FY 2010 to FY 2009.

**Senate Ways & Means Cmte**  
Date 3-19-2009  
Attachment 5

**ECONOMIC DEVELOPMENT INITIATIVES FUND  
FY 2009 - 2010**

<u>Agency/Program</u>	<u>House Sub for Sub SB 23 FY 2009</u>	<u>Gov. Rec. FY 2010</u>	<u>Senate Adjustments FY 2010</u>
<b>Department of Commerce</b>			
Operating Grant	\$ 14,980,333	\$ 15,408,558	\$ (1,388,656)
Older Kansans Employment Program	306,597	323,779	(32,149)
Rural Opportunity Program	2,155,660	2,056,395	(199,536)
Eisenhower Foundation Grant	-	-	-
Kansas Sports Hall of Fame Grant	-	-	-
Parsons Ammunition Facility Road Reconstruction Grant a	701,250	-	-
KTEC Grant Programs	-	7,534,430	(7,534,430)
Senior Community Services Employment Program	-	4,234	(293)
Kansas Commission on Disability Concerns	-	229,127	(17,390)
Strong Military Bases Program	-	367,456	(36,746)
Subtotal - Commerce	\$ 18,143,840	\$ 25,923,979	\$ (9,209,199)
<b>Kansas Technology Enterprise Corporation</b>			
Operations	\$ 1,693,771	\$ -	\$ -
University & Strategic Research	4,307,342	-	-
Product Development Financing	1,728,911	-	-
Commercialization	2,584,373	-	-
Mid-America Manuf. Tech. Center (MAMTC)	1,346,400	-	-
Subtotal - KTEC	\$ 11,660,798	\$ -	\$ -
<b>Kansas, Inc.</b>			
Operations	\$ 398,748	\$ -	\$ 358,874
<b>Board of Regents &amp; Universities</b>			
Vocational Education Capital Outlay	\$ 2,398,275	\$ 2,565,000	\$ -
Post-secondary Aid for Vocational Education	-	-	-
Technology Innovation & Internship	232,139	180,500	-
KSU - ESARP	275,293	293,911	5,207
WSU - Aviation Classroom & Training Equipment	2,337,500	2,500,000	-
WSU - Aviation Research	4,631,149	4,948,577	45,760
Subtotal - Regents & Universities	\$ 9,925,323	\$ 10,487,988	\$ 50,967
<b>State Fair</b>			
Ticket Marketing & Premiums	\$ 64,141	\$ -	\$ -
Economic Impact Study	-	-	-
Alternative Energy Systems and Utilities	-	-	-
Largest Classroom	-	-	-
Subtotal - State Fair	\$ 64,141	\$ -	\$ -
<b>Undistributed Pay Plan Allocation*</b>			
	\$ 8,218	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 40,201,068</b>	<b>\$ 36,411,967</b>	<b>\$ (8,850,325)</b>
<b>Transfers to Other Funds</b>			
Kansas Economic Opportunity Initiatives Fund	\$ 1,168,750.00	\$ 3,250,000	\$ -
Small Employer Cafeteria Plan Development Program Fund	-	-	-
KS Qualified Biodiesel Fuel Producer Incentive Fund	374,000	200,000	-
State Water Plan Fund	2,846,126	2,000,000	-
Public Use General Aviation Airport Development Fund	-	1,000,000	-
KPERS Death and Disability Moratorium	(20,742)	46,665	20,742
Health Insurance Moratorium	(194,411)	194,411	194,411
State General Fund	-	3,533,611	-
Subtotal - Transfers	\$ 4,173,723	\$ 10,224,687	\$ 215,153
<b>TOTAL TRANSFERS AND EXPENDITURES</b>	<b>\$ 44,374,791</b>	<b>\$ 46,636,654</b>	<b>\$ (8,635,172)</b>

<u>EDIF Resource Estimate</u>	<u>SB 23 Approved FY 2009</u>	<u>Gov. Rec. FY 2010</u>	<u>Senate Adjustments FY 2010</u>
Beginning Balance	\$ 4,980,302	\$ 3,204,654	\$ 2,429,431
Gaming Revenues	39,673,920 b	42,432,000	42,432,000
Other Income**	2,150,000	1,000,000	\$1,000,000
Total Available	\$ 46,804,222	\$ 46,636,654	\$ 45,861,431
Less: Expenditures and Transfers	\$ 44,374,791	\$ 46,636,654	\$ 38,001,482
<b>ENDING BALANCE</b>	<b>\$ 2,429,431</b>	<b>\$ -</b>	<b>\$ 7,859,949</b>

\* Undistributed pay plan funds allocated by State Finance Council in Senate Sub. For HB 1916

\*\* Other income includes interest, transfers, reimbursements and released encumbrances

a Pursuant to 2008 Senate Sub. for HB 2946 the Dept. of Commerce was reimbursed through the EDIF; this reimbursement is reflected in other income.

b State (Lottery) Gaming Revenue fund was reduced by 6.5 percent along with the Economic Development Initiatives Fund; Juvenile Detention Facilities Fund; Correctional Institutions Building Fund; and Problem Gambling and Addictions Grant Fund.

**Senate Ways & Means Cmte**  
Date 3-19-2009  
Attachment 6



**Economic Development Initiatives Fund (EDIF) Overview**

The statutes governing the EDIF provide that it shall be used to finance programs "... supporting and enhancing the existing economic foundation of the state and fostering growth ... to the state's economic foundation." With the exception of a statutory \$2.0 million transfer from the EDIF to the State Water Plan Fund, the Legislature annually appropriates the EDIF for individual projects and programs deemed to support and enhance the state's economic foundation.

The EDIF is funded through the State Gaming Revenues Fund (SGRF). A portion of state revenue from both the Lottery and parimutuel wagering is transferred to the SGRF. That fund is used essentially as a holding fund from which further transfers are made on a monthly basis. No more than \$50.0 million may be credited to the SGRF in any fiscal year. Amounts in excess of \$50.0 million are credited to the State General Fund.

**The initial transfers from the State Gaming Revenue Fund, which began in 1986, were as follows:**

1. County Reappraisal Fund (until June 30, 1989) - 30.0%
2. Split between Juvenile Detention Facilities Fund and Correctional Institutions Building Fund (Actual amount to be determined by appropriations act) - 10.0%
3. Economic Development Initiatives Fund (to be increased to 90.0% as of July 1, 1989) - 60.0%

**During the 1988 Session, the Legislature delayed the increase in the transfer to the EDIF until July 1, 1990.**

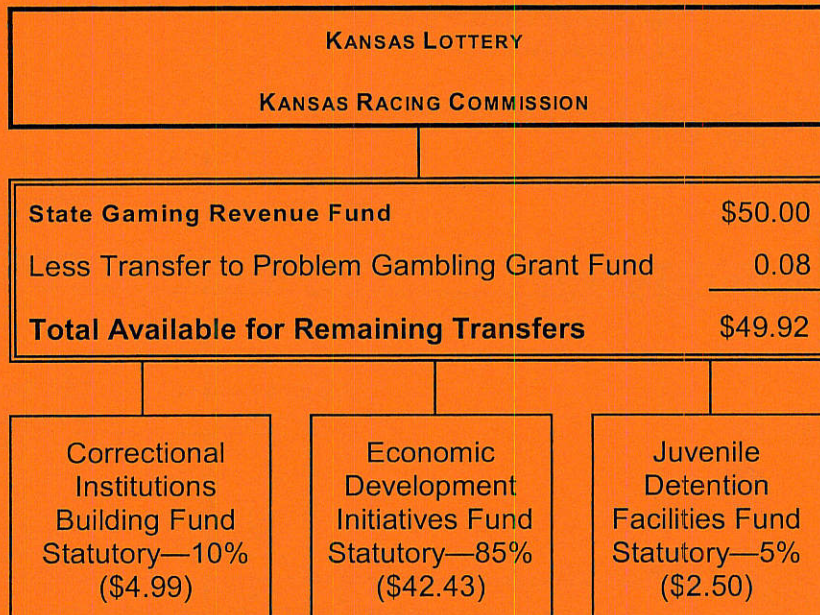
**During the 1994 Session, the Legislature changed the transfers as of July 1, 1995 to the following:**

1. Correctional Institutions Building Fund - 10.0%
2. Juvenile Detention Facilities Fund - 5.0%
3. Economic Development Initiatives Fund - 85.0%

**During the 2000 Session, the Legislature changed the transfers to the following:**

1. Economic Development Initiatives Fund—\$42,432,000;
2. Correctional Institutions Building Fund—\$4,992,000;
3. Juvenile Detention Facilities Fund—\$2,496,000; and
4. Problem Gambling Grant Fund—\$80,000.

**ECONOMIC DEVELOPMENT INITIATIVES FUND  
Revenue Flow  
(In Millions)**



## State Water Plan Fund

Expenditures by Program	FY 2009 H Sub Sub SB 23	FY 2010 Governor Rec.	FY 2010 Senate Adj.
<b>Department of Health and Environment</b>			
Contamination Remediation	\$ 780,177	\$ 567,216	\$ 3,521
TMDLs Initiatives	298,713	210,780	3,275
Local Environmental Protection Program	1,502,848	1,066,942	-
Non-Point Source Program	307,642	291,241	7,788
Watershed Restoration and Protection Strategy	600,613	481,042	-
<i>Total - KDHE</i>	\$ 3,489,993	\$ 2,617,221	\$ 14,584
<b>University of Kansas</b>			
Geological Survey	\$ 32,000	\$ 28,800	\$ -
<b>Department of Agriculture</b>			
Interstate Water Issues	\$ 527,908	\$ 337,379	\$ 5,991
Subbasin Water Resources Management	713,505	737,536	17,785
Water Use	48,000	49,700	-
<i>Total - KDA</i>	\$ 1,289,413	\$ 1,124,615	\$ 23,776
<b>State Conservation Commission</b>			
Water Resources Cost-Share	\$ 3,570,249	\$ 2,351,510	\$ 592,041
Non-Point Source Pollution Assistance	3,134,168	2,501,102	625,277
Aid to Conservation Districts	2,264,831	2,255,919	-
Watershed Dam Construction	938,493	759,600	189,900
Water Quality Buffer Initiative	363,210	216,000	54,000
Riparian and Wetland Program	242,598	181,283	45,321
Multipurpose Small Lakes	1,123,176	-	-
Water Transition Assistance Program	2,221,274	81,011	745,323
Conservation Reserve Enhancement Program	1,229,707	-	-
Lake Restoration/Management	998,466	718,896	179,723
<i>Total - SCC</i>	\$ 16,086,172	\$ 9,065,321	\$ 2,431,585
<b>Kansas Water Office</b>			
Assessment and Evaluation	\$ 720,143	\$ 532,500	\$ 142,500
GIS Database Development	250,000	177,500	47,500
MOU - Storage Operations and Maintenance	301,418	216,550	57,950
Technical Assistance to Water Users	632,918	443,692	118,735
Water Resource Education	97,200	55,314	14,802
Weather Stations	80,000	56,800	15,200
Weather Modification	240,000	156,200	41,800
Neosho River Basin Issues	960,000	213,000	57,000
Wichita ASR Project, Equus Beds Aquifer	1,000,000	300,000	330,000
<i>Total - KWO</i>	\$ 4,281,679	\$ 2,151,556	\$ 825,487
<b>Department of Wildlife and Parks</b>			
Stream Monitoring	\$ 32,000	\$ 28,800	\$ -
<b>Total State Water Plan Fund Expenditures</b>	<b>\$ 25,211,257</b>	<b>\$ 15,016,313</b>	<b>\$ 3,295,432</b>

Senate Ways & Means Cmte

Date 3-19-2009

Attachment 7

# State Water Plan Fund

Revenue Estimate	FY 2009 H Sub Sub SB 23	FY 2010 Governor Rec.	FY 2010 Senate Adj.
<b>Beginning Balance</b>	\$ 2,846,479	\$ -	\$ (153,450)
<b>Adjustments:</b>			
Released Encumbrances	\$ 1,087,010	\$ 421,709	\$ -
Transfer to the KCC	(320,000)	(288,000)	-
Transfer to the Western Water Cons. Proj. Fund	-	-	-
Lapse CREP funding	-	-	-
<b>Subtotal - Adjustments</b>	<b>\$ 767,010</b>	<b>\$ 133,709</b>	<b>\$ -</b>
<b>Receipts:</b>			
State General Fund Transfer	\$ 2,000,000	\$ (16,152)	\$ 3,295,432
EDIF Transfer	2,846,126	2,000,000	-
Water Litigation Suspense Fund Transfer	525,729	-	-
Fee Revenues	16,072,278	12,898,756	-
Pollution Fines and Penalties	-	-	-
<b>Subtotal - Receipts</b>	<b>\$ 21,444,133</b>	<b>\$ 14,882,604</b>	<b>\$ 3,295,432</b>
<b>Total Available</b>	<b>\$ 25,057,622</b>	<b>\$ 15,016,313</b>	<b>\$ 18,158,295</b>
<b>(Less Expenditures)</b>	<b>(25,211,072)</b>	<b>(15,016,313)</b>	<b>(18,311,745)</b>
<b>Ending Balance</b>	<b>\$ (153,450)</b>	<b>\$ -</b>	<b>\$ (153,450)</b>

## History and Purpose

The State Water Plan Fund is a statutory fund (KSA 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (KSA 82a-903). Subject to appropriation acts, the Fund may be used for the establishment and implementation of water related projects or programs and related technical assistance. Funding from the State Water Plan Fund may not be used to replace FTE positions or for recreational projects that do not meet the goals or objectives of the State Water Plan.

Revenue for the State Water Plan Fund is generated by: water protection fees levied on public, industrial, and stock water users; a per ton tax on fertilizer; a registration fee on pesticides; certain fines levied by the Kansas Department of Health and Environment (KDHE); sand royalty receipts; fees paid by public water suppliers; funding from litigation with other states; and annual transfers of \$6.0 million from the State General Fund and \$2.0 million from the Economic Development Initiatives Fund (EDIF).

## Revenue Detail

Revenue for the State Water Plan Fund is generated by the following sources:

Municipal Water Fees	\$ .03 per 1,000 gallons
Industrial Water Fees	\$ .03 per 1,000 gallons
Stockwater Fees	\$ .03 per 1,000 gallons
Pesticide Registration Fees	\$100 per pesticide registered
Fertilizer Registration Fees	\$1.40 per ton inspected
Sand Royalty Receipts	\$.15 per ton
Clean Drinking Water Fee Fund	\$.03 per 1,000 gallons. Beginning in FY 2008, 101/106 of the Clean Drinking Water Fee receipts will be deposited in the State Water Plan Fund. Of the funding received from the Clean Drinking Water Fee, 85.0 percent is to be used to renovate and protect lakes which are used directly as a source of water for public water supply systems. The remaining 15.0 percent is to be used to provide on-site technical assistance for public water supply systems.
Pollution Fines and Penalties	Fines and penalties are levied by the Kansas Department of Health and Environment (KDHE). The amount of revenue provided by pollution fines and penalties depends on the particular incident.
Water Litigation Proceeds Suspense Fund Transfer	The transfer includes funds received from Colorado as the result of litigation between Kansas and Colorado regarding the Arkansas River Compact. Approximately \$1.1 million was received by the Kansas Water Office in FY 2006 and placed in the Water Litigation Proceeds Suspense Fund.
State General Fund Transfer	KSA 82a-953a provides for the annual transfer of \$6,000,000 from the State General Fund to the State Water Plan Fund.
Economic Development Initiatives Fund Transfer	KSA 79-4804(g) provides for the annual transfer of \$2,000,000 from the Economic Development Initiatives Fund (EDIF) to the State Water Plan Fund.

7-2

House Committee Approved; FY 2011 and FY 2012 Limited Revenue Growth; Revenue Estimates Revised for Year-to-Date Collections (\$82.0 million)

**STATUS OF THE STATE GENERAL FUND  
FY 2009-FY 2012  
(In Millions)**

	Approved FY 2009	House Comm. Adjusted FY 2010	Estimated FY 2011	Estimated FY 2012
Beginning Balance	\$ 526.6	\$ 167.5	\$ 148.2	\$ (93.0)
Receipts (November, 2008 Consensus Revenue Estimate)	5,781.2	5,782.4	5,840.2	5,957.0
Revenue Adjustments	130.6	183.2	-	-
Adjustment for February (taxes only) Actual Receipts	(82.0)	(82.0)	(82.0)	(82.0)
House Committee Action to Date - March 17, 2009	-	(75.9)	(30.9)	(30.9)
Federal Economic Stimulus Legislation	(12.0)	(65.5)	(9.0)	(9.0)
Total Available	\$ 6,344.4	\$ 5,909.7	\$ 5,866.6	\$ 5,742.2
Expenditures	6,279.7	6,153.5	6,256.9	6,360.3
House Committee Action to Date - March 17, 2009	-	4.2	-	-
Federal Economic Stimulus Legislation	(102.8)	(396.2)	(297.3)	-
Total Expenditures	6,176.9	5,761.5	5,959.6	6,360.3
Ending Balance	\$ 167.5	\$ 148.2	\$ (93.0)	\$ (618.1)
Ending Balance as a Percentage of Expenditures	2.7%	2.6%	-1.6%	-9.7%
November Estimate of Receipts in Excess of Expenditures	\$ (395.7)	\$ 20.9	\$ (119.4)	\$ (403.3)
Adjusted Receipts in Excess of Expenditures	\$ (359.1)	\$ (19.3)	\$ (241.3)	\$ (525.2)

**Assumptions:**

1. House Substitute for Substitute for SB 23.
2. Governor's vetoes and allotments.
3. February (taxes only) actual receipts - down \$82.0 million.
4. FY 2010 Consensus Revenue estimates.
5. FY 2010 Governor's revenues and expenditures as approved by the House Committee, but no tax increases.
6. Expenditures in FY 2011 and FY 2012 increase for human services caseloads, KPERS, state employee market pay.

6. Expenditures in FY 2011 and FY 2012 increase for human services caseloads, KPERS, state employee market pay.
7. Estimated federal economic stimulus impact - revenue (loss of \$95.5 million) and expenditures (savings of \$796.3 million) as reflected in Governor's Budget Amendment No. 1.
8. Revenue estimates increase 1.0 percent in FY 2011 2.0 percent in FY 2012.

Prepared at the Request and Direction of Representative Kevin Yoder  
March 18, 2009

8-2

House Appropriations Approved - FY 2011 and FY 2012 Limited Revenue Growth;  
 FY 2009 Revenue Revised Downward \$160.0 million

**STATUS OF THE STATE GENERAL FUND**  
**FY 2009-FY 2012**  
 (In Millions)

	Approved FY 2009	House Comm. Adjusted FY 2010	Estimated FY 2011	Estimated FY 2012
Beginning Balance	\$ 526.6	\$ 89.5	\$ (7.8)	\$ (327.0)
Receipts (November, 2008 Consensus Revenue Estimate)	5,781.2	5,782.4	5,840.2	5,957.0
Revenue Adjustments	130.6	183.2	-	-
Adjustment for February (taxes only) Actual Receipts	(82.0)	(82.0)	(82.0)	(82.0)
April Consensus Revenue Additional Reduction	(78.0)	(78.0)	(78.0)	(78.0)
House Committee Action to Date - March 17, 2009	-	(75.9)	(30.9)	(30.9)
Federal Economic Stimulus Legislation	(12.0)	(65.5)	(9.0)	(9.0)
Total Available	\$ 6,266.4	\$ 5,753.7	\$ 5,632.6	\$ 5,430.2
Expenditures	6,279.7	6,153.5	6,256.9	6,360.3
House Committee Action to Date - March 17, 2009	-	4.2	-	-
Federal Economic Stimulus Legislation	(102.8)	(396.2)	(297.3)	-
Total Expenditures	6,176.9	5,761.5	5,959.6	6,360.3
Ending Balance	\$ 89.5	\$ (7.8)	\$ (327.0)	\$ (930.1)
Ending Balance as a Percentage of Expenditures	1.4%	-0.1%	-5.5%	-14.6%
November Estimate of Receipts in Excess of Expenditures	\$ (395.7)	\$ 20.9	\$ (119.4)	\$ (403.3)
Adjusted Receipts in Excess of Expenditures	\$ (437.1)	\$ (97.3)	\$ (319.3)	\$ (603.2)

**Assumptions:**

- House Substitute for Substitute for SB 23.
- Governor's vetoes and allotments.
- February (taxes only) actual receipts - down \$82.0 million.
- FY 2010 Consensus Revenue estimates.
- FY 2010 Governor's revenues and expenditures as approved by House Committee, but no tax increases or expanded gaming funds, except Dodge City. Biosciences Authority adjusted.
- Expenditures in FY 2011 and FY 2012 increase for human services caseloads, KPERS, state employee market pay.

- Additional revenue reduction - April Consensus Estimate.- \$78.0 million; for a total of \$160 million.
- Estimated federal economic stimulus impact - revenue (loss of \$95.5 million) and expenditures (savings of \$796.3 million) as reflected in Governor's Budget Amendment No. 1.
- Revenue estimates increase 1.0 percent in FY 2011 2.0 percent in FY 2012.

Prepared at the Request and Direction of Representative Kevin Yoder  
 March 18, 2009

8-3

House Appropriations Approved - FY 2011 and FY 2012 Limited Revenue Growth;  
 FY 2009 Revenue Revised Downward \$160.0 million; FY 2010 Revenue Revised Downward \$100 million

**STATUS OF THE STATE GENERAL FUND**  
**FY 2009-FY 2012**  
**(In Millions)**

	Approved FY 2009	House Comm. Adjusted FY 2010	Estimated FY 2011	Estimated FY 2012
Beginning Balance	\$ 526.6	\$ 89.5	\$ (107.8)	\$ (527.0)
Receipts (November, 2008 Consensus Revenue Estimate)	5,781.2	5,782.4	5,840.2	5,957.0
Revenue Adjustments	130.6	183.2	-	-
Adjustment for February (taxes only) Actual Receipts	(82.0)	(82.0)	(82.0)	(82.0)
April Consensus Revenue Additional Reduction	(78.0)	(178.0)	(178.0)	(178.0)
House Committee Action to Date - March 17, 2009	-	(75.9)	(30.9)	(30.9)
Federal Economic Stimulus Legislation	(12.0)	(65.5)	(9.0)	(9.0)
Total Available	\$ 6,266.4	\$ 5,653.7	\$ 5,432.6	\$ 5,130.2
Expenditures	6,279.7	6,153.5	6,256.9	6,360.3
House Committee Action to Date - March 17, 2009	-	4.2	-	-
Federal Economic Stimulus Legislation	(102.8)	(396.2)	(297.3)	-
Total Expenditures	6,176.9	5,761.5	5,959.6	6,360.3
Ending Balance	\$ 89.5	\$ (107.8)	\$ (527.0)	\$ (1,230.1)
Ending Balance as a Percentage of Expenditures	1.4%	-1.9%	-8.8%	-19.3%
November Estimate of Receipts in Excess of Expenditures	\$ (395.7)	\$ 20.9	\$ (119.4)	\$ (403.3)
Adjusted Receipts in Excess of Expenditures	\$ (437.1)	\$ (197.3)	\$ (419.3)	\$ (703.2)

**Assumptions:**

- House Substitute for Substitute for SB 23.
- Governor's vetoes and allotments.
- February (taxes only) actual receipts - down \$82.0 million.
- FY 2010 Consensus Revenue estimates.
- FY 2010 Governor's revenues and expenditures as approved by House Committee, but no tax increases or expanded gaming funds, except Dodge City. Biosciences Authority adjusted.
- Expenditures in FY 2011 and FY 2012 increase for human services caseloads, KPERs, state employee market pay.

- Additional revenue reduction - April Consensus Estimate.- \$78.0 million; for a total of \$160 million. FY 2010 estimate revised downward \$100 million.
- Estimated federal economic stimulus impact - revenue (loss of \$95.5 million) and expenditures (savings of \$796.3 million) as reflected in Governor's Budget Amendment No. 1.
- Revenue estimates increase 1.0 percent in FY 2011 2.0 percent in FY 2012.

Prepared at the Request and Direction of Representative Kevin Yoder  
 March 18, 2009

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House Appropriations Approved - FY 2011 and FY 2012 Limited Revenue Growth;  
 FY 2009 Revenue Revised Downward \$160.0 million; FY 2010 Revenue Revised Downward \$240 million

**STATUS OF THE STATE GENERAL FUND**  
**FY 2009-FY 2012**  
**(In Millions)**

	Approved FY 2009	House Comm. Adjusted FY 2010	Estimated FY 2011	Estimated FY 2012
Beginning Balance	\$ 526.6	\$ 89.5	\$ (247.8)	\$ (807.0)
Receipts (November, 2008 Consensus Revenue Estimate)	5,781.2	5,782.4	5,840.2	5,957.0
Revenue Adjustments	130.6	183.2	-	-
Adjustment for February (taxes only) Actual Receipts	(82.0)	(82.0)	(82.0)	(82.0)
April Consensus Revenue Additional Reduction	(78.0)	(318.0)	(318.0)	(318.0)
House Committee Action to Date - March 17, 2009	-	(75.9)	(30.9)	(30.9)
Federal Economic Stimulus Legislation	(12.0)	(65.5)	(9.0)	(9.0)
<b>Total Available</b>	<b>\$ 6,266.4</b>	<b>\$ 5,513.7</b>	<b>\$ 5,152.6</b>	<b>\$ 4,710.2</b>
Expenditures	6,279.7	6,153.5	6,256.9	6,360.3
House Committee Action to Date - March 17, 2009	-	4.2	-	-
Federal Economic Stimulus Legislation	(102.8)	(396.2)	(297.3)	-
<b>Total Expenditures</b>	<b>6,176.9</b>	<b>5,761.5</b>	<b>5,959.6</b>	<b>6,360.3</b>
<b>Ending Balance</b>	<b>\$ 89.5</b>	<b>\$ (247.8)</b>	<b>\$ (807.0)</b>	<b>\$ (1,650.1)</b>
Ending Balance as a Percentage of Expenditures	1.4%	-4.3%	-13.5%	-25.9%
November Estimate of Receipts in Excess of Expenditures	\$ (395.7)	\$ 20.9	\$ (119.4)	\$ (403.3)
Adjusted Receipts in Excess of Expenditures	\$ (437.1)	\$ (337.3)	\$ (559.3)	\$ (843.2)

**Assumptions:**

- House Substitute for Substitute for SB 23.
- Governor's vetoes and allotments.
- February (taxes only) actual receipts - down \$82.0 million.
- FY 2010 Consensus Revenue estimates.
- FY 2010 Governor's revenues and expenditures as approved by House Committee, but no tax increases or expanded gaming funds, except Dodge City. Biosciences Authority adjusted.
- Expenditures in FY 2011 and FY 2012 increase for human services caseloads, KPERS, state employee market pay.

- Additional revenue reduction - April Consensus Estimate.- \$78.0 million; for a total of \$160 million. FY 2010 estimate revised downward \$240 million.
- Estimated federal economic stimulus impact - revenue (loss of \$95.5 million) and expenditures (savings of \$796.3 million) as reflected in Governor's Budget Amendment No. 1.
- Revenue estimates increase 1.0 percent in FY 2011 2.0 percent in FY 2012.

Prepared at the Request and Direction of Representative Kevin Yoder  
 March 18, 2009



STATE OF KANSAS  
OFFICE OF THE ATTORNEY GENERAL

STEVE SIX  
ATTORNEY GENERAL

120 SW 10TH AVE., 2ND FLOOR  
TOPEKA, KS 66612-1597  
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March 10, 2009

Paul Feleciano, Jr., Chairperson  
Kansas Parole Board  
900 SW Jackson, 4<sup>th</sup> Floor  
Topeka, Kansas 66612

Dear Mr. Feleciano:

On behalf of the Kansas Parole Board, you ask whether the Board has authority under K.S.A. 22-3701(2) to assess a \$100.00 application fee to an offender submitting an application for clemency or authority under K.S.A. 22-3722 to assess a \$50.00 application fee for early discharge from parole.

Former Attorneys General have responded to similar questions, all reaching the same result. The rationale is the same for those as for your questions:

The department of commerce and housing is an administrative agency of the state of Kansas. As such, it has only the power and authority conferred by the legislature in the agency's authorizing statutes. *Pork Motel Corp. v. Kansas v. Kansas Dep't of Health and Environment*, 234 Kan. 374,387 (1983). Because a Kansas state agency has no general or common law powers, any exercise of authority claimed by the agency must come from within the statutes. *Id.* A state agency or other governmental entity that is the creature of statute is not empowered to charge a fee without express statutory authority to do so. See Attorney General Opinions No. 81-217 (grain inspection department's specific statutory authority to charge fees for inspection services rendered does not empower agency to assess additional charges to pass on federal supervision fees newly assessed to the state); 93-118 (state historical society lacks statutory authority to charge fees for commercial photographs of its collection or sites); 93-115 (drainage district, as a creature of statute, is not empowered by its statutes to charge a fee for services provided to a city, absent contractual consent).<sup>1</sup>

Based on the *Pork Motel* case, the Board does not have authority to assess a \$100.00 application fee to an offender submitting an application for clemency or a \$50.00 application fee to an offender submitting an application for early discharge from parole.

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<sup>1</sup>Attorney General Opinion No. 96-27.

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Attachment 9



Paul Feleciano, Jr.  
Page 2

Additionally, no other statutory authority was identified that would authorize the Kansas Parole Board to assess fees for services rendered, including the specifically questioned application fees.

Sincerely,

OFFICE OF THE ATTORNEY GENERAL  
STEVE SIX



Camille Nohe  
Assistant Attorney General

CN:jm

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March 16, 2009

The Honorable Jay Emler, Chairman  
Senate Ways and Means Committee  
State Capitol Building, Room 537-N  
300 SW 10<sup>th</sup> Avenue  
Topeka, Kansas 66612-1504

Dear Chairman Emler:

I wanted to take this opportunity to express my grave concerns regarding the Senate's current version of KDOT's FY 2010 budget. If the agency is required to eliminate \$85 million dollars worth of cash disbursements in FY 2010, it is estimated that approximately \$133 million of substantial maintenance projects would not be let.

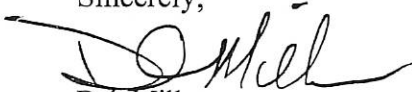
As explained in our budget subcommittee hearing, our construction projects pay out over several years. Simply cutting \$85 million in construction lettings in FY 2010 would not generate an equivalent amount of cash savings in the same fiscal year. As such, the agency would be forced to eliminate \$133 million of construction lettings as well as cut \$8 million in agency operations to achieve this cash goal.

This action will have a long-term and severe impact on the quality of roads and bridges on the State Highway System. Our estimates indicate that the percentage of highway system miles rated in "good" condition would drop from 82.9 percent to 73 percent. In addition to a drastic reduction in the quality of the highway system, this reduction would have long-term fiscal consequences, requiring additional spending of approximately \$29 million annually over a seven year period in order to return the system to current standards.

It should also be noted that elimination of the substantial maintenance program would have an impact on the Kansas economy. On average, more than 90 percent of substantial maintenance projects are awarded to Kansas contractors. For many of these contractors, these KDOT projects constitute over 50 percent of their annual dollar volume of work. These contractors employ Kansans whose paychecks result in significant income and sales tax revenues.

I would urge that consideration be given to reinstating these funds to KDOT's budget. Reducing this program even for one fiscal year would have significant and prolonged implications to the investment Kansans have made in the State Highway System.

Sincerely,



Deb Miller  
Secretary of Transportation

## KANSAS STATE DEPARTMENT OF EDUCATION

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comment Rationale for Rank
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
<u>9. Professional Development</u> - To allow school districts to use local money and receive matching State aid to provide research-based professional development to district staff.	1984	Adults Only	40,000 teachers	KSA 72-9601	<i>Gov. prop</i> \$1,750,000	\$1,750,000	\$0	\$0	\$1,750,000	Between 20% and 40% of the in student achievement is because of teacher expertise, which is the professional development. It is in this category due to the audit guidelines.
<u>10. Teacher Mentoring</u> - To provide an experienced, well-trained teacher to help new teachers entering the profession for their first two years.	2000	Adults Only	1,700 teachers	KSA 72-1412	\$1,650,000 <i>*1.45 Gov</i>	\$1,650,000	\$0	\$0	\$1,650,000	The program helps to recruit and retain teachers. Research indicates that the program increases the retention of new teachers by 8%, leading to higher student achievement.
<u>11. Pre-Kindergarten Pilot</u> - To provide early education services to four-year-olds who are at-risk of academic failure so they can succeed in kindergarten.	2006	Children Only	2,000 students	-	-	\$5,000,000	\$0	\$0	\$5,000,000	The program was established in the Children's Cabinet, but was transferred to KSDE in 2008. Research shows that it is highly effective. In Kansas, children who attended preschool scored higher on academic tests than their peers. It is ranked here due to audit guidelines.
<u>12. National Board Certification</u> - To encourage and reward teachers who are nationally board certified.	2000	Adults Only	256 teachers	KSA 72-1398	\$285,000	\$285,000	\$0	\$0	\$285,000	The program increases teacher effectiveness. Results show that students of nationally-certified teachers have higher achievement. These teachers also are used to provide staff development for other teachers. It is ranked here due to audit guidelines.
<u>13. After School Programs for Middle School Students</u> - To provide grants to middle schools to provide safe, supervised, enriching, and skill-building opportunities for middle school youth.	2007	Children Only	1,350 students	-	\$400,000	\$400,000	\$0	\$0	\$400,000	The program extends instructional time for students. Research shows that an additional 30 minutes of instruction each day results in an additional 14 full days of instruction per year. It is ranked here due to audit guidelines.
<u>14. After School Enhancement Grant</u> - To provide grants to existing after-school programs that provide enhanced learning opportunities to low-income students who are at risk of academic failure.	2006	Children Only	3,609 students	-	\$375,000	\$375,000	\$0	\$0	\$375,000	See comment from "After School Programs for Middle School Students"
<u>15. Kansas Historical Society</u> - To provide funding to enable the Society to continue with the development and dissemination of teaching materials for courses aligned with the current history curricular standards.	2004	Children Only	36,000 students	-	\$50,000	\$50,000	\$0	\$0	\$50,000	Kansas law requires a student to take a course in Kansas history and government at an accredited high school. Outstanding materials have been provided at an economical cost. According to research, it is highly effective. It is ranked here due to audit guidelines.

Senate Ways & Means Cmte  
 Date 3-19-2009  
 Attachment 11

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KANSAS STATE DEPARTMENT OF EDUCATION

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
16. <u>Kansas Teacher of the Year</u> - To identify, recognize, and utilize representatives of excellent teaching in elementary and secondary classrooms.	2004	Adults Only	105 teachers	-	\$10,000	\$10,000	\$0	\$0	\$10,000	Research has shown the program to be highly effective. It is ranked here due to audit guidelines.
17. <u>Kansas Association for Conservation and Environmental Education</u> - To support conservation and environmental education through professional development among Kansas schools.	1996	Adults Only	-	-	\$35,000	\$35,000	\$0	\$0	\$35,000	The funding serves as leverage for additional funding from private donors. The State contribution is a small percentage of the total. This program is growing due to the demand of society for environmental improvements. Research has shown the program to be highly effective. It is ranked here due to audit guidelines.
18. <u>Communities in Schools</u> - To assist local communities as they build public/private partnerships to address children at-risk for academic failure.	1995	Children Only	13,000 students	-	\$35,000	\$35,000	\$0	\$0	\$35,000	The communities participating in this program bring together leaders and programs for the improvement of student achievement and the community environment. Research has shown the program to be highly effective. It is ranked here due to audit guidelines.
19. <u>Educable Deaf/Blind</u> - To provide assistive technology and adaptive equipment for deaf/blind students.	1959	Children Only	77 students	KSA 72-853	\$110,000	\$110,000	\$0	\$0	\$110,000	The funding for deaf/blind students covers the cost of educating high needs students that exceeds all other funds available. Due to the extraordinary needs of children who are both deaf and blind, the majority of these funds are spent on assistive technology and adaptive equipment. These devices allow the students to lead a productive life. It is ranked here due to audit guidelines.
20. <u>Agriculture in the Classroom</u> - To provide staff development for teachers on the significance and importance of agriculture in Kansas.	1983	Adults Only	100 teachers	-	\$35,000	\$35,000	\$0	\$0	\$35,000	The Kansas Foundation for Agriculture in the Classroom provides summer courses at four locations. Funding requires a 40% match of the State funds from other sources. Because Kansas is one of the leading agricultural states, offering programs of this nature is a necessity for the economic success of the state. It is ranked here due to audit guidelines.

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KANSAS STATE DEPARTMENT OF EDUCATION

Program & Description	Year Est.	Target Pop.	Agency Est. of # Served or Size	Statutory Citations Provided by Agency	FY 2009 Estimated Program Expenditures; Revised Estimate as Submitted to the Division of Budget					Agency Comments or Rationale for Ranking:
					SGF	SUBTOTAL ALL STATE FUNDS	FEDERAL FUNDS	OTHER FUNDS	GRAND TOTAL	
21. <u>Vision Study</u> - To identify students with vision problems and correct any problems as soon as possible.	1999	Children Only	470 students	-	-	\$200,000	\$0	\$0	\$200,000	A study showed that over 90% of poor readers may be helped by improving their vision, which subsequently leads to higher academic achievement. The program is listed here due to audit guidelines.
22. <u>Declining Enrollment</u> - To provide equalization funding for school districts with declining enrollment that have received an appeal from the State Board of Tax Appeals.	2005	Children Only	2,800 students	KSA 72-6451	\$50,000	\$50,000	\$0	\$0	\$50,000	The program was adopted by the Legislature in response to the Court's requirements to provide equitable and suitable financing to meet constitutional requirements. It is ranked here because of audit guidelines.
23. <u>Career Pipeline</u> - To provide funding to a nonprofit organization ("Career Pipeline") to engage students in an educational system that is designed to help determine a career and life goals.	2008	Children Only	70,000 students	-	<i>Gov.</i> \$207,620	\$207,620	\$0	\$0	\$207,620	The program links students to educational resources and connects students with workplace resources that are relevant to their career goals. The Department matches the money that is raised by the program, dollar for dollar. It is ranked here due to audit guidelines.
24. <u>Kansas Public Employees Retirement System</u> - To provide the State match for all school districts and community colleges that participate in KPERS.	1971	Adults Only	80,000 employees	KSA 74-4934	\$249,989,121	\$249,989,121	\$0	\$0	\$249,989,121	The responsibility for the payment was assigned to KSDE in 1994. The program is crucial at this time due to the financial status of KPERS. The program is ranked here due to audit guidelines.
Subtotal					\$262,687,902	\$275,427,402	\$0	\$0	\$275,427,402	LPA Note: These "Buy Last" programs represent 8.3% of the total State dollars (this agency reported spending on the programs it included in this document).
Grand total of agency's reported program expenditures					\$3,316,679,881	\$3,329,419,381	\$85,000,000	\$25,000,000	\$3,439,419,381	

*Savings of ~\$5M*

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**From:** Terry Maple <TMaple@khp.ks.gov>  
**To:** <Jay.Emler@senate.ks.gov>, <Kelly.Kultala@senate.ks.gov>, <Ty.Masterson@...>  
**CC:** Robert Ladner <RLadner@khp.ks.gov>, Sheryl Weller <SWeller@khp.ks.gov>  
**Date:** 3/16/2009 4:35 PM  
**Subject:** Kansas Highway Patrol's (KHP's) FY 2010 10% reduction

Mr. Chairman and KHP Budget Sub-committee Members:

The Kansas Highway Patrol's (KHP) Legislative Research analyst informed the agency last week that the FY 2010 10% reduction listing should not have included funding for capital improvements. Any reduction in capital improvements was to be considered separately from operating expenditures. Although capital improvements were deducted for the generic 10% calculation format (assuming this was because some agencies have committed projects for which funding must continue), we were unaware that budgeted capital improvement expenditures could not be offered to meet the 10% reductions.

The KHP has \$579,917 budgeted in FY 2010 for the replacement of two roofs and the boiler at the Training Academy. However, I would prefer to offer this funding to meet the 10% reduction, rather than the agency being required to choose other options that directly impact the agency's public safety mission and our employees. There are existing capital improvement funds that could pay for any stop-gap repairs, until such time as funding may be available for the necessary replacements.

The Senate budget sub-committee on capital improvements reviewed the KHP last week. A 10% reduction was calculated, but resulted in no reduction, due to a major project in FY 2009 only. The KHP submitted to the sub-committee the proposal to allow the Training Academy capital improvement expenditures to be considered for the overall FY 2010 10% reduction. However, there was no review or discussion of this proposal by the sub-committee during the hearing.

Before the FY 2010 10% reduction listing is revised to exclude the Training Academy capital improvements funding originally submitted, I ask for the budget sub-committee's consideration of this issue. Your consideration and support of this request will be greatly appreciated.

Sincerely,

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Senate Ways & Means Cmte

Date 3-19-2009

Attachment 12

**KANSAS DEPARTMENT OF CORRECTIONS  
PROPOSED REDUCTIONS FROM BASE BUDGET - FISCAL YEAR 2010\***

Priority Number	Item	Proposed Adjustment to Base Budget	Total Adjustment from Base Budget	Percent Change from Base Budget	
--	Base increases deemed essential by the agency	2,636,560	2,636,560	0.95%	
--	State General Fund transfer to the eight correctional facilities	2,852,693	5,489,253	1.98%	
1	Food service and health care contract savings - reduced inmate population	(553,407)	4,935,846	1.78%	
2	Restructure debt service payments	(835,000)	4,100,846	1.48%	
3	Partially suspend payments for fringe benefit employer contributions	(5,723,552)	(1,622,706)	-0.58%	
4	Delete unallocated amount for offender programs	(904,000)	(2,526,706)	-0.91%	
5	Suspend operations of the Osawatomie Correctional Facility	(902,699)	(3,429,405)	-1.24%	
6	Suspend operations of the Toronto Correctional Facility	(907,393)	(4,336,798)	-1.56%	
7	Suspend operations of the Stockton Correctional Facility	(1,647,927)	(5,984,725)	-2.16%	
8	Eliminate funding for 4th time DUI offenders (offset by increasing DOC share of district court fines and forfeitures)	(538,000)	(6,522,725)	-2.35%	
9	Replace financing for offender programs with additional commissions from inmate telephone contract	(750,000)	(7,272,725)	-2.62%	
10	Assess shrinkage rate of 5 percent against reentry program positions	(166,000)	(7,438,725)	-2.68%	
11	Increase central office shrinkage rate to 5 percent	(305,000)	(7,743,725)	-2.79%	
12	Close Correctional Conservation Camps	(3,371,324)	(11,115,049)	-4.01%	
13	Close day reporting centers and retain partial funding to continue essential services	(869,520)	(11,984,569)	-4.32%	
14	Replace financing of the health care contract with transfer from the Correctional Industries Fund	(1,202,904)	(13,187,473)	-4.75%	
15	Reduce funding for community corrections grants, excluding adult residential centers, by 3 percent	(525,000)	(13,712,473)	-4.94%	
16	Delete funding for residential centers in Johnson and Sedgwick counties	(2,068,020)	(15,780,493)	-5.69%	
17	Health care contract savings from intentionally holding positions vacant and delaying equipment purchases	(600,000)	(16,380,493)	-5.90%	
18	Delete funding for replacement of major computer systems (OMIS/TOADS)	(450,000)	(16,830,493)	-6.06%	
19	Reduce funding for offender programs	(3,284,075)	(20,114,568)	-7.25%	Governor's Recommended System- Wide Reduction
20	1 percent reduction in facilities operations	(1,461,252)	(21,575,820)	-7.77%	
21	Reduce funding for offender programs	(2,072,925)	(23,648,745)	-8.52%	
22	Eliminate 13 special enforcement officer positions (parole services)	(618,000)	(24,266,745)	-8.74%	
23	Eliminate 10 parole officer positions	(425,000)	(24,691,745)	-8.90%	
24	Suspend operations of the North Unit of the El Dorado Correctional Facility	(1,187,169)	(25,878,914)	-9.33%	
25	Terminate Wyandotte County Reentry Program	(630,000)	(26,508,914)	-9.55%	
26	Reduce funding for reentry programs	(260,000)	(26,768,914)	-9.65%	
27	Reduce funding for offender programs	(696,887)	(27,465,801)	-9.90%	
28	Eliminate 3 positions from the crime victims assistance program	(150,000)	(27,615,801)	-9.95%	
29	Reduce community corrections grants by an additional 7 percent	(1,225,000)	(28,840,801)	-10.39%	
30	Reduce funding for parole services (would result in the elimination of as many as 23 parole officer positions)	(993,810)	(29,834,611)	-10.75%	
31	Reduce funding for offender programs	(279,957)	(30,114,568)	-10.81%	

\*) Compiled by the Kansas Legislative Research Department from Kansas Department of Corrections Data

**Senate Ways & Means Cmte**  
Date 3-19-2009  
Attachment 13