

Approved: 5-3-10
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:12 a.m. on February 16, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Owen Donohoe- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
J.G. Scott, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Performance Audit Report - Judicial Districts
- Attachment 2 Budget Committee Report on Veterans Administration
- Attachment 3 Budget Committee Report on Kansas Department of Health and Environment - Health
- Attachment 4 Response to Questions, Jim Garner, Secretary of Labor

Chairman Yoder opened the committee meeting by reminding committee members that today's meeting will be a continuation on the hearing and possible action on **SCR 1614**. He reviewed Representative Mast's amendment and the balloon that was previously distributed.

SCR 1614 - Constitutional amendments; creating a budget stabilization fund in the state treasury; annual .25% transfer of general state revenues; transfers only under certain circumstances.

Representative Mast made a motion to close on the amendment. Motion carried.

Discussion followed by committee members. Nobuko Folmsbee, Assistant Revisor, Office of the Revisor of Statutes, responded to questions regarding the trailer bill, and she stated that this bill would be introduced after **SCR 1614** has been passed. At that time, a statute would need to be defined for transferring funds. Chairman Yoder noted that the constitutional amendment would require further legislation to clarify the definition as designated by law. Discussion was held regarding the inclusion of State General Funds (SGF) in the bill. Ms. Folmsbee stated that if SGF was included in this bill and adopted by ballot it could not be changed in the statute in the future. The need to provide a constitutional amendment as opposed to statute was discussed. Ms. Folmsbee stated that staff would provide data reflecting aggregate total revenue as opposed to revenue in SGF reflecting the 3% increase over actual revenues or .25% of revenue collected the preceding 12 months, as requested. A 3% growth in all funds would be a constitutional requirement by law, and the .25 % be transferred from a fund designated by law. Further bill clarification and discussion continued by committee members.

Jim Wilson, First Assistant Revisor, Office of the Revisor of Statutes, responded to questions from committee members. He stated that university and college fees would remain in special revenue funds and held until such time the constitution would allow these funds to be used. These funds are not automatically transferred from the SGF, except as designated by law. If funds are accounted for as revenue in the treasury, these funds would be required to be counted, except for federal dollars, he noted.

Representative Merrick made a motion to approve **SCR 1614** as amended. Motion carried.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:12 a.m. on February 16, 2010, in Room 346-S of the Capitol.

Joe Lawhon, Legislative Post Audit, presented an overview of the Judicial District Performance Audit Report, (Attachment 1). The report reflects findings and recommendations in order to determine if boundaries could be redrawn to increase efficiencies and reduce costs. Non-traffic case filings, staffing levels, and caseload ratios for the 31 judicial districts were reviewed. There is a disparity of caseloads among judges across judicial districts due to state law, K.S.A. 2301(b), which requires one judge per county, he noted. It was estimated that between \$6 - 8 million could be saved each year based on the assumptions and estimates within the report. Mr. Lawhon discussed two scenarios for consolidating judicial caseloads. Other potential areas for reducing costs and increasing efficiencies included: increased use of technology; a centralized district court data system; and eliminating the one judge per county law without redrawing existing judicial boundaries. The audit report concluded with the following recommendations: the appointment of a judicial advisory committee to study the issues contained in the audit; funding for the Office of Judicial Administration to contract for a workload study; and streamline district court operations to reduce operating costs and increase efficiencies.

Mr. Lawhon responded to questions from committee members. He discussed proposed travel assignments for judges in court systems based on caseloads. Technology and additional cost saving measures were reviewed.

Representative Mast, Chair, Social Services Budget Committee, presented the FY 2011 Kansas Commission on Veterans' Affairs Budget Committee Report, (Attachment 2). The Budget Committee concurs with the Governor's recommendation with the following recommendations and notations: add \$648,584 from SGF to the Kansas Commission on Veterans Affairs; and the Budget Committee requests reports from the Kansas Department on Aging and Kansas Department of Health and Environment to the Social Services Budget Committee prior to Omnibus on the status of the certification process.

Representative Mast made a motion to approve the FY 2011 Kansas Commission on Veterans' Affairs Budget Committee Report. The motion was seconded by Representative Henry.

Representative Mast discussed the Governor's allotment and expressed concern for budget cuts in Medicare and Medicaid funding where funds are uncertain.

Representative Mast renewed the motion. Motion carried.

Representative Mast, Chair, Social Services Budget Committee, presented the FY 2011 Kansas Department of Health and Environment - Health Budget Committee Report, (Attachment 3). The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations: delete \$102,478 from SGF for the Youth Mentoring Program; add \$15,000 from the SGF for Women's Right to Know Program; add \$87,478 from SGF for the Infant and Toddler Program; add a proviso prohibiting the Secretary of Health and Environment from adopting rules and regulations for lead poisoning prevention act; review at Omnibus availability of matching funds for bioterrorism funding; review at Omnibus funding for Senator Stan Clark Pregnancy Maintenance Initiative; review at Omnibus the reduced funding for immunizations by \$55,346 from the SGF; commended the agency on the prompt and efficient actions regarding the H1N1 influenza response; expenditures need for the Health Function and the positive impact on service providers; support of funding for primary health care clinics; Support of the Women, Infants and Children program; and commended the work of Utilization of Unused Medications Act.

Representative Mast made a motion to approve the FY 2011 Kansas Department of Health and Environment - Health Budget Committee Report. The motion was seconded by Representative Rhoades.

Representative Henry made a motion to review items one and two at Omnibus. The motion was seconded by Representative Mast. Motion carried.

Discussion followed by committee members regarding a policy in the budget report. Representative Mast explained the proviso included in the Budget Report.

Representative Gatewood made a motion to remove the proviso and include the mention of HB 2695 contained

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:12 a.m. on February 16, 2010, in Room 346-S of the Capitol.

in item four. The motion was seconded by Representative Carlin.

Representative Faber made a substitute motion opposing the removal of language in item four, and for the funding to be reviewed at Omnibus. The motion was seconded by Representative Mast.

Discussion by committee members followed regarding the addition of provisos in a Budget Report.

Representative Faber moved the motion. Motion carried.

Representative Mast responded to questions from committee members. She discussed the recommendation to review the Senator Stan Clark Pregnancy Maintenance Initiative at Omnibus. It was noted that the funding for this program was \$199,113 and the impact this funding may have on other programs.

Representative DeGraaf made a motion to fund the Senator Stan Clark Pregnancy Maintenance Initiative from shrinkage or the agency's budget. The motion was seconded by Representative Faber.

Discussion followed by committee members regarding the need to keep this money in the budget with review at Omnibus, the rationale for removing funds from mentoring programs, and matching dollars from charities.

Representative DeGraaf renewed the motion. Motion carried.

Discussion followed by committee members. The work of the Social Services Budget Committee was commended.

Representative Mast made a motion to approve the FY 2011 Kansas Department of Health and Environment-Health Budget Committee Report as amended. Representative Rhoades seconded the motion. Motion carried.

Chairman Yoder noted that committee members have received a copy of the response to their questions from the February 2, 2010 meeting from Jim Garner, Secretary, Kansas Department of Labor, (Attachment 4).

The next meeting is scheduled for February 17, 2010.

The meeting was adjourned at 11:02 a.m.

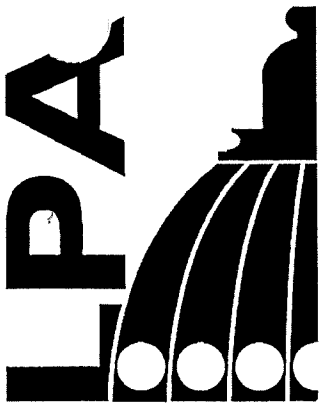


Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-16-10

NAME	REPRESENTING
Jackson Lindsey	HeinLaw
Gene Meyer	KANSAS REPORTER
Wayne Bollic	KCUA
John Mitchell	KDHE
Conie Hunsicker	KCAW
Hannah Sanders	KHPA
Vicki Lynn Kessler	Budget
Ashley Datta	Pinegar, Smith & Assoc.
Erk Wisser	KDA
Doug Bowman	CCFCOS
Kim Fowler	Judicia Brand
Jenny Sloan	
Nelson Kraeger	PAR Electric
R.J. Wilson	KOE
Pat Teasdale	CPRF
Kent Eckles	KS Chamber of Commerce



Legislative Post Audit Performance Audit Report Highlights

Highlights

Judicial Districts in Kansas:
Determining Whether Boundaries Could Be Redrawn To Increase
Efficiency and Reduce Costs

Report Highlights

January 2010 • 10PA04

Audit Concern

In 1977, Kansas implemented a unified court system. Under that system the State generally provides funding for salary costs of district court employees, and counties provide funding for other costs the courts incur. A 1997 audit found that statutory constraints prevented the Supreme Court from permanently reallocating existing judgeships to equalize workloads, and because of that, the wide variance in judicial caseloads had changed little since court unification. Kansas has 31 judicial districts, Minnesota only has 10, and Iowa and Utah only have eight districts each. Based on this information, legislators have questioned whether the boundaries of judicial districts in the State should be redrawn to potentially reduce costs and even out caseload discrepancies.

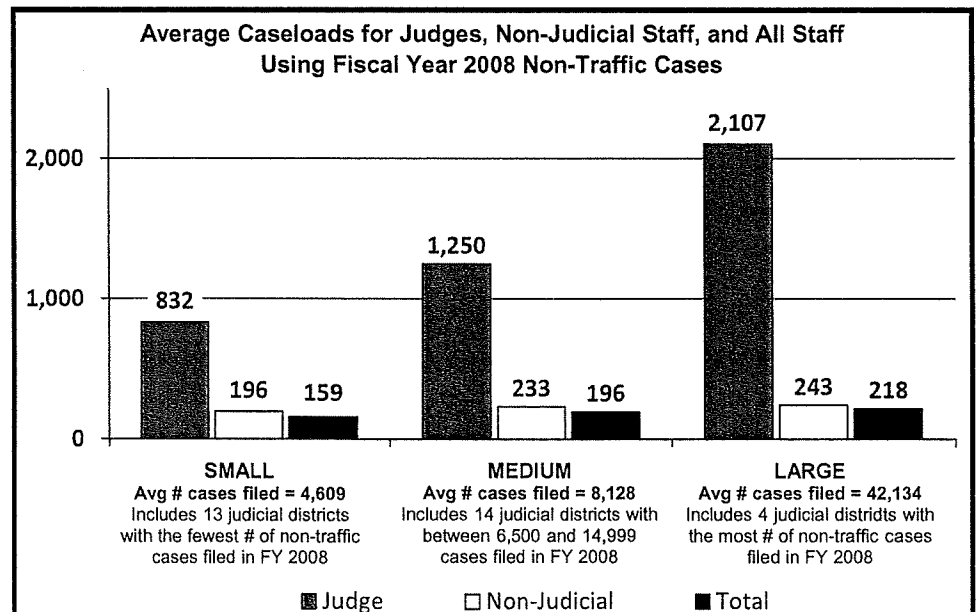
**Estimated Potential
Cost Savings as a
Result of This Audit:**

**\$ 6 to 8 million per year
(depending on the
assumptions used)**

AUDIT QUESTION 1: How have caseloads changed since court unification?

AUDIT ANSWER and KEY FINDINGS:

- Since unification, the distribution of non-traffic cases per judge has remained very uneven across judicial districts. Our 1979 audit showed average non-traffic caseloads per judge in fiscal year 1978 ranged from 360 to 1,688. In 2008, the average non-traffic caseload per judge ranged from 356 to 2,392.
- On average, non-traffic caseloads are greater in districts that have a lot of cases. To show differences in caseloads, we categorized the 31 judicial districts into three groups—small, medium and large—based on the number of non-traffic cases filed. The graph below shows that, as the number of non-traffic cases filed increased, so too did the average number of non-traffic cases per judge.



Source: Office of Judicial Administration caseload data, fiscal year 2008 SHaRP data, and county reported staffing.

Appropriations Committee

Date 2-16-10

Attachment 1-1

- The disparity in non-traffic cases per judge is caused primarily by the law requiring one judge per county. This law was passed in 1983. Since 1986, 10 bills in seven different legislative sessions have proposed amendments

peal or modify the one-judge-per-county law and related parts of State law. None have passed. As a result, a county with only 98 non-traffic cases filed in 2008 must have at least one judge, as does a county with 1,100 non-traffic cases or a county with 57,000 non-traffic cases.

- We also found that while large judicial districts had the greatest proportion of cases Statewide, those districts didn't have the largest proportion of judges.

AUDIT QUESTION 2: *What savings could be achieved by redrawing judicial districts in Kansas to better align resources with caseloads?*

AUDIT ANSWER and KEY FINDINGS:

- The analyses we performed involved statistical methods and numerous assumptions. The savings that could be achieved vary based on these assumptions. Our analyses assumed courts would generally provide the same level of services currently being provided and that cost savings could be achieved by eliminating the one-judge-per-county law, changing the mix of judicial staff, economies of scale, and several other factors. Further, our illustrative staffing plans reduce the disparity between caseload ratios for both judicial and non-judicial staff.
- Under one scenario, operating with 13 judicial districts could have reduced combined total costs for both State and local government by **about \$6.2 million** in fiscal year 2008.
 - ▶ In this scenario, district courts could have been staffed with 19 fewer judicial positions and 70 fewer non-judicial FTE staff.
 - ▶ In this scenario, we tightened the range of caseloads to a low of 1,162 and a high of 1,900 non-traffic cases per judge for the 13 new districts.
- Under another scenario, operating with seven judicial districts could have reduced combined total costs for both State and local government by **about \$8.1 million** in fiscal year 2008.
 - ▶ In this scenario, district courts could have been staffed with 19 fewer judicial positions and 123 fewer non-judicial FTE staff.
 - ▶ In this scenario, we tightened the range of caseloads to a low of 1,133 and a high of 1,696 non-traffic cases per judge for the seven new districts.
- Additional cost savings may be attainable with increased use of technology, such as centralizing data systems and use of video conferencing. Further, despite the existence of electronic records, some district courts continue to create paper records they must then store, file, maintain, and eventually dispose of.
- Even without redrawing existing judicial district boundaries, the State could save money by eliminating the one-judge-per-county law. In fiscal year 2008, if the four judicial districts with the smallest average non-traffic caseload per judge in the State had operated with judicial caseloads of about 930 (an average caseload that was lower than those of most judges in the State), the State could have saved about \$1.4 million in salary and benefit costs for 17 magistrate judge positions that wouldn't be needed.

Other Relevant Facts for Question 1

In fiscal year 2008, the State's district courts spent an estimated \$114 million. About \$102 million of those expenditures were for personnel, and about \$10.1 million of the total expenditures were paid by the State.

District courts employed about 1,830 full-time-equivalent staff, of which almost 260 were judges. The State paid for more than 1,790 FTE staff and 16 counties paid for almost 40 additional FTE staff.

District courts processed more than 342,000 non-traffic cases—such as criminal, civil, probate, and domestic—in fiscal year 2008.

In addition to district courts, Kansas has 385 municipal courts and 256 municipal court judges. 37 district court magistrate judges also serve as municipal court judges.

Other Relevant Facts for Question 2

As with Court unification, many factors would have to be resolved before Kansas could operate with fewer judicial districts. Some examples include how to provide adequate access to the courts in rural counties that don't have large enough caseloads to justify having a full-time judge, how judges might be selected and retained, and the like. Decisions on how to change district boundaries and district court operations would require considerable study. Before making major changes to the basic structure of the legal system, the Legislature and Judiciary would need to receive input from a broad range of individuals.

Minnesota and Iowa are two states comparable to Kansas. They operate their district court systems with far fewer districts than Kansas has. Neither state has a separate municipal court system like Kansas has, and both states fund all district

We Recommended

- The Legislature request the Chief Justice of the Supreme Court to appoint a judicial advisory committee to study issues cited in our audit related to one judge per county, judicial redistricting, equalizing caseloads, and the like. Also, the Legislature should consider providing funding to allow the Office of Judicial Administration to contract for a workload study.
- The Office of Judicial Administration should work with the Supreme Court to initiate a review of the Supreme Court's records retention and maintenance rules and how district courts interpret and apply those rules, establish a working group to study the benefits of a centralized district court data system, and assess potential benefits of increasing the use of videoconferencing equipment as a means of conducting court hearings.

Agency Response: In general, Office of Judicial Administration officials expressed several concerns pertaining to the assumptions and decisions we made in conducting our analyses. However, officials also agree with the report's recommendations for legislative action and the recommendations for executive action.

court operating costs except for salaries and buildings. Minnesota does not have a one-judge-per-county law, but Iowa does.

A workload study would help the State better define the staffing needs of judicial districts. Several states have contracted with the National Center for State Courts for such a study, and have used the results to help determine district staffing levels.

**DO YOU HAVE AN IDEA FOR
IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?**

If you have an idea to share with us, send it to ideas@lpa.ks.gov, or write to us at the address shown. We will pass along the best ones to the Legislative Post Audit Committee.

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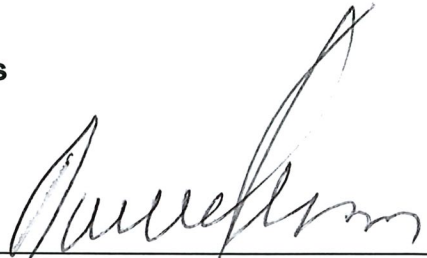
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FY 2011

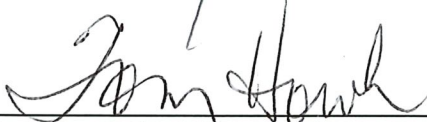
SOCIAL SERVICES BUDGET COMMITTEE

Veterans' Affairs


Representative Peggy Mast, Chair


Representative David Crum


Representative Marc Rhoades, Vice-Chair


Representative Tom Hawk


Representative Jerry Henry,
Ranking Minority Member


Representative Mike Kiegerl


Representative Barbara Ballard


Representative Forrest Knox

House Budget Committee Report

Agency: Kansas Commission on Veterans' Affairs

Bill No.

Bill Sec.

Analyst: Dear

Analysis Pg. No.

Budget Page No. 39

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,299,113	\$ 7,556,323	\$ 648,584
Other Funds	11,849,935	11,849,935	0
Subtotal	<u>\$ 22,149,048</u>	<u>\$ 19,406,258</u>	<u>\$ 648,584</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,999,322	1,035,414	0
Subtotal	<u>\$ 1,999,322</u>	<u>\$ 1,035,414</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 24,148,370</u></u>	<u><u>\$ 20,441,672</u></u>	<u><u>\$ 648,584</u></u>
FTE positions	513.0	498.0	0.0
Non FTE Uncl. Perm. Pos.	8.0	8.0	0.0
TOTAL	<u><u>521.0</u></u>	<u><u>506.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures of \$22,149,048 an increase of \$1,651,751, or 8.1 percent, above the FY 2010 agency estimate. The request includes \$10,299,113 from the State General Fund, an increase of \$1,152,974, or 12.6 percent, above the FY 2010 estimate. The majority of the increase is attributed to enhancements totaling \$1,309,296. **Without the enhancements**, the request totals \$20,839,752, an increase of \$342,455, or 1.7 percent, above the agency's FY 2010 agency estimate.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$19,406,258, a decrease of \$149,807, or 0.8 percent, below the Governor's FY 2010 recommendation. The Governor recommended FY 2011 State General Fund expenditures of \$7,556,323, a decrease of \$648,584, or 7.9 percent, below the Governors FY 2010 recommendation.

The Governor's FY 2011 recommendation is a decrease of \$2,742,790, or 26.6 percent, below the FY 2010 agency request. The decrease is attributable to a recommendation against the enhancement packages totaling \$1,309,296 and partial implementation of the agency reduced resources package for a savings of \$327,494. The governor further recommends that the agency shift \$1,106,000 in State General fund expenditures at the Kansas Soldiers' Home and the Kansas Veterans' Home to Medicare and Medicaid and reduce the State General fund appropriation by the same amount.

House Budget Committee Recommendation

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

1. Add \$648,584, all from the State General Fund, to the Kansas Commission on Veterans Affairs in order to maintain the FY 2011 State General Fund appropriation at the same level as FY 2010. The Committee further states that the addition of funds is due the decision by the Governor to reduce the agency State General Fund appropriation by the amount of the Medicare and Medicaid funds which the agency and the Governor projects as being available. The Committee notes that the availability and amount of those funds is substantially uncertain.
2. The Committee recommends that the Kansas Department on Aging and the Kansas Department of Health and Environment report to the Social Services Budget Committee prior to Omnibus regarding the status of the certification process for the Kansas Veterans' Home and the Kansas Soldiers Home so that the facilities can begin to draw Medicare and Medicaid funding.

FY 2011

SOCIAL SERVICES BUDGET COMMITTEE

Kansas Department of Health and Environment - Health




Representative Peggy Mast, Chair




Representative David Crum



Representative Marc Rhoades, Vice-Chair



Representative Tom Hawk



Representative Jerry Henry,
Ranking Minority Member



Representative Mike Kiegerl



Representative Barbara Ballard



Representative Forrest Knox

House Budget Committee Report

Agency: Kansas Department of Health and Environment - Health

Bill No. - -

Bill Sec. - -

Analyst: Robinson

Analysis Pg. No. - -

Budget Page No. 227

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,637,395	\$ 23,296,403	\$ 0
Other Funds	144,097,427	143,401,648	0
Subtotal	<u>\$ 179,734,822</u>	<u>\$ 166,698,051</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 179,734,822</u></u>	<u><u>\$ 166,698,051</u></u>	<u><u>\$ 0</u></u>
FTE positions	384.4	364.4	0.0
Non FTE Uncl. Perm. Pos.	181.4	181.4	0.0
TOTAL	<u><u>565.8</u></u>	<u><u>545.8</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests expenditures of \$179.7 million for the Health Function, which is an increase of \$12.2 million, or 7.3 percent, above the revised FY 2010 estimate. The request includes enhancements for the Health Function totaling \$12.8 million, including \$12.0 million from the State General Fund. Absent enhancements, the request totals \$167.1 million, which is a decrease of \$460,086 below the revised FY 2010 estimate. State General Fund expenditures of \$35.6 million are requested, which is an increase of \$12.1 million, or 51.4 percent, above the FY 2010 revised request. Absent enhancements the request totals \$23.7 million, which is an increase of \$124,549, or 0.5 percent above the revised FY 2010 estimate. The request also includes \$7.4 million from the Children's Initiatives Fund, \$118.7 million from federal funds, and \$18.0 million from all other funding sources.

Governor's Recommendation

The **Governor** recommends expenditures of \$166.7 million for the Health Function, which is a decrease of \$1.0 million, or 0.6 percent, below the revised FY 2010 recommendation. The recommendation is a reduction of \$13.0 million, or 7.3 percent, below the agency's request. The recommendation includes State General Fund expenditures of \$23.3 million, which is an increase of \$83,582, or 0.4 percent, above the FY 2010 revised recommendation. The State General Fund recommendation is a reduction of \$12.3 million, or 34.6 percent, below the agency's request, mainly because the Governor does not recommend any of the agency's

requested enhancements. The recommendation also includes \$7.4 million from the Children's Initiatives Fund, \$118.1 million from federal funds, and \$17.9 million from all other funding sources.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Delete \$102,478, all from the State General Fund, in FY 2011 from the Youth Mentoring program. The Budget Committee recommends that this funding be used to address the issues discussed in items 2 and 3 of this report. This recommendation is not a reflection on the merits of the Youth Mentoring program, but simply a reflection of the priorities of a majority of the Budget Committee.
2. Add \$15,000, all from the State General Fund in FY 2011, for the Women's Right to Know program. The program, among other things, requires KDHE to provide informational materials to pregnant women, including information about the gestational development of a fetus from two weeks to full term, a list of providers of adoption services, and information on abortion procedures. The Governor's recommendation reduced funding for the program by \$15,000. This reduction would eliminate funding used to produce and distribute printed materials or DVDs for the program. While web-based materials would still be available, this would require pregnant women to access these resources through the website as physical copies would not be available at doctors' offices. The Budget Committee believes it is important to continue to provide this information for distribution at the first point of contact and recommends restoration of this funding.
3. Add \$87,478, all from the State General Fund, for the Infant and Toddler program. The Governor's budget recommendation eliminates all State General Fund financing for the program in FY 2011. The Department testified that failure to meet the FY 2009 maintenance of effort (MOE) level of \$5,878,083 will make the state ineligible to apply for continued federal funding of over \$3.8 million. The Governor's recommendation includes \$5.7 million from the Children's Initiatives Fund in FY 2011, leaving the maintenance of effort amount short by \$178,083. The federal requirements authorize in-kind match activities to count toward the MOE, and the Department has been working diligently with its local partners, attempting to establish in-kind and other activities, which would qualify, but to date has identified only about \$50,000 in potential MOE amounts. That amount, combined with the funding recommended here, would provide \$137,478 toward the MOE. The Budget Committee intends to reconsider this issue during Omnibus, and directs the Department to continue in its efforts to find additional ways, working with local partners, to fully fund this effort, and report back to the Budget Committee during Omnibus. The Budget Committee will also consider additional funding adjustments to fully fund the required MOE at that time.
4. Add a proviso which prohibits the Secretary of Health and Environment from adopting rules and regulations for the residential childhood lead poisoning prevention act that are more stringent than those of the federal Environmental Protection Agency (EPA). This language is also contained in 2010 HB 2695, which has been referred to the House Commerce and Labor Committee. The bill

was scheduled for a hearing on February 15, 2010. The proviso would read as follows:

During the fiscal year ending June 30, 2011, the secretary of the Kansas department of health and environment shall adopt rules and regulations necessary for the administration of the residential childhood lead poisoning prevention act that are not more stringent, restrictive or expansive than the rules and regulations adopted by the United States environmental protection agency pursuant to the federal residential lead-based paint hazard reduction act, and amendments thereto, (42 U.S.C. 5851 et seq.), including, but not limited to, licensure of business entities and public agencies, certification of individuals, accreditation of training programs, on-site inspections and requirements, notification and record keeping, procedures and work practice standards relating to lead-based paint activities as are necessary to protect the public health and safety. The secretary shall have no authority to adopt any rules and regulations, standards or guidelines that require any person who tests for lead-based paint or performs lead-based paint mitigation in this state to make a report of such testing or mitigation to the secretary.

5. The Budget Committee is concerned about state match requirements for federal bioterrorism funding. Kansas has received federal funding with no match requirement from the Centers for Disease Control and Prevention (CDC) since 1999 and through the Department of Health and Human Services since 2002. To date, the state has received \$114.3 million in funding from these two sources, which includes a total of \$39.7 million for the state's local health departments and \$23.5 million for the state's hospitals. In December 2006, the federal government enacted the Pandemic and All-Hazards Preparedness Act (PAHPA), which requires a state match for the federal public health and hospital preparedness funds starting in August 2009. The match requirement is 5.0 percent during FY 2010 and 10.0 percent during FY 2011. According the agency, local health departments and community hospitals have identified in-kind matching funds to meet the 5.0 percent match requirement of \$577,310 for FY 2010. However, in FY 2011, an additional \$577,310 will be required. The Department requested this amount from the State General Fund as an enhancement, and it was not recommended by the Governor. KDHE indicates that failure to meet this match could result in the loss of \$12.2 million in federal funds. The Director of the Division of Health testified that without these funds, the Department's response to the H1N1 influenza would not have been as successful as it has been. The Department has not received clarification from the federal government about whether it could apply for lesser amounts with the in-kind match which is available, or whether this is an "all or nothing" grant situation. The Budget Committee wishes to review this issue during Omnibus when the Department hopes to have more information about the availability of these funds.
6. The Budget Committee also intends to review the issue of funding for the Senator Stan Clark Pregnancy Maintenance Initiative during Omnibus. The Governor's July 2009 State General Fund allotment eliminated funding for the program in FY 2010 and no funding is recommended in FY 2011. The Budget Committee notes that the Governor recommends no funding for this statutory program, although it has been repeatedly demonstrated to be a priority of the Legislature, and while not recommending the addition of funding at this time, will reconsider this recommendation during Omnibus.

7. The Budget Committee also expresses concerns with the recommendation to reduce funding for immunizations by \$55,346, all from the State General Fund, in FY 2011. Although not directly related to vaccine purchases, KDHE indicates that this will affect the action plans of local health departments, and could ultimately result in lower immunization rates and more children susceptible to contracting disease at a time when the programs would otherwise be gearing up for pandemic influenza. The Budget Committee also intends to consider this issue again during Omnibus.
8. The Budget Committee commends the Department on its prompt and efficient actions regarding the state's H1N1 influenza response. In a very short time, the Department developed and implemented a comprehensive surveillance system, managed vaccine allocation, ordering and distributing over 800,000 doses of vaccine within the first two and a half months of availability, established a hotline, and developed educational materials and web pages to provide information to a number of target audiences. While it is impossible to predict with any certainty, the Director of Health indicated that all evidence so far is that is less likely there will be a resurgence of H1N1 influenza. He indicated that this should be a busy time in flu season and it has not been to this point.
9. The Budget Committee notes that, of the \$166.7 million in recommended expenditures for the entire Health Function, \$105.3 million, or 63.2 percent, is recommended as expenditures for state aid to local units of government or assistance to individuals. A large portion of this budget goes to the 99 health departments around the state to assist them with their operations. Any reductions to this budget have significant impacts on service providers across the state.
10. The Budget Committee heard testimony from representatives of primary health care (safety net) clinics. According to this testimony, utilization of these services has increased substantially in recent years (a 34.0 percent increase from 2006 to 2008, and a reported 25 percent increase from 2008 to 2009, based on partial reports from the 41 clinics across the state). Funding for the program has been relatively flat for the last two years, and the Budget Committee commends KDHE and its local partners for successfully doing more with less resources, given the substantial increases in utilization of the services. The Budget Committee believes that the funding dedicated for this program has been money well spent.
11. The Department presented information on the operations of the Women, Infants, and Children (WIC) program, which provides nutrition, education and supplemental foods to income eligible Kansas women who are pregnant, postpartum, or breastfeeding, and for their children up to five years old. In 2009, the program, on average, provided services to more than 79,150 women, infants, and children per month. That amount is more than 6,550 participants higher per month than the previous year. The program is entirely federally funded. The Budget Committee commends the Department and its local partners for their accomplishments in successfully managing the program despite the substantial increase in utilization of the program's services.
12. KDHE indicated that in 2009, the Division of Health facilitated the donation of over \$1.1 million in medications to uninsured, low-income Kansans through the newly created Unused Medications Clearinghouse. The Clearinghouse was created as the result of the Utilization of Unused Medications Act, enacted by the

2008 Legislature. The legislation created a voluntary program by which adult care homes, mail service pharmacies, and medical care facilities may donate unused medications to be distributed by health care clinics, federally qualified health centers, or community mental health centers to Kansas residents who are medically indigent. The Budget Committee is pleased with the early success of the program and commends the agency for the role it has played in that success.



DEPARTMENT OF LABOR

Mark Parkinson, Governor
Jim Garner, Secretary

www.dol.ks.gov

MEMORANDUM

TO: Chairman Yoder and Members of the House Appropriations Committee

FR: Jim Garner, Secretary of Labor

DT: February 15, 2010

RE: Responses to questions from Feb. 2, 2010 meeting

There were several questions I indicated that I would obtain responses to from the February 2, 2010 meeting of House Appropriations Committee. Below are the responses to those questions:

Comparison of this recession to 1980's recession

Attached is a graph that shows the unemployment rate and the amount of UI benefits paid out for Kansas from 1976 to 2009. The preliminary unemployment rate for Kansas is 6.7% for the year 2009. That is the highest annual unemployment rate Kansas has experienced going back to 1976. The second highest annual unemployment rate was 1982, at 6.5%.

Number of claimants who have exhausted 86 weeks

Below is a chart of all of the possible unemployment insurance benefits programs. In total, eligible claimants can receive benefits for up to 86 weeks, if they qualify for all of the possible four extended benefits programs.

Number of Claimant Exhaustions by Program Calendar Year 2009				
Month	Program			
	Regular	EUC08	EB	Workshare
January	2,752	1,401	0	0
February	2,707	4,013	0	1
March	3,829	1,975	0	1
April	4,310	1,375	0	0
May	4,914	1,520	0	2
June	6,105	1,429	0	0
July	6,068	1,868	0	1
August	6,272	3,284	0	3
September	7,301	6,985	147	1
October	7,419	3,769	734	1
November	5,869	4,176	766	2

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Date 2-16-10
Attachment 4-1

December	6,521	4,107	2,009	2
Total	64,067	35,902	3,656	14

Trust Fund depletion, with no UI changes

Attached is a graph that demonstrates projections for the Unemployment Insurance Trust Fund if no legislative changes are enacted.

Statistics on overpayment.

Fraud overpayments established in 2009	\$4,767,403
Total overpayments established in 2009	\$18,468,968.
Total amount collected in 2009	\$7,865,807.45

Number of people unemployed and not receiving benefits

Using data from a survey by the Bureau of Labor Statistics, the estimated average of individuals who are unemployed and not receiving unemployment benefits for 2009 is 44,722. This includes, total unemployed (our monthly number), plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers.

Information on Discouraged Worker rate

The information below on discouraged workers is calculated quarterly by BLS and uses a rolling quarterly average.

Kansas		
4 quarter period	Total Unemployed (U-3)*	Total Unemployed plus discouraged workers (U-4)*
2009	6.8	7.0
2008(4)-2009(3)	6.3	6.5
2008(3)-2009(2)	5.6	5.8
2008(2)-2009(1)	4.9	5.0

U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);

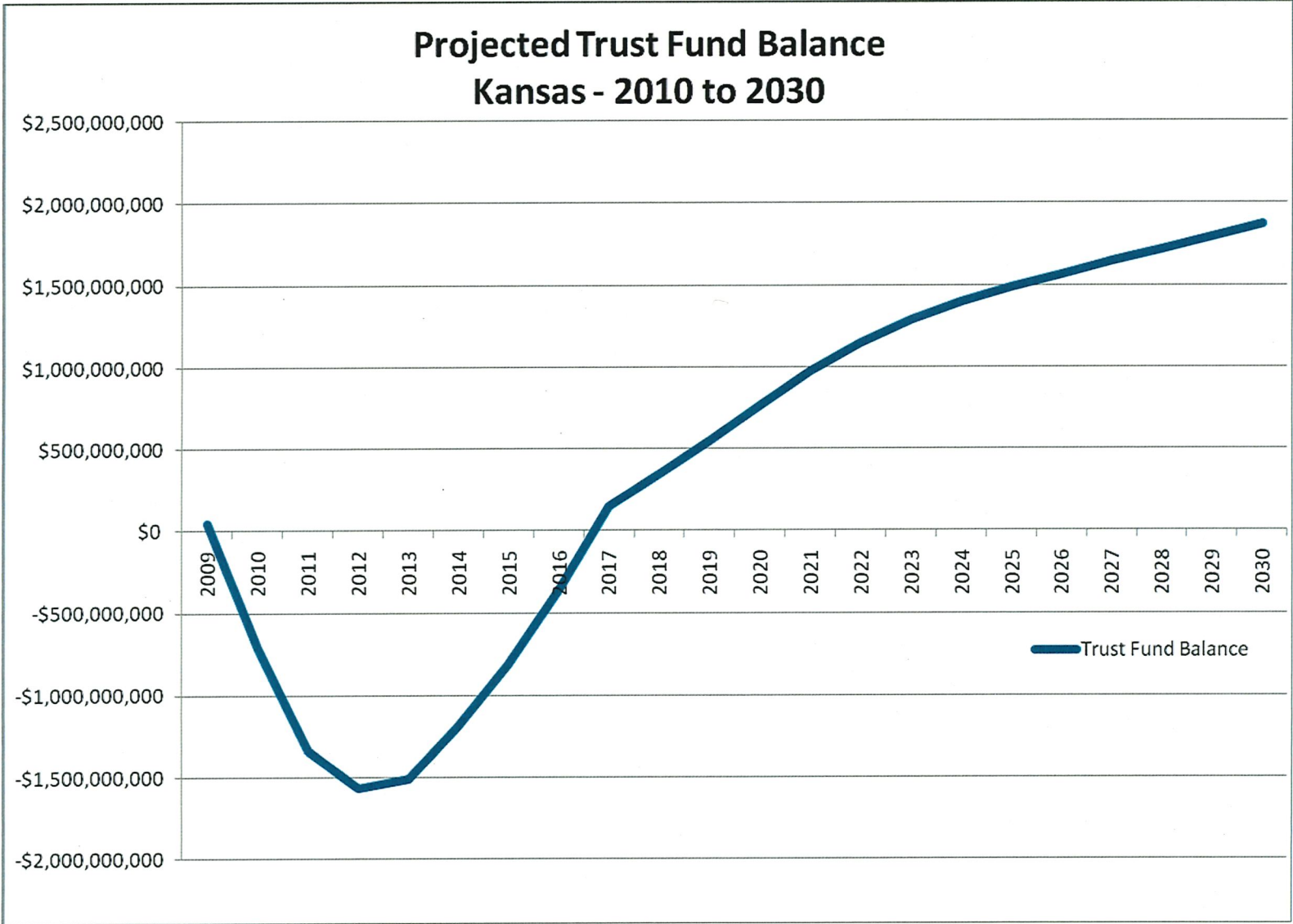
U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers;

Finally as requested, I have sent to each Committee member an electronic copy of the PowerPoint presentation I gave to the Committee.

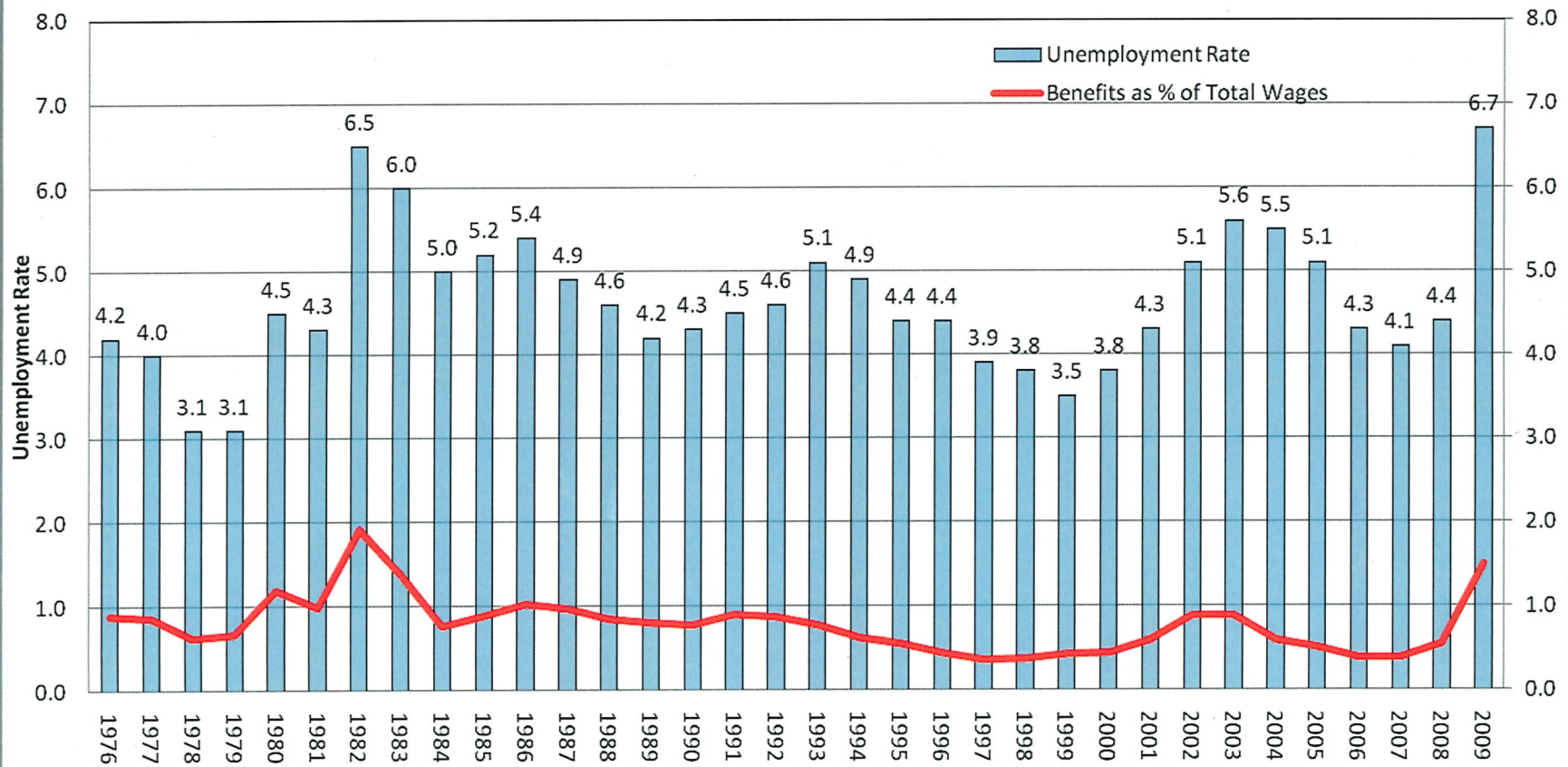
If you have additional questions or need information, please let me know.

Trust Fund Balance – Baseline Scenario

(No change in existing statute except for provisions to pay interest payments)



Unemployment Rate Kansas 1976 to 2009*



Source: Kansas Department of Labor, Labor Market Information Services. Data Not Seasonally Adjusted. *2009 data is Preliminary.

What unemployment benefits are available?

Up to 86 weeks of unemployment benefits available



4-5

26 weeks	20 weeks	14 weeks	13 weeks	13 weeks
Regular Unemployment Benefits	Emergency Unemployment Compensation 2008 (EUC 08) Benefits	Tier II EUC Benefits	Tier III EUC Benefits	State Extended Benefits
<ul style="list-style-type: none"> ★ Available for up to 26 weeks (length depends on employment history and earnings) ★ To receive unemployment benefits, you must be: <ul style="list-style-type: none"> • Able and available to work • Actively seeking employment • Unemployed due to no fault of your own 	<ul style="list-style-type: none"> ★ Program began July 6, 2008 ★ Up to 20 weeks of extended unemployment benefits are available under the Emergency Unemployment Compensation (EUC08) Act. ★ Workers potentially eligible for extended benefits: <ul style="list-style-type: none"> • Have filed a valid UI claim and their benefit year ended on or after May 1, 2007 • Have exhausted all regular UI benefits • Have no rights to regular compensation • Have had 20 weeks of full-time insured employment or the equivalent in insured wages • Are fully or partially unemployed on or after July 6, 2008 • Meet all eligibility criteria such as being ready, willing and able to work 	<ul style="list-style-type: none"> ★ Effective June 7, 2009 ★ Originally provided up to 13 weeks of additional benefits ★ Legislation passed on Nov. 6, 2009 extended the total weeks available from 13 to 14. One-week extension effective week ending Nov. 14, 2009. ★ Nov. 6 legislation removed a requirement that the state's average seasonally adjusted unemployment rate be 6.0 percent or higher for three consecutive months in order to trigger on to the program. ★ If you received EUC Tier I benefits, you are likely to be eligible for the Tier II EUC benefits, individuals must meet the following criteria: <ul style="list-style-type: none"> • Exhausted regular state and original EUC unemployment insurance benefits • Not eligible for a new state unemployment insurance claim in any state or in Canada ★ If eligible, benefits will roll over from Tier I to Tier II and claimants will not need to fill out an additional application. 	<ul style="list-style-type: none"> ★ Effective Nov. 8, 2009 ★ Up to an additional 13 weeks of benefits are available under Tier III EUC. ★ To be eligible for Tier III benefits, individuals must meet the following criteria: <ul style="list-style-type: none"> • Exhausted regular state • Exhausted original EUC benefits • Exhausted Tier II EUC benefits • If you exhausted your Tier II benefits after Nov. 22, 2009, you must exhaust all State Extended Benefits before being eligible for EUC Tier III • Not eligible for a new state unemployment insurance claim in any state or in Canada ★ If you exhausted your Tier II benefits after Nov. 22, 2009, you will be sent an application for State Extended Benefits or Tier III benefits. Regardless of which application you receive, if you exhausted your Tier II benefits after Nov. 22, 2009, the application will be used to determine eligibility for Tier III benefits. You must return the completed application and continue to file your weekly claims. 	<ul style="list-style-type: none"> ★ The first week a Kansas claimant was eligible for state extended benefits was the week ending August 8, 2009. ★ Up to 13 weeks of additional benefits are available through the State Extended Benefits program. ★ The program kicks in when the state's seasonally adjusted unemployment rate is 6.5% or more for three consecutive months. The program remains in effect until the state's seasonally adjusted unemployment rate drops below 6.5%. ★ To be eligible you must meet the following criteria: <ul style="list-style-type: none"> • Exhausted regular state unemployment insurance benefits • Exhausted original EUC benefits • Exhausted Tier II EUC benefits • Exhausted Tier III EUC benefits (unless you exhausted your Tier II benefits prior to Nov. 22, 2009, in which case you will receive State Extended Benefits prior to EUC Tier III) • Not eligible for a new state unemployment insurance claim in any state or in Canada
Funded 100% with State UI Trust Fund	Funded 100% with Federal Funds	Funded 100% with Federal Funds	Funded 100% with Federal Funds	Funded 100% with Federal Funds through December 2009 due to ARRA