Approved: May 5, 2010
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meetings were called to order by Chairman Jay Emler at 9:00 a.m. on April 19-20-21, 2010, in Room 548-S of the Capitol.

All members were present except:
Senator Kelly Kultala - excused (April 19th only)
Senator Mark Taddiken - excused (April 21st only)

Committee staff present:
Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Christina Allen, Kansas Legislative Research Department
Chris Courtwright, Kansas Legislative Research Department
Reagan Cussimanio, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Lauren Douglass, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Leah Robinson, 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
Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant
James Fisher, Intern

Conferees appearing before the Committee:
Duane Goossen, Secretary, Department of Administration
Dale Dennis, Deputy Commissioner, Department of Education
Andy Allison, Executive Director, Kansas Health Policy Authority (KHPA)
Mike Hammond, Association of Community Mental Health Centers of Kansas
Russell Jennings, Commissioner, Juvenile Justice Authority
Martin Kennedy, Secretary, Department on Aging

Others attending:
See attached list.

Introduction of Legislation

Senator Vratil moved to introduce legislation to change the date of transfer of lottery proceeds from July to June. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Vratil moved to conceptually introduce the annual reconciliation bill. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to introduce legislation at the beginning of the 2011 Legislative Session to repeal the law stating that teacher salaries at the School for the Deaf and School for the Blind be tied to the Olathe School District. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Directive

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Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 19, 2010, in Room 548-S of the Capitol.

It was the concensus of the Committee that any actions by the Committee adding funding for a specific program are to be used for that program only.

Governor's Budget Amendment No. 1 (GBA)

Duane Goossen, Secretary, Department of Administration, presented the Governor's Budget Amendment No. 1 (Attachment 1). Secretary Goossen noted that the Committee has already addressed Items No. 5, 6, and 7.

Consensus Estimating Group Report

Alan Conroy, Legislative Research Department, presented a report from the Consensus Estimating Group with revised estimates incorporating the fiscal impact of all 2010 legislation signed into law thus far and revised revenues estimates for FY 2011 (Attachment 2). Mr. Conroy noted that there are some encouraging signs of movement from the current recession.

Mr. Conroy presented the following documents:
- A listing of FY 2010 State General Transfers (Attachment 3). :
- State General Fund Ending Balances, FY 2010 through FY 2012 (Attachment 4).
- FY 2011 Senate Ways and Means Committee Recommendations, Excluding Tax Increases, FY 2010 - FY 2012 (Attachment 5).
- FY 2011 House Appropriations Committee Recommendations (Attachment 6).

J. G. Scott, Legislative Research Department, presented the following reports:
- Items for Omnibus Consideration (included as a part of these minutes).
- Bill Explanation for 2010 Senate Substitute for **House Bill 2631** as amended by Senate Committee on Ways and Means (Attachment 7).
- Senate Appropriations Bill - **Senate Substitute for HB 2631** (Attachment 8).
- Items for Omnibus Consideration (Referred by the Senate Committee) (Attachment 9).
- Children's Initiatives Fund, FY 2009 - FY 2011 (Attachment 10).
- State Water Plan Fund (Attachment 11).
- Economic Development Initiatives Fund (FY 2009 - FY 2011 (Attachment 12).

Amy Deckard, Legislative Research Department, presented a report on Consensus Caseload Estimates for FY 2010 and FY 2011 (Attachment 13).

(For purposes for clarity, the entire "Items for Omnibus Consideration" report, prepared by Legislative Research Department, has been incorporated into the minutes with actions of the full Committee following each agency item. Committee actions are bold and motions underlined.)

ITEMS FOR OMNIBUS CONSIDERATION

Health Policy Authority

A. Salary and Wages Reduction (Senate Committee and House Committee). The Senate Committee recommended the deletion of $526,316, including $200,000 from the State General Fund, to reduce salary and wages funding for FY 2011. This would increase the agency shrinkage rate, for reportable and non-reportable salaries, from 13.1 percent to 16.1 percent. The Senate Committee recommended consideration of the restoration of the salary and wages reduction for FY 2011.

The House Committee recommended the deletion of $2,105,263, including $800,000 from the State General Fund, to reduce salaries and wages funding for FY 2011. This would increase the agency shrinkage rate, for reportable and non-reportable salaries, from 13.1 percent to 25.1 percent. The House Committee recommended consideration of the restoration of the salary and wages reduction for FY 2011.

The shrinkage rate for FY 2010 is 13.1 percent for reportable and non-reportable salary

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expenditures.

B. State Children's Health Insurance Program Premiums Increase (Senate Committee and House Committee). The Senate Committee recommended the deletion of $5.5 million, including $1.4 million from the State General Fund, to reflect increasing monthly HealthWave premiums by $20 for FY 2011.

Federal Poverty Level (FPL) Percent	Current Monthly HealthWave Premium	Proposed Monthly HealthWave Premium
151-175	$ 20	$ 40
175-200	30	50
201-225	50	70
226-241	75	95

The Senate Committee recommended consideration of the restoration of funding for the State Children's Health Insurance Program for FY 2011 to eliminate a recommended increase in premiums.

The House Committee recommended the deletion of $15.0 million, including $4.5 million from the State General Fund, to reflect increasing monthly HealthWave premiums to the maximum federally allowed for FY 2011.

Federal Poverty Level (FPL) Percent	Current Monthly HealthWave Premium	Proposed Monthly HealthWave Premium
151-175	$ 20	$ 67
175-200	30	79
201-225	50	90
226-241	75	101

The House Committee recommended consideration of the restoration of funding for the State Children's Health Insurance Program for FY 2011 to eliminate a recommended increase in premiums.

KHPA indicated that the provisions of recent federal health reform prevent states from reducing eligibility for the Medicaid program and the State Children's Health Insurance Program (SCHIP). The agency noted that the federal Centers for Medicare and Medicaid Services demonstrated a willingness to enforce this policy promptly and completely by threatening to suspend Arizona's matching payments following a recent legislative decision to terminate their state children's health insurance program.

The agency indicated that eligibility maintenance of effort requirements may jeopardize the proposed increase for SCHIP premiums at risk. CMS has not yet provided guidance on interpretation of the new maintenance of effort for CHIP eligibility, and it is not clear whether they will deem premium increases to be a violation. The agency indicated that the new health reform law effectively converts SCHIP into a federally capped entitlement.

C. MediKan Program Funding (Senate Committee and House Committee). The MediKan program provides a limited array of medical and pharmacy services to individuals awaiting federal disability determination.

The Senate Committee recommended the deletion of $5.1 million, all from the State General Fund, for FY 2011 to reduce funding for the MediKan program. The Senate Committee recommended consideration

of the restoration of funding for the MediKan program for FY 2011. Prior to the spring Human Services Consensus Caseload estimate, the reduction would have resulted in remaining funding of $5.7 million, all from the State General Fund.

The House Committee recommended the deletion of $5.4 million, all from the State General Fund, for FY 2011 to reduce half of the funding for the MediKan program. The House Committee recommended consideration of the restoration of funding for the MediKan program for FY 2011. Prior to the spring Human Services Consensus Caseload estimate, the reduction would have resulted in remaining funding of $5.4 million, all from the State General Fund.

D. Transitional Medicaid Program Funding (Senate Committee). The Senate Committee recommended the deletion of $5.8 million, including $2.3 million from the State General Fund, to capture savings associated with eliminating transitional Medicaid assistance after the expiration of the enhanced federal match for the Medicaid program for FY 2011. Transitional Medicaid benefits are provided to individuals whose level of income has recently increased and allows the individuals to maintain benefits while transitioning off of assistance.

The agency indicated that recently passed federal health reform legislation prevent states from changing eligibility for Medicaid and the State Children's Health Insurance Program. The agency further indicated that the penalty for making changes could result in suspension of all federal matching payments for the programs. This would prevent the elimination of the transitional assistance program.

The Senate Committee recommended consideration of the restoration of funding for the transitional Medicaid program for FY 2011.

E. Comprehensive Neuroscience Project (Senate Committee). The Senate Committee recommended a review of the status of new funding for the Comprehensive Neuroscience Project, which is designed to help the state evaluate mental health prescribing practices and improve care for Medicaid beneficiaries who receive behavioral health medications.

KHPA indicated it has had conversations with representatives of Eli Lilly regarding this project. The agency reported the following as outcomes of those conversations: Eli Lilly indicates that they are likely able to resume funding for this project following a review of the program parameters by the Mental Health Prescription Drug Advisory Committee. Eli Lilly indicates that their funding is only worthwhile if the program is designed in a way that is thought to be acceptable to the Mental Health Prescription Drug Advisory Committee.

KHPA will place this topic on the agenda for the May meeting of the Mental Health Prescription Drug Advisory Committee, and will take a formally approved structure to Lilly as soon one is agreed to by the Committee.

The Mental Health Prescription Drug Advisory Committee was convened in June of 2009 to advise the KHPA and the Drug Utilization Review Board regarding mental health treatment issues.

F. Hospice Services Funding (Senate Committee). The Senate Committee recommended the deletion of $8.3 million, including $2.9 million from the State General Fund, to capture savings associated with reducing the maximum hospice benefits from six months to three months for FY 2011. The agency indicated that currently one-third of 3,300 hospice beneficiaries are in hospice for longer than 90 days.

Total funding for hospice services for FY 2011, prior to the Senate reduction was $28.4 million, including $8.8 million from the State General Fund.

The Senate Committee recommended consideration of the restoration of funding for hospice services for FY 2011 to eliminate a reduction in the maximum benefit from 60 days to 30 days.

G. Securitization of Drug Rebate Income (Senate Committee). The Senate recommended a review of the options regarding the securitization of drug rebate income, including viability and any issues which

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exist.

KHPA has requested an opinion from the Kansas Development Finance Authority (KDFA) on the potential for securitizing Medicaid drug rebate revenue. The KHPA indicated that it provided seven years of historical data on collections and discussed the financial parameters of a bond offering and are expecting a response from KDFA by April 14th.

The agency did not provide KLRD with any information regarding the content of the report from KDFA as of Friday, April 16, 2010.

H. Status of the Electronic Prescribing Project (Senate Committee). The Senate Committee recommended a review of the status of the electronic prescribing (e-prescribing) project.

KHPA indicated it supports the idea of expanding electronic prescribing to the entire Medicaid population. The suggestion heard in Committee was that the KHPA use funds that were recently received by the Kansas Department of Health and Environment (KDHE) to fund the implementation of an e-prescribing initiative.

KHDE received a grant of nearly $9.0 million that is designated for use in design and implementation of a statewide Health Information Exchange. The E-Health Advisory Committee, which is a public/private committee appointed by the Governor, has been given the task of guiding the development of the statewide Health Information Exchange. The E-Health Advisory Committee is making determinations about the strategic and operational plan for the statewide Health Information Exchange. Part of the planning process is determining whether the statewide Health Information Exchange should create a statewide e-prescribing program, or if it should simply include an interface for accepting all types of e-prescribing data.

While it is still possible that a portion of the grant funds at KDHE could be used to assist in developing an e-prescribing program in the Medicaid program, KHPA is not in a position to unilaterally make such a decision. Through its position on the e-health advisory committee, the KHPA will promote an e-prescribing solution that is incorporated into the statewide Health Information Exchange, and that the solution is funded with the maximum amount of federal dollars possible.

I. Co-pay for Non-preferred Brand Name Drugs (Senate Committee). The Senate Committee recommended a review of the status of implementation of a co-pay for non-preferred brand name drugs.

KHPA indicated that all medications, whether preferred or non-preferred, brand or generic, have a $3.00 co-pay unless the beneficiary is in a co-pay exempt group. It would be possible to increase the co-pay (subject to federal rules regarding maximum allowable cost-sharing for Medicaid beneficiaries), however current preferred drug list compliance (meaning use of a preferred agent) is over 90 percent and use of non-preferred agents requires prior authorization. Another limitation on the effect of increasing Medicaid co-pays is the federal restriction against making payment a condition for providing services to beneficiaries under the poverty line. Most Kansas Medicaid recipients are under the poverty line, and many of those who are above the poverty line are children. Lack of enforceability limits the impact of co-pays on beneficiaries' use of services, and often results in a cost-shift to providers, whose reimbursement is reduced by the amount of the co-pay. Although consistent with the goal of incentivizing prudent purchases, federal restrictions on enforceability and pre-existing incentives for prescribers' duplicative administrative procedures suggest that increasing the co-pay for non-preferred brands would have a negligible impact on drug utilization and would provide no cost-savings.

J. Dose Optimization for Chronic Pain Medications (Senate Committee). The Senate Committee recommended a review of the status of dose optimization for chronic pain medications.

KHPA indicated the Drug Utilization Review Board approved implementation of the dose optimization edits at its April meeting. Additionally, the agency indicated that a review by actuaries indicate approximately $120,000 from all funding sources in cost avoidance per fiscal year after implementation.

K. Coverage for Over-the-Counter Medications (Senate Committee). The Senate Committee

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recommended a review of the status of a policy to eliminate coverage for over-the-counter medications in the Medicaid program.

KHPA indicated that Medicaid currently pays for a selected group of over-the-counter products. To be eligible for coverage under Medicaid, the over-the-counter product must be prescribed by a physician or other health professional with prescribing privileges and must have a drug rebate contract with the federal Centers for Medicare and Medicaid Services. Expenditures in FY 2009 on over-the-counter products were $1.5 million, which is 0.08 percent of the total pharmacy budget. Examination of over-the-counter product utilization has identified some products that could likely be removed from Medicaid coverage with limited negative impact on the beneficiary, and without pushing utilization towards more expensive products. Expenditures on these products, which primarily include eye and nose irritation treatments, cough and cold products, and topical products, was approximately $200,000, from all funding sources. According to KHPA, removal of coverage for other over-the-counter products would likely result in increased utilization of more expensive prescription-only products. For example, Medicaid paid claims for 42,000 prescriptions for the over-the-counter second generation antihistamines loratadine and cetirizine in FY 2009, for a total cost of $645,000, or 43 percent of total over-the-counter expenditures. If these beneficiaries instead were prescribed fexofenadine, a comparable prescription-only second generation antihistamine, expenditures on these claims would be approximately $1.6 million.

L. Alignment of Medicaid Reimbursement Rates for Dental Services with Private Insurance (Senate Committee). The Senate Committee recommended a review of the status of a policy to align Medicaid reimbursement rates for dental services with private insurance.

KHPA performed a comparison of claims costs from the Medicaid program and the State Employee Health Plan The preliminary analysis showed that the current Medicaid dental services would be more costly if they were paid under the State Employee Health Plan. At this time, KHPA is not able to determine whether or not there are areas for financial savings in the Medicaid program as a result of aligning rates with the private sector. KHPA is continuing to analyze the dental usage patterns of the Medicaid program and the State Employee Health Plan dental program to find areas where efficiencies for either program might exist. The findings of these further analyses will be forwarded to the Legislature upon completion.

An estimate for time of completion was not provided by KHPA.

M. Co-pay for Professional Services and Procedures (Senate Committee). The Senate Committee recommended a review of the status of the implementation of a co-pay for professional services and procedures.

KHPA indicated it reviewed the amount and type of co-payments assessed during FY 2009, along with federal regulation (42 CFR 457.555, as effective on December 21, 2009) and current policy. Assessed co-payments reduced claims payments by approximately $4.4 million from all funding sources in FY 2009. The current policy requires co-payments of $1, $2, or $3 based on the type of service. The new federal regulation allows for an increase in nominal co-payments based of the cost of the service of $1.15 for services of $15 or less, $2.30 for services $15.01 to $40, $3.40 for services $40.01 to $80, and $5.70 for services of $80.01 or more.

Based on this review, the adoption in Kansas of the newly-allowed nominal co-payments adjusted for the medical component of the CPI-U, for adult professional, outpatient, and pharmacy services, including cross-over claims, would reduce claims costs by approximately $360,000 from all funding sources for FY 2011. This would occur if Kansas implemented the higher allowable co-payment of $5.70 for pharmacy services with a total cost of over $80.00, as opposed to the $3.00 currently charged for these services. Otherwise, the claims cost reduction would only be in the $60,000 to $75,000 range. Raising all other co-payments for professional services greater than $80.00 to the maximum co-payment amount of $5.70 would reduce claims by an additional $142,000 from all funding sources for FY 2011.

Kansas could also increase the inpatient co-payment, currently at $48 per admission, to a level not exceeding 50.0 percent of the payment the state would make under the fee-for-service system for the first day of care under the newly enacted regulation. While Kansas pays at a diagnosis related groups (DRG) level,

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approximating half the daily inpatient cost resulted in an estimate co-payment level of $468, almost ten times the current level. Regulatory issues would arise at this level, since regulations (42 CFR 457.560) also state cumulative cost sharing cannot exceed 5.0 percent of a family's total income over the eligibility period. At the higher inpatient co-payments level, Kansas would incur additional unknown administrative costs to monitor the total co-payments charged a family to insure the 5.0 percent limit was not violated. Raising the inpatient co-payments to a lesser level to reduce the likelihood of violation, such as $150 per admission, would reduce claims cost by another $300,000 per year from all funding sources over current assessments.

The new federal regulation allows the state to charge a co-pay of up to twice the charge for non-institutional services or up to $11.35 for services furnished in a hospital emergency room if those services are not emergency services. KHPA proposed a reduced resource item to KHPA Board of Directors to create a $25 co-pay for non-emergent visits to the emergency room. The $25 co-pay was expected to save $93,000 in FY 2011, including $28,500 from the State General Fund. The relatively small savings amount was due to federal restrictions to charging co-pays for low income and medically fragile individuals. Savings related to a co-payment at the new federal rate of $11.35 would be less than $40,000 given the same set of assumptions.

In addition, the new federal regulations allow for the state to charge co-pays to some currently exempt populations, such as children, and to allow providers to refuse service to beneficiaries with incomes above the poverty line who are unable to pay the co-pay if Kansas amends its state plan. Kansas does not currently allow providers to refuse services for non-payment of a Medicaid co-pay. Because co-pays are not enforced in this way in Kansas, KHPA is frequently told by providers that the co-pay is often uncollectible, and serves primarily as a reduction in payment to the provider.

N. Removal of Current Exceptions to the Brand Limit Policy (Senate Committee). The Senate Committee recommended a review of the status of removing current exceptions to the drug brand limit policy.

Exemptions to the five single-source prescriptions are outlined in the Pharmacy Provider Manual and include: KanBeHealthy beneficiaries, antiretroviral drugs, preferred drugs on the Preferred Drug List, anti-rejection drugs, anti-emetics, chemotherapy drugs, interferons, immune globulins, antihemophiliac drugs, most drugs used to treat mental illness, and contraceptives.

Removal of exemptions to the five single-source prescription policy may result in savings in some of the drug classes/populations. However, for several of the exempted drug classes, appropriate medical therapy for the disease being treated commonly require more than five single-source drugs (for example, antiretroviral for HIV and chemotherapy for cancer) and therefore KHPA would not expect a decrease in drug expenditures. For those drug classes/diseases with greater generic availability, additional staff would be required to review the increased volume of prior authorization requests. The additional FTE would likely need to be a clinical pharmacist as a determination of the medical necessity for every drug regimen would be impossible to evaluate through the Drug Utilization Review Board, which provides the approval criteria utilized by the prior authorization unit nurses.

The agency also noted that a strict five drug limit on single-source prescriptions would conflict with the blanket protection from pharmacy management afforded to mental health drugs in Kansas statute.

O. Expanded Surveillance Utilization Review (Senate Committee). The Senate Committee recommended a review of the status of an expanded Surveillance Utilization Review to include review for a longer time period. The agency provided the following information:

Since the Surveillance Utilization Review unit began using multiple pharmacy/multiple prescribers reports to identify beneficiaries for review, the Surveillance Utilization Review unit has utilized several different time periods to find a balance between identifying beneficiaries who may be abusing drugs and having the staff to review those identified. Initially, they pulled six months of data, however it was found that many beneficiaries moved, changed providers, or saw specialists in that period of time, and had many "false hits" or suspects with legitimate reasons for this behavior that required review time, only to find no problems. The time frame was narrowed to three months to reduce the number of "false hits." This decreased the number of "false hits," however, it still identified several hundred for review with each report run, which

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exceeded the capacity of the Surveillance Utilization Review unit to complete in addition to direct referrals and other identification sources. Utilizing a single month time frame allows for identification of a manageable quantity of beneficiaries to review while still flagging the beneficiaries most likely to be abusing their Medicaid benefits. Expanding the time period would identify more beneficiaries for review, and certainly capture some beneficiaries not found in the single-month review. According to KHPA, review of these additional beneficiaries would require an increase in staffing for the Surveillance Utilization Review unit or shifting their focus from reviews generated by other reports.

P. Hard Edit for Narcotics to Prohibit Refill of 30 Day Prescriptions Before 28 Days (Senate Committee). The Senate Committee recommended a review of the status of implementing a hard edit for narcotics to prohibit refill of 30 day prescriptions before 28 days.

KHPA indicated that the creation of a 28 day hard edit for narcotic refills to supplement the current maximum monthly limitations is possible, with some claims system modification. The agency indicated it is actively examining the design of this system modification as part of increased management of opioids. A new claims system hard edit will have to be programmed as the current "refill too soon" edit does not allow for different edit types (eg. soft edits that can be overridden vs. hard edits that cannot be overridden) to be used on different drug classes. The agency indicated that the creation of a non-overridable edit for narcotics will provide some cost-savings for the program, however the current soft (as in, overridable at the pharmacy) edit does require a pharmacist to use their clinical judgment and knowingly override the refill too soon edit, which the agency believes frequently results in the pharmacist refusing to fill the medication without prescribers authorization.

Q. Maximum Allowable Charge for Specialty Drugs (Senate Committee). The Senate Committee recommended a review of the status of an agency review of the maximum allowable charge for specialty drugs.

Kansas Medicaid does not currently have a separate distinction for specialty drugs versus other types of medications. Application of the specialty drug list utilized by the State Employee Health Plan Pharmacy Benefit Manager, CVS/Caremark, to Medicaid data shows approximately $7.0 million in expenditures on specialty drugs. The agency indicated that it already employs a special pricing mechanism on drugs that utilize approximately $4.5 million of those expenditures. Application of a more aggressive pricing strategy on the remaining $2.5 million in expenditures is estimated to provide a $264,000 cost savings from all funding sources per year.

R. Expansion of the Lock-In Program (Senate Committee). The Senate Committee recommended a review of the status of the proposed expansion of the Lock-In program.

A Beneficiary Pharmacy Lock-In Program addresses issues which include, in part, potential fraud and abuse with the use of multiple pharmacies and physicians. Beneficiaries are only able to obtain prescriptions paid by Medicaid from a single pharmacy.

KHPA indicated it is not opposed to expanding the number of Medicaid beneficiaries that are placed on lock-in. Expanding the number of beneficiaries that are on "lock-in" would further restrict the ability of beneficiaries to acquire excessive prescriptions. However, the lock-in review process is labor-intensive and is performed through a third party contract. Since that contract is part of KHPA's administrative budget, it has been significantly reduced over the past two fiscal years. As such, according to KHPA, increasing the number of lock-in beneficiaries would require additional resources, or would require a decrease in the amount of utilization review that occurs in other parts of the Medicaid program. The estimated cost for adding a single beneficiary to the Lock-in program is $2,100 per fiscal year.

S. Status of Senate Bill 560, Regarding Managed Care Organizations' Privilege Fees (Senate Committee). The Senate Committee recommended a review of the status of **SB 560**, regarding Managed Care Organizations privilege fees.

SB 560 was referred to the Senate Ways and Means Committee. The provisions of **SB 560** were placed in **House Sub. for SB 200**, which was signed by the Governor on April 8, 2010. **House Sub. for SB**

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200 removes the phase-in for the assessment of privilege fees for new Health Maintenance Organizations (HMOs) operating in Kansas. Under K.S.A. 2009 Supp. 40-3213: HMOs operating in Kansas for less than three years have owed no fee; HMOs operating at least three years but not more than five years paid an amount equal to 0.5 percent on all premiums charged, and HMOs operating for more than five years paid a rate of 1.0 percent.

The revenue generated from enactment of **SB 200**, as well as the recent action by the Insurance Commissioner to rescind the waiver previously exempting Medicaid Managed Care Organizations from the privilege fee, results in approximately $4.1 million in State General Fund revenues in FY 2011. This increased revenues was included in the April 2010 Consensus Revenue Estimate.

T. Governor's Budget Recommendations and House Committee Recommended Reductions (House Committee). The House Committee recommended a review of the entire FY 2011 budget for this agency, including reductions recommended by the Governor, and all reductions approved in any 2010 appropriations act or recommended by the House Committee.

The Governor recommends FY 2011 reportable operating expenditures of $1.5 billion, including $477.5 million from the State General Fund. The recommendation is an all funds increase of $73.9 million, or 5.2 percent, and a State General Fund increase of $90.0 million, or 23.2 percent, above the FY 2010 recommendation. The Governor's recommendation is an increase of $35.2 million, or 2.4 percent, above the agency's request. The Governor's recommendation includes 288.7 FTE positions.

The Governor recommends the addition of $50.8 million, including $39.6 million from the State General Fund, for human service caseloads, as agreed to at the fall 2009 consensus estimating group. The portion of expenditures anticipated to be funded by the federal government for the Medicaid program decreased in FY 2011 due to the end of the federal American Recovery and Reinvestment Act (ARRA) funding at the end of December 2010, or halfway through FY 2011. In addition, the base Medicaid matching rate for federal contribution, excluding ARRA funding, was reduced by 1.33 percent between FY 2010 and FY 2011.

In addition, the Governor's recommendation includes one of the agency's enhancement request, totaling $9.5 million, all from federal funds, and 24.0 FTE positions for the Kansas Access to Covering Health (KATCH) grant, which will allow the agency to develop a user-friendly, web-based enrollment/eligibility system for publically funded health insurance program and provide additional outreach.

The Governor's recommendation also includes operational reductions totaling $4.1 million, including $2.0 million from the State General Fund. The Governor's recommendation also continues the policy from the FY 2010 allotments to limit MediKan benefits to 12 months, resulting in FY 2011 savings of $1.1 million, all from the State General Fund. The Governor recommends revising downward the estimate for the State Children's Health Insurance Program (SCHIP) resulting in savings of $3.3 million, including $1.0 million from the State General Fund in FY 2011.

The Governor recommends accepting all of the agency's reduced resources, totaling $5.8 million, including $2.0 million from the State General Fund. The reduced resources include:

- **Professional Services Rate Leveling:** Reduction of $2.8 million, including $1.0 million from the State General Fund, by leveling the majority of professional fees to 83.0 percent of the Medicare fee schedule. This leveling would exclude basic primary service rates. This action would result in some reimbursement rates being decreased, partially offset by other rates being increased.

- **Streamlining Prior Authorization:** Reduction of $1.2 million, including $543,000 from the State General Fund, as the net result of implementation of an automated prior authorization system. The streamlining would increase the automation and expansion of the decision rules used to evaluate requests for medical services.

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The House Committee recommended the following reductions not discussed elsewhere in this memorandum:

- Delete $67.0 million, all from the State General Fund, and add the same amount from federal funds for FY 2011 to capture savings associated with the proposed extension of the enhanced federal match for the Medicaid program, from December 31, 2010, to June 30, 2011.

- Delete $40.0 million, all from the State General Fund, and add the same amount from other funding sources, to capture savings associated with third party liability recoveries for FY 2011.

- Delete $12.3 million, including $3.7 million from the State General Fund, to capture savings from the implementation of a policy limiting the Medicaid recipients from receiving more than four brand name prescriptions per month and implementing a tiered formulary with variable co-pays for FY 2011.

- Delete $2,923,357, including $877,007 from the State General Fund, for FY 2011 to capture savings from the implementation of a statewide smoking ban.

U. Non-mandatory Medicaid spending (House Committee). The House Committee recommended a review at Omnibus regarding the potential for savings for FY 2011 from the reduction or elimination of non-mandatory Medicaid spending for all Medicaid services.

Medicaid services fall into one of two broad statutory groups, mandatory and optional. The services that a participating state must cover are known as mandatory services; the others which they may also cover are referred to as optional services. Since state participation in the Medicaid program is voluntary, no state is required to cover any of the approximately 30 federal statutory categories of Medicaid benefits. However, if a state wants federal matching funds to help it pay for the cost of acute care services for its low-income residents, and the costs of long-term care and behavioral health for its low-income disabled and elderly residents, it must cover specific categories of services for certain groups of Medicaid beneficiaries. Most of the spending on Medicaid is for optional services.

KHPA provided the following information regarding the higher cost optional services delivered in Kansas. Reflected are the number of beneficiaries served in 2009 and the projected costs of services to be delivered in State Fiscal Year 2011. A statement that assumes the impact of eliminating the service is included.

Ambulatory Surgical Centers

Ambulatory surgery centers are health care facilities which offer patients the opportunity to have selected surgical and procedural services performed outside a hospital setting. Ambulatory surgery centers are specialize in providing surgery, including certain pain management and diagnostic services, in an outpatient setting.

Number of beneficiaries: 5,518
State General Fund: $538,700
All funds: $1,246,126
Program responsibility: KHPA

If eliminated: According to KHPA, costs to the Medicaid program would increase as more surgeries that could be provided at an ASC would need to be performed in a more expensive hospital setting. KHPA currently pays ASCs at or below outpatient hospital rates, and the services provided by an ASC are generally covered for outpatient hospitals.

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Pharmacy

Pharmacy services provide prescribed medications and are available to any Medicaid eligible person.

Number of beneficiaries: 126,365
State General Fund: $39,904,551
All funds: $123,200,220
Program responsibility: KHPA

If eliminated: According to KHPA, other costs to the Medicaid system would increase and beneficiaries' health and safety would be jeopardized. Lack of access to prescribed medications could result in increased use in physician hospital and other services due to inability to control disease symptoms, such as high blood pressure, asthma attacks, increased blood sugar, mental illness.

Vision

Vision services include routine eye exams, medically necessary eye exams, eye glasses, prosthetic eyes, and contact lenses. Vision services were eliminated in the past. When large numbers of providers and beneficiaries protested, services were reinstated. Simultaneous to the previous service elimination, cost increases were reflected in ophthalmologist services which had not been suspended, as beneficiaries migrated there seeking services.

Number of beneficiaries: 30,485
State General Fund: $456,473
All funds: $1,475,588
Program responsibility: KHPA

If eliminated: According to KHPA, eye disease may go undetected, and beneficiaries would have reduced access to appropriate eye wear.

Dental

A comprehensive range of dental services are provided for HealthWave children, including x-rays, exams, fillings, root canals, limited orthodontia, oral surgery and sedation as needed. Children are the highest utilizers of dental services, and services for children are considered mandatory. Adults have only limited or emergency dental services; infected teeth are removed and associated fees, x-ray, exam, sedation would be covered. Other emergency services include oral lesions and broken bones. The HCBS adult waiver programs have eliminated dental services, though KDOA will provide limited-prior authorized services based on crisis exceptions.

Number of beneficiaries: 113,197
State General Fund: $732,560
All funds: $2,614,417
Program responsibility: KHPA/KDOA/SRS

If eliminated: According to KHPA, discontinuing limited adult services will most likely result in increased visits to the ER for oral conditions. Premature deliveries, heart disease and cancer have been related to poor oral hygiene; therefore an increase in conditions related to these diagnoses would be anticipated.

Hospice

Hospice services provide an integrated program of palliative, non-curative home and hospital care for those who are terminally ill. Hospice consists of a set of enhanced

services available on a fee for service basis to terminally ill patients who elect to receive these services in exchange for limitations on curative care. These services include a physician-directed, nurse-coordinated, interdisciplinary team approach to patient care which is available 24 hours a day, seven days a week. Hospice services provide personal and supportive medical care for terminally ill individuals and supportive care to the families through medical social workers, chaplain services, nutritionists and other needed service providers. To be eligible for hospice services, a Medicaid beneficiary must be certified as terminally ill by the medical director or physician member of hospice as well as by the patient's attending physician. The beneficiary also must have filed an election statement that is completed by the attending physician and signed by the beneficiary indicating that his or her condition is terminal and that life expectancy is six months or less. Hospice services can be provided in a hospital setting, in a nursing home, in a skilled nursing facility, or the patient's home.

Number of beneficiaries: 2,964
State General Fund: $8,800,326
All funds: $28,397,310
Program responsibility: KHPA

If eliminated: According to KHPA, a significant number of hospice recipients reside in nursing facilities; consequently these individuals would still receive nursing care if hospice were eliminated. However, recipients who receive hospice services at home, particularly persons who are not yet Medicare eligible would feel the greatest impact if hospice were discontinued. These individuals would likely seek end of life care outside of the home in nursing facilities.

Community Mental Health Centers

Twenty-seven Community Mental Health Centers provide community based-public mental health safety net services in Kansas. Since the implementation of the Pre-Paid Ambulatory Health Plan (PAHP), the vast majority of Medicaid mental health services provided by the community mental health centers are paid for through the PAHP. Only a small number of people remain in the fee for service population, primarily those people who are institutionalized. Community mental health centers services include outpatient clinical services, comprehensive mental health rehabilitation services such as psychosocial rehabilitation, community psychiatric supportive treatment, peer support, case management and attendant care. Kansas law also designates the community mental health centers as the gatekeepers for admission to the state mental health hospitals, they currently provide for pre-admission screening and resident review (PASRR) Level Two screening for admission. By contractual affiliations, community mental health centers also provide PASRR services for psychiatric residential treatment facilities, and to Medicaid funded community psychiatric hospitals, however, this function is coordinated through the administrative oversight of Kansas Health Solutions the mental health managed care organization.

Number of beneficiaries: 6,940
State General Fund: $399,213
All funds: $1,120,442
Program responsibility: SRS

If eliminated: According to KHPA, persons utilizing these services may be able to continue living in the community, accessing the necessary supports available to them at community mental health centers. Community mental health centers also provide services to people returning to the community from state hospital placements. However, without access to needed services and supports, including crisis services, persons with persistent mental illness may end up in the corrections system, or return

to the state hospitals, as capacity allows. While most of the funding for optional mental health services community mental health centers provide comes from the PAHP, according to KHPA, eliminating this group of providers would erode the mental health system in Kansas. There would be some impact to the waiver as these are the only providers allowed to provide rehabilitation services.

Durable Medical Equipment and Supplies, Orthotics/Prosthesis

Durable medical equipment and supplies (DME) include walkers, wheelchairs, beds, oxygen, ventilators, wound care supplies, respiratory equipment, communication devices, ostomy supplies, urinary supplies, feeding tubes, enthral feedings, Total Parenteral nutrition, apnea monitors, support surfaces, commodes, nebulizers and diabetes supplies. The Orthotics/Prostheses program provides different types of braces, walking devices, and prosthetic limbs.

Number of beneficiaries: 24,419
State General Fund: $3,668,685
All funds: $11,587,760
Program responsibility: KHPA

If eliminated: According to KHPA, if DME is eliminated, there will be an increase in emergency room visits and hospital inpatient stays due to loss of necessary supplies for diabetes and wound care. A number of the DME items are life sustaining and without them, people would be hospitalized or reside in nursing care facilities. According to KHPA, without Orthotics/Prosthetics services, many children and adults would not be able to walk or function in their daily lives. It could potentially cause an increase in attendant or home care services.

Head Injury Rehabilitation Facility

Rehabilitation therapy is limited to services that are restorative in nature and are provided following physical debilitation due to acute physical trauma or physical illness. Recipients of these services must be assessed prior to admission and once admitted must be reassessed to determine the need of continued services on a regular basis as defined by state law, regulation, and/or policy. Services include inpatient restorative and rehabilitative therapies designed to prevent physical or mental deterioration, achieving and maintaining maximum use of physical or cognitive capabilities and health, and/or restoring and retaining self-help and adaptive skills necessary to achieve the recipient's discharge from inpatient status at the earliest possible time. These services are designed to provide active treatment for the purpose of relearning independent living skills for those individuals who have experienced a traumatic brain injury (TBI).

Number of beneficiaries: 378
State General Fund: $3,344,473
All funds: $9,386,676
Program responsibility: SRS

If eliminated: According to KHPA, persons in this situation would not have access to services that aid in partial or potentially total recovery from traumatic head injuries and other physical traumas. Lack of rehabilitation services in this instance could result in the need to access higher cost supports and services in the future.

Targeted Case Management

Targeted Case Management services are services which assist beneficiaries in gaining access to needed medical, social educational and other services. Services include assessment of an individual to determine service needs, development of a specific care

plan, referral and related services, and monitoring and follow up activities. Targeted case management is available to the following populations:

Mental Retardation/Developmental Disability
Number of beneficiaries: 17,565
State General Fund: $5,028,860
All funds: $14,114,116
Program responsibility: SRS

Frail Elderly
Number of beneficiaries: 8,571
State General Fund: $1,818,788
All funds: $5,201,293
Program responsibility: KDOA

Traumatic Brain Injury/ Physical Disability/ Mental Health
Number of beneficiaries: 10,893
State General Fund: $2,049,317
All funds: $6,745,611
Program responsibility: SRS

If eliminated: According to KHPA, persons in need of services would no longer have a resource to help them navigate these complicated service delivery systems in order to access needed supports.

Optional Services Administered through Managed Care

Managed care offers bundled health care services, either comprehensive or limited to enrolled members of organized managed health care organizations (MCOs). MCOs develop a network of health care providers and facilities to deliver these services. Through contractual agreements with the State, MCOs are paid for providing hospital, physician, and other Medicaid services to beneficiaries through a captivated payment structure, either risk or non-risk based.

- UniCare and Children's Mercy Family Health Partners are the managed care organizations that coordinate a full range of physical health services for persons who are enrolled in Title 19 Medicaid and Title 21 HealthWave programs.

- Medicaid funded community mental health services are provided through a Pre-paid Ambulatory Health Plan (PAHP). Services in this mental health managed care program include all mental health State Plan services, the HCBS waiver services for children with serious emotional disturbance, and the Psychiatric Residential Treatment Facility Community Based Alternatives grant. SRS contracts with Kansas Health Solutions to administer this managed care program.

- As required by state statue, SRS has oversight and licenses over 250 agencies providing treatment for substance abuse. For substance abuse disorders, assessment and treatment is provided through a Pre-paid Inpatient Health Plan (PIHP) administered by Value Options Kansas. Inpatient and outpatient substance abuse treatment services are provided.

HealthWave
Number of beneficiaries: 40,000
State General Fund: $7,083,527
All funds: $24,724,353
Program responsibility: KHPA

Mental Health Managed Care Plan/PAHP
Number of beneficiaries: 315,785
State General Fund: $24,248,738
All funds: $68,662,274
Program responsibility: SRS

Substance Abuse Managed Care Plan/PIHP
Number of beneficiaries: 311,658
State General Fund: $3,195,227
All funds: $8,967,798
Program responsibility: SRS

If eliminated: According to KHPA, adults enrolled in HealthWave include those who qualify due to extremely low income that are deemed Poverty Level Eligible, and parents who qualify for Temporary Assistance to Families. Pregnant women are included in the population, and remain enrolled throughout their pregnancy. The range of optional Medicaid benefits available to this group are provided through Managed Care, and are the same as optional benefits available to fee for service beneficiaries. If these services were eliminated, these beneficiaries would have a reduced package of benefits in HealthWave and/or be converted to fee-for-service programs and receive only mandatory Medicaid services.

Mental health and substance abuse services works in tandem with the other. People who experience mental illness often struggle with substance abuse. If substance abuse treatment through the PIHP structure is eliminated, it might impact not only that treatment network, but the mental health system as well. The opposite is equally accurate; elimination of mental health services provided through the PAHP system would be corrosive. Without access to needed services, including crisis services, individuals may end up in the corrections system, or at the state hospitals, as capacity allows. This scenario will shift the cost of their care, but will not eliminate the associated costs of care.

Nursing Facility Mental Health (NF/MH)

Eleven facilities provide out of home residential care and rehabilitation services for persons experiencing severe symptoms of mental illness. NF/MHs provide around-the-clock supervision, care and treatment for mentally ill beneficiaries, and are licensed by the Kansas Department of Health and Environment. Bed capacity has decreased from 1,200 to less than 700. Because of federal restrictions, Kansas does not receive the increased federal match rate on residents who are eligible for Medicaid but who are under age 65.

Number of beneficiaries: 757
State General Fund: $1,244,298
All funds: $3,492,277
Program responsibility: SRS

If eliminated: According to KHPA, without access to needed services and supports, including crisis services, persons with persistent mental illness may end up in the corrections system, or at the state hospitals, as capacity allows, which will shift the cost of their care, but will not eliminate the associated costs of care.

Intermediate Care Facility/Mental Retardation (ICF/MRs)

ICF/MRs were created under the federal Social Security Act, to fund institutions (four or more beds) for people with mental retardation or other related conditions, and specifies that these institutions must provide active treatment as defined by the Secretary of SRS. According to federal regulation, ICF/MRs are defined as

institutions that are primarily for the diagnosis, treatment, or rehabilitation of people with mental retardation. In this instance, these are privately operated, small bed ICF/MRs. They provide, in a protected, residential setting, ongoing evaluation, planning, 24-hour supervision, coordination, and integration for health or rehabilitative services to help individuals function at their greatest ability.

Number of beneficiaries: 623
State General Fund: $4,968,991
All funds: $13,946,087
Program responsibility: SRS

If eliminated: According to KHPA, persons residing in this environment could be placed in community based residential placements, if available. State ICF/MR referrals to Kansas Neurological Institute and Parsons State Hospital are not being pursued due to the Governor's recommendation to the Facility and Closure Commission to reduce census at those facilities in the future.

Home and Community Based Services

Home and Community Based Services (HCBS) rules allow states to waive certain provisions of the Medicaid statute contained in the federal Social Security Act in order to receive federal Medicaid matching funds for the cost of providing community based services. States may limit the geographic areas in which such services are offered, and the number of individuals in those areas who may qualify for the services. HCBS services are structured to meet the needs of the specific population they serve. Across the waivers, services include:

- Frail Elderly: Adult day care, assistive technology, attendant care, nursing evaluation visit, personal emergency response, sleep cycle support, medication reminder, oral health services, comprehensive support and wellness monitoring. In January 2010, four of these services, assistive technology support, sleep cycle support, comprehensive support service and dental care were suspended.

- Mental Retardation/Developmental Disability (MR/DD): Case management, residential services, day services, home modifications, van lift, medical alert, wellness monitoring, family and individual supports, which may be supportive home care, respite care, and night support.

- Technical Assistance (TA): Respite care, medical equipment and supplies, case management; State Plan services include: skilled nursing, home health and therapies.

- Physical Disability (PD): Independent living counseling, personal services, assistive services.

- Traumatic Brain Injury/Head Injury: Personal services, assistive services, rehabilitation services, transitional living skills.

- Severe Emotionally Disturbed: Wraparound facilitation, parent support and training, independent living skills building, attendant care, professional resource family care, short-term respite care.

- Autism: Respite care, parent support and training, intensive individual supports, consultative clinical and therapeutic services, family adjustment counseling.

Number of beneficiaries: 20,485

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Mental Retardation/Developmental Disability: 10,250
Traumatic Brain Injury/Head Injury: 390
Technology Assistance: 381
Severe Emotionally Disturbed: 545
Physically Disabled: 8,872
Autism: 47

State General Fund: $175,714,815
All funds: $493,165,352
Program Responsibility: SRS

Number of beneficiaries Frail Elderly Waiver: 7,726
State General Fund: $24,412,574
All funds: $69,596,911
Program Responsibility: KDOA

If eliminated: According to KHPA, if HCBS services were discontinued, many people who use these services to reside in the community would seek institutional placements which are more expensive to provide.

State Psychiatric Hospital

Three institutional facilities provide comprehensive residential treatment services to children and adults with severe and persistent mental illness.

- Larned State Hospital: Children's services currently available are group and individual therapy, family therapy, medication, rehabilitative skills development, and other activity therapies. Larned will no longer be serving children after May 1, 2010. For adults, the Crisis Stabilization Unit provides short term treatment to stabilize psychiatric symptoms and interrupt problematic behaviors. Longer term treatment involves managing psychiatric conditions that take longer to stabilize, referral to specialized substance abuse treatment facilities, 72-hour social detoxification services are also provided.

- Osawatomie State Hospital and Rainbow Mental Health Facility: These facilities provide individual, group and family therapies, pharmacological management, and various activity based therapies. The people served here and at Larned State Hospital are those experiencing serious symptoms of mental illness and cannot be treated safely or effectively in the community. Once severe symptoms are stabilized, persons may successfully return home with support provided by the community mental health centers or other providers.

Number of beneficiaries: 353
State General Fund: $358,502
All funds: $1,006,179
Program responsibility: SRS

If eliminated: According to KHPA, state hospitals are one option to serve people who experience extreme, chronic, or episodic mental disorders. Though this is an Institute for Mental Disease (IMD) setting, these facilities may serve individuals age 18-21 for whom the Early and Periodic, Screening, Diagnostic and Treatment mandate for covering "medically necessary" service would apply. Medicaid funds can be expended for this population and may be extended to persons up to age 22. If treatment is deemed medically necessary, this group of people require services at a cost to Medicaid. These facilities also have a small number of individuals, age 65 and over,

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for whom Medicaid payment is also made. These facilities are continually operating at full capacity, and often over census - indicating a high level of demand for this resource. The facilities provide crisis stabilization for people who are newly diagnosed or in need of first time inpatient hospitalization. As indicated previously, without access to needed services and supports including crisis services, persons with persistent mental illness may end up in the corrections system, others may seek support at nursing facilities, community-based inpatient treatment, or become homeless.

State Mental Retardation Hospitals

There are two state hospitals that serve persons with mental retardation and intellectual disabilities, Kansas Neurological Institute (KNI) and Parsons State Hospital. Both facilities provide opportunities for residents to increase social relationships and to develop and maintain relationships with people in their communities. In addition to offering specialized residential services for persons with very severe disabilities, people living in the facilities are provided person centered supports, positive behavioral support, adaptive equipment, health care services, and supported employment for people with severe disabilities.

Number of beneficiaries: 374
State General Fund: $11,032,783
All funds: $30,964,869
Program responsibility: SRS

If eliminated: According to KHPA, both Parsons and KNI are working toward census reduction and placement of residents into community based residential and support programs. According to KHPA, there are some barriers to transitioning this population from these facilities. Some of the people residing in these institutional settings have previously failed in community placements. Community providers claim an inability to serve individuals with higher needs under the current reimbursement rate structure. As these facilities reduce the number of individuals served through planned closure processes, new residential services and supports necessary to live in the community will have to be developed to accommodate community-based living arrangements.

KHPA indicated that the provisions of recent federal health reform prevent states from reducing eligibility for the Medicaid program. KHPA further indicated that the penalty for doing so is suspension of all federal matching payments for the Medicaid program. Optional services in Medicaid continue to be optional with the passage of health reform, however federal health reform does place maintenance of effort provisions on Medicaid including some service and eligibility mandates. KHPA is still investigating how the maintenance of effort requirements affects services.

V. Medicaid Fraud and Abuse (House Committee). The House Committee recommended a review of the actions the agency has taken, or is planning to take, for FY 2011 to aggressively investigate fraud and abuse in the Medicaid program. In addition, the Committee requested a report, prepared by the agency, regarding the areas identified by the federal government, be reviewed.

KHPA submitted the following report:

Prevention

KHPA utilizes a number of methods to decrease waste, fraud, and abuse in Medicaid. The first step in the process is prevention, and a key to prevention is provider enrollment. In June of 2008, KHPA began the process of renewing provider agreements with all providers enrolled in Medicaid. During the same time period, a new Disclosure of Ownership and Control form was implemented. The form was designed to better screen applicants who may be excluded from participation in the program or otherwise sanctioned, and to deter applicants who owe money to the state

under one provider number from obtaining a new provider number to avoid payment. In the last year, this has resulted in two denials and one termination.

Since 1994, onsite visits were made to Durable Medical Equipment providers to ensure the Kansas Administrative Regulations were being followed. In July of 2009, the Provider Representatives positions that were conducting the visits were eliminated because of budget reductions. In order to continue to protect the integrity of the program and comply with the regulation, a DME Attestation Form was created and added to the enrollment packet. Because of the information provided on the attestation form, three applications have been denied since July, 2009 for not meeting the regulation.

Another key to detecting and preventing waste, fraud, and abuse is to closely monitor and evaluate Medicaid spending to make sure that any unusual increases in spending are identified and explained. KHPA addresses this overarching purpose in at least two key business practices on a regular basis. First, our process for estimating consensus caseload costs entails twice-yearly reviews of spending in each major category of service to identify trends and distinguish from outlying, unusual or anomalous spending. The result is a population-specific review and projection of spending specifically designed to identify cost-drivers. Results are discussed with program staff, then shared publicly with the KHPA Board.

The second key business practice that KHPA has adopted to identify unnecessary spending is the comprehensive program improvement process, more commonly referred to as Medicaid Transformation program reviews. The Kansas Health Policy Authority maintains an ongoing process of reviewing elements of its programs and operations to identify opportunities for improvement, efficiencies and savings. The Program Improvements process began in 2008 with reviews of 14 major pieces of the Kansas Medicaid program. Those reviews led to the publication of the first Medicaid Transformation report in January 2009. The 2009 KHPA program improvement process is nearly complete, with 11 published reviews covering topics such as school-based services and services provided out-of-state. In 2010 that process is being expanded to cover all programs and operations within KHPA, including the State Employee Health Benefits Program and KHPA internal operations. The overall purpose is to produce and publish regular program reviews to monitor, assess, diagnose and address policy issues in each major program area within the agency. The presentation of these reviews is designed to serve as the basis for KHPA budget and policy initiatives on an ongoing basis. Examples include cost-saving recommendations that have now been implemented in the areas of Medicaid transportation services, durable medical equipment, pharmacy, hospice, and home health.

Cost Avoidance

Pre-payment monitoring through the use of edits and audits in the Medicaid Management Information System (MMIS) serves to stop claims from being paid that would likely be erroneous payments. There are approximately 1,500 edits and audits in MMIS that are designed to ensure payments are made only for approved Medicaid services, the payments are made only to legitimate Medicaid providers, and that payments are made only on behalf of beneficiaries enrolled in the program at the time the service was provided.

Prior authorization (PA) is used to contain costs by ensuring medical services provided to beneficiaries are medically necessary prior to the procedures being performed. This is accomplished by identifying, researching, and reviewing designated procedures or services and then implementing measures to promote performance and reimbursement of services considered medically necessary. In FY 2009, $5.6 million in costs were avoided as a result of prior authorization.

When a provider has exhibited a pattern of inaccurate billing, the provider may be placed on pre-payment review. Providers placed on pre-payment review must submit

documentation of their claims prior to the claims being paid. In FY 2009, the pre-payment review processed saved $95,087.30 in costs.

Detection

KHPA contracts with EDS to conduct post-payment reviews on claims that have already been paid. The program, Surveillance and Utilization Review, is federally mandated in order to safeguard against unnecessary or inappropriate use of services and against excess payments, and to assess the quality of services. Among other techniques, the Surveillance Utilization Review unit uses data mining and peer profiling to identify providers who may be billing inappropriately. Common findings include incorrect coding of procedures, lack of medical necessity, incomplete documentation, and billing for more units than provided. In FY 2009, the Surveillance Utilization Review unit completed 290 reviews and identified $5.9 million in overpayments, of which, $4 million was recovered from these and previously identified overpayments.

KHPA contracts with the Kansas Foundation for Medical Care to conduct post-payment reviews on inpatient hospital claims. The Foundation identified and recovered $17.4 million in FY 2009.

In the 2009 process, KHPA also reviewed its Surveillance and Utilization Review process, which is explicitly designed to identify and waste, fraud and abuse (see description of utilization review below).

Recommendations from the 2009 KHPA review of Medicaid surveillance and utilization review:

1. Consider resuming the extrapolation of statistically valid random sample findings to providers' entire claims universes once the issue of identifying these claims as having been corrected has been resolved. This would avoid having these claims being identified as errors in outside audits and mass adjustments. A complete review of KHPA policies regarding extrapolations should be completed along with a comparison of other states' methods and CMS guidelines for extrapolations.

2. Calculate the dollars identified and time spent for recoupment from full reviews separately from the dollars identified and time spent from focused reviews. This would be done to assist in determining the effectiveness and possibly improving the selection process to maximize the Surveillance Utilization Review analysts' time and efforts. It would also aid in evaluating the tools used to identify aberrant billing patterns.

3. Complete the process of changing the Recipient's Explanation of Medical Benefits (REOMBs) to target specific provider types or beneficiary populations to reach areas more vulnerable to fraud and abuse and to increase referrals alleging fraud or abuse.

4. Explore other initiatives, such as the use of random pre-payment reviews and provider self audits, that were identified as best practices in the Legislative Coordinating Council study.

5. Continue to evaluate the effectiveness of the Surveillance Utilization Review and Kansas Foundation for Medical Care programs and the results of program initiatives to improve quality.

6. Continue to keep abreast of and participate in nationwide initiatives in Medicaid program integrity.

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It is important to recognize that while Surveillance Utilization Reviews serve as a deterrent to fraud and abuse and help identify areas where provider education is needed, they can also impact provider decisions to remain in the Medicaid program.

Whether or not a Surveillance Utilization Review results in negative findings, there is a burden on the provider to collect, copy, and submit documentation. Collecting and submitting rebuttal information and filing an appeal adds to that burden. If the provider is upheld on appeal, much effort has been exerted for no appreciable gain to the state and some negative perception of the Medicaid program on the part of the provider.

The Governor's recent 2010 budget allotment required a 10 percent payment reduction to Medicaid providers which could result in some loss of providers and less access to care for beneficiaries. Combined effects of Surveillance Utilization Reviews and payment reductions could result in fewer providers; however, national emphasis is toward increased program integrity activities. KHPA will monitor provider participation and determine if, and how, Surveillance Utilization Reviews may contribute to loss of providers.

Prosecution

KHPA refers all cases of suspected fraud to the Medicaid Fraud Control Unit of the Attorney General's office. Twenty cases of suspected fraud were referred to Medicaid Fraud Control Unit in FY 2009. KHPA also cooperates with the Medicaid Fraud Control Unit and assists the Medicaid Fraud Control Unit with investigations and prosecutions as needed.

Initiatives

The Centers for Medicare and Medicaid Services (CMS) Medicaid Integrity Group has developed several initiatives to assist states in their program integrity efforts. One initiative is the Medicaid Integrity Institute. The Medicaid Integrity Institute is located on the campus of the University of South Carolina in Columbia, South Carolina. It focuses on developing a comprehensive program of study addressing aspects of Medicaid program integrity including fraud investigation, data mining and analysis, and case development. Medicaid Integrity Institute training is provided at no cost to the states. Since its inception in 2008, 19 KHPA staff members have attended

KHPA Report continued:

classes at the Medicaid Integrity Institute and it is anticipated more will attend before the end of FY 2010.

In addition to courses offered by the Medicaid Integrity Institute, the Medicaid Integrity Institute also provides states with opportunities to share algorithms and other information with other states to detect new fraud trends as they occur. KHPA staff has shared this information with the fiscal agent to use to detect potential fraud in Kansas.

One KHPA staff member participates in monthly Fraud and Abuse Technical Advisory Group meetings sponsored by CMS. These meetings are usually held by conference call and include topics relevant to KHPA including CMS and Medicaid Integrity Group updates, CMS legislative initiatives, and other topics shared by the states. The staff member also participates in quarterly regional program integrity calls sponsored by CMS.

Office of the Inspector General

In 2007, the Legislature created an Office of Inspector General within KHPA under K.S.A. 75-7427. The Office of Inspector General conducts audits and reviews to help

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improve the integrity of KHPA programs and operations, thereby enhancing KHPA's fraud prevention and detection efforts. The Office of Inspector General is also tasked with directly investigating potential fraud, waste, abuse, and illegal acts by KHPA or its agents, employees, vendors, contractors, consumers, clients, health care providers or other providers.

To date, the Office of Inspector General has conducted audits of KHPA's Fee-for-Service Home Health Program and the Medicaid Management Information System claim payments, recommending some changes to policies and procedures ensuring the accuracy, appropriateness and timeliness of claim payments. The Office of Inspector General has also periodically conducted preliminary investigations of complaints received from the public.

W. Senate Substitute for House Bill 2160 - Coverage for Autism Spectrum Disorder (Law). Senate Sub. for **HB 2160** enacts new law and amends existing law to specify certain requirements applied only to the coverage of services for the diagnosis and treatment of autism spectrum disorder under the state health care benefits program and for the coverage for orally administered anticancer medications, on a basis no less favorable than intravenously or injected cancer medications that are covered as medical benefits.

KHPA indicated that benefit expenditures for the State Employee Health Plan would increase by an estimated $4.2 million, to provide coverage for autism spectrum disorder. This estimate would provide coverage, limited from birth to age seven up to $36,000 per member per year, and up to $27,000 per member per year for members from age seven to age nineteen, beginning January 1, 2011. Coverage would be subject to plan deductibles, co-pays and coinsurance, but must include any service ordered by a physician or psychologist for treatments recognized by peer reviewed literature as providing a medical benefit to someone with autism spectrum disorder.

X. Durable Medical Equipment (Senate Committee). The Kansas Health Policy Authority indicated that the current issue surrounding durable medical equipment stems from a reimbursement reduction and an enforcement of an existing policy. The 10 percent provider rate reduction applied to all providers including providers of durable medical equipment. The second and more impactful issue is the result of a 2009 KHPA program review. In the review, KHPA recommended enforcement of a policy requiring durable medical equipment providers to show actual costs of all manually priced durable medical equipment items, which would ensure reimbursement at cost plus 35 percent. Prior to the review this policy was not enforced and according to KHPA probably resulted in overpayment of the equipment provided. The transformation recommendation was included in the Governor's FY 2010 budget recommendation and was part of the consensus caseload estimates in FY 2010.

The agency indicated that from their perspective, durable medical equipment providers have hesitated to provide the required cost information. Suppliers that have not agreed to the Medicaid requirements for reimbursement have refused to provide these very specialized pieces of equipment and wheelchairs. KHPA indicated it is currently in negotiations with durable medical equipment providers to reach an agreement on the reimbursement standards to be followed.

Y. Technical. The Governor's recommendation reduced the Department of Administration request for non-FTE positions by 6.0 as part of a decision to move the positions to the Kansas Health Policy Authority. The Governor's recommendation inadvertently failed to increase the FTE limitation fro the Kansas Health Policy Authority by 6.0 FTE positions.

Currently, KHPA purchases information technology support from Department of Administration, Division of Information Systems and Communications (DISC) through a service level agreement. That agreement covers most of the information technology services and infrastructure support KHPA uses to support business functions. The agreement also includes provisions for 6 information technology support positions, including a security specialist, two desktop support staff, and three server administrators.

The technical amendment would allow the funding to be shifted from contractual services to salaries and wages and for the addition of 6.0 FTE positions for FY 2011.

Z. Human Services Consensus Caseloads. The FY 2010 Spring Consensus Caseload Estimate for the Regular Medical Program is a State General Fund decrease of $16.4 million, and the same estimate from all funding sources. The State General Fund savings in Medicaid programs resulting from the enhanced Federal Medical Assistance Percentage rate included in the American Recovery and Reinvestment Act of 2009 (ARRA) has been included in prior estimates. However, the federal government recently announced that for a limited period, the state portion of the Medicaid Clawback that all states pay will be reduced by a corresponding percentage. This reduction in clawback payments of $16.4 million from the State General Fund, which was included in the Governor's March plan to reduce the budget, is incorporated into the caseload estimate for KHPA's Regular Medical Program. The Regular Medical estimate does not include any change in expenditures that will result from federal health reform. KHPA did not provide an estimate of expenditures that will result from enactment of the federal legislation.

The FY 2010 Spring Consensus Caseload Estimate for the Regular Medical program is an increase of $410,885, but a State General Fund decrease of$1.9 million from the State General Fund. This State General Fund reduction is largely due to the FY 2011 clawback reduction of $8.4 million. The Regular Medical estimate does not include the use of a Preferred Drug List for mental health drugs as was recommended by the Governor, but it does include the use of a prior authorization system for prescription drugs and the professional rate leveling reductions. The Regular Medical estimate also does not include any change in expenditures that will result from federal health reform. KHPA did not provide an estimate of expenditures that will result from enactment of the federal legislation. The estimates for Medicaid Programs that had a 10.0 percent provider rate reduction in FY 2010 result in FY 2011 savings from the time lag in billing. The estimates for Regular Medical include rate changes for managed care organizations that have recently begun paying privilege fees to the Insurance Department.

More information on the Spring Consensus Caseload Estimates is included under the Department of Social and Rehabilitation Services, Item U, Page 42.

Committee Actions:

Andy Allison, Executive Director, KHPA, was present to respond to Committee questions.

Senator Vratil moved to take no action on Item No. "A" until a report on the history of salaries and raises since 2005 is received from the agency. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator McGinn moved to take no action on Item No. "B" until new maintenance of effort requirements from the Centers for Medicaid and Medicare (CMS) for the State Children's Health Insurance Program (SCHIP) eligibility are available. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

A report on the KHPA Executive Positions-salary history was presented to the Committee (Attachment 20).

Senator Vrail moved to take no additional action on KHPA salaries. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Vratil moved to take no action on Item No. "C" and ignore the caseload estimates. The Chairman declared the motion dead because it is felt that caseloads should not be ignored.

Senator Lee moved to delete Item No. "C" from the KHPA report and adopt the Consensus Caseload Estimates for MediKan program for FY 2010 and FY 2011 (Attachment 13). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Lee moved to reinstate $2.3 million from the State General Fund, to capture savings associated with eliminating transitional Medicaid assistance in Item No. "D". The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Senator Kultala moved to reinstate funding of $2.9 million from the State General Fund to capture savings associated with reducing the maximum hospice services from 6 months to 3 months for FY 2011 in Item No. "F". The motion was seconded by Senator Lee.

Senator McGinn made a substitute motion to restore hospice services to 50 percent of the $2.9 million or $1.45 million from the State General Fund in Item No. "F" subject to the passage of an enhanced revenue package sufficient to cover the additional appropriation and signed into law by the Governor. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Additional information on Item No. "G", Securitizing Drug Rebate was presented to the Committee (Attachment 21).

Senator Vratil moved to take no further action on Item No. "G". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Schmidt moved to authorize KHPA to expend existing funds in consensus caseload process for the statewide Health Information Exchange in Item No. "H". The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

The Committee requested that the expansion of electronic prescribing for the statewide Health Information Exchange be reviewed by the Joint Committee on Health Policy Oversight.

Senator Vratil moved to take no further action on Item No. "I". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Schmidt moved to take no further action on Item No. "J". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Kelly moved to instruct KHPA to capture savings associated with "Coverage for Over-the-Counter Medications" in Item No. "K". The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Vratil moved to take no further action on Item No. "L". The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Vratil moved to take no further action on Item No. "M". The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Schmidt moved to add language directing the Drug Utilization Review Board to review the exemptions to the five single-source prescription policies on an annual basis in Item No. "N". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Vratil moved to take no further action on Item No. "O". The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Schmidt moved to request a report from KHPA on the hard edit for narcotics to prohibit refill of 30 day prescriptions before 28 days by January 1, 2011 in Item No. "P". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Schmidt moved to recommend that KHPA pursue a more aggressive pricing strategy on cost savings on speciality drugs in Item No. "Q". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Schmidt moved to take no further action on Item No. "R". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Teichman moved to take no further action on Item No. "S". The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Kelly moved to take no further action on Item No. "W". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Schmidt moved to request an update from the Joint Committee on Health Policy Oversight after they have met and reviewed the progress of negotiations with durable medical equipment providers who provide durable medical equipment in Item No. "X". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to adopt a technical amendment that would allow the funding to be shifted from contractual services to salaries and wages and for the addition of 6.0 FTE positions for FY 2011 in Item No. "Y". The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Lee moved to adopt the consensus caseload estimates for FY 2010 and FY 2011 in Item No. "Z" (Attachment 13). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Schmidt moved to limit a prescription first fill of brand-name drug to a 15-day supply funded through Medicaid. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Social and Rehabilitation Services

A. Extension of the Enhanced Federal Match for the Medicaid Program (Senate Committee). The Senate Committee recommended a review of the status of the extension of the enhanced federal match for the Medicaid program until June 30, 2011.

Federal HR 4213, the American Workers, State, and Business Relief Act of 2010 contains the extension of the enhanced federal match for the Medicaid program, originally authorized in the 2008 Federal American Recovery and Reinvestment Act. The provisions of the proposed federal legislation would extend the enhanced match until June 30, 2011. The Senate passed the legislation on Wednesday, March 10, by a vote of 63-36, and the bill has moved to the House for consideration. Extension of the enhanced federal match for the Medicaid program would result in an additional $127.3 million for the Kansas Medicaid Program for the second half of FY 2011.

B. Centers for Independent Living Funding (Senate Committee and House Committee). The Senate Committee and the House Committee recommended a review of the addition of $1.1 million, all from the State General Fund, for FY 2011 to restore the Governor's reduction to the Centers for Independent Living.

The Governor's reduction results in remaining funding of $1.2 million, including $592,312 from the State General Fund. The Governor's reduction is a reduction of 47.9 percent below the requested amount and a 50.3 percent below the FY 2010 recommendation.

The Centers for Independent Living receive grants to provide information, training in independent living skills, peer counseling, and deinstitutionalization supports. Information provided by the agency indicates that if funding is not restored, an estimated 9,276 consumers will lose services for FY 2011.

C. General Assistance Program Funding (Senate Committee). The Senate Committee

recommended the deletion of $3.7 million, all from the State General Fund, to suspend all General Assistance (GA) payments. This action would leave $100 in the program to ensure the restoration of the assistance payments is considered in the future. The GA population consists of adults with severe disability barriers living in extreme poverty. GA provides monthly cash assistance to 2,373 low-income adults with disabilities who do not qualify for any other assistance programs.

The Senate Committee recommends consideration of the restoration of the funding for the GA program for FY 2011. Restoration of the funding would enable 2,373 adults to retain cash assistance. Restoring funds would help prevent communities from having to bear the burden of providing substitute services.

D. Salary and Wages Funding (Senate Committee). The Senate Committee recommended the deletion of $4.1 million, including $1.8 million from the State General Fund, for salary and wages reductions. This increases the agency's shrinkage rate from 18.5 percent to 20.5 percent. The shrinkage rate for FY 2010 is 16.0 percent.

The Senate Committee recommends consideration of the restoration of salary and wages for FY 2011. The Department indicated that restoration of this reduction would allow for the retention of approximately 77 staff based on an average salary and would not undermine the ability of SRS to provide services given the current unprecedented low staffing levels.

E. Home and Community Based Services Waivers Funding (Senate Committee). The Senate Committee recommended the deletion of $17.4 million, including $6.2 million from the State General Fund, in reductions to the home and community based services waivers after the enhanced federal match for the Medicaid program expires. The Governor's recommendation includes funding of $456.0 million, including $151.4 million from the State General Fund. This may result in individuals who are currently receiving waiver services no longer being determined qualified for these services due to a change in eligibility. This would mainly affect the HCBS waiver for the physically disabled and the HCBS waiver for the developmentally disabled. It could also affect the other HCBS waivers, including the autism, traumatic brain injury, and technology assistance waivers.

As of February 25, 2010, the Home and Community Based Services Waiver for Individuals with Developmental Disabilities (HCBS/DD) had a waiting list for services totaling 2,990, which includes 2,075 individuals receiving no services and 915 who are undeserved. In addition, the HCBS/DD waiver stopped providing dental services effective January 1, 2010 and temporary respite care effective February 1, 2010. As of March 31, 2010 the waiting list totaled 3,161, which includes 2,246 receiving no services and 915 who are undeserved.

As of February 25, 2010, the Home and Community Based Services Waiver for Individuals with Physical Disabilities (HCBS/PD) had a waiting list of 1,728 individuals requesting but not receiving services. In addition, effective January 1, 2010, the HCBS/PD waiver stopped providing dental services and chore services, limited personal services to 10 hours per day, and limited assistive services to crisis situations. Prior to that, the HCBS/PD waiver had implemented a hard freeze (crisis exceptions only) and new rules regarding plans of care for individuals aimed at cost containment effective November 1, 2009. As of March 31, 2010 the waiting list was 1,975.

The Senate Committee recommended consideration of the restoration of the Home and Community Based Services funding. Restoration of the funding would enable 539 individuals to retain services on the Physical Disabilities Waiver and 1,953 individuals to retain services on the Developmental Disabilities Waiver.

F. Funeral Assistance Program Funding (Senate Committee). The Senate Committee recommended the deletion of $519,900, all from the State General Fund, to eliminate funding for the Funeral Assistance program for FY 2011. This action would leave $100 in the program to ensure the restoration of the assistance payments is considered in the future.

The funding for this program was transferred from the county level to the state when the

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Department of Social and Rehabilitation Services was created. However, the statutory responsibility for this program still resides with the counties (K.S.A. 39-713d). Senate Bill 320 was introduced by the Senate Committee on Ways and Means during the 2009 Session to formally transfer the responsibility to the state for this program. As of April 1, 2010, **SB 320** remained assigned to the Senate Committee on Ways and Means.

The Senate Committee recommended consideration of the restoration of funding for the Funeral Assistance program for FY 2011. Restoration of the funding would allow the families of 954 deceased, former SRS recipients, to receive assistance. The Funeral Assistance program mission is to convey dignity and compassion to very low income families facing the loss of a relative. The agency notes that the restoration of these funds would prevent a further burden from being placed on counties who are also financially pressed.

G. Mental Health Consolidated Grants (Senate Committee). The Senate Committee recommended the deletion of $5.8 million, all from the State General Fund, to reduce Mental Health Consolidated grants. Consolidated Mental Health grants are awarded to Community Mental Health Centers (CMHCs) and are used to fund services necessary to meet the community-based needs of persons with severe and persistence mental illness or children with severe emotional disturbance who do not have the means to pay for mental health services. This action would leave $5.0 million in CMHC Consolidated grants.

The Senate Committee recommended consideration of the restoration of Mental Health Consolidated grants distributed to the CMHCs for FY 2011. Restoration of the funding would allow approximately 18,334 persons with mental illness to retain their current level of services.

H. Mental Health State Aid (Senate Committee). The Senate Committee recommended deletion of $5.2 million, all from the State General Fund, to reduce Mental Health State Aid. This action would leave $5.0 million in Mental Health State Aid. Mental Health State Aid is used to subsidize the cost of providing services to individuals who do not have third party reimbursement, including Medicaid. Specific emphasis is placed on providing emergency care and care for the homeless.

The Senate Committee recommends the proposed reductions for Mental Health State Aid be distributed to CMHCs for FY 2011. Restoration of funding would allow approximately 6,644 persons with mental illness to retain their current level of services.

I. Community Developmental Disabilities Organizations Direct Services Grants (Senate Committee). The Senate Committee recommended deletion of $1.3 million, all from the State General Fund, to reduce direct services grants. This action would leave $2.0 million in direct services grants. Funding for the direct services grants is provided to Community Developmental Disability Organizations (CDDOs) to provide a comprehensive array of community-based support and direct services for persons with developmental disabilities. This is done in partnership with individuals served, their families, advocates, and private providers. The CDDOs use these grant funds to primarily provide direct day and residential services for adults with developmental disabilities and family support services for families whose child is developmentally disabled. Grants for direct services supports over 2,300 individuals and families.

The Senate Committee recommends consideration of the restoration of direct services grants for Community Developmental Disabilities Organizations (CDDOs) for FY 2011. Restoration of funding would allow approximately 2,000 persons to retain their current level of services. These services include transportation, day and residential services, and early childhood services. Rates to providers of day and residential services could also remain at the current level.

J. Developmental Disabilities State Aid (Senate Committee). The Senate Committee recommended deletion of $3.2 million, all from the State General Fund, to reduce Developmental Disabilities State Aid. This action would leave $2.0 million in Developmental Disabilities State Aid. State Aid is allocated to CDDOs based on a statutory formula (K.S.A. 65-4413). CDDOs have significant latitude in how state aid is utilized. Examples of how funding is utilized include: payments

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to affiliates, infrastructure, consumer expenditures, independent living, and administration.

The Senate Committee recommended consideration of restoration of Developmental Disabilities State Aid for FY 2011 and priority be given to the restoration. Restoration would allow approximately 2,000 persons to retain their current level of services. These services include transportation, day and residential services, and early childhood services. Rates to providers of day and residential services could also remain at the current level.

K. Information Technology Expenditures (Senate Committee). The Senate Committee recommended the deletion of $500,000, all from the State General Fund, from the Information Technology Services program. The Information Technology Services program manages the agency-wide information technology system which includes reporting, and maintaining core infrastructure and other resources.

The Senate Committee recommended consideration of the restoration of information technology expenditures for FY 2011. Restoration of this reduction would allow the Department to continue to contract for programming services, which would allow it to continue to provide the current level of support and maintenance to the antiquated Child Support Enforcement (CSE) system and would allow mandated changes to the CSE system to occur . Furthermore, restoration of funds would allow for the ongoing support, maintenance, and required technology refresh of the server and network computing infrastructure within SRS and would prevent a future infrastructure failure.

L. Children's Initiatives Fund Reductions (Senate Committee). The Senate Committee recommended the deletion of $9.0 million, all from the Children's Initiatives Fund, for FY 2011, to reduce expenditures for each program by 24.0 percent. The proportionate reduction of Children's Initiatives Fund expenditures for the Department of Social and Rehabilitation Services and the Department of Education results in a $12.0 million overall reduction.

The Senate Committee requested that the Children's Cabinet review the Senate reduction recommendations and present a proposal to the Committee prior to Omnibus with alternative reductions totaling $12.0 million, across all agencies, to reflect the areas most appropriate for reduction.

The Senate Committee recommended consideration of the restoration of $12.0 million, all from the Children's Initiatives Fund, in early childhood program reductions for FY 2011. In addition, the Senate Committee recommended a review of the recommendation from the Children's Cabinet on how the reduction, if not restored, should be distributed.

Children's Cabinet Recommendation

The Kansas Children's Cabinet and Trust Fund (KCCTF) met on April 15, 2010 and submitted the following recommendations regarding how a $12.0 million reduction in Children's Initiatives Fund expenditures should be applied. The recommendation utilized a weighted formula that takes into consideration the level of evidence base, the quality of evaluation, the level of outcomes measured, and if funds are considered as federal match to leverage additional dollars into the State. The Children's Cabinet indicated that careful consideration was made to ensure the most fair and reasoned criteria were used.

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Programs	Agency	FY 2011	Weighted Budget Cut*
Children's Cabinet Accountability Fund	KCCTF	$ 541,802	$ 184,213
Child Care Assistance Program	SRS	1,400,000	476,000
Child Care Quality Initiatives	SRS	500,000	95,000
Children's Mental Health Initiative	SRS	3,800,000	722,000
Early Childhood Block Grant - Autism	KCCTF	50,000	17,000
Early Childhood Block Grant	KCCTF	11,049,830	2,099,468
Early Head Start	SRS	3,452,779	310,750
Family Centered Systems of Care	SRS	5,000,000	1,200,000
Family Preservation	SRS	3,241,062	291,696
Healthy Start Home Visitors	KDHE	250,000	47,500
Infants & Toddlers	KDHE	5,700,000	513,000
Juvenile Graduated Sanctions Grants	JJA	5,214,186	990,695
Juvenile Prevention & Intervention Program Grants	JJA	3,785,814	908,595
Newborn Hearing Aid Loaner Program	KDHE	50,000	17,000
Newborn Screening	KDHE	2,219,766	421,756
Parents As Teachers	KSDE	7,539,500	1,055,530
Pre-K Pilot	KCCTF	5,000,000	950,000
SIDS Network Grant	KDHE	75,000	18,000
Smart Start Kansas	KCCTF	8,443,161	1,604,201
Smoking Cessation	KDHE	1,000,000	90,000
Totals		$ 68,312,900	$ 12,012,403

*Criteria were: level of evidence base, quality of evaluation, level of outcomes measured and if funds are used as Federal match to leverage additional dollars into the State.

M. Eligibility requirements for the Home and Community Based Services Waivers (House Committee). The House Committee recommended a review of the eligibility requirements for the Home and Community Based Services Waivers and the effects, including any savings for FY 2011, from changing eligibility requirements.

(Attachment 55 - Table with Waiver Information. (Table Information also available from Kansas Legislative Research Department.)

Restrictions on ARRA funding prevent SRS from making changes to eligibility requirements. The ARRA funding is currently scheduled to expire on December 31, 2010. However, federal legislation is being considered that would extend this funding source through June 30, 2011. The only way to achieve savings in the waivers while the ARRA funding is in effect would be to reduce provider rates. Changes in eligibility requirements could be made once the ARRA funding expires.

The Department indicated that recently passed federal health reform legislation requires states to maintain eligibility standards, methodologies and procedures for the Home and Community Based Services Waivers that were in place as of March 23, 2010.

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N. Recommended funding reductions and impact (House Committee). The House Committee recommended a review of all reductions recommended by the Governor and House recommended reductions, including the impact the reductions will have on the agency and individuals served by the agency. The agency provided the following table:

SRS Impact of the House Appropriations Committee Budget Cuts			
	FY 2011		
Agency Specific Adjustments	**State Funds**	**All Funds**	**Impact**
Administration	$(1,000,000)	$(1,889,615)	Eliminate approximately 28 administrative employees. These are Legal, Human Resource, ITS, and Accounting positions and a reduction would impact the ability to maintain computer functions, make payroll, meet federal accounting and reporting requirements, and meet personnel and legal rules and regulations.
Strategic Development	(500,000)	(651,554)	Eliminate approximately 9 employees (70 percent of all employees) plus contractual services that support agency wide and mandatory professional development for 6,000 employees. Reduce infrastructure, consultation, and support for training and virtual tools. Investment in capacity and technology here contributes to reduced travel costs and time away from work for agency staff.
ISD Admin	(50,000)	(123,395)	This reduction will limit the ability to hire approximately two positions necessary to manage on-going and ARRA-related responsibilities. To meet this reduction the division would need to reprioritize work.
CFS Other Grants & Contracts	(565,057)	(581,965)	Reduce the Adoption Exchange contract by 11.4 percent by eliminating payment for corporate indirect costs. This contract supports a federal requirement for states to maintain information regarding prospective adoptive resources for children in the custody of the Secretary. Reduce the Family Resource Contract for emergency shelter services by 25.5 percent. This grant supports short term case management services for approximately 6,800 children annually with the goal to prevent out of home placement in foster care. Services in this contract are provided by 13 organizations across the state including emergency shelters who serve children in police protective cestida Reduce the Foster Care and Prevention Tribal Grants by 25.5 percent. This grant supports direct child protection and case management services to families with children by four recognized Tribes in Kansas.
Eliminate Developmental Disability Grants	(3,325,000)	(3,325,000)	Eliminate services for 1,669 individuals. These grants provide a "safety net" for individuals with developmental disabilities by giving the CDDOs the flexibility to utilize these funds when individuals are in need of supports and waiver services are not available. Without the grant funds the number of crisis requests for MR/DD waiver services may increase.

SRS Impact of the House Appropriations Committee Budget Cuts			
	FY 2011		
Agency Specific Adjustments	**State Funds**	**All Funds**	**Impact**
Cut Early Childhood Block Grant and Replace SGF in Foster Care	(5,000,000)	(5,000,000)	A $5.0 million (45.0 percent cut) in the Early Childhood Block Grant would result in 3,251 at-risk infants, toddlers, and preschoolers losing services.
Early Head Start CIF Reduction	(2,000,000)	(2,000,000)	The immediate impact of this reduction is to reduce the number of children served by approximately 208, or by 17.6 percent. Research has consistently shown that the comprehensive services provided by Early Head Start programs substantially improve the lives of children and families living in poverty Investing in Early Head Start pays long term dividends with regard to healthy, ready-to-learn children who will grow to become educated and productive citizens.
Reduce MediKan Program by 50.0 Percent	(2,300,000)	(2,300,000)	This will reduce mental health supports for persons with serious mental illness who are awaiting disability determination. These services have already been limited to 12 months. Please note a similar reduction would occur in KHPA.
1.0 Percent State General Fund Reduction excluding Consensus Caseload for SRS and State Hospitals	(4,274,848)	(4,274,848)	This will result in additional reductions in mental health, developmental disability, and independent living grants and state aid, and these additional reductions will result in the loss of services to individuals with serious mental health needs, developmental disabilities, and other disabilities
Assume Six Month Extension of Higher Medicaid Match Rate	(39,428,661)	-	This will replace SGF expenditures with federal funds from an anticipated extension of the ARRA FMAP rate. Assuming the extension of the rate occurs, this will have no effect on operations. If the extension is not approved by the federal government and this SGF reduction was not restored, then there would be drastic cuts to all Medicaid programs.
Add $3.3 million SGF for the Developmental Disabilities Waiver	3,300,000	10,885,341	This funding will allow the addition of 145 persons to the DD waiver, plus continuing to serve persons in crisis This assumes the number of persons in crisis is roughly equivalent to the number of persons leaving the waiver, which has been our experience in FY 2010. The AF number assumes the six month extension of the ARRA FMAP rate.
Add $3.6 million SGF for the Physical Disabilities Waiver	3,600,000	11,874,918	This additional funding will allow us to begin a rolling waiting list, with one on for every one off, including crisis within those totals. That would stabilize the waiver at just over 6,840 persons in FY 2011. The AF number assumes the six month extension of the ARRA FMAP rate.
Total Agency Specific Adjustments	*$(51,543,566)*	*$ 2,613,882*	

O. Status of all Home and Community Based Services waivers (House Committee). The House Committee recommended a review of the status of all Home and Community Based Services waivers, including funding levels and waiting lists for services for FY 2011.

(**Attachment 56**) - Table with Waiver Information. (Table also available from Kansas Legislative Research Department.)

P. Reductions in mental health and developmental disability aid and grants (House Committee). The House Committee recommended a review of all FY 2011 reductions in mental health and developmental disability aid and grants.

SRS FY 2011 Reduction for DD and CMHC Grants			
	FY 2011 SGF	FY 2011 All Funds	Impact
Developmental Disabilities Grant			
FY 2011 Base Budget	$ 4,896,190	$ 4,896,190	
Governor Reduction	(1,300,000)	(1,300,000)	This will result in a reduction in the amount of services received.
FY 2011 GBR	*3,596,190*	*3,596,190*	
House recommendation to eliminate DD Grants	(3,325,000)	(3,325,000)	This would eliminate services for 1,669 individuals
Remaining FY 2011 Budget if House Recommendation Adopted	*271,190*	*271,190*	The remaining funds would be used for miscellaneous grants.
Community Mental Health Center Grants			
FY 2011 Base Budget	$14,874,340	$ 17,340,141	
Governor Reduction	(3,983,347)	(3,983,347)	This reduction reflects the estimated amount it would take to provide approximately 1,380 uninsured persons community mental health services.
FY 2011 GBR	*$10,890,993*	*$ 13,356,794*	

Q. Temporary Assistance for Needy Families Fund (TANF) (House Committee). The House Committee recommended a review of the balance of the Temporary Assistance for Needy Families Fund and FY 2011 expenditures from this funding source.

TANF Block Grant Item	FY 2009 Actual	FY 2010 Budget	FY 2011 Budget	FY 2012 Estimate	FY 2013 Estimate
Beginning Balance	$18,456,109	$43,552,971	$0,740,335	$10,102,994	$7,135,510
Revenue					
TANF Block Grant	101,931,061	101,931,061	101,931,061	101,931,061	101,931,061
TANF Emergency Fund - ARRA		3,500,000	5,800,000		
TANF Contingency Fund	18,687,361				
Transfer to CCDF	(23,325,892)	(21,900,000)	(23,400,000)	(20,901,922)	(21,179,884)
Transfer to SSBG	(7,191,254)	(7,191,254)	(7,191,254)	(7,191,254)	(7,191,254)
Transfer to KS Dept of Revenue		(18,687,361)			
Total	$90,101,276	$7,652,446	$7,139,807	$3,837,885	$3,559,923
Total Revenues Available	$108,557,385	$101,205,417	$7,880,142	$3,940,879	$80,695,433
Expenditures					
Central Office Administration	$2,065,644	$2,037,676	$3,162,901	$2,216,974	$2,272,398
Information Technology	1,505,572	1,315,424	1,320,907	1,353,930	1,387,778
Regional Staff	13,816,127	13,888,325	13,863,673	14,210,265	14,565,521
TAF Cash Assistance	15,230,774	26,682,472	24,218,122	27,562,656	30,432,449
Child Care Assistance	7,414,801	5,817,317	5,737,677	5,737,677	5,737,677
TAF Employment Services	11,862,025	12,356,133	12,356,133	12,356,133	12,356,133
Domestic Violence Prevention	1,527,427	1,685,848	1,685,848	1,685,848	1,685,848
Substance Abuse	1,496,280	1,408,000	1,408,000	1,408,000	1,408,000
Foster Care Contracts	5,862,528	5,424,150	5,699,150	5,699,150	5,699,150
Permanent Custodianship	1,188,538	612,184	612,184	612,184	612,184
Family Preservation	3,034,698	4,237,553	3,962,553	3,962,553	3,962,553
Replace SGF in Foster Care		15,000,000			
Emergency Fund Local Initiatives			4,750,000		
Total Expenditures	$5,004,414	$0,465,082	$7,777,148	$6,805,369	$0,119,691
Ending Balance	***$43,552,971***	***$10,740,335***	***$10,102,994***	***$7,135,510***	***$575,742***

R. Supplemental Nutrition Assistance Program (House Committee). The House Committee recommended a review of the Supplemental Nutrition Assistance Program (SNAP), including FY 2011 funding and the number of individuals requesting assistance.

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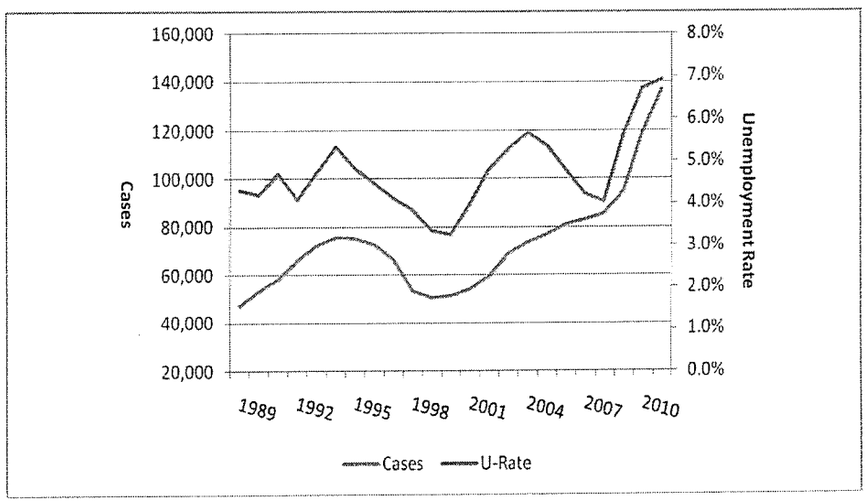
Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 19, 2010, in Room 548-S of the Capitol.

Food Assistance benefits are funded fully by the U.S. Department of Agriculture. The food assistance caseload over the last two decades is detailed in the following graph and table. The unemployment rate is superimposed in the graph to illustrate the direct relationship between the caseload and economic conditions.



Fiscal Year	Average Monthly Cases	Percent Change	Average Monthly Persons	Food Assistance Benefits
1990	53,380	13.5%	139,376	$ 93,611,321
1991	58,327	9.3%	151,985	109,756,846
1992	65,906	13.0%	170,225	130,177,293
1993	72,164	9.5%	185,068	141,350,397
1994	75,749	5.0%	192,050	147,923,912
1995	75,280	-0.6%	186,595	147,620,784
1996	72,795	-3.3%	175,490	140,484,299
1997	66,345	-8.9%	156,657	120,631,488
1998	53,443	-19.4%	120,465	87,345,057
1999	50,336	-5.8%	110,767	79,702,839
2000	51,116	1.5%	110,619	81,380,145
2001	53,923	5.5%	117,241	89,183,403
2002	59,610	10.5%	131,723	106,751,719
2003	68,908	15.6%	155,800	133,948,144
2004	73,521	6.7%	167,971	154,099,365
2005	77007	4.7%	175,710	174,875,666
2006	81,137	5.4%	182,821	185,134,708
2007	82,996	2.3%	184,036	190,314,485
2008	85,428	2.9%	187,375	205,730,500
2009	94,499	10.6%	208,007	263,141,489
2010 est	119,000	25.9%	262,038	391,893,551
2011 est	137,000	15.1%	301,674	460,194,999

The Department indicated that the food assistance caseload lags behind economic conditions, generally peaking four years after the beginning of a recession, and subsiding when the labor market improves. Predicting the current post-recession peak is difficult because of the depth of the current recession and the absence of historical experience on the scale of the current economic downturn.

The Department also receives funding to help cover the administration of this program.

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S. Child Support Collections System (House Committee). The House Committee recommended a review of the child support collections system and consideration of the possibility of requesting a study of the entire child support system during the 2010 Interim.

Congress enacted Title IV-D of the Social Security Act, the Child Support Enforcement Program, to counteract the increasing tax burden of public assistance programs for children left unsupported by one or both parents and to improve the lives of children living in poverty. The Child Support Enforcement Program is a joint federal, state (judicial and executive branches), county, and private operation which must satisfy numerous federal requirements. The program must provide a full range of child and medical support services from the establishment of orders to modification and enforcement of those orders. SRS is the designated Title IV-D Child Support Enforcement agency for Kansas. Services are provided in all areas of the State by Child Support Enforcement regional staff and by contracts with most court trustees, one county attorney, and private sector providers (private attorneys, credit bureaus, process servers, and paternity testing facilities). These services are not just for low-income persons receiving other SRS benefits. Any custodial parent may ask for Child Support Enforcement's unique absent parent location and Child Support Enforcement services. No other private or government agency has the legal authority to provide these services.o

The Child Support Collections System has two main goals:

- Financial stability for children, whether the family receives public assistance or not; and
- A reasonable level of reimbursement for public assistance supplied to children.

An important element of financial stability for children is medical support, whether in the form of health insurance coverage or additional cash for uninsured medical needs.

Child Support Enforcement collects child support from:

- Voluntary payments-including payments to prevent accumulation of arrearage that trigger credit reporting, liens on real estate, passport denial, and other sanctions;
- Income withholding from wages and other periodic income (e.g., workers compensation payments);
- Federal debt setoff-interception of income tax refunds, USDA agricultural subsidies, and other federal payments to individuals;
- State debt setoff-interception of tax refunds and rebates, Kansas Lottery winnings, and other state payments to individuals;
- A share of unemployment insurance (UI) benefits;
- Payments to release sanctions that have been imposed, such as federal passport denial, Kansas drivers license restrictions, Kansas professional license sanctions, and denial of Kansas recreational permits;
- Garnishment of financial assets, such as bank accounts; and
- Use of legal proceedings, such as contempt or hearings in aid of execution, to compel payment or identify assets that may be attached or garnished.

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State Fiscal Year	FY 2007	FY 2008	FY 2009	FY 2010 est	FY 2011 est
Kansas CSE caseload	130,367 cases	129,002 cases	127,217 cases	125,325 cases	123,899 cases
Collections paid to Kansas families	$129.1 million	$139.9 million	$145.1 million	$143.2 million	$144.0 million
Collections paid to HHS or to another state	25.9 million	30.5 million	30.9 million	35.4 million	37.2 million
State's retained share	17.9 million	16.8 million	16.9 million	15.5 million	15.9 million
Total CSE collections	$172.9 million	$187.2 million	$192.8 million	$194.1 million	$197.1 million

System improvements that could improve the level of collections:

The Child Support Enforcement automated system received extensive modifications during the 1990s and was awarded federal certification in 2002. Since then, changes have been put into production to meet new federal requirements and to improve program performance, as resources have allowed. The Department indicated that reengineering the IT processing would allow the Department to more securely and effectively communicate with employers, debtors, and others via the internet and emails. Improved communication with employers and new customer-oriented functions should translate into increased collections, according to the agency.

T. Senate Substitute for House Bill 2356, Licensure and Inspection, Certain CC Facilities (Conference Committee). Senate Sub. for HB 2356 would create a new law, to be known as Lexie's Law, and amend current law concerning the supervision, licensing and inspection requirements for specified child care facilities. The new law would define competent supervision for children in family child care homes or day care homes as regulated by the KDHE. The bill would eliminate the category of registered family day care home and replace the category with licensed family child care home. The new category of family child care home would be included in the existing general definition of a child care facility and the new category would be required to be inspected.

SRS indicates that passage of the bill would result in increased expenditures for the child care assistance program by $275,313, all from special revenue funds, for FY 2011. The increased expenditures are the result of the associated increase in payment rates for registered family day care homes to the licensed provider rate. The Department indicated it would have federal funds available to cover the increased expenditures.

U. Human Services Consensus Caseloads. The Division of the Budget, Legislative Research Department, Department of Social and Rehabilitation Services (SRS), Kansas Health Policy Authority (KHPA), Department on Aging, and the Juvenile Justice Authority (JJA) met on April 14, 2010 to revise the estimates on caseload expenditures for FY 2010 and FY 2011. The consensus estimates include expenditures for Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families, General Assistance, the Reintegration/Foster Care contracts, and JJA psychiatric residential treatment facilities and out of home placements. The estimating group used the Governor's budget recommendation as the starting point for the current estimate.

For FY 2010, the new estimate is a decrease from all funding sources of $3.1 million and $34.7 million from the State General Fund. The decrease in caseload expenditures is the result of lower

expenditures in Nursing Facilities, JJA out-of-home services, General Assistance, and Temporary Assistance to Families (TAF). The expenditure reductions for Nursing Facilities and JJA out-of-home services are due to higher than budgeted savings from the 10.0 percent rate reduction that was included in the Governor's November 2009 Allotment. The reduction in the General Assistance Program is the result of a greater impact from the new 12-month limit on benefits that was initiated in the last allotment. The reduction in the TAF Program reflects that the number of recipients is not rising as quickly as was anticipated at the fall consensus caseload meeting. These decreases were partially offset by higher estimates for the number of individuals in Foster Care and mental health services.

The State General Fund savings in Medicaid programs resulting from the enhanced Federal Medical Assistance Percentage rate included in the American Recovery and Reinvestment Act of 2009 (ARRA) has been included in prior estimates. However, the federal government recently announced that for a limited period, the state portion of the Medicaid Clawback that all states pay will be reduced by a corresponding percentage. This reduction in clawback payments of $16.4 million from the State General Fund, which was included in the Governor's March plan to reduce the budget, is incorporated into the caseload estimate for KHPA's Regular Medical Program. The Regular Medical estimate does not include any change in expenditures that will result from federal health reform. KHPA did not provide an estimate of expenditures that will result from enactment of the federal legislation.

The estimates for Regular Medical, mental health services, and addiction treatment services include rate changes for managed care organizations that have recently begun paying privilege fees to the Insurance Department. Also incorporated from the Governor's March plan is the use of an additional $15.0 million from the federal Temporary Assistance to Needy Families Fund for the Foster Care Program. Actual spending for the Temporary Assistance to Families Program has been less than originally expected and the savings can be used to replace State General Fund expenditures in Foster Care. Additional State General Fund savings are included in the Foster Care estimate to reflect that SRS has improved its practices to increase the amount of federal funding that can be drawn for the program.

	FY 2010 Adjustments	
	All Funds	State General Fund
Nursing Facilities	$ (4,750,000)	$ (861,550)
	0	0
C Targeted Case Management		
Psychiatric Residential Treatment Facilities	0	0
Out of Home Placements	(373,837)	(914,847)
Nursing Facilities Mental Health	0	0
Temporary Assistance for Families	(2,496,500)	0
General Assistance	(376,320)	(376,320)
Regular Medical Assistance- Health Policy Authority	0	(16,400,000)
Reintegration/ Foster Care	1,926,102	(16,840,057)
Mental Health	2,944,382	642,890
Community Supports and Services	0	0
Addiction and Prevention Services	0	0
TOTAL	$ (3,126,173)	$ (34,749,884)

For FY 2011, the estimate is a decrease of $1.6 million from all funding sources, but an increase of $1.0 million from the State General Fund. These adjustments include decreases from all funding sources of $107,907 for the Department on Aging's Targeted Case Management (TCM) Program, $7.8

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million for Temporary Assistance to Families, and $683,304 for General Assistance. TCM and TAF are still expected to increase over FY 2010 expenditures, but beneficiaries and program expenditures are not expected to increase as much as was originally estimated. The estimates for Psychiatric Residential Treatment Facility expenditures are increased in JJA and SRS Mental Health reflecting both an increase in children served and system capacity. Estimates for Foster Care and JJA out-of-home placements are also increased. However, both agencies have additional federal funding that can be drawn for the programs, so less State General Fund is required.

The overall estimate for Nursing Facilities is unchanged from the fall, but the estimate does now include the addition of the Kansas Soldiers' Home and the Kansas Veterans' Home to the program. The estimate for Regular Medical is an increase of $410,885, but the State General Fund portion is decreased by $1.9 million. This State General Fund reduction is largely due to the FY 2011 clawback reduction of $8.4 million. The Regular Medical estimate does not include the use of a Preferred Drug List for mental health drugs as was recommended by the Governor, but it does include the use of a prior authorization system for prescription drugs and the professional rate leveling reductions. The Regular Medical estimate also does not include any change in expenditures that will result from federal health reform. KHPA did not provide an estimate of expenditures that will result from enactment of the federal legislation. The estimates for Medicaid Programs that had a 10.0 percent provider rate reduction in FY 2010 also include estimated savings of $7.5 million, including $2.6 million from the State General Fund, which will be realized in FY 2011 from the time lag in billing. The estimates for Regular Medical, mental health services, and addiction treatment services include rate changes for managed care organizations that have recently begun paying privilege fees to the Insurance Department.

The caseload estimates for FY 2011 include the enhanced federal Medicaid funding from the American Recovery and Reinvestment Act of 2009 for the period from July 1, 2010 to December 31, 2010. However, there is a possibility that the enhanced Federal Medical Assistance Percentage rate will be extended from January 1, 2011 to July 1, 2011. If that happens, the required state match for Medicaid programs will be reduced by approximately $127.3 million. The savings for Medicaid Programs that are included in the consensus process would total $98.2 million. Additionally, Medicaid Programs that are not included in the process, such as the home and community-based services waivers, would save an estimated $29.1 million.

	FY 2011 Adjustments	
	All Funds	State General Fund
Nursing Facilities	$ 0	$ 0
Aging Targeted Case Management	(107,907)	(38,447)
Psychiatric Residential Treatment Facilities	1,316,022	468,899
Out of Home Placements	335,403	(54,343)
Nursing Facilities Mental Health	0	0
Temporary Assistance for Families	(7,760,850)	0
General Assistance	(683,304)	(683,304)
Regular Medical Assistance- Health Policy Authority	410,885	(1,921,180)
Reintegration/ Foster Care	4,376,087	1,657,089
Mental Health	490,082	1,583,581
Community Supports and Services	0	0
Addiction and Prevention Services	0	0
TOTAL	$ (1,623,582)	$ 1,012,295

Committee Actions:

A copy of recommendations from the Subcommittee after it's meeting on April 19th was

distributed to the Committee (Attachment 23).

Senator Taddiken moved to adopt the Subcommittee recommendations for FY 2010 and FY 2011. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Taddiken moved to take no further action on Item "A". The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Schmidt moved to restore $550,000 SGF to the budget for the Centers for Independent Living in Item "B". The motion was seconded by Senator McGinn. Motion failed on a vote of 4-6.

Senator Lee moved to restore $1.2 million SGF to the budget for the Centers for Independent Living in Item "B". The motion was seconded by Senator Kultala. Motion failed on a vote of 4-6.

Senator Kelly moved to restore $750,000 SGF to the budget for the Centers for Independent Living in Item "B". The motion was seconded by Senator Lee. Motion failed on a vote of 4-7.

The above issue will be revisited at a later time.

Senator McGinn moved to maintain funding for the General Assistance Program at $1.5 million in Item "C". The motion was seconded by Senator Vratil. Motion carried on a voice vote. Senators Kelly, Kultala and Lee requested to be recorded as voting "no".

Senator Vratil moved to add a contingency to the above motion (Item "C") that the maintenance of the $1.5 million will be contingent on the passage of a tax revenue enhancement package sufficient to fund the additional expenditure and signed into law by the Governor or the additional appropriation will lapse The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Taddiken moved to take no further action on Item "D". The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Vratil moved to restore $3.1 million SGF, $8.7 all funds, to the Home and Community Based Services waivers which would equate to a 1.5 percent reduction to provider rates in Item "E" subject to the passage of a revenue enhancement package sufficient to fund the additional $3.1 million and signed into law by the Governor. The motion was seconded by Senator Masterson. Motion carried on a voice vote. Senators Kelly, Kultala and Lee requested to be recorded as voting "no".

Senator Teichman moved to take no further action on Item "F". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator McGinn moved to accept the Subcommittee report to add $2.9 million SGF to restore 50.0 percent of the reduction approved by the Senate Committee for FY 2011 in Item "G", subject to the passage of a revenue enhancement package sufficient to fund the additional appropriation and signed into law by the Governor. The motion was seconded by Senator Umbarger.

Senator Kelly made a substitute motion to add $5.8 million SGF to Item "G". The motion was seconded by Senator Lee. Motion carried on a vote of 7-6.

Senator Vratil moved to add language to the motion on Item "G" to indicate that the additional funding is subject to the passage of a revenue enhancement package sufficient to fund the $5.8 million and signed into law by the Governor. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

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Senator Lee moved to restore $5.2 million SGF to Mental Health State Aid in Item "H". The motion was seconded by Senator Kelly.

Senator Vratil made a substitute motion to restore $2.6 million SGF, total $2.6 all funds, to the Mental Health State Aid in Item "H" subject to the passage of a revenue enhancement package sufficient to fund the $2.6 million and signed into law by the Governor. The motion was seconded by Senator Masterson. Motion carried on a vote of 6-4.

Senator Lee moved to restore $2.5 million to the Mental Health State Aid from the Economic Development Initiative Fund (EDIF) in Item "H". The motion was seconded by Senator Kultala. Motion failed on a vote of 5-7.

Senator Teichman moved to take no further action on Item "I". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Taddiken moved to restore $1.6 million SGF to Developmental Disabilities State Aid in Item "J" subject to the passage of a revenue enhancement package sufficient to fund the $1.6 million and signed by the Governor. The motion was seconded by Senator Masterson. Motion failed on a vote of 6-7.

Senator Kelly moved to allow Department of Social and Rehabilitation Services (SRS) flexibility to expend $500,000 for information technology in Item "K" within existing budget and spread the total across the general administrative budget rather than all programming services. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

With regard to Item "L", the following information was distributed to the Committee:

- **Budget reductions for Kansas Children's Cabinet and Trust Fund (Attachment 29).**
- **Children's Initiative Fund (CIF), FY 2011 and CIF FY 2009 - FY 2011 (Attachment 30).**
- **Kansas Endowment for Youth (KEY) Fund Summary (Attachment 31).**
- **Children's Initiative Fund spreadsheet with Governor's recommendation, balance and amount encumbered as of April 16, 2010 (Attachment 32).**

Senator Teichman moved to restore $2.5 million for FY 2010 from the SGF to the Children's Initiatives Fund in Item "L". The motion was seconded by Senator Kelly. Motion withdrawn.

Senator Kelly made a motion to reduce the transfer from the KEY fund to the SGF by $4.4 million in FY 2010 in Item "L" with the funding be used toward the shortage in the CIF in FY 2010. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator McGinn moved to restore the $1.9 million cut from the CIF to Juvenile Justice Authority (JJA) and spread the $1.9 million cut over other programs within the fund in Item "L". The motion was seconded by Senator Masterson.

Senator Kelly made a substitute motion to restore the entire $12 million to the CIF with assurance that they will address the $7.35 shortfall, restore $1.9 million to JJA and spread the $1.9 million throughout other programs within the CIF (Item "L"). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Vratil moved that the restoration of the $12 million to the CIF is subject to the passage of a revenue enhancement package sufficient to fund the $12 million and signed by the Governor. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Teichman moved to request a report from the Children's Cabinet to the Committee on goals and budget adjustments as revenues from tobacco are anticipated to decline. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

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Senator Schmidt moved to take on further action on Item "T". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Schmidt moved to adopt Item No. 3 of the Governor Budget Amendment No. 1 in Item "U". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kelly moved to add a proviso allowing SRS to contract with Kansas Legal Services and allow expenditures as necessary . The motion was seconded by Senator Kultala. The motion was withdrawn until more information is received from the agency.

Senator McGinn moved to restore $550,000 SGF for the Centers for Independent living for FY 2011 in Item "B". The motion was seconded by Senator Vratil.

Senator Kelly made a substitute motion to restore $1.2 million SGF for the Centers for Independent Living in Item "B". The motion was seconded by Senator Kultala. Motion failed on a 4-7 vote.

Senator Schmidt made a substitute motion to restore $750,000 SGF for the Centers for Independent Living in Item "B". The motion was seconded by Senator Kelly. Motion carried on a vote of 7-4.

Senator McGinn moved that the restoration of $750,000 SGF for the Centers for Independent Living in Item "B" is subject to the passage of a revenue enhancement package sufficient to fund the appropriation and signed by the Governor. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

A copy of information taken from the Kansas Register in regard to the Department of Social and Rehabilitation Services general savings information concerning the administrating of the Psychiatric Residential Treatment Facility (PRTF) program for Kansas Youth was distributed to the Committee (Attachment 33).

Senator McGinn moved to adopt revised savings for non-caseload programs. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Kelly moved to adopt a Department of Social and Rehabilitation Services proviso regarding the contract with Kansas Legal Services for providing legal representation for Kansans in disability determination cases effective FY '10 stating "In addition to the other purposes for which expenditures may be made by the above agency from the state operations account of the state general fund for fiscal year 2010, as authorized by 2009 Senate Substitute for House Bill No. 2354, expenditures shall be made by the above agency from the state operations account of the state general fund for fiscal year 2010 to make expenditures to contract with Kansas legal services for the purpose of providing legal representation and disability determination case management for adult cash assistance recipients" (Attachment 38). The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Department on Aging

A. Review Funding for the Nutrition Program, Home and Community Based Services/Frail Elderly Program, and the Senior Care Act (House Committee). The House Committee requested a review of the FY 2011 funding for the Nutrition program, Home and Community Based Services/Frail Elderly program, and the Senior Care Act, should the federal government extend the enhanced federal match for the second half of FY 2011. The current recommended funding for all three programs is $89.7 million, including $30.1 million from the State General Fund, for FY 2011.

The enhanced federal match for the Medicaid program was originally authorized in the 2008

federal American Recovery and Reinvestment Act. The provisions of the proposed federal legislation would extend the enhanced match until June 30, 2011. The U.S. Senate passed the legislation on March 10, by a vote of 63-36, and has now moved to the U.S. House for consideration. Extension of the enhanced federal match for the Medicaid program would result in an additional $130.0 million for all agencies financed with Medicaid for the second half of FY 2011.

B. Add the Telehealth Service to the HCBS/FE Waiver Program for FY 2011 (Senate Committee and House Committee). The House and Senate Committee's requested review of the agency's enhancement request for $1.1 million, including $382,900 from the State General Fund, to add a telehealth service to the HCBS/FE waiver program for FY 2011. The agency has funded a telehealth pilot study, and the Kansas University Medical Center is evaluating the study results. Results of the three-year study will be available by the end of FY 2010. The request would fund 500 telehealth monitor units a year at approximately $6 per day.

C. Spring Consensus Caseload Estimates – Caseload Adjustments (Governor). The FY 2010 Spring Consensus Caseload Estimate for nursing facilities is a decrease of $4,750,000, including $861,550 from the State General Fund. The FY 2010 Spring Consensus Caseload Estimate for targeted case management is being held the same as the FY 2010 approved amount. The reduction in the State General Fund estimate for caseload programs is largely due to higher than budgeted savings from the 10.0 percent provider rate reduction that was included in the Governor's November 2009 Allotment.

The FY 2011 Spring Consensus Caseload Estimate for nursing facilities is being held the same as the FY 2011 Governor's recommendation of $373,700,000, including $133,149,324 from the State General Fund. The FY 2011 Spring Consensus Caseload Estimate for targeted case management is a decrease of $107,907, including $38,447 from the State General Fund. The caseload estimates for FY 2011 include the enhanced federal Medicaid funding from the American Recovery and Reinvestment Act of 2009 for the period from July 1, 2010 to December 31, 2010. However, there is a possibility that the enhanced Federal Medical Assistance Percentage rate will be extended from January 1, 2011 to July 1, 2011. If that happens, the required state match for Medicaid programs will be reduced. It should be noted that caseload estimate includes a State General Fund savings of $1,109,578 for a billing delay associated with the 10.0 percent provider reimbursement reduction in FY 2010 that carries forward to FY 2011.

These items are included in the Spring Consensus Caseload Item under the Department of Social Rehabilitation Services, Item U, page 42.

Committee Action:

Martin Kennedy, Secretary, Department on Aging, was present to respond to Committee questions.

Senator Schmidt moved to take no further action on Item No. "B". The motion was seconded by Senator Lee.

Senator Kelly made a substitute motion to pass over Item No. "B" at this time. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Senator Vratil moved to adopt the revised Consensus Caseload adjustments and appropriation adjustments (Attachment 13) in Item No. "C". The motion was seconded by Senator McGinn. Motion carried on a voice vote.

A report from Department on Aging regarding budget adjustments for FY 2011 was distributed to the Committee (Attachment 34).

Senator Lee moved to continue approval of $4.3 million SGF for nursing facility caseloads. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Lee moved to reinstate $2.6 million SGF to the Nutrition program under the Department on Aging. The motion was seconded by Senator Schodorf. Motion carried on a vote of 7-4.

Senator Vratil moved to add language to the $2.6 million SGF appropriation is subject to the passage of an enhanced revenue package sufficient to fund the additional $2.6 million and signed into law by the Governor. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Umbarger moved to add $382,900 SGF for the agency's enhancement request to add a telehealth service to the Home and Community Based Services waiver for FY 2011. The motion was seconded by Senator Kelly.

Senator Schmidt presented 3 items that should be added to the program:

1. **No pharmacist involved currently in plan should be involved in provision for monthly review.**
2. **No nursing home tax proceeds to be used for the telehealth program.**
3. **Distribution of the 500 slots will be made across the state with 100 slots per congressional district. In addition, if slots remains open after a six-month period of time, they will become open to anyone.**

Senator Schmidt made a substitute motion to include the verbiage of the original motion, include the 3 additions to the program and request a once-a-month review with the pharmacist. The motion was seconded by Senator Vratil. Motion failed on a 5-6 vote.

Senator Vratil moved to amend the original motion, with the approval of the maker of the motion and the second, to include the original verbiage and add language prohibiting the use of any provider assessment funds, distribute 100 slots across each congressional district and redistribute those slots after 6 months if not used, among the remaining districts. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kultala moved to appropriate $1,125,755 SGF to reinstate the Senior Care Act. The motion was seconded by Senator Lee.

Senator McGinn made a substitute motion to restore 50 percent or $562,877.50 SGF for the Senior Care Act subject to the passage of an enhanced revenue package sufficient to cover the additional $562,877.50 and signed into law by the Governor. The motion was seconded by Senator Schodorf. Motion carried on a vote of 7-4. Senators Kelly, Kultala and Lee are recorded as voting "no".

Senator Schmidt moved to restore $175,000 SGF for the Program of All-inclusive Care for the Elderly (PACE) program subject to the passage of an enhanced revenue package sufficient to cover the additional $175,000 and signed into law by the Governor. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Governmental Ethics Commission

A. Faculty Members Employed by State Education Institutions and Submission of Statements of Substantial Interests (Senate Committee). The Senate Committee recommended review at Omnibus of the appropriation of $457,232, all from the State General Fund, should **House Substitute for SB 416** not be enacted into law. Currently, the bill has been passed by the Senate Committee of the Whole and was referred to the House. **House Substitute for SB 416** would delete the requirement that certain faculty members employed by state education institutions submit a statement of substantial interests (SSI) to the Kansas Governmental Ethics Commission. The fiscal note for **House Substitute for SB 416** indicated that, should the bill not be enacted into law, then the agency will need an additional $4,500 each year for the staff salary and postage (certified mail) to obtain compliance for faculty members at universities earning over $50,000. This estimate is based

on historical trends over the past four years. In FY 2010, to save staff time trying to obtain compliance, certified notices will be sent early June, which would mean 1,100 individuals will receive certified notices at a cost of $6,094. This accelerated process will mean more individuals will have complaints filed against them, which should expedite the submission of the SSI forms for these individuals.

Committee Actions:

Senator Vratil moved to request that the Chairman of the Senate Ways and Means Committee write a letter to the Governmental Ethics Commission indicating that this Committee takes no action on the request for an additional appropriation and the enforcement of the provision of the law requiring the university professors mentioned in the bill should be very low on their list of priorities (Item No. A). The motion was seconded by Senator McGinn.

Senator Schmidt made a substitute motion to add funding of $4,500 for staff salary and postage as request in Item No. "A". The motion was seconded by Senator Lee. Motion carried on a voice vote.

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SRS Hospitals

A. Hospital Vacant FTE Report (Senate Committee). The Senate Committee requested a report regarding vacant FTE positions at the five state hospitals. SRS submitted the following information:

(Attachment 57 - Table with Vacancy Breakout.) (Table also available from Kansas Legislative Research Department.)

Committee Actions:

Senator Kelly moved to adopt the agency's recommendation for the elimination of 51 positions. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

epartment of Corrections

A. Stockton Correctional Facility (House Committee). The House Committee recommended reviewing the addition of $531,859, all from the State General Fund, and 32.0 FTE positions for FY 2011 to reopen the Stockton Correctional Facility.

The Kansas Sentencing Commission's population projections indicate that the male population will exceed capacity sometime during FY 2011. The House Budget Committee heard testimony that the Department of Corrections is already operating close to capacity for male inmates and has exceeded capacity for short periods of time in FY 2010.

The addition of $531,859, all from the State General Fund, would provide for the hiring and training of 32.0 FTE positions for FY 2011. The 128 beds at Stockton Correctional Facility would then be available for use in late FY 2011 or early FY 2012. The Department of Corrections included this item as a State General Fund enhancement in the FY 2011 budget request but the funding was not recommended by the Governor.

B. Community Corrections Grants (House Committee). The House Committee recommended reviewing the addition of $1.1 million, all from the State General Fund, for Community Corrections grants disbursed by the Department of Corrections for FY 2011.

The Department of Corrections reduced the Community Corrections grant disbursements in FY 2009 from $19.5 million to $18.5 million as part of reductions made during the 2009 Legislative session and requested the restoration of the funding as a State General Fund enhancement for FY 2011.

C. Offender Management Information System and Total Offender Activity and Document System Replacement (House Committee). The House Committee recommended reviewing the addition of $3.0 million, all from the State General Fund, to begin the replacement of the Offender Management Information System and Total Offender Activity and Document System for FY 2011.

According to the Department of Corrections, the Offender Management Information System and Total Offender Activity and Document System is the second oldest inmate management system in the nation and is becoming increasingly difficult to maintain and repair. The Department of Corrections reports it would lose the ability to accurately track inmate information, communicate with other state correctional agencies, and generate necessary reports for inmate processing should the Offender Management Information System and Total Offender Activity and Document System become unusable. The Department of Corrections included this item as a State General Fund enhancement in the FY 2011 budget request but the funding was not recommended by the Governor.

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Juvenile Justice Authority

A. Incentive Grant Funding (House Committee). The House Committee recommended review of the Incentive Grant program. The Governor recommended eliminating the Incentive Grant program and deleted $627,311, all from the State General Fund. The Committee requested a review to consider the restoration of $506,292, all from the State General Fund, for FY 2011 to keep the funding the same as the FY 2010 Incentive Grant program.

The Incentive Grant program was created in FY 2009 to engage local governments in developing and supporting local juvenile justice programs. If local funds could be used to leverage state funds then districts could expand or create new programs that target at-risk youth before they entered the juvenile justice system. Incentive funds are granted to districts that agree to match dollar for dollar and utilize the grant and match funds only for enhancing services in the categories of prevention, community supervision services, and intake and assessment programs. Any funds that are not used are lapsed back to the State General Fund.

B. Spring Consensus Caseload Estimates. The Division of the Budget, Legislative Research Department, and the Juvenile Justice Authority met on April 14, 2010 to estimate the caseload expenditures for FY 2010 and FY 2011. The consensus estimates include expenditures for Psychiatric Residential Treatment Facilities (PRTFs) and Out-of-Home Placement contracts. The estimating group used the approved budget in FY 2010 and the Governor's Recommendation for FY 2011 as the starting point for the current estimate.

For FY 2010 the estimate includes expenditures of $6,922,500 for Psychiatric Residential Treatment Facilities, including $2,103,322 from the State General Fund. This is the same as the amount approved for FY 2010. Out-of-Home Placements have an estimated cost of $21,953,671, including $18,112,661 from the State General Fund. This is an all funds decrease of $373,837, or 1.7 percent, and a State General Fund decrease of $914,847, or 4.8 percent, below the FY 2010 approved amount.

For FY 2011 the estimate includes expenditures of $7,816,022 for Psychiatric Residential Treatment Facilities, including $2,784,849 from the State General Fund. This is an all funds increase of $1,316,022, or 20.2 percent, and a State General Fund increase of $468,899, or 20.2 percent, above the FY 2011 Governor's Recommendation . The increase is due to rising population projections as well as the medicaid FMAP rate change in the middle of FY 2011. Out-of-Home Placements have an estimated cost of $23,718,873, including $20,982,883 from the State General Fund. This is an all funds increase of $335,403, or 1.4 percent, and a State General Fund decrease of $54,343, or 0.3 percent, from the FY 2011 Governor's Recommendation. The increase in all funds is due to rising population projections. The decrease in State General Fund is due to additional federal funding.

These items are included in the Spring Consensus Caseload Item under the Department of Social Rehabilitation Services, Item U, page 42.

Fort Hays State University

A. House Bill 2414 (Law). **House Bill 2414** authorizes the State Board of Regents, on behalf of Fort Hays State University, to sell and convey to the City of Hays, all of the rights, title, and interest, except mineral rights, in two tracts of real estate. One tract contains 120.0 acres, the second tract contains 10.037 acres. These tracts will be used for a sports complex and expansion of the City's golf course.

The sale of the property is estimated to net revenues of $320,574, which would be credited to the Restricted Fees Fund of Fort Hays State University for the University's benefit, specifically for use by the University Farm for possible future purchases of land, equipment, or other farming needs.

Senator Kelly moved to give Fort Hays State University the authority to expend the funds from

the sale of the property. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Board of Regents

A. Report from Kan-ed Regarding the Costs and Potential Cost Savings of Distance Education (House Committee). The House Education Budget Committee requested a report from KAN-ED to the 2010 Budget Committee during Omnibus regarding the costs and potential cost savings of distance education for both K-12 and postsecondary education.

The report concluded that while a simple analysis based on higher education yielded estimated cost savings in some settings, further study would be necessary to yield valid and reliable results. According to KAN-ED, the following items should be incorporated in any cost-inclusive analysis of distance education:

1. All parties planning to use the result of the analysis need to clearly define what is meant by "distance education" and by "cost-savings";

2. All types of costs to be included in the analysis should be operationally defined;

3. A comprehensive model for cost-inclusive analysis should be designed that encompasses all 'costs';

4. Comparable fixed, variable, and indirect costs should be gathered from all entities that provide distance education while maintaining the confidentiality of the institution; and

5. Appropriate measures to capture macro-level costs should be determined.

Committee actions:

Senator Schmidt moved to authorize an expansion of the Engineering programs at Kansas universities (Attachment 40). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Department of Education

A. Review Funding for the Discretionary Grants Program (Senate Committee). The Senate Committee requested review the addition of $670,000, all from the State General Fund, for the Discretionary Grants Program. The Senate Committee deleted $660,000, all from the State General Fund, for this program and added the funding to the Driver's Education Program. The remaining $10,000, all from the State General Fund, would fund the Kansas Teacher of the Year program. The Discretionary Grants Program includes the following:

- After School Programs

The After School Enhancement program provides grants to existing after school programs to provide expanded learning and enhancement opportunities. The Department of Education approves funding for projects that provide expanded learning opportunities designed to help students meet or exceed state and local standards in core academic subjects, as well as fine arts, fitness and health and other needed areas. Those programs which receive funding must primarily serve students from schools with a free and reduced lunch percentage of at least 40.0 percent or greater and provide a dollar for dollar local match. The maximum award for the grant is $25,000. The Department

anticipates that it will award approximately 15 grants on a competitive basis in FY 2010. Total funding for the program in FY 2010 is $375,000, all from the State General Fund.

- After School Programs for Middle School Students

  This program provides funding for after-school programs for middle school students in sixth, seventh and eighth grades and students in fifth and ninth grades if they attend a junior high. Those programs which receive funding must provide safe, supervised, enriching and skill building opportunities for middle school youth, and must also provide age-appropriate physical activity, career and higher learning opportunities and academic enhancement. The programs must operate a minimum of two hours every day that school is session. Summer programs must operate a minimum of six hours a day, five days a week for five weeks. Grants are limited to school districts, non-profit agencies and city or county agencies. All programs provide dollar for dollar match. The maximum award for the grant cannot exceed $25,000. Total funding for the program in FY 2010 is $250,000, all from the State General Fund.

- Environmental Education

  The Kansas Association for Conservation and Environmental Education (KACEE) provides workshops and environmental education resources for preservice and inservice teacher professional development in using the engaging and relevant context of the environment as an integration tool to more effectively teach mathematics, science, social studies and reading and writing standards developed at the state level. Funding is used to pay approximately half of the administrative budget of the KACEE and to leverage approximately $340,000 in additional funding.

- Communities in Schools

  The Communities in Schools program serves more than 25,000 children in 75 schools. The program matches children and families in need of services with existing community resources, such as tutoring, mentoring, health, social, and family services. In addition to funding from discretionary grants, the program receives funding from a $50,000 transfer from the Family and Children Investment Fund. Total funding for this program in FY 2010 is $35,000, all from the State General Fund.

- Kansas History Teaching Materials

  The State Historical Society, in cooperation with the Department of Education, prepares teaching materials that will be aligned with social studies standards adopted by the State Board of Education. Activities underway in the current year include the development of "Read Kansas!" for high school students and include the development of supplemental Kansas history reading materials that address the needs of the at-risk student population; continued development of the on-line Kansas history student encyclopedia; and the development of a special Kansas history hands-on kit to assist learning for students with disabilities. Total funding for this program in FY 2010 is $35,000, all from the State General Fund.

- Kansas Teacher of the Year

  Funding is used to pay for a substitute teacher to replace the person selected as Kansas Teacher of the Year as they perform their duties. According to the agency, the Teacher of the Year has a heavy schedule of conferences, presentations, and other responsibilities that cause the teacher to be away from the classroom.

B. Review funding for the Interstate Compact on Education Opportunity for Military Children (Senate Committee). The Senate Committee requested a review of the Interstate Compact on Education Opportunity for Military Children and the funding associated with the Compact. The 2008 Legislature passed **House Bill 2714** which authorized Kansas membership in the Interstate

Compact on Educational Opportunity for Military Children. The program is intended to remove barriers to educational success imposed on children of military families caused by frequent moves and the deployment of parents. The Compact states it would accomplish seamless transitions for students to new schools by providing instant records transfer and facilitation of the student placement process, including qualification and eligibility for enrollment, student participation in extracurricular activities, scheduling, grading and assessments. Provisions of the bill apply to children of active members of the military, including those members severely injured and medically discharged and those retired (for a period of up to one year). 2008 **House Bill 2714** requires Kansas to pay a fee to the Compact which equates to $1 for each student whose parents qualify. According to the Department of Education, this would result in a cost of $15,695, all from the State General Fund, for FY 2011.

C. Review Funding for the Driver's Education Program (Senate Committee). Driver's Education is funded by the State Safety Fund. Money in the fund is distributed to school districts in order to provide funding for driver training courses in the schools. According to Kansas law, the following amounts are credited to the State Safety Fund:

- 37.5 percent of all money received from Class C driver's licenses (vehicle);
- 20.0 percent of all money received from Class M driver's licenses (motorcycle);
- 20.0 percent of all Class A or B and commercial driver licensee classes remaining after a $2 credit is paid to the Truck Driver Training Fund.

In FY 2006, the Governor recommended a transfer of $2.0 million from the State Safety Fund to the State General Fund. This amount was increased $600,000 by the 2005 Legislature for a total transfer of $2.6 million. Since that time, the Governor has continued to recommend the transfer. In FY 2007, the Governor reduced the transfer to $2.0 million and it was approved by the 2006 Legislature. The transfer was again reduced in FY 2008 and FY 2009 to $1.7 million, and the Legislature approved the transfers. The 2009 Legislature deleted the FY 2010 transfer of $1.5 million to the State General Fund. For FY 2011, $3.15 million is scheduled to be transferred to the State General Fund which leaves a balance of $1.1 million for distribution to school districts. The result is a reimbursement of approximately $38 per student for the 2009-2010 and 2010-2011 school year. In the past, reimbursements have been approximately $110 per student.

D. Review Funding for the State Student Assessment Program (Senate Committee). The Senate Committee requested a review the addition of $120,955, all from the State General Fund, for the state student assessment program. For FY 2011, the Governor recommended deleting $120,955, all from the State General Fund, for the contract with the University of Kansas to develop new test items.

The Department of Education budget includes $4.7 million, including $1.1 million from the State General Fund, to fund the state assessment contract, including the development of new test items with the University of Kansas. The Kansas Department of Education (KSDE) has a contract with WestEd Corporation to develop test items and a contract with the Center for Education Testing and Evaluation at the University of Kansas to develop, administer, score and report state assessment results. As of the current school year (2009-2010), the state assessments are aligned with requirements of the federal No Child Left Behind Act, which call for testing at more frequent intervals. States have received funding from the federal government to assist in test development.

E. Review Funding for Membership Dues for the Council of Chief State School Officers and the National Association of State Boards of Education (Senate Committee). The Senate Committee requested a review of the addition of $82,823, all from the State General Fund, for membership dues for the Council of Chief State School Officers and the National Association of State Boards of Education for FY 2011. The Governor recommended deleting the funding for these programs.

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The Council of Chief State School Officers is a nonpartisan, nationwide, nonprofit organization of public officials who head departments of elementary and secondary education. The Council provides leadership, advocacy, and technical assistance on major educational issues. The National Association of State Boards of Education is a nonprofit association that represents state and territorial boards of education. The National Association of State Board of Education assists with research and policy development on specific education issues and aids Boards through processes such as long-range planning, skills training, media training, policy audits, or the selection or evaluation of chief state school officers. The National Association of State Board of Education also offers issue-specific targeted assistance, helping states develop policies around areas of expertise the association has gained through research projects, action networks, and study groups.

F. Review Funding for an Architect Position Within the Department of Education (Senate Committee). The Senate Committee requested a review of the addition of $81,118, all from the State General Fund, for an architect position within the Department of Education. K.S.A. 31-150 requires that all school building plans be approved by the State Board of Education. The Governor recommended this duty be transferred to the State Fire Marshal since they currently review school building plans, which would result in the elimination of the 1.0 FTE architect position and the funding associated with that position within the Department of Education. In order to achieve this, 2010 Senate Bill 383 was introduced. The bill would transfer the responsibilities for reviewing school construction plans from the Board of Education to the State Fire Marshal. According to the State Fire Marshal, the agency does not review the plans at the same level of detail as the Department of Education, including reviews of the mechanical, electrical, and structural designs, in addition to complying with the Americans with Disabilities Act. As a result, the agency indicated it cannot perform a timely review of the plans with its existing staff. The agency estimates that an Architect position and an Administrative Specialist position would be needed to implement **SB 383** at a total cost of $143,524, including $128,523 for salaries and wages, and $15,000 for other operating expenditures, including rent, computers, and communication expenses. The bill is currently in the Senate Education Committee.

G. House Bill 2704 (Conference Committee). **House Bill 2704** would:

- Expand a statute authorizing discussions regarding school district consolidation so that the statute would allow the boards of education of any two or more districts to discuss issues relating to consolidation and enter into agreements to form one or more consolidated unified districts so long as the result is fewer school districts.

- Amend a provision in the special education law which provides for the payment of Medicaid replacement aid to school districts. Under current law, during the school years of 2007-2008, 2008-2009, and 2009-2010, the State Board of Education is required to designate a portion of special education state aid as Medicaid replacement. This funding cannot exceed $9.0 million in any school year. The bill would remove the designated school years resulting in designation on a permanent basis.

- Define "taxable tangible property" as real property, personal property, state-assessed property, and motor vehicles in the school finance law regarding the tax levies for ancillary facilities weighting, cost of living, and declining enrollment. Under current law, motor vehicle taxes are not factored into these levies.

- Provide that any student transferring from a closed or discontinued school because of school district consolidation would be eligible for interschool activities immediately upon enrollment at another school in the consolidated district. The student would be required to enroll in a school near the student's home allowing the student to reside at home and meet all other eligibility requirements.

According to the Department of Education, including motor vehicle taxes as taxable tangible property for tax levies for ancillary facilities weighting, cost of living, and declining enrollment, would

reduce General State Aid payments to school districts by approximately $2.0 million, beginning in FY 2011. This is a result of the Department counting the additional revenue from motor vehicle taxes in the applicable levies in the school finance formula. This would reduce the Base State Aid Per Pupil (BSAPP) by approximately $3, resulting in a BSAPP of $4,009, if the bill was not funded.

H. Special Education Funding - Federal Maintenance of Effort Waiver Request. In FY 2010, $55.7 million in federal American Recovery and Reinvestment Act (ARRA) funds were utilized by deleting a corresponding amount from the State General Fund. Federal law requires the Secretary of the U.S. Department of Education to reduce the allocation of federal special education funds for any fiscal year following the fiscal year in which the state's support falls below the amount of support for the preceding fiscal year. This occurred between FY 2008 and FY 2009. In May 2009, the State Department of Education (KSDE) filed a waiver request citing a substantial decline in state revenues. Additional information was provided at the U.S. Department of Education's request in August. On March 22, 2010, the KSDE received a letter from Deputy Secretary Anthony Miller granting approval of a partial waiver in the amount of $44.5 million for FY 2010. The approved waiver amount was computed by applying the percentage reduction in total state general fund expenditures, as of August 2009, to the state's contribution for special education state aid for FY 2009. Since total general fund expenditures in the current year have been further reduced since September the KSDE filed a revised waiver request on March 24, 2010 based upon the most recent percentage reduction. The additional waiver request is for $13.7 million. KSDE has verified with the U.S. Department of Education that the waiver request has been received; however, no date has been given as to when a decision might be made. The revised waiver request was based on the same methodology used by the U.S. Department of Education in computing the partial waiver amount. Should the revised request be approved, the state would still fail to meet the federal maintenance of effort requirement by $2,038,080. Denial of the revised request would result in a shortfall of $15.7 million.

Committee Action:

Dale Dennis, Deputy Commissioner, Department of Education, presented additional information on the After School Enhancement Grants (2009-2010) and Middle School Afterschool Activity Advancement Grants (2009-2010) (Attachment 14).

Senator Umbarger moved to appropriate $15,695 in FY 2011, all from the State General Fund, for the Interstate Compact on Education Opportunity for Military Children in Item B. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Taddiken moved to take no action on Item "D". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kelly moved to take no further action on Item "F". The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Taddiken moved to take no further action on Item "H". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Reports on Driver Training Fund Balances, number of driver education students by School District, Cash Balances and Expenditures by School District were distributed to the Committee (Attachment 37).

Senator Lee moved to increase the amount of funding available for Driver's Education by reducing the transfer from the State Safety Fund to the SGF by $660,000 in FY 2011 and adding the $660,000 back into the discretionary grants. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Judicial Branch

A. Senate Substitute for House Bill 2746 - Increased Docket Fees (Law). Senate Substitute for HB 2476 increases and extends to June 30, 2011, the Judicial surcharge authorized by the

Legislature in 2009 **SB 66** to fund nonjudicial personnel. The surcharge would be increased from $10 to $17.50 on most court docket fees. Expungement of conviction, expungement of arrest record, marriage license fee, general rule on court procedures, and expungement of juvenile adjudication surcharges would be increased more than $10. In addition, a $100 docket fee is added for expungement of an adult conviction or a juvenile adjudication. The bill would delete the provision requiring a $10 surcharge on a request for an alias order or writ of execution, an alias order for garnishment, an alias writ or order of sale, an alias order for hearing in aid of execution, and an alias order of attachment.

The Judicial Branch indicates the implementation of this bill will generate approximately $9.0 million in revenue.

Attorney General

A. Senate Bill 326 (Law). **SB 326** increases the amount that may be transferred from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund from $100,000 to $300,000 annually. The House and Senate Committee each added language in the appropriation bill to allow for this transfer for each fiscal year from FY 2010 through FY 2015. With passage of the bill, the language in the appropriation bills is no longer needed.

Committee Action:

Senator Kelly moved to strike the language added in the appropriations bill allowing the transfer from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund in lieu of the passage of SB 326. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Taddiken moved to add a proviso to amend the Attorney General budget in the appropriations bill to review language pertaining to the Interstate Water Litigation Fund repayment consistent with the language in SB 574. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

A letter from the Attorney General regarding the termination of state contracts for forensic psychologists effective April 1, was distributed to the Committee (Attachment 39).

Senator Vratil moved to appropriate $67, 500 in FY 2010 and $270,000 in FY 2011 from the SGF for the Parole Board for engaging the services of forensic psychologists in the Sexually Violent Predator treatment program making both appropriations subject to the passage of an enhanced revenue package sufficient to fund the additional appropriation and signed into law by the Governor. The motion was seconded by Senator McGinn. Motion carried on a voice vote.

Senator Kelly moved to restore funding at the FY 2010 level by adding $200,000 SGF to the Attorney General budget for domestic violence. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Office of the Governor

A. Funding for Domestic Violence and Sexual Assault Prevention Grants and Children's Advocacy Centers (Senate Committee). The Senate Committee recommended review at Omnibus of funding for domestic violence and sexual assault prevention grants and Children's Advocacy Center (CAC) grants. The Governor's recommendations for these grants total $4.6 million, all from the State General Fund for FY 2011. This is a decrease of $255,173, or 5.3 percent, below the amount recommended in the current year, and a decrease of $688,325 or 13.1 percent, below the actual FY 2009 amount. The domestic violence and sexual assault prevention grants are used to enhance and expand domestic violence and sexual assault outreach services to underserved areas and underserved populations and to provide a cash match for federal grant programs. The CAC grants are used to initiate, enhance or expand grant projects that establish comprehensive Children's Advocacy Centers.

CACs are child-focused, community-oriented programs that coordinate investigation and intervention services for abused children. In the budget of the Attorney General, both the House and Senate Committees recommended the addition of $150,000, all from the Crime Victims Assistance Fund, for these grants for FY 2011.

Secretary of State

A. Senate Concurrent Resolution 1614 (Conference Committee). SCR 1614 would amend Article 11 of the Kansas Constitution by establishing a Budget Stabilization Fund and a Debt Prepayment Fund in the state treasury. The Secretary of State is required to publish notice of a constitutional amendment election three times in at least one newspaper in each county. The Secretary of State estimates expenditures of $222,000, all from the State General Fund, for FY 2011 for publication of SCR 1614. The Secretary of State had previously requested $102,752, all from the State General Fund, for FY 2011, to publish SCR 1611, passed by the 2009 Legislature. The Governor recommended funding these costs from agency fee funds.

Committee Action:

A letter was received by the Committee from Chris Biggs, Secretary of State, requesting an increase of $1.5 million in spending authority of federal funds appropriated in accordance with the federal Help America Vote Act (HAVA) of 2002 (Attachment 15).

Senator Schmidt moved to allow the $1.5 million spending authority to the Secretary of State. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

A report on Special Revenue Funds within the Secretary of State was distributed to the Committee (Attachment 35).

Senator Kelly moved to authorize the Secretary of State to expend funds, up to $375,000, from the Information and Copy Services Fee Fund and Technology and Communication Fee Fund, at the discretion of the agency, to cover the publication expense of the election year. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Department of Health and Environment

A. State Match for Federal Preparedness Funding (Senate Committee and House Committee). Both the House Committee and the Senate Committee requested that the issue of funding to provide a state match for federal preparedness funds be reviewed at Omnibus. The agency requested $577,310, all from the State General Fund, for FY 2011 as a state match for the Public Health Emergency Preparedness Cooperative Agreement from the Centers for Disease Control and Prevention (CDC) and the Hospital Preparedness Cooperative Agreement from the Department of Health and Human Services (HHS). The funding will help sustain ongoing preparedness and response efforts among the state's local health departments, hospitals, and EMS providers. Beginning in August 2009, a state match is required for the two agreements. Kansas is required to provide a 5.0 percent match during federal FY 2009 and a 10.0 percent match for federal FY 2010 and subsequent federal fiscal years.

Kansas has received federal funding with no match requirement through the Public Health Emergency Preparedness Cooperative Agreement from the CDC since 1999 and through the Hospital Preparedness Cooperative Agreement from 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 Pandemic and All-Hazards Preparedness Act (PAHPA) was enacted. It requires a state match for the federal public health and hospital preparedness funds starting in August 2009. Local health departments and community hospitals have identified in-kind matching funds to meet the 5.0 percent match requirement for FY 2010. However, in FY 2011, a 10.0 percent match of

$1.2 million is required. According to the agency, if local health departments and community hospitals are required to provide additional matching local funds, increases in attrition rates of local agencies not participating in the state's overall preparedness program will likely result. The Department states that failure on the part of the state to provide the additional 5.0 percent above the in-kind match provided by local health departments and community hospitals ($577,310) could result in the loss of $12.2 million in federal funds.

B. Funding for the Infant and Toddler Program (Senate Committee and House Committee). Both the House Committee and the Senate Committee recommended review of funding for the Infant and Toddler Program during Omnibus. The Governor's budget recommendation eliminates all State General Fund financing for the program for FY 2011. The Department testified that failure to meet the FY 2009 maintenance of effort (MOE) level of $5.9 million 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 indicated at the time that it had been working with its local partners, attempting to establish in-kind and other activities which would qualify. The House Committee added $87,478, all from the State General Fund, for the program for FY 2011, and deleted the same amount from the Governor's recommendation for the Youth Mentoring program to offset the expenditure. The House Committee directed the Department to continue in its efforts to find additional ways, working with local partners, to fully fund this effort, and report back during Omnibus. The Senate Committee did not provide any additional funding, but also requested a review of this item during Omnibus. The Senate Committee also requested that Omnibus review of the program include consideration of relocating the program to a different lead agency.

Since the House and Senate Committees made their recommendations, the agency reports that it has worked with its local partners and has located sufficient in-kind resources to meet the maintenance of effort required to continue to access the federal funding for FY 2011. Any changes to the Children's Initiatives Fund expenditures which have been recommended by the Governor for the program, however, would also affect this maintenance of effort issue.

With regard to relocating the program to another lead agency, the Department indicates that it would have no objection to moving the program.

C. Review Reduction in Funding for the Immunization Program (House Committee). In its FY 2011 budget submission, the agency identified reduced resources which included the reduction of $55,346, all from the State General Fund, for FY 2011 for the Immunization Program. The Governor's recommendation included this reduction. According to the agency, the reduction will reduce each county's immunization allotment to the local heath departments for local action plans, which are developed by local health departments to improve immunization rates. The House Committee recommended that this item be reviewed at Omnibus.

D. Funding for Youth Mentoring Program (House Committee). In making its recommendations, the House Social Services Budget Committee recommended deleting a total of $102,478, all from the State General Fund, for FY 2011 for the Youth Mentoring program. The funding was redirected to two other programs ($87,478 to the Infant and Toddler program, and $15,000 to the Women's Right to Know program). The House Committee's recommendation deletes all of the funding recommended for the Youth Mentoring program for FY 2011. The House Committee recommended that consideration be given to restoring the funding for the program during Omnibus.

E. Funding for the Women's Right to Know Program (House Committee). The House Social Services Budget Committee added $15,000, all from the State General Fund, for the Women's Right to Know program for FY 2011 and deleted the same amount from the Youth Mentoring program. The House Committee requested this issue be reviewed at Omnibus. The Women's Right to Know Act was enacted by the 1997 Legislature, and among other things, requires the Department to make available printed materials and DVDs to pregnant women. In its FY 2011 budget submission, the Department included a reduced resources item eliminating the funding, which was to be used for to produce and distribute printed materials or DVDs for the program. Web-based materials would still be

available. This would require mothers-to-be to access these resources through the website as physical copies would not be available at doctors' offices. The Governor's recommendation included this expenditure reduction.

F. Status of Fund for Senator Stan Clark Pregnancy Maintenance Initiative (House Committee). As part of its recommendation, the House Committee directed the Department of Health and Environment to expend $199,113, from existing State General Fund resources, for FY 2011 to provide funding for the Senator Stan Clark Pregnancy Maintenance Initiative (PMI). The PMI was initially funded in FY 2000 when the agency was directed to expend $300,000 from existing resources for the program, and amounts from the State General Fund were either authorized or expended in: FY 2001 ($300,000 from existing resources); FY 2003 (a $300,000 appropriation); FY 2004 ($300,000 from existing resources); FY 2006 (a $300,000 appropriation); FY 2007 (a $500,000 appropriation); FY 2008 (a $400,000 appropriation); and FY 2009 (a $300,00 appropriation). No funding was recommended in FY 2002 or FY 2005, and an appropriation of $355,000 in FY 2010 was eliminated in the Governor's July 2009 State General Fund allotment. The Governor's recommendation for FY 2011 did not include any funding for the PMI.

G. Residential Childhood Lead Poisoning Prevention Act (House Committee). The House Committee included language in the bill 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 included in 2010 **HB 2596.** The Committee also recommended that this issue be reconsidered during Omnibus. The bill including the language was recommended by the House Committee on Commerce and Labor, but in the House Committee of the Whole, the bill was re-referred to the House Federal and State Affairs Committee.

H. Senate Committee Reductions (Senate Committee). The Senate Committee directed the agency to report back at Omnibus on its plan to manage the approximate 2.5 percent FY 2011 State General Fund reduction recommended by the Senate Committee. This reduction totals $845,247, all from the State General Fund for FY 2011, including $654,054 for the Health function, and $191,193 for the Environment function. To meet the expenditure reductions recommended by the Senate Committee, the Department proposes to make the following reductions:

	State General Fund Reduction	FTE Positions
Health:		
Aid to Local Units	$ (62,000)	-
Primary Care Funding	(238,000)	-
Cerebral Palsy Posture Seating	(105,537)	-
Kansas Mentoring	(52,110)	-
School Nurse Collaborative Project	(18,000)	-
Healthy Families Program	(51,934)	-
Health Operating Expenditures-Local and Rural Health Administration	(56,616)	(1.0)
HIV Case Management	(49,857)	-
Coordinated School Health	(20,000)	-
Subtotal-Health	*$ (654,054)*	*(1.0)*
Environment:		
Office of the Director	$ (44,145)	(1.0)
Technical Services-Ambient Water Monitoring	(38,203)	(1.0)
Clean Air Activities	(98,079)	(1.0)
Public Water Supply	(10,766)	-
Subtotal-Environment	*(191,193)*	*(3.0)*

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TOTAL	**$ (845,247)**	**(4.0)**

I. Funding for Telehealth Services (Senate Committee). The Department requested a total of $1.2 million, all from the State General Fund, for telehealth services for FY 2011. The funding would be used to contract with a long-term care provider that provides both nursing facility (NF) and home and community based long-term care services (HCBS), to expand telehealth services in order to facilitate continued in-home care. According to the agency, telehealth encompasses preventive, promotive and curative aspects. The agency indicates that typical NF care costs $2,950 per month. Services under the HCBS program typically cost $950 per month. Based on these estimates, the agency indicates that moving 500 individuals from NF care to HCBS care could result in an annual savings of $12.0 million. Telehealth uses remote monitoring equipment to capture and transmit data to a monitoring station. Unacceptable data trends are identified and a monitoring nurse intercedes with appropriate action. The request includes $1.0 million to purchase or lease remote monitoring equipment for 410 clients at $2,439 per unit, and $200,000 for research to follow up on the effectiveness of the services. The Department on Aging also requested funding for telehealth services ($1.1 million, including $382,900 from the State General Fund) for FY 2011. Both the House and Senate Committee recommended the Department on Aging's request also be reviewed again at Omnibus.

J. Senate Substitute for House Bill 2115 (Vetoed). Senate Sub. for HB 2115 revises current law regarding late-term abortions. As it relates to the Department of Health and Environment (KDHE), the Department would be required to adopt rules and regulations related to: changes in reporting requirements; changes in the information required to be retained; and reports to be submitted by physicians performing abortions. KDHE also would be required to include any new information in its annual public report on abortions performed in Kansas. The Department is estimating that it will require $70,000, all from the State General Fund, for FY 2011, to provide for computer system changes, and for assistance with writing rules and regulations.

Committee Action:

Senator Vratil moved to take no further action on Item No. "A". The motion was seconded by Senator Taddiken. Motion failed on a vote of 4-6.

Senator Vratil moved to approve the 2.5 percent reduction in SGF consistent with the agency's recommendation in Item No. "H". The motion was seconded by Senator Kelly. Motion carried on a vote of 7-3.

Senator Schmidt moved to take no further action on Item No. "I". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Vratil moved to take no further action on Item No. "J". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kelly moved to restore $105,537 SGF for the Cerebral Palsy Posture Seating project. The motion was seconded by Senator Schmidt.

Senator McGinn made a substitute motion to restore the Cerebral Palsy (CP) Posture Seating project to 50 percent or $52,768.50 subject to the passage of an enhanced revenue package sufficient to fund the additional appropriation and signed into law by the Governor. The motion was seconded by Senator Vratil. Motion carried on a vote of 6-5.

Senator McGinn moved to appropriate $162,500 SGF to fund the Pregnancy Maintenance Initiative (PMI) program and subject to passage of a revenue enhancement package sufficient to fund the additional expense and signed into law by the Governor. The motion was seconded by Senator Kultala.

Senator Kelly made a substitute motion to appropriate $162,500 SGF for the PMI program and

$162,500 for the Teen Pregnancy Initiative subject to passage of a revenue enhancement package sufficient to fund the additional appropriation and signed into law by the Governor. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Department of Agriculture

A. Addition of 2.0 FTE Positions (Senate Committee). The Senate Committee recommended Omnibus review of the addition of 2.0 FTE positions in the agency's Lodging Inspection program for FY 2011. The addition of 2.0 FTE positions would be contingent on the passage of 2010 **SB 570**, which would increase license fees to generate revenue for inspections of lodging establishments for FY 2011. Currently, **SB 570** has passed the Senate and has been referred to the House Committee on Agriculture and Natural Resources.

B. Transfer from the Department of Revenue to the Department of Agriculture (Senate Committee). The Senate Committee recommended Omnibus review of the transfer of $29,000 from the Department of Revenue to the Department of Agriculture for FY 2011 to fund agricultural land valuations performed by the agency's Agricultural Statistics program.

C. Missouri River Association of State and Tribes (MoRAST) Funding (House Committee). The House Committee recommended Omnibus review of the addition of $6,250, all from the State General Fund, for the agency's membership in the Missouri River Association of State and Tribes (MoRAST) for FY 2011. MoRAST is a regional interstate organization formed by joint resolution of the Governors of Wyoming, Montana, North Dakota, South Dakota, Nebraska, Iowa, and Kansas, and the Mni Sose Intertribal Water Rights Coalition.

MoRAST was formed to help resolve issues of concern to the basin states and tribes and to serve as a forum to foster communication and information exchange among the member states, tribes, and various other governmental units. The association also exists to facilitate the management of the natural resources of the Missouri River Basin, including water resources and fish and wildlife, while considering the impacts to economic, historical, cultural, and social resources.

D. Agricultural Statistics Funding (House Committee). The House Committee recommended Omnibus review of the addition of $20,000, all from the State General Fund, for the Agricultural Statistics program for FY 2011 to fund two livestock market reports. The agency receives funding from the state and the federal governments to provide data on Kansas feeder cattle prices at the Pratt and Salina auction markets. The agency stated in its budget submission for FY 2011 that without additional funding from the state, the reports would be discontinued.

E. Specialty Crop Grant Management Funding (House Committee). The House Committee recommended Omnibus review of the addition of $55,000, all from the State General Fund, for the Administrative Services and Support program for FY 2011 to fund 1.0 FTE administrator position within the Specialty Crop Grant Management subprogram. The agency testified that the position administers the Specialty Crop grant for the state, which provides grants to enhance the competitiveness of specialty crops, provides public information, works with activities associated with the State Fair, and other agricultural-related duties. Currently, the agency's Chief Financial Officer is administering the program, because the position is being held vacant as a result of budget reductions.

F. Division of Water Resources Funding (House Committee). The House Committee recommended Omnibus review of the addition of $100,000, all from the State General Fund, for the Division of Water Resources for FY 2011 to fund interstate water management and other water appropriation activities. The additional funding would allow the Division of Water Resources to fill a vacant Interstate Water Issues program Professional Civil Engineer I FTE position based in Topeka; restore the Water Use Cooperative Agreement with the U.S. Geological Survey, restore stream gauge funding, and restore dam safety inspection positions.

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Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 19, 2010, in Room 548-S of the Capitol.

Committee Action:

Senator Taddiken moved to add a proviso to the appropriations bill to authority the addition of 2.0 FTE positions in FY 2011 in Item No. "A" if SB 570 becomes law. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Taddiken moved to adopt the transfer of $29,000 from the Department of Revenue to the Department of Agriculture for FY 2011 to fund agricultural land valuations in Item No. "B". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Animal Health Department

A. Feral Swine Eradication (House Committee). The House Committee recommended Omnibus review of the funding that the agency receives for feral swine eradication for FY 2011 and an update on feral swine eradication in the state.

Kansas first documented the presence of feral swine in 1993. In 1995, the Kansas Legislature passed a law that prohibited the possession, importation, or transportation of feral swine in the state to hopefully prevent future introductions of the animal into the state. A single population was identified on the premises of the Fort Riley Military Installation in 1995 and over the next five years, the population was eradicated by the U.S. Department of Agriculture, Animal and Plant Health Inspection Service, Wildlife Services Division. By the time the Fort Riley feral swine population was eradicated in 2000, it was evident that other populations were establishing across the state. In 2006, a Kansas Feral Pig Control program was enacted jointly by the Kansas Animal Health Department (KAHD) and the Wildlife Services Division to control the growing populations of feral swine. The 2006 Legislature passed additional legislation further limiting the hunting of feral swine and declared them to be an invasive species.

According to the 2009 Report on the Kansas Feral Pig Control program by the Wildlife Services Division, there are currently 13 separate populations of feral swine in 21 different counties in Kansas, totaling 1,000-1,200 free-ranging feral swine, and new populations continue to be found throughout the state. The Wildlife Services Division states that the majority of these populations are from illegal release for hunting purposes. Since the enactment of the Kansas Feral Pig Control program, the Wildlife Services Division has documented over $1.2 million dollars worth of agricultural damage, mainly to corn, milo, and wheat crops. In that time period, the Wildlife Services Division has removed a total of 1,777 pigs from the state through various control methods: helicopter gunning, trapping, infrared night-vision shooting, and snaring.

The Wildlife Services Division and the KAHD monitor and sample an average of 100 feral swine each year for a variety of disease. According to the Wildlife Services Division, the data shows there is a Toxo Plasmosis prevalence of about 22.0 percent each year, and in 2009, there was a positive swine brucellosis sample taken in South Central Kansas, which is a cause for concern considering Kansas livestock have attained a brucellosis-free status for several years.

The agency first received funding to combat feral swine infestation of $119,873, all from the State General Fund, in FY 2007 to contract with the Wildlife Services Division for 1.0 FTE Wildlife Biologist position, equipment, vehicle, and aerial hunting of feral swine. In FY 2008, the agency received funding of $214,000, all from the State General Fund, which was an increase of $94,127 for a second 1.0 FTE Wildlife Biologist position and additional aerial hunting time. In FY 2010, the agency reduced the program's funding by 15.0 percent to $180,830 due to declining State General Fund revenues, and for FY 2011, the agency budgeted additional decreases due to an anticipated decrease in its State General Fund budget.

Kansas State Fair Board

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A. Workers Compensation Coverage (House Committee). The House Committee recommended Omnibus review of 2010 **HB 2658** and 2010 **SB 364**, which would allow the agency to pursue workers compensation coverage through the private market, rather than paying for coverage through the state. In addition, the House Committee recommended review of the agency's workers compensation coverage costs for FY 2011.

HB 2658 and **SB 364** each had hearings in the House Committee on Commerce and Labor and the Senate Committee on Business and Labor respectively during the 2010 Legislative Session; however, no action has been taken on the bills by either committee. The Governor recommends FY 2010 and FY 2011 workers compensation coverage expenditures of $101,858 and $120,239. The agency presented information to the House and Senate committees that the agency has received preliminary quotes for workers compensation coverage from private insurers that would total $19,000 for FY 2011, a savings of $101,239, all from the agency's State Fair Fee Fund.

Kansas State Fair Capital Improvements

A. State Fair Capital Improvements Fund Deficit (Senate Committee). The Senate Committee recommended Omnibus review of the transfer of $12,899 in FY 2010 and $225,404 in FY 2011 from the State General Fund to the State Fair Capital Improvements Fund to finance an anticipated shortfall in the agency's FY 2010 and FY 2011 debt service payments.

The operating costs for the Kansas State Fair are primarily financed from special revenue funds consisting of receipts from State Fair and non-fair activities on the State Fairgrounds. These receipts include admission fees to the State Fair, grandstand entertainment, premium book advertising, building rentals, sales and concessions, and parking fees. The State Fair alone generates over 90.0 percent of the agency's total receipts, in addition to non-fair use of the State Fairgrounds by close to 400 events throughout the year. Receipts are deposited in the agency's State Fair Fee Fund.

In addition to the revenue generated by the State Fair, K.S.A. 2-223 provides that the agency transfer an amount that is not less than 5.0 percent of the annual gross receipts that are deposited in the State Fair Fee Fund to the State Fair Capital Improvements Fund. Furthermore, the statute provides that an amount not exceeding $300,000 will be transferred to the State Fair Capital Improvements Fund from the State General Fund on July 1 of each year. The Legislature has suspended this match in FY 2002, FY 2004, FY 2005, and FY 2010.

For FY 2010 and FY 2011, the Governor recommended suspending the match from the State General Fund to the State Fair Capital Improvements Fund. The suspension of the match is projected to leave a deficit in the State Fair Capital Improvements Fund on April 1, 2010, and April 1, 2011, when the agency's debt service payments are due. The deficit projected by the agency in the State Fair Capital Improvements Fund totals $12,899 for FY 2010 and $225,404 for FY 2011.

Committee Action:

Senator Lee moved to take no further action. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Department of Wildlife and Parks

A. House Bill 2434 (Conference Committee). **House Bill 2434** in its current form would designate Prairie Spirit Rail Trail as the 25th state park. In addition, the bill would change existing law to allow the Secretary of Wildlife and Parks to directly set fees for the use of cabins owned or operated by the Kansas Department of Wildlife and Parks. The bill also would amend existing law related to clothing requirements when hunting deer or elk and would change the term of office for members of Drainage District No. 2 of Finney County from a three-year staggered term to a four-year staggered term. The House version of **HB 2434** contained language that would direct the Secretary of Wildlife

and Parks to reopen the Tuttle Creek State Park river pond area west entrance and operate the entrance in a similar manner to how it was operated in September 2007. The Senate version of **HB 2434** does not contain this language. The agency states the fiscal impact of the west entrance language in the House version of **HB 2434** would total $46,420, all from the State General Fund, for FY 2011. The addition of this funding would be used for operating and maintenance expenditures for the west gate entrance. The remainder of the bill would not require any additional funding.

Committee Action:

Senator Lee moved to take no further action on Item No. "A". The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Senator Umbarger moved to authorize an increase in the expenditure limitation for the Park Fee Fund by an amount equal to the reduction in SGF appropriations (Attachment 22). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

State Water Plan Fund

A. Restoration of the Statutory Transfer from the State General Fund and State Water Plan Fund Expenditures (House Committee). The House Committee recommended Omnibus review of the transfer of $4.7 million from the State General Fund to the State Water Plan Fund for FY 2011 and the proportional increase of State Water Plan Fund expenditures by the same amount in the following agencies: Department of Agriculture, Kansas Department of Health and Environment, State Conservation Commission, Kansas Water Office, Department of Wildlife and Parks, and the University of Kansas Geological Survey.

Department of Administration

A. Financial Management System Report. (House Committee). The House Committee requested a report, prepared by the Department of Administration, regarding the cost of the new Financial Management System. The system is called the Statewide Management, Accounting, and Reporting Tool (SMART). The Committee requested the report include an update on the progress of the implementation of the system, the total costs of the system, any cost savings created by the system, a list of agencies that will not use the system and the reasons those agencies cited for not using the system, and the cost savings should those agencies use the system.

No report has been submitted to the Legislative Research Department. SMART is scheduled to become operational July 1, 2010.

Committee Action:

Information relative to the Capitol Restoration Bonds was distributed to the Committee (Attachment 41).

Senator Schmidt moved to add language to authority the Department of Administration to issue and sell bonds for the Capitol Restoration project per the attachment (Attachment 41). The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Board of Indigents' Defense Services

A. Assigned Counsel Caseload (Senate Committee and House Committee). When public defender offices cannot handle the volume of cases or when conflicts exist that prevent public defenders from being involved, private assigned counsel is used. Payment is made to private counsel at an hourly rate up to $80 per hour. All payments to assigned counsel are funded by the State General Fund.

During the fall of 2009, the agency, the Division of the Budget, and the Legislative Research Department developed a caseload estimate for the assigned counsel program of $9.3 million for FY 2010 and FY 2011. Since that estimate was made, the Governor recommended reducing the hourly payment to private counsel from $80 per hour to $62 per hour in order to achieve cost savings. The recommendation captured those savings in both FY 2010 and FY 2011. As a result, the Governor's recommendation for FY 2010 was adjusted to $8.6 million for FY 2010 and $8.1 million for FY 2011.

The same estimating group met in April 2010. The group estimates expenditures of $9.3 million for FY 2010. The group notes that private counsel is paid at the end of a case by contract. Most of the contracts were entered into before the reduction was made in the hourly rate and those contracts were not altered after the reduction was recommended by the Governor. As a result, the savings captured in FY 2010 will not be fully realized in FY 2010. The estimating group maintained the estimate made during the fall of 2009 at $9.3 million. Committee action would be required to add funding to finance the caseload estimate.

For FY 2011, many of the private attorneys will be at the lowered hourly rate of $62 per hour. The group estimates expenditures totaling $8.1 million for FY 2011. The figures for FY 2011 will be reviewed by the group during the fall of 2010.

B. House Bill 2528 (Conference Committee). **HB 2528** would amend current law on the court procedure for the forfeiture of an appearance bond. Specifically, the bill would:

- Add a provision establishing that an appearance bond would be revoked by the execution of a warrant for the defendant's arrest for a violation of a bond condition;
- Provide a court discretion to set aside a forfeiture, prior to the judgment of default, if the surety can provide the court a sworn affidavit setting forth details that the defendant is incarcerated somewhere within the United States;
- Require that no judgment may be entered against the obligor in an appearance bond until more than 60 days after notice is served on the clerk of the court; and
- Provide that no judgment may be entered against the obligor in an appearance bond more than 2 years after the defendant's failure to appear.

The State Board of Indigents' Defense Services received $343,205 in bond forfeiture fees in FY 2009, an average of $28,600 per month. Currently, BIDS receives monthly payments from the State Treasurer's Office. If **HB 2528** were enacted, there would be a two-month delay in the receipt of fees, an amount that the Board must have to operate. Also, when defendants appear during the new 60-day time frame, the associated funding would be lost entirely. With the delay and diminished fees, the Board would have to look to the State General Fund to replace operating costs currently paid with forfeiture bonds. In addition, the bill relieves the bondsmen from the duty to advise whether the defendant is in custody in another jurisdiction. That burden would fall on the public defenders whose staff could not handle the extra work load. The majority of defendants are out on bond. To determine whether those who fail to appear are incarcerated in another jurisdiction would require one support person for each of the six smaller public defender offices and at least two support people in the three largest offices. The starting salary for the 12.00 FTE support positions would be $324,000 from the State General Fund.

Committee Action:

Senator Taddiken moved to adopt the Governor's Budget Amendment (GBA) on Item No. 1 - Assigned Counsel Caseload to add $686,456 SGF for FY 2010 and caseload estimates for FY 2011. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Vratil moved to take no action on Item No. B until additional budget information is received from the Board of Indigents' Defense Services. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Kansas Lottery

A. Expanded Lottery Act Privilege Fee Reduction (Senate Committee and House Committee). The consensus gaming revenue estimating group met in April 2010 to discuss estimated revenue from casino and racetracks in FY 2010 and FY 2011. Previously, the group estimated $50.0 million in FY 2010 revenue from privilege fees, $25.0 million from the Wyandotte County casino group and $25.0 million from the Sumner County casino group. On April 5th, 2010, the Sumner County casino group formally withdrew its application after the Governor denied the Lottery Review Board a 60-day extension, requested on behalf of the casino group.

The Kansas Lottery plans to reopen bidding on the South Central Gaming Zone. The following bullet points provide a timeline for possible approval of a new applicant:

- Application Deadline: 90 Days—Late July 2010;
- Contract Negotiations with the Kansas Lottery: 90 days—Late November 2010;
- Lottery Review Board, staffed by Racing and Gaming: 60 days—Late January 2011; and
- Kansas Racing and Gaming Commission Approval: 70 days—Late March to Early April 2011.

Assuming no extensions are requested, or granted, a new applicant could be selected and approved by the last quarter of FY 2011.

Expert consultants working with the Lottery and the Racing and Gaming Commission have continued to express the viability of a casino in the South Central gaming zone. The Lottery has heard of at least one new applicant that will submit an application within the 90 day application period. Due to these factors, the consensus gaming revenue estimating group has deleted $25.0 million in expected revenue from the FY 2010 budget, and added the same amount to the FY 2011 budget.

No additional adjustments from the November estimates were made to projected revenues for FY 2010 or FY 2011. No racetracks are expected to open in FY 2010 or FY 2011.

B. Regular Lottery Proceed Transfer (Senate Committee and House Committee). The Governor recommended a FY2010 transfer of $72.0 million from the proceeds of lottery ticket sales to the State Gaming Revenues Fund. Members of the Kansas Lottery, the Division of the Budget, and the Legislative Research Department met in April 2010, to project estimated revenues for FY 2010 and FY 2011. Based on reduced ticket sales, the group reduced the FY 2010 estimate to $69.0 million. Additionally, the monthly transfer dates would need to be changed to accommodate the new SMART system. The group did not adjust the Governor's FY 2011 estimate of $72.0 million.

Committee Action:

Senator Teichman moved to take no further action on Item No. A. The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Senator Schmidt moved to adjust the FY 2010 transfer from the proceed of lottery ticket sales to the State Gaming Revenues Fund to $69.3 million and change the transfer date to accommodate the new SMART system to June instead of July per Item No. "B". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Vratil moved to introduce legislation during the 2011 Legislative Session to put the revised date from July to June in statute. The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

School for the Blind

A. Statutory Salary Compliance Funding (Senate Committee and House Committee). Both the Senate and House Committees recommended review of the addition of $118,442, all from the State General Fund, to fund the statutory requirement that ties teacher salaries at the School for the Blind to teacher salaries at U.S.D. 233, the Olathe School district, for the previous year. The Governor recommended increasing the salaries, but did not add any funding. In effect, the School would need to find the funding from within their approved budget.

B. Johnson Building Roof Replacement (Joint Committee on State Building Construction). The Joint Committee on State Building Construction requested a review of adding funding to re-roof the Johnson Building. The Johnson Building is used for classroom instruction. The agency requested $161,430, all from the State Institutions Building Fund, to replace the roof on the Johnson Building, which has experienced leaks. The Governor did not recommend the funding. The agency provided an updated estimate of the cost of the project at $239,700.

Committee Action:

Senator Schmidt moved to add $118,442 from the State General Fund, for teacher salaries per Item No. A. The motion was seconded by Senator Schodorf.

Senator Lee made a substitute motion to introduce legislation to rescind the law requiring the School for the Blind to follow tie teacher salaries at the School for the Blind to teacher salaries at Olathe USD No. 233 one year in arrears. The motion was seconded by Senator Kelly. The motion was withdrawn.

Senator Taddiken made a substitute motion to add a proviso to suspend the teacher salary increase for one year for the School for the Blind and the School for the Deaf to match the teacher salary increase at Olathe USD No. 233. The motion was seconded by Senator Lee. Motion failed on a vote of 4-8.

Senator Kelly made a substitute motion to accept the Governor's recommendation on the teacher salaries for the School for the Blind. The motion was seconded by Senator McGinn.

The Committee requested additional information on balances in the School for the Blind budget and fee fund balances available to cover the increased teacher salaries, as well as the same information from the School for the Deaf.

Senator Schmidt moved to table action on the School for the Blind and School for the Deaf teacher salaries until 9:00 a.m. on April 20, 2010. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

A report on the Status of the State Building Funds was distributed to the Committee (Attachment 16).

Information on an upgrade to the Electrical Redistribution/System Upgrade at School for the Deaf was distributed to the Committee (Attachment 17).

Senator Vratil moved to add $239,700 from the State Institutions Building Fund, to replace the roof on the Johnson Building, per Item No. "B" (Attachment 17). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

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Additional information on Fee Fund Ending Balances with the School for the Blind and School for the Deaf and proposed FY 2011 budget reductions was distributed to the Committee (Attachment 36).

Senator Kelly moved to take no further action on teachers salaries for the School for the Blind and the School for the Deaf. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

School for the Deaf

A. Statutory Salary Compliance Funding. (Senate Committee and House Committee). Both the Senate and House Committees recommended review of the addition of $183,255, all from the State General Fund, to fund the statutory requirement that ties teacher salaries at the School for the Blind to teacher salaries at U.S.D. 233, the Olathe School district, for the previous year. The Governor recommended increasing the salaries, but did not add any funding. In effect, the School would need to find the funding from within their approved budget.

B. Electrical Distribution Upgrade. (Joint Committee on State Building Construction). The agency requested emergency funding, all from the State Institutions Building Fund, to address safety concerns with the campus electrical distribution system.

The Committee heard testimony that the current electrical system includes a 12,470 volt central distribution line. The line has experienced compromised insulation, oil leaks, and structural deterioration which has caused safety concerns. The added funding to replace the current system with a building-by-building service delivery scenario would result in elimination of high voltage lines in tunnels, oil switches, and splice pots. The new system would be reduced to a 480 volt system, alleviate safety concerns, and begin the process of phasing-in a campus-wide installation.

The Joint Committee on State Building Construction requested a definitive, detailed plan on the total cost of the project and the cost adjustment of the utility bills moving forward.

The agency worked with the Division of Facilities Management (DFM) and Westar to provide estimates for the plan. The total aggregate estimate is $339,415. The estimate from Westar to change the current 12,470 volt system to a 480 volt system is $158,709. DFM estimates expenditures of $180,706 for their portion of the project, which includes engineering and design, bidding process, construction administration, on site inspections and final inspection. The FY 2011 ending balance in the State Institution's Building Fund is $10,524,320, which is the same as the Governor's recommendation.

Additionally, Westar has indicated that utility rates would decrease from 7 cents per kilowatt hour to approximately 6.4 cents per kilowatt hour.

C. Cost Savings from Shared Services (House Committee). The House Committee requested review of the cost savings of sharing services between the School for the Blind and School for the Deaf. The agency provided the following information:

The agency reviewed expenditures and, between the two schools, the net savings amounts to an estimated $101,000. The agency states it will need to promote and move staff, paying them for increased duties and responsibilities. The agency will need a network administrator to develop, implement and support a communication infrastructure to allow shared services between two completely different models--one visual and one auditory or tactual. There are separate communication issues on each campus which must be solved so that staff at either campus could communicate equally and be able to track requests and needs through an accessible tracking system--for both blind and deaf staff members. The $101,000 reflects one position that is not being filled for FY 2011.

Committee Action:

Senator Apple moved to appropriate $339,415, all from the State Institutions Building Fund, to address safety concerns of the campus electrical distribution system in Item No. "B". The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Department of Commerce

A. Senate Substitute for Substitute for House Bill 2538 (Vetoed). Senate Sub. for Sub. for HB 2538 would expand the Promoting Employment Across Kansas (PEAK) program which offers qualifed companies that are relocating operations to Kansas the ability to retain a percentage of their payroll withholding tax for a period of 5 to 7 years. The bill would expand the definition of "expanding business" and "metropolitan county." Additionally, it would change certain eligibility requirements for companies relocating in Kansas. The bill includes a provision which prohibits members of the Kansas Legislature from availing themselves of any PEAK program until after July 1, 2015.

The fiscal note indicates that the agency would require $160,000, and 1.5 FTE positions in FY 2011 to implement the provisions of the bill. The 1.5 FTE positions include an economic development representative (1.0 FTE) and an administrative assistant position (0.5 FTE). The funding would include salary and wages and operational expenses to manage the application process. No source has been identified for the additional $160,000.

The bill would also create the Program Analysis Fund in Kansas, Inc. starting in FY 2011. Under the bill, $250,000 would be transferred from the IMPACT Services Fund within the Department of Commerce to the Program Analysis Fund in Kansas, Inc. so that Kansas, Inc. could conduct program audits of tax credit programs. The bill would allow Kansas, Inc. to use funds to acquire necessary software. At the request of either the Secretary of Revenue or the Secretary of Commerce, Kansas, Inc. would conduct a program audit of tax credit programs. The Secretary of Revenue would have the authority to disclose certain confidential taxpayer information to Kansas, Inc. and its contracts which are held to the same level of confidentiality as the Department of Revenue and the Department of Commerce.

The Impact Program Services Fund is funded through the proceeds from the issuance of bonds for the Investment in Major Projects and Comprehensive Training (IMPACT) Program.

Senator Vratil moved that a proviso be added to the Department of Commerce "provided that no state funds, federal funds or other contract funds may be expended by the Department of Commerce to respond to Requests for Proposals or bids for contract work for the purpose of providing job search and/or labor exchange and/or case management software or any related work for state workforce agencies, or to otherwise attempt to obtain further contrats or subcontracts for services with state agencies of any state agency other than (1) the Kansas Department of Commerce and (2) any other state agency in other state agency in other states with which the Department has executed contracts as of February 2010" (Attachment 42).The motion was seconded by Senator Schodorf.

Senator Kelly made a substitute motion to refer the issue back to the Senate Ways and Means Committee for a hearing. The motion was seconded by Senator Lee. Motion failed on a 5-6 vote.

The original motion passed on a vote of 6-5.

Department of Revenue

A. Vacant Positions in the Tax Operations Division and Senate Bill 430 (Senate Committee). The Senate Committee recommended Omnibus review of 9.0 vacant FTE positions in the Tax Operations Division. The Tax Operations Division collects various taxes for the state and the Division currently has 9.0 vacant FTE positions, which have been held open due to reductions in the Division's State General Fund appropriation. The agency has estimated that each vacant position has

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the potential to collect approximately $1.3 million in tax revenue. The average salary for the 9.0 vacant FTE positions is approximately $50,000.

The provisions of **SB 430**, which has been presented to the Governor, includes a $10 fee for any delinquent taxpayer who enters into an installment payment plan in excess of ninety days from the date of the payment plan agreement. This fee would be deposited in the Recovery Fund for Enforcement Actions and Attorney Fees (RFEAAF).

The installment payment plan fees would be expected to produce $340,000 in FY 2011 for the RFEAAF and the Conference Committee on **SB 430** noted the additional fee would allow the Department to hire additional personnel in the Tax Operations Division. The RFEAAF would receive the first $350,000 in certain delinquent tax collections by Department of Revenue personnel hired with receipts attributable to the $10 fees. The Department of Revenue also indicated that an additional $7.0 million in FY 2011 SGF receipts would be produced as a result of additional personnel hired using the additional RFEAAF receipts.

It should be noted that as of January 31, 2010, the Department estimated there is approximately $105.0 million in outstanding receipts.

B. Reduced Resources and House Bill 2521 (Senate Committee). The agency submitted a reduced resources budget of $862,984, all from the State General Fund, for FY 2011. It would mandate the electronic filing of sales and withholding taxes for businesses when the combination of both exceed $45,000. The agency has indicated that the mandate would reduce postage and other contractual expenses by $700,000 and it would eliminate 5.5 FTE positions, which would produce savings totaling $162,984. The Governor recommended the reduced resources estimate for FY 2011 and the savings are included in the Governor's FY 2011 budget recommendation.

HB 2521 and **SB 428** were introduced at the beginning of the 2010 Legislative Session making the statutory changes necessary to implement the requirement to file sales and withholding taxes. **HB 2521** was amended in the House Committee on Taxation and a substitute bill was introduced which included the required statutory changes. Substitute for **HB 2521** currently resides in the Senate Committee on Assessment and Taxation. **SB 428** is still in the first committee, the Senate Committee on Taxation and Assessment. However, the contents relating to the statutory changes needed were included in **SB 430**, which is currently with the Governor.

C. Agency Fee Funds (House Committee). The House Committee recommended Omnibus review of the agency's fee funds. The Department of Revenue maintains four special revenue funds which are maintained through the assessment of fees. They include the Division of Vehicles Modernization Fund, the Photo Fee Fund, the Electronic Databases Fee Fund, and the Vehicle Information Processing System and Computer-Assisted Mass Appraisal (VIPS/CAMA) Fee Fund . Both the Electronic Databases Fee Fund and the VIPS/CAMA Fee Fund may be used for operating expenses. Included in the chart below is a fee fund analysis for each of the Department's fee funds. Currently, both the House and the Senate are concurring with the Governor's recommendation.

- Division of Vehicles Modernization Fund

The Division of Vehicles Modernization Fund, which was created by the 2008 Legislature, is funded through a $4 surcharge on vehicle registration. It is a multi-year project designed to integrate the three current vehicle systems into one system. Under the project the Vehicle Information Processing System (VIPS), the Kansas Drivers License System (KDLS), and the Kansas Vehicle Inventory System (KVIS) will be merged into one system.

Resource Estimate	Actual FY 2009	Agency Estimate FY 2010	Gov. Rec. FY 2010	Agency Request FY 2011	Gov. Rec. FY 2011
Beginning Balance	$ 0	$ 5,666,149	$ 5,666,149	$ 5,206,590	$ 5,206,590
Net Receipts	5,821,396	12,249,628	12,249,628	12,310,016	12,310,016
Total Funds Available	$55,821,396	$17,915,777	$ 17,915,777	$ 17,516,606	$17,516,606
Less: Expenditures	111,668	12,709,187	12,709,187	17,516,606	17,516,606
Transfers	43,579	0	0	0	0
Ending Balance	$ 5,666,149	$ 5,206,590	$ 5,206,590	$ 0	$ 0
Ending Balance as Percent of Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

- Photo Fee Fund

The Photo Fee Fund is funded through a $4 surcharge when obtaining a new drivers license. K.S.A. 8-299 authorizes the Photo Fee Fund and provides that it shall be used "only for the purpose of funding administration and operation, including equipment, associated with the issuance of drivers' licenses and identification cards." The agency uses this fund to provide financing in DOV for the cost of the driver license and identification card hardware and software.

Resource Estimate	Actual FY 2009	Agency Estimate FY 2010	Gov. Rec. FY 2010	Agency Request FY 2011	Gov. Rec. FY 2011
Beginning Balance	$ 586,867	$ 756,512	$ 756,512	$ 4	$ 4
Net Receipts	3,303,053	4,831,552	4,831,552	5,872,000	5,872,000
Total Funds Available	$ 3,889,920	$ 5,588,064	$ 5,588,064	$ 5,872,004	$ 5,872,004
Less: Expenditures	3,133,408	5,588,060	5,588,060	5,867,597	5,867,597
Transfers	0	0	0	0	0
Ending Balance	$ 756,512	$ 4	$ 4	$ 4,407	$ 4,407
Ending Balance as Percent of Expenditures	24.1%	0.0%	0.0%	0.1%	0.1%

- Electronic Databases Fee Fund

The Electronic Databases Fee Fund is funded through fees which are collected to provide access to, or to furnish copies of, date constituting public records. K .S.A. 74-2022 establishes the Electronic Databases Fee Fund and provides that it shall be used "to operate, maintain and improve the specific electronic database system in which the data are stored or maintained, including the costs incurred providing access to or furnishing copies of such data."

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Resource Estimate	Actual FY 2009	Agency Estimate FY 2010	Gov. Rec. FY 2010	Agency Request FY 2011	Gov. Rec. FY 2011
Beginning Balance	$ 1,176,483	$ 827,793	$ 827,793	$ 647,369	$ 647,369
Net Receipts	8,084,814	8,641,091	8,641,091	8,300,000	8,300,000
Total Funds Available	$ 9,261,297	$ 9,468,884	$ 9,468,884	$ 8,947,369	$ 8,947,369
Less: Expenditures	8,329,577	8,821,515	8,821,515	8,947,369	8,947,369
Transfers	103,927	0	0	0	0
Ending Balance	$ 827,793	$ 647,369	$ 647,369	$ 0	$ 0
Ending Balance as Percent of Expenditures	9.9%	7.3%	7.3%	0.0%	0.0%

- VIPS/CAMA Fee Fund

The VIPS/CAMA Fee Fund is funded through a $3 surcharge on the titling of vehicles. The 2004 Legislature removed the June 30, 2004 sunset date for the fund. K.S.A. 74-2021 establishes the VIPS/CAMA Technology Hardware Fund and provides that it shall be used "for the purpose of upgrading the VIPS/CAMA hardware for the state or for the counties."

Resource Estimate	Actual FY 2009	Agency Estimate FY 2010	Gov. Rec. FY 2010	Agency Request FY 2011	Gov. Rec. FY 2011
Beginning Balance	$ 457,377	$ 198,543	$ 198,543	$ 52	$ 52
Net Receipts	2,095,290	2,175,256	2,175,256	2,100,000	2,100,000
Total Funds Available	$ 2,552,667	$ 2,373,799	$ 2,373,799	$ 2,100,052	$ 2,100,052
Less: Expenditures	2,312,290	2,373,747	2,373,747	2,100,052	2,100,052
Transfers	41,834	0	0	0	0
Ending Balance	$ 198,834	$ 52	$ 52	$ 0	$ 0
Ending Balance as Percent of Expenditures	8.6%	0.0%	0.0%	0.0%	0.0%

D. Department of Revenue Technology and Software Upgrades (House Committee). The House Committee recommended Omnibus review all agency technology and software upgrades. The Department of Revenue currently has three technology upgrades in process and they include the following:

- Division of Vehicles Modernization Project

The Division of Vehicles Modernization Project was created by the 2008 Legislature and is funded by a $4 surcharge on vehicle registrations. It is a multi-year project designed to integrate the three current vehicle systems into one system. Under the project the Vehicle Information Processing System (VIPS), the Kansas Drivers License System (KDLS) and the Kansas Vehicle Inventory System (KVIS) will be merged into one system. The goal is to organize the Kansas Division of Motor Vehicles processes with an automated system that will administer all licensing, titling, registration, inventory, and driver records. Under the new system manual, paper driven processes will be replaced with data imaging software that will help county treasurers and their staff process transactions efficiently, with fewer duplicated processes. The system will tie each driver to all their records and documents, which will simplify business transactions at the state and county levels.

The $4 surcharge on vehicle registrations began on January 1, 2009 and the project began in August 2009. The VIPS and KVIS portions will be completed in July 2011 and the KDLS will be completed in January 2012. The agency has indicated the total costs for the software and hardware upgrades will be approximately $40.0 million and the project is currently on schedule.

- Computer-Assisted Mass Appraisal (CAMA) Project

The CAMA system is designed to help county appraisers determine property values, and to help the Department monitor the appraisal process. County appraisal staff collect and enter property data and ensure computer results reflect local real estate conditions. County appraisers then review the information and visit the property to determine the final property value. A replacement system, known as ORION, will allow county officials to acquire multi-year information, to store more information to better assist in determining property values, to improve document production, to sketch properties, and to link with photos and geographic information system data. The replacement effort began in FY 2000 and all counties will be in production by August 2011, producing values for 2012.

The original CAMA system began in the 1980s and in 1996 the Legislature passed **SB 662** which earmarked certain revenus for the improvement of the CAMA system. Currently, the CAMA system is funded through a $3 surcharge on the titling of vehicles.

- Photo First Drivers License Project

Currently the Department uses a procedure where the applicant's photograph for the driver's license is captured at the end of the application process. In 2008 the Department was awarded a $925,026 federal grant from the Department of Homeland Security (DHS) to develop and implement a pilot photo first model office where the applicants photograph is captured at the beginning of the application process when a driver first applies for a drivers license. The goal is to improve the integrity and security of the Kansas drivers license system. Currently, the Department is implementing phase two of the system which will enable the Department to implement the pilot photo first model office at five drivers license offices in Kansas. Phase two will be paid with federal funds from the DHS.

Adjutant General

A. Disaster Assistance (Senate Committee and House Committee). The House and Senate Committees recommended Omnibus review of the newest disaster assistance estimates on any open and new disasters for FY 2011.

The agency is currently tracking eleven open disasters for FY 2011, for which the agency estimates disaster assistance payments totaling $259.0 million, including $27.0 million from the State General Fund. The Governor's recommended FY 2011 budget includes $43.4 million, including $5.2 million from the State General Fund (a State General Fund difference of $21.8 million). The agency states that it understands the fiscal situation of the state of Kansas as well as the fact that the estimate is a best guess. While the agency states that it would prefer to have full funding at the beginning of each year, if the fiscal situation does not allow for full funding of the request at this time, the agency states that it understands that there are other avenues to obtain the additional funding after the new fiscal year has begun. The agency noted that their main concern is to avoid having local units of government and approved non-profits experiencing late reimbursements from the state.

The agency noted difficulty in estimating how many state dollars will actually be needed, as there are a number of factors that affect the distribution of disaster funds for any approved project. One of these difficulties is weather, which makes it hard for infrastructure repairs and rebuilding. The agency states that this spring included an additional unexpected delay with the Federal Emergency Management Agency (FEMA) placing a temporary freeze on the federal portion of any new or adjusted requests (no time frame has been provided for when the freeze will be lifted). The agency added that there is also the continuing possibility that Kansas may experience additional disasters at some time in FY 2011, but what has been provided is the Adjutant General's best estimate at this point.

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Disaster funds are provided to help state and local governments with the cost of debris removal, roads, bridges, public buildings, public utilities, and other infrastructure damage associated with a disaster. The federal government usually pays 75.0 percent of the cost, with a 25.0 percent non-federal match. If the payment is made to a non-state agency, the state pays 10.0 percent with the local unit responsible for the remaining 15.0 percent. If the payment is made to a state agency, the state agency is responsible for the entire 25.0 percent.

B. Senate Substitute for House Bill 2582 (Conference Committee). Senate Sub. For HB 2582 would enact new law relating to 911, and amend existing law.

The bill would create a statewide 911 coordinator, appointed by the Governor, and housed in the Division of Emergency Management (KDEM) in the Office of the Adjutant General. The coordinator would: advise and coordinate with the 911 Coordinating Council, the Local Collection Point Administrator, and various other entities, and enable the operation of emergency services in Kansas to function efficiently and effectively; implement statewide 911 planning and ensure that policies adopted by the 911 Coordinating Council are carried out; and administer the Next Generation 911 (NG911) federal grant, which is transferred from the Governor's Grants Program to the Division of Emergency Management to be administered by the 911 Statewide Coordinator, create the NG911 Federal Grant Fund in the State treasury, and authorize adoption of rules and regulations necessary to administer the grant.

The fiscal note on the bill indicated a cost of $129,683, all from the State General Fund, for FY 2011. The agency requests 1.0 FTE Public Service Administrator II position ($60,915), and 1.0 FTE Accountant II position ($56,001). These positions would require office supplies ($750) and computer workstations ($3,500). The coordinator also would require travel and per diem ($8,000). Expenditures for these positions and duties would continue in the agency budget, and State General Fund cost estimates total $129,328 for FY 2012, and $132,553 for FY 2013.

The agency states that there is some ambiguity in the estimation of expenditures as expenditures are dependent upon the Next Generation 911 plan being adopted. No details yet exist on the enforcement or imposition of penalties, or who will be responsible for audits, reviews, cost recovery, and if funds will be disbursed through this agency or the State Treasurer.

Committee Actions:

Senator Vratil moved to amend the appropriation for the Adjutant General from $24.8 million to $21.8 million in Item No. "A". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Teichman moved to change the funding source for Item No. "B" from the State General Fund to the Next Generation 911 federal grant fund. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Kelly moved to approve the request for an additional 2.0 FTE, supplies, equipment and travel for the 911 statewide coordinator. The motion was seconded by Senator Lee. Motion carried on a voice vote.

Kansas Bureau of Investigation

A. DNA Lab Backlog Funding (Senate Committee). The Senate Committee requested Omnibus review of the Governor's FY 2011 recommendation to add $1.1 million, all from the State General Fund, to assist in addressing the DNA backlog. Funds were recommended to allow for the outsourcing of samples, purchase of new equipment, consumables, and computer and software licenses.

The KBI laboratory division was funded in FY 2009 at $6.3 million, including $3.5 million from the State General Fund; are currently budgeted in FY 2010 (**HB 2222** recision bill) at $6.3 million, including $3.4 million from the State General Fund, and for FY 2011 (excluding the

Governor's recommended addition of $1.1 million from the State General Fund) $6.6 million, including $3.9 million from the State General Fund. Also, according to the agency, the current funding level is insufficient to maintain the databank once the backlog is eliminated and samples are processed.

The agency states that while pending legislation may positively affect the courts' ability to collect additional funding for the KBI DNA database in the future, there are insufficient funds to eliminate the backlog of arrestee DNA samples currently at the KBI.

While not requesting a continued operating expenditures increase, the KBI Forensic Science Laboratory does request $1.1 million, all from the State General Fund, to purchase new equipment, consumables, and computer and software licenses, to process the backlog of arrestee samples. If the funding is approved it will be used to purchase the following:

A) One 3130 genetic analyzer, one 3130xl genetic analyzer ($250,000);

B) Consumables, DNA kits, vials, pipette tips, and other supplies ($720,630);

C) Additional equipment to increase genetic analyzer capacity ($10,000);

D) Overtime to for technical review of samples, 600 hours x $50.00 ($30,000); and

E) Additional computers and software licenses ($70,000).

With the recent completion in validating new software in the DNA database laboratory, it is the agency's intention to complete all backlogged arrestee samples at the KBI. The new software, equipment and computers will increase the efficiency of the databank.

If the requested funding is provided, the KBI laboratory will not outsource any arrestee samples to private companies.

B. Kansas Criminal Justice Information System (KCJIS) Communication Lines (Senate Committee). The Senate Committee requested Omnibus review of the agency's request for $464,823, all from the State General Fund, for the KCJIS communications lines upgrades and replacement of network interface cards.

Testimony heard in Subcommittee explained that the existing 56K lines are slow and will be discontinued December 31, 2010. Additionally, in consultation with Division of Information Systems and Communications (DISC), KCJIS requires an increased bandwidth connection to 1.5 MB (T1) to each mandated site in order to continue service. KCJIS provides year round access to vital criminal justice information and is utilized by over 9,000 criminal justice and law enforcement users in over 1,700 agencies across the state. The Subcommittee noted this enhancement was requested last Session, and that by working with DISC and AT&T, the existing contract was extended for an additional year. The Subcommittee encouraged the agency to seek further extension of the 56K communication lines in light of state budgeting constraints.

The agency states that **Senate Substitute for House Bill 2226**, which is in Conference Committee, would, among other things, raise district court traffic fines by $5 to provide funding for the KCJIS circuits. The increase would provide an estimated $660,000 per year for the KCJIS circuits. Funding is intended to offset the $291,000 from the State General Fund that is currently provided as part of the KBI's budget, as well as providing an additional $464,823 that was requested for FY 2011 to increase capacity and upgrade the circuits.

The agency states that as the new circuits will be phased in over a period of time in FY 2011, the additional funding needed for FY 2011 is actually $442,000 (as opposed to the $464,823 that was originally requested).

If the bill is adopted, the following summarizes the effects on the KBI's budget: to provide for the upgraded lines, the agency is requesting an additional $442,000 for FY 2011 (this includes $62,400

in startup costs); this is in addition to the $291,000 provided in the KBI State General Fund budget for KCJIS circuits. This would provide a total of $733,000, all from the State General Fund, in funding needed for KCJIS communication lines and associated upgrade for FY 2011.

If **Senate Sub. For HB 2226** is enacted, it is estimated that $660,000 in offsetting funds would be provided by traffic fees for KCJIS circuits. Which means that $73,000 of the total cost of upgraded communication lines would not be offset in FY 2011. If this bill passes, the agency requests that of the $291,000 currently being received for KCJIS circuits, $73,000 remain in the budget.

The agency noted that $693,423 would be requested for FY 2012, and $660,000 would be provided by traffic fees (assuming the passage of **Senate Substitute for House Bill 2226**), requiring that $33,423 of the traditional $291,000 remain in the KBI's budget for FY 2012 to pay for KCJIS circuits.

Committee Actions:

Item "A" - The Committee noted that the agency has applied for a $449,000 federal grant to be used specifically with the backlog in Item "A".

Senator Lee moved to take no action on Item "A" at this time and review the issue in January 2011 during the 2011 Legislation Session. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to amend the appropriations bill to authorize the expenditure of $660,000 for the Kansas Criminal Justice information System (KCJIS) subject to the passage of Senate Substitute for HB 2226 or comparable legislation and adjust to the level of funding as specified in the legislation in Item "B". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to take no action on Item No. "C" (Attachment 19). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Kansas Department of Transportation

A. House Bill 2555 (Law). **House Bill 2555** designates a portion of K-14 Highway, U.S. Highway 160 and K-2 Highway as the SFC David R. Berry/SGT WillSun M. Mock Memorial Highway. The bill also contains the following provisions related to signage:

- Requires the Secretary of Transportation to place the signs along the highway right-of-way at proper intervals to indicate the designation;
- Precludes the signs from being erected until the Secretary has received sufficient moneys from gifts and donations to reimburse the Secretary for the cost of placing the signs and an additional 50.0 percent of the initial cost to defray future maintenance or replacement of the signs; and
- Allows the Secretary to accept and administer gifts and donations to aid in obtaining and installing suitable signs.

The fiscal note on the bill indicates that the Kansas Department of Transportation would have to receive $2,250 from donations before installing the signs - $1,500 for the cost of the signs including installation and an additional 50.0 percent ($750) for future maintenance. The agency is requesting an operating expenditure increase of $1,500 in the State Highway Fund, to expand donations, for FY 2011.

B. House Bill 2552 (Law). **House Bill 2552** enacts the Midwest Interstate Passenger Rail Compact. The purpose of the compact is to promote improvements to intercity passenger rail service in the region, to coordinate interaction among states on passenger rail issues, to promote development and implementation of long range plans for high speed rail passenger service, to work with public and

private sectors at all levels to ensure coordination, and to support efforts of transportation agencies in developing and implementing passenger rail service. Each member state chooses four commissioners for two-year terms; the Governor or Governor's designee, a member of the private sector chosen by the Governor, and two Legislators, one from each chamber. Commission duties have to do with coordination of planning, implementation, and related activities. The Commission is to work with federal agency officials and members of Congress on long-term interstate plans for passenger rail service. Each member state is to have equal voting privileges.

The Kansas Department of Transportation (KDOT) states that the annual membership fee to the Compact is $15,000. The bill does not specify which state agency would be responsible for paying the fee; however, KDOT states that if it were to pay the membership fee it would require an expenditure limitation increase in the agency's State Highway Fund operations account. Legislative Administrative Services indicates the FY 2011 legislative compensation is $88.66 per day for salary and $116 per day for subsistence. The bill contains no restrictions on the number of days or locations where members may meet so the precise fiscal effect cannot be estimated at this time.

C. House Bill 2436 (Law). **House Bill 2436** designates bridge No. 64 on U.S. Highway 77 in Marshall County as the 1st Lieutenant Michael Hugh Breeding Memorial Bridge. The bill also contains the following provisions related to signage:

- Requires the Secretary of Transportation to place the signs along the highway right-of-way at proper intervals to indicate the designation;

- Precludes the signs from being erected until the Secretary has received sufficient moneys from gifts and donations to reimburse the Secretary for the cost of placing the signs and an additional 50.0 percent of the initial cost to defray future maintenance or replacement of the signs; and
- Allows the Secretary to accept and administer gifts and donations to aid in obtaining and installing suitable signs.

The fiscal note on the bill indicates that the Kansas Department of Transportation would have to receive $2,040 from donations before installing the signs - $1,360 for the cost of the signs including installation and an additional 50.0 percent ($680) for future maintenance. The agency is requesting an operating expenditure increase of $1,360 in the State Highway Fund, to expand donations, for FY 2011.

D. Senate Bill 409 (Law). **Senate Bill 409** authorizes the Secretary of Transportation to establish and implement a passenger rail service program. With the program, the Secretary is authorized to take the following actions:

- Enter into agreements with Amtrak, other rail operators, local jurisdictions, and other states;

- Provide assistance to local jurisdictions to ensure that rail stations and terminals are designed and developed to meet safety and efficiency standards, aid intermodal transportation, and encourage economic development; and

- Provide loans or grants to passenger rail service providers from a Passenger Rail Service Revolving Fund established by the bill. Those loans or grants could be used for three purposes: restoration, conservation, improvement, and construction of railroad lines, switching yards, sidings, highway grade separations, and other railroad-related improvements; rail economic development projects that improve rail facilities, including locomotives and rolling stock; and costs associated with the initiation, operation, and maintenance of passenger rail service.

Expenditures from the Passenger Rail Service Revolving Fund would be made in accordance with appropriations. The bill authorizes the Secretary to adopt rules and regulations to implement the

bill's other provisions.

According to the fiscal note, the bill does not propose a revenue mechanism for financing any of the activities the bill authorizes. The Kansas Department of Transportation indicates it would not initiate any such activities nor incur any additional expenses. However, the agency requests that the Passenger Rail Service Revolving Fund created by the bill be appropriated as a no limit fund.

E. House Bill 2678 (Law). **House Bill 2678** designates a portion of US-59 in Franklin County as the Vern Chesbro Memorial Highway. The portion of US-59 so designated is between the northern boundary of Franklin County and the intersection of US-59 and I-35. The bill also contains the following provisions related to signage:

- Requires the Secretary of Transportation to place the signs along the highway right-of-way at proper intervals to indicate the designation;
- Precludes the signs from being erected until the Secretary has received sufficient moneys from gifts and donations to reimburse the Secretary for the cost of placing the signs and an additional 50.0 percent of the initial cost to defray future maintenance or replacement of the signs; and
- Allows the Secretary to accept and administer gifts and donations to aid in obtaining and installing suitable signs.

The fiscal note on the bill indicates that the Kansas Department of Transportation would have to receive $2,820 from donations before installing the signs - $1,880 for the cost of the signs including installation and an additional 50.0 percent ($940) for future maintenance. The agency is requesting an operating expenditure increase of $1,880 in the State Highway Fund, to expand donations, for FY 2011.

F. House Bill 2535 (Law). **House Bill 2535** designates a portion of Highway K-61, from the north city limits of Hutchinson to the south city limits of Medora, as the John Neal Memorial Highway. The bill also contains the following provisions related to signage:

- Requires the Secretary of Transportation to place the signs along the highway right-of-way at proper intervals to indicate the designation;
- Precludes the signs from being erected until the Secretary has received sufficient moneys from gifts and donations to reimburse the Secretary for the cost of placing the signs and an additional 50.0 percent of the initial cost to defray future maintenance or replacement of the signs; and
- Allows the Secretary to accept and administer gifts and donations to aid in obtaining and installing suitable signs.

The fiscal note on the bill indicates that the Kansas Department of Transportation would have to receive $5,220 from donations before installing the signs - $3,480 for the cost of the signs including installation and an additional 50.0 percent ($1,740) for future maintenance. The agency is requesting an operating expenditure increase of $3,480 in the State Highway Fund, to expand donations, for FY 2011.

G. House Bill 2561 (Conference Committee). **House Bill 2561** would allow the Secretary of Transportation to authorize transit buses to be operated on the right shoulders of highways in the state highway system in Johnson County. Transit buses would be allowed to operate on the highway shoulder only if traffic speed on the highway is less than 35 miles per hour. The transit bus could not exceed traffic speed by more than 10 miles per hour and would be required to yield to merging, entering, and exiting traffic and to other vehicles on the shoulder. The bill would authorize the Secretary to promulgate rules and regulations on topics including required signage, to implement the

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bill's provisions. The bill also would authorize a transit bus being operated in accordance with the bill's other provisions to pass another vehicle on the right. The bill would require the Secretary and a representative of Johnson County to report to the Legislature annually on the program.

According to the fiscal note, KDOT states it would need to develop a signing scheme for each authorized route that would inform highway users that a transit bus could operate on the shoulder at that location. KDOT indicates that a 17-mile corridor on I-35 in Johnson and Wyandotte counties has been proposed for bus-on-shoulder operations, and that a total of $150,090 would be needed for signage and shoulder pavement markings for FY 2011. The agency requests an increase in the expenditure limitation of $150,090 to KDOT's State Highway Fund agency operations account.

Committee Actions:

Senator Lee moved to authorize an operating expenditure increase of $1,500 in the State Highway Fund for FY 2011 per Item No. "A". The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Senator Teichman moved to authorize expending the funds when received as requested in Items No. "B", "C", "D", "E" and "F". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Kelly moved to authorize the Kansas Department of Transportation (KDOT) to pay the membership fee from the State Highway Fund operations account in Item No. "B". The motion was seconded by Senator Teichman. Motion carried on a voice.

Senator Schmidt moved to delete the language under KDOT, Item No. B, stating "Legislative Administrative Services indicated the FY 2011 legislative compensation is $88.66 per day—" thru the end of the paragraph "estimated at this time". The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to authorize the creation of the Passenger Rail Service Revolving Fund as a no limit fund within KDOT as requested in Item No. "C". The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Kelly moved to authorize an increase in expenditure limitation of $150,090 in FY 2010 for Item No. "G". The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Highway Patrol

A. Special Revenue Fund Depletion (Senate Committee). The Senate Committee recommended Omnibus review of the Governor's FY 2011 recommendation to shift State General Fund expenditures to special revenue funds, and in doing so leave a number of agency funds with a low or zero ending balance.

The Subcommittee heard testimony from the agency regarding the disparity between the fund balances and the agency's estimated needs to cover the next 60 days of expenditures. These funds include the: General Fees Fund, Vehicle Identification Number (VIN) Fee Fund, KHP Training Center Fund, and KHP Federal Fund.

The agency provided the following information in regards to actions taken to these special revenue funds and related impacts:

1. General Fees Fund: The Governor recommended a transfer of $240,570 from the General Fees Fund to the KHP Operations Fund to support State General Fund reductions, leaving a FY2011 zero ending balance. The next 60 days of expenditures are estimated at $111,916.

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2. VIN Fee Fund: The Governor recommended a transfer of $37,153 from the VIN Fee Fund to the KHP Operations Fund to support State General Fund reductions, leaving a FY2011 ending balance of $8,783. The next 60 days of expenditures are estimated at $336,936.

3. KHP Training Center Fund: The Governor recommended a transfer of $333,588 from the KHP Training Fee Fund to the KHP Operations Fund to support State General Fund reductions, leaving a FY2011 zero ending balance. The next 60 days of expenditures are estimated at $207,782.

4. KHP Federal Fund: The Governor recommended a transfer of $354,402 from the KHP Federal Fund to support State General Fund reductions, leaving a FY2011 ending balance of $130,771. The next 60 days of expenditures are estimated at $482,347.

The total estimated FY 2012 60-day expenditures equal $1.1 million, leaving a potential shortfall of $999,427.

The agency states that it had anticipated the VIN Fee Fund would be reduced to $35,114. This was done to reduce the reliance of the program on operating funds, due to the State General Fund reductions, and to pay as many positions as possible from these fees. The agency states that this was followed by the introduction of Senate Bill 518 to increase these fees from $10 to $20, and if Senate Bill 518 passes, the VIN Fee Fund would be much more stable (estimated to generate an additional $1.6 million).

The agency states that additional reductions will be necessary for FY 2011. If this cannot be achieved through attrition of staff and a hiring freeze, then the following actions will be necessary, in priority order:

1. Providing compensatory time in lieu of holiday pay for additional holidays (Veterans Day, Thanksgiving and Martin Luther King Jr. Day already have to be compensated with time off);

2. Eliminating of the annual payment for uniform cleaning allowance;

3. Providing compensatory time in lieu of part, or any, of the overtime pay. (Operationally funded overtime has been reduced to only that which cannot be avoided for work related to vehicle accidents, emergencies and arrests for offenses such as driving under the influence.);

4. Furloughing of uniformed and civilian staff; and

5. Staff layoffs.

Committee Actions:

Senator Taddiken moved to take no further action. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Behavioral Sciences Regulatory Board

A. Undermarket Salary Adjustments (House Committee). The House Committee recommended Omnibus review the addition of $5,682, all from the Behavioral Sciences Regulatory Board Fee Fund, to continue undermarket salary adjustments for FY 2011. The 2009 Legislature

authorized $5,682, all from the Behavioral Sciences Regulatory Board Fee Fund, for undermarket salary adjustments in FY 2010. The adjustments were not included in the agency's FY 2011 budget request or the Governor's FY 2011 budget recommendation. Some biennial agencies had included the undermarket salary adjustments in their FY 2011 request and the Governor recommended those adjustments. Under the Governor's FY 2011 recommendation, expenditures from the Behavioral Sciences Regulatory Board Fee Fund are $595,421 and the projected ending balance of $64,691.

B. Information Technology Purchase (House Committee). The House Committee recommended Omnibus review the addition of $36,000, all from the Behavioral Sciences Regulatory Board Fee Fund, to purchase computer workstations, laptops, and a server that will be replaced as part of the agency's three-year information technology plan for FY 2011.

C. House Bill 2577 (Law). **House Bill 2577** creates the Addictions Counselor Licensure Act, requiring the Behavioral Sciences Regulatory Board to develop and administer rules regulating addiction counselors. The bill increases the membership of the agency's board to twelve members and requires the new member to be a licensed addiction counselor or a licensed clinical addiction counselor appointed by the Governor. The agency has indicated the cost to add the new board member would total $3,095 from the agency's fee fund for FY 2011.

The bill also requires the licensure of clinical addiction counselors, licensed addiction counselors, and substance abuse counselors. The bill establishes statutory maximums for fees for licenses, temporary permits, and renewals, and the licenses would be valid for 24 months. The agency has estimated that the bill would increase revenue by $175,000, of which $140,000 would be deposited into the agency's fee fund and the remaining $35,000 (20.0 percent) into the State General Fund. The bill also sets conditions on which the Board may refuse to grant licensure, or may suspend, revoke, condition, limit, qualify, or restrict licensure.

The fiscal impact to implement **HB 2577** in FY 2011 would be an increase of the Behavioral Sciences Regulatory Board Fee Fund expenditure limitation by $3,095. There would be no costs with the licensure of clinical addiction counselors in FY 2011.

D. House Substitute for Senate Bill 25 (Law). **House Substitute for Senate Bill 25** amends the continuing education requirements for baccalaureate, master, and specialist clinical social workers. Beginning January 1, 2011, applicants for first-time licensure renewal would be required to have completed, as part of their continuing education requirements, not less than six hours of social worker safety awareness training. If the applicant has taken the training as part of a previous level of social worker licensure renewal, the applicant would not be required to complete an additional six hours of social worker safety awareness training.

The Behavioral Sciences Regulatory Board estimates that implementing the provisions of the bill would cost approximately $2,650, all from the agency's fee fund. The cost will cover several items: 1) implement a tracking method in the agency's database for the continuing education requirement; 2) mail a separate renewal letter to explain the new requirement to licensees; 3) update agency information forms; and 4) revise the online renewal process. The agency states that these are one-time expenditures for FY 2011.

Committee Actions:

Senator Lee moved to authorize the expenditure limitation of $3,095 as a result of passage of HB 2577 in Item No. "C". The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Lee moved to authorize the expenditure limitation of $2,650 from the agency's fee fund as a result of passage of H Sub for SB 25. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

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Board of Healing Arts

A. Moving Expenses (House Committee). The House Committee recommended Omnibus review the addition of $118,528, all from the Healing Arts Fee Fund, for moving expenses and prorated rent for FY 2011. The agency stated that its current lease will expire in January 2011, and the current landlord did not submit a bid to renew the lease. The agency stated that the Division of Facilities Management estimated total moving related costs for the agency at $118,528. Moving costs are estimated at $83,250, calculated at the rate of $1,850 per FTE for 45.0 FTE positions. The remaining $35,278 represents additional rent for the remainder of FY 2011 (from February to June 2011) due to increased costs for the new space. The agency will move to 800 SW Jackson in Topeka when the current lease expires. The expiring lease cost $12.91 per square foot, combined, for two spaces, office space and storage space. The new lease is estimated to cost $13.69 per square food for one space that includes office space and storage space.

B. Senate Bill 489 (Law). **Senate Bill 489** amends current law concerning the dispensing of contact lenses to Kansas residents by a person or entity not licensed to practice optometry, medicine, or surgery in the state. The bill broadens the specific reference to make the Patient's Contact Lens Prescription Relief Act, which was enacted in 2003, applicable to all distributors of contact lenses in Kansas, not just those who mail contact lenses through the United States Postal Service. The Board of Healing Arts currently registers six distributors of contact lenses that mail contact lenses through the mail and collects $150 per distributor in registration fees. The agency has stated that implementing **SB 489** would require amendments to applications, online booklets, and other affected website information. The agency has estimated the cost for these revisions to be approximately $1,000. Additionally, the agency has indicated that **SB 489** requires the agency to register more distributors of contact lenses, although the exact number is unknown. The agency has stated that if the total number of distributors reaches more than 1,500, an additional FTE position would be needed to handle the registration requirements for these distributors. The cost to add a new position to handle these registrations is estimated at $34,290 per year.

Anticipated revenue is currently unpredictable because of the unknown number of distributors that would need to be registered. If the agency registers 1,500 distributors at a fee of $150 per distributor, the agency would collect $225,000, with $45,000 going to the State General Fund (20.0 percent).

The Board of Healing Arts requests an overall expenditure limitation increase of $1,000, all from the Healing Arts Fee Fund, to implement **SB 489** in FY 2011. Under the Governor's FY 2011 recommendation, expenditures from the Healing Arts Fee Fund total $3.9 million and the projected ending balance is $2.6 million.

C. House Substitute for Senate Bill 83 (Governor). **House Substitute for Senate Bill 83** contains the contents of 2010 **HB 2575** and 2010 **SB 490.** The bill would create the Naturopathic Doctors Licensure Act by amending existing law to change the regulatory status of naturopathic doctors from registrants to licensees. The bill authorizes naturopathic doctors to form professional corporations and provides clarifying language that licensure does not require health insurance to provide covered services. The Board of Healing Arts has stated that an expenditure limitation increase of $2,000 would be needed to make changes to the rules and regulations, applications, online booklets, and other website information as they apply to naturopathic doctors to reflect the new regulatory status of licensure and the new scope of practice.

The bill also amends the Physical Therapy Practice Act by creating two new licensure categories: exempt license and federally active license. The bill lists conditions on obtaining either type of license. The agency has stated that an expenditure limitation increase of $20,000 would be needed to make changes to the rules and regulations, forms, applications, and other agency website items ($2,000), as well as updating the agency's electronic database and online renewal system ($18,000).

The Board of Healing Arts requests an overall expenditure limitation increase of $22,000, all from the Healing Arts Fee Fund, to implement House Substitute for **SB 83** in FY 2011.

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Committee Actions:

Senator Kelly moved to authorize the expenditure limitation increase of $1,000, all from the Healing Arts Fee Fund, to implement SB 489 in FY 2011 in Item No. "B". The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Lee moved to authorize the expenditure limitation increase of $22,000, all from the Healing Arts Fee Fund, to implement H Sub for SB 83 in FY 2011. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Schmidt moved to authority an increase in the expenditure limitation for the Healing Arts Fee Fund. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Emergency Medical Services Board

A. Education Incentive Grant Program (Senate Committee and House Committee). The House Committee and the Senate Committee recommended Omnibus review of adding funding to the Education Incentive Grant (EIG) program. The EIG program is funded through a transfer from the Emergency Medical Services (EMS) Operating Fund. In FY 2010, the Governor recommended, and the Legislature concurred, a reduction of the funding level from $294,000 to $257,871. For FY 2011, the Governor recommended, and the Legislature concurred, a further reduction of the funding level from $257,871 to $250,000. The decrease is attributed to the potential change in the way the agency is funded. The Governor's recommendation anticipated legislation (2009 **SB 322** or 2009 **HB 2387**) that would alter the $200,000 transfer from fire insurance premiums to the State General Fund. Currently, the entire transfer comes from the State Fire Marshal, whereas the anticipated legislation would split the transfer amongst the State Fire Marshal, the Emergency Medical Services Board, and the University of Kansas Fire and Rescue Training Institute. This would result in a reduced transfer to the EMS Operating Fund by approximately $40,000. The Governor has included language in the appropriations bills to change the distributions, but only for FY 2011.

The Education Incentive Grant (EIG) program aids rural ambulance services in recruiting, training, and certifying ambulance attendants. For services in densely settled rural populations, only part-time or volunteer services would qualify. The application for EIG funds must be submitted by the licensed ambulance service, with a clear stipulation that any dollars awarded through the program cannot be used to replace dollars budgeted to the service. A second Memorandum of Agreement is required between the student and the ambulance service which states the student's responsibilities. Students repay the grant moneys in full if they drop out of the education course; if they fail the education course or are prohibited from taking the certification exam, they repay half of the grant moneys. If students fail to meet their service obligation (working for the ambulance service for a minimum of 240 hours for one year for EMTs and First Responders - two year requirement for paramedics), they repay the grant moneys in full.

Committee Actions:

Senator Masterson moved to take no further action. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Special City County Highway Fund

A. 2010 Senate Bill 575 (Senate Committee). The Senate Committee recommended Omnibus review of the status of 2010 **SB 575**, which deals with the repayment of underpaid counties through the Special City and County Highway Fund. The Senate Committee previously added language to the appropriations bill to repay the counties of Barton, Butler, Douglas, Leavenworth, and Shawnee a total of $11.1 million from FY 2011 to FY 2015. The payments would be deducted from the quarterly distributions of the Special City and County Highway Fund to the one hundred remaining counties that were overpaid from FY 2000 to FY 2009. **SB 575** contains the same provisions as the language in

2010 Senate Substitute for **HB 2631**. **SB 575** has passed the Senate and is awaiting action in the House Committee on Transportation.

Committee Actions:

Senator Masterson moved to take no further action. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Kansas Guardianship Program

A. Kansas Guardianship Program Budget (Senate Committee and House Committee). The House Appropriations Committee recommended review at Omnibus of the House Committee's addition of $34,632, all from the State General Fund, for FY 2011 and an examination of whether reductions have been made in other agencies to offset this increase. The Kansas Guardianship program states the additional funds will allow the agency to restore the volunteer stipend to $30 per guardian or conservator which was reduced to $28 in April of 2010, discontinue furloughs of one day per month for all employees implemented on January 2010, restore some reduced operating expenses for travel, communications and printing, and avert further delays in addressing the waiting list for guardian or conservator nominees. The Governor's FY 2011 recommended budget for the agency is $1,124,763, all from the State General Fund.

The Senate Ways and Means Committee recommended review at Omnibus of the Senate Committee's deletion of $32,513, all from the State General Fund, from the FY 2011 Governor's recommended budget. The Kansas Guardianship Program states the reduction in funds will require the agency to: maintain the volunteer stipend at $28 per guardian or conservator; furlough all staff for 12 days in FY 2011; and reduce field staff and related operating expenses for travel and subsistence.

Committee Actions:

Senator Lee moved to reinstate $67,145 in FY 2011 to the Kansas Guardianship Program, all from the SGF. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Health Care Stabilization Fund Board

A. Senate Bill 414 (Law) and Health Care Stabilization Fund Budget (Senate Committee and House Committee). **Senate Bill 414** would amend the Health Care Provider Insurance Availability Act to exempt transfers from the State General Fund to the Health Care Stabilization Fund (HCSF) as required by K.S.A. 2009 Supplement 40-3403(j) from the allotment authority delegated by statute (K.S.A. 75-3722) to the Secretary of Administration.

The bill would further amend the Act to provide that the funds require transfer to the Health Care Stabilization Fund for the payments specified in law (K.S.A. 2009 Supp. 40-3403(j)) for state Fiscal Years 2010, 2011, 2012, and 2013 shall not be transferred prior to July 1, 2013. The Director of Accounts and Reports would be required to maintain a record of the amounts certified by the Health Care Stabilization Fund Board of Governors for the specified fiscal years. The bill establishes a process for the repayment of the deferred State General Fund payments, as follows: beginning on July 1, 2013 and on an annual basis through July 1, 2017, twenty percent of the total amount of the State General Fund deferred transfers are to be made to the Health Care Stabilization Fund. No interest will be allowed to accrue on the deferred payments. The Senate and House Committees also requested review of this item, pending passage of this bill.

Committee Actions:

Senator Teichman moved to strike Section 141 of Senate Substitute for HB 2631 which conflict

with the provisions of SB 414 (Law). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Department of Labor

A. Unemployment Insurance Compensation Borrowing (House Committee) and Senate Bill 551 (Senate Committee). The House Appropriations Committee recommended review at Omnibus of the funds borrowed from the Federal Unemployment Insurance Trust Fund in CY 2010 for payment of unemployment claims in Kansas, the interest projected to be paid on the loans of those funds and measures recommended by the Kansas Department of Labor (KDOL) to pay the interest.

As of April 6, 2010, Kansas had borrowed $74.2 million from the federal government to pay unemployment benefits. Under the federal American Recovery and Reinvestment Act (ARRA) interest on those loans will not begin to accrue until January 1, 2011. KDOL projects interest of $42.0 million for FY 2011 that will come due in FY 2012. In the event the interest payment is not made, employers will lose their offset credits against the Federal Unemployment Tax Assessment. Additionally, interest payments must be paid from a separate revenue stream from the regular Kansas Unemployment Tax Assessments.

The KDOL endorses the recommendations of the Employment Security Advisory Council regarding the payment of the interest on loans from the Federal Treasury. The recommendation is contained within **SB 551.** According to the KDOL, the legislation would implement a special assessment dedicated to paying only the interest accrued on Federal Loans for the Trust Fund. The legislation would provide that this assessment be paid into a separately created employment security interest assessment fund. The amount would be a flat percentage on an employers' current tax rate, to be set by the Secretary of Labor upon determination of the amount needed to pay interest due on advances. The assessment would be in addition to current contributions and would be used to pay for interest owed the federal Treasury for Trust Fund borrowing. For FY 2011 the KDOL estimates that the interest assessment rate would be 8.75 percent of the employers FY 2011 unemployment contribution assessment. However, this percentage assumes that employers will begin paying interest rate assessment on January 1, 2011. As **SB 551** was not taken up by the legislature, employers will have a reduced amount of time in CY 2011 to make the payments.

B. House Bill 2676 (Law). **House Bill 2676** would amend the Employment Security Law regarding contribution rates, penalties, and interest. The bill would provide that for calendar year 2010 and 2011, the charge for contributing employers in positive rate balance groups 1 through 32 would be that of the 2010 original tax rate computation table. contributing employers in positive rate balance groups 33 through 51 would be capped at a 5.4 percent contribution rate. In addition, employers would have 90 days past the due date to file their contribution without being charged interest for the first three quarters of each of the two years.

According to the Department of Labor, the bill would reduce the amount of funds collected for the Unemployment Insurance Trust Fund from employer contributions by $43.7 million in CY 2010 and $63.6 million in CY 2011. The bill would also increase the amount of accrued interest on loans to the Trust Fund by $5.9 million in CY 2010 and $7.8 million in CY 2011.

Additionally, the agency estimates the Penalty and Interest Fund would experience reduced revenues of $136,000 in FY 2010 and $81,250 in FY 2011 as a result of deferring payments. This revenue is used to pay for administrative costs for the Unemployment Insurance Program. The agency would have to find another revenue source to finance these ongoing administrative costs.

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Commission on Veterans Affairs

A. Kansas Commission on Veterans' Affairs Medicare and Medicaid Certification Process (Senate Committee and House Committee). The House Appropriations Committee added $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 Senate Ways and Means Committee deleted $185,702 from the Governor's recommended budget for FY 2011. Both Committees requested review at Omnibus of the status of Medicare and Medicaid certification at the Soldiers' Home and Veterans' Homes.

The Kansas Soldiers' Home has been certified to process both Medicare and Medicaid claims. As of March 31st, the Soldiers' Home has received $22,282 in Medicare funds and anticipates receiving between $80,000 and $100,000 in Medicare funding in FY 2010. The Soldiers' Home originally projected $188,000 in Medicare funding in the current fiscal year. The Commission states that the shortfall is attributable to the development of the billing process to most effectively capture revenue on nursing care patients. The Kansas Soldiers' Home is currently averaging $200 per resident per day and hopes to achieve a billing rate between $300 and $350 per resident per day as the staff becomes more familiar with the billing process.

The Soldiers' Home anticipates between $20,000 and $30,000 in Medicaid funding in FY 2010 but has received no funds to date. The facility originally projected $180,000 in Medicaid funding in the current fiscal year. The Commission states that the shortfall is attributable to eligibility challenges in that a resident must have assets of less than $2,000 to receive Medicaid funds. Some of the residents have assets which interfere with eligibility. The total shortfall from the projected revenue in Medicare and Medicaid claims at the Kansas Soldiers' Home is approximately $253,000 in FY 2010. For FY 2011, the Kansas Soldiers' Home anticipates receiving $558,000 in combined Medicare and Medicaid funding. The agency states that it is too soon to project how near to the target they will reach.

The Kansas Veterans' Home completed the health and life safety code portions of an initial Medicaid certification survey on March 29th and 30th. The facility has been working on plans of correction and presentation of credible evidence of compliance related to cited deficiencies. The Centers for Medicare and Medicaid Services (CMS) Regional Office will make the final certification decision, it is anticipated that materials can be sent to CMS by April 9th. The initial survey is for Medicaid only. The Kansas Veterans Home indicated that it did not desire a Medicare survey at the time of the visit. It is the opinion of the Commission that the Veterans' Home will receive no Medicaid funding in the current fiscal year. The Home originally projected $90,000 in Medicaid funding for FY 2010. For FY 2011, the Kansas Veterans' Home is projected to receive $548,000 in combined Medicare and Medicaid funding. The Home will need to complete the Medicare certification early in FY 2011 in order to achieve this target.

At the spring human services consensus caseload estimate meeting, approximately $1.5 million from all funding sources were included in the nursing facilities expenditure estimate for the two state operated veterans homes. See page 42, item U, for additional information on the spring consensus caseload estimates.

Committee Actions:

- **The Committee requested additional information on the number of residents in the Soldiers' Home and Kansas Veterans' Home.**

Senator Vratil moved to pass over Item No. A until additional information is received. The motion was seconded by Senator Lee. Motion carried on a voice vote.

The Committee expressed concern with the billing process at the Soldiers' Home and the Kansas Veterans' Home and proposed that some thought should be given to having the Kansas Veterans' Commission implement a centralized billing system for both facilities.

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Senator Vratil moved to approve Item No. 4 of the Governor's Budget Amendment No. 1 for the replacement of storm damaged roof at the Kansas Soldiers Home in the amount of $833,856 from the State Institutions Building Fund. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Division of Post Audit

A. Review of SB 580 (Senate Committee). The Senate Committee requested an update on the status of **SB 580.** This bill would prohibit school district audits from being performed in FY 2011 or FY 2012. The bill would allow the Department to shift audit costs away from the Division's own budget, financed from the State General Fund, to a mix of funding sources, provided by the state agencies covered by the statewide audit.

The Senate passed this bill on a vote of 40 to 0. The House received the bill and referred it to the House Appropriations Committee where it is currently located.

State Employee Pay

A. Classified State Employee Market Salary Adjustment (Senate Committee). During the 2007 interim, the State Employee Compensation Oversight Commission was charged with the development of a new pay plan for classified employees for the Governor, Chief Justice of the Supreme Court and 2008 Legislature to consider. The Commission endorsed the recommendation of the Hay Group that five separate pay plans be created for state employees in the classified service, with different opportunities for pay increases to acknowledge the different types of work performed. The five pay plans recommended include: a management pay plan for those involved in managerial functions (increases based on performance); a professional individual contributor for employees requiring knowledge of principles and theories of a professional discipline that is normally obtained through a college curriculum (increases within broad bands to reflect different levels of work and performance against established standards); a protective service pay plan for uniformed officers and all other positions that meet the definition of police or law enforcement officer (increases based on achievement of milestone and certification events as well as time on the job and performance); a basic vocational pay plan for employees that perform routine, structured, work where performance can be measured on a pass/fail basis (increases based on the traditional step movement approach, based on time on the job); and a general classified pay plan for those employees who do not fall within the parameters of the other four plans (the pay ranges will have steps below the market rate and an open range above the market rate).

The time frame to fully implement the recommended plan is five years. Under the Governor's recommendations, the classified employees will be divided into three groups to first address those with the greatest salary disparity to the market rate. In the first year, FY 2009, the first phase included the basic vocational classes, as well as the isolated worst cases costing $16.0 million, including $8.5 million from the State General Fund. The Governor did not recommend funding of approximately $3.5 million to maintain salary parity for the first group of employees in FY 2011. The 2008 Legislature appropriated $8.5 million from the State General Fund for FY 2010 through FY 2013 to the State Finance Council for distribution to state agencies. The second year of the plan (FY 2010) was funded and has been implemented. The Governor does not recommend changing the funding for FY 2011 and leaves the money appropriated to the State Finance Council. Both the Senate Ways and Means Committee and the House Appropriations Committee have deleted the $8.5 million appropriation to the State Finance Council for FY 2011.The Senate Committee recommended a review for the possible restoration of $8.5 million for the classified state employee market salary adjustment.

Committee Actions:

Senator Kelly moved to restore $8.5 million (SGF) for the classified employee market salary adjustment rate. The motion was seconded by Senator Lee. Motion failed on a voice vote.

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ADDITIONAL ACTIONS BY THE COMMITTEE:

Senator Taddiken moved to adopt the Governor's Budget Amendment (GBA) No. 1 on Item No. 1 - Assigned Counsel Caseload to add $686,456 SGF for FY 2010 and caseload estimates for FY 2011. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Senator Taddiken moved to authorize the spending limitation on the Court of Tax Appeals Filing Fee Fund by $42,807 in FY 2010 and $33,986 in FY 2011 (Attachment 18). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Vratil moved to authorize the establishment of a correctional service fee within Office of Judicial Administration(OJA). The motion was seconded by Senator Schmidt. Motion carried on a voice vote.

Senator Vratil moved to appropriate $350,000 to the Department of Health and Environment to match approximately $3.5 million federal funding for the TREECE restoration project. The motion was seconded by Senator McGinn. Motion withdrawn.

Senator Kelly moved to reduce by 10 percent the funding appropriated for National Institute of Aviation Research (NIAR), National Center for Aviation Training (NCAT) and Fairfares, transfer $1 million EDIF savings to the SGF, and transfer $500,000 Fairfares savings to the State Highway Fund. The motion was seconded by Senator Kultala.

Senator McGinn made a substitute motion to table the above issue indefinitely. The motion was seconded by Senator Schodorf. Motion carried on a voice vote. Senators Kelly, Kultala and Lee requested to be recorded as voting "no".

Hearing on HB 2446 - State educational institutions; gifts and donations; investments

Theresa Kiernan, Revisor of Statutes, provided an explanation of the bill (Attachment 24).

Lois Cox, Director of Investments for the Kansas State University Foundation, presented testimony in support of HB 2446 (Attachment 25).

Theresa Gordzica, Chief Business & Financial Planing Officer, University of Kansas, presented testimony in support of HB 2446 (Attachment 26).

Written testimony in support of HB 2446 was received from Michael Lane, President of Emporia State University (Attachment 27) and Reginald L. Robinson, President & CEO, Kansas Board of Regents (Attachment 28).

The hearing on HB 2446 was closed.

Senator Teichman moved to strike line language on Page 5, Lines 1 and 2 "or offered by financial institutions to the extent of insurance provided by the FDIC or NCUSIF". The motion was seconded by Senator Lee. Motion failed on a voice of 4-6.

Senator Schmidt moved to recommend HB 2446 favorable for passage. The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

The Committee was informed that actions by the Committee have added $412 million SGF to the appropriations bill. This amount will be inserted in the contingency proviso attached to specific motions as noted in the motion. A copy of the original contingency proviso offered by Senator Vratil was distributed to the Committee (Attachment 43).

A list of expenditures to which the contingency proviso is attached was distributed to the Committee (Attachment 44).

Jill Wolters, Revisor, addressed the original contingency proviso and explained the provisions of a new section in the revised contingency proviso (Attachment 45). It was noted that the proviso addresses a shortfall of $74 million in FY 2010 and $412 million in FY 2011 for a total of $486 million.

Senator Kelly moved to adopt the revised contingency proviso. The motion was seconded by Senator Lee.

Senator Teichman moved to amend the motion to add language to the contingency proviso to include debt service in Section (b) as Item (8). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator Lee moved to amend the motion by adding language to the proviso that any additional federal funds received that replace SGF would be added to the total available funds. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Alan Conroy, Legislative Research Department, explained that estimated revenues for FY 2011 could change if additional legislation is passed and signed by the Governor.

Senator Kelly moved to amend the motion by adding language to the proviso to adjust the estimated SGF revenue in FY 2011 to $5,369.6 million or the April Consensus Revenue Estimates (CRE). The motion was seconded by Senator Lee. Motion carried on a vote of 5-4.

Senator Kelly moved to amend the motion by removing all prior contingency provisos from legislation related to appropriations and apply the revised contingency proviso. The motion was seconded by Senator Kultala. Motion carried on a voice vote.

Senator Kelly moved the amended amendment. The motion was seconded by Senator Kultala. Motion carried on a 6-5 vote.

Senator Vratil moved that the unencumbered balance in the legislative reserve account of the Legislative Coordinating Council in excess of $100 as of June 30, 2010, is hereby re-appropriated to the operations (including official hospitality) account of the Legislature for FY 2011 (Attachment 46). The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Senator McGinn moved to roll the contents of the Omnibus bill into Senate Substitute for House Bill 2631 and allow for technical adjustments as necessary. The motion wa seconded by Senator Kelly. Motion carried on a voice vote.

Senator Lee moved to recommend S Sub for HB 2631 favorable for passage as amended. The motion was seconded by Senator Teichman. Motion carried on a roll call vote of 8-yes, 2-no, 1-pass.

Revenue Enhancement Legislation

Scott Wells, Office of Revisor of Statutes, presented explanations of the following bills:

- **SB 516 - Increasing rate of tax on cigarettes and tobacco products and increasing rate of sales tax (Attachment 47).**
- **SB 567 - Imposing tax upon sweetened beverages or concentrate (Attachment 48).**
- **SB 569 - Alcoholic liquor, cereal malt beverage and malt products gallonage tax and liquor enforcement tax rate increases (Attachment 49).**

Chris Courtwright, Legislative Research Department, presented an explanation of additional revenue information:

Minutes of the Senate Ways and Means Committee at 9:00 a.m. on April 19, 2010, in Room 548-S of the Capitol.

- **Selected Revenue Enhancement Options (Attachment 50).**
- **Kansas Department of Revenue, Individual Income Tax Proposals (Attachment 51).**
- **Proposal for Ways and Means Committee Consideration (Attachment 52).**
- **Revised Fiscal Notes Associated with Governor's Tax Proposal (Attachment 53).**

Gordon Self, Office of Revisor of Statutes, was present to respond to Committee questions.

The Chairman presented a proposal on an enhanced revenue package for the Committee's consideration (Attachment 54).

Because the contingency proviso adopted by the Committee contained a required enhanced revenue total of $486 million and the proposed enhanced revenue package totals $420 million to fund the FY 2011 budget, the Committee questioned how the difference would be reconciled.

Adjournment

The meeting was adjourned at 7:00 p.m. on April 21, 2010.

The next meeting will be "on call of the Chair".

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE: __April 19, 2010___

NAME	REPRESENTING
Dave Holthaus	KEC
Dustin Meyer	KHPA
R.J. Wilson	ICOSE
Jane Carter	ICOSE
Kathy Damm	KU
JIM CLARK	HCSF
Ashley Ballweg	Pinegar & Smith
Mark Tallman	KASB
CHRIS MEYER	KANSAS REPORTER
Martin Hawver	Hawver's Capitol Report
Pat Woods	SRS
Lois Weeks	SRS
John Peterson	Capitol Strategies
Stuart Little	Little Govt. Relations
MIKE BERRY	Coca-Cola
Dave Nabazas	Coca-Cola
Dick Koerth	KDWP
Reed Davis	KDOT
Terry Heidner	KDOT
Diane Gjerstad	Wichita Public Schools
Jonathan Krueger	KBOR
MIKE BRASSER	KS Sec. of State
Bill Sch...	KDOC

1a

SENATE WAYS AND MEANS COMMITTEE
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DATE: __April 19, 2010___

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Keith Bradshaw	JJA
Russ Jennings	JJA
Marjorie Wenly	ECU
Matt Hickam	Erickson Retirement Communities
Teri Garstka	University of Kansas
annie mckay	University of Kansas
Suzanne Wikle	KS Action for Children
Craig Kaberline	K4A
Kelli Vesel	K4A
Ed Morris [illegible]	SKIL
Shannon Jones	SILCK
Steve Solomon	TFI Family Services
Kent Eckles	KS Chamber of Commerce
Jackie Mattford Pangi	KCC
Mark Heim	KWO
Susan Zalenski	J&J
JPSMALL	CCE
William W Sneed	UKHA
Kim Fowler	Judicial Branch
Jean Krahn	KGP
Stacey Woolington	Kansas Dept Agriculture
Leslie Kaufman	KS Co-op Council
Brenna Deckert	

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE: __April 19, 2010___

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Kevin Carr	KTEC
Bernard Koops	Hein Law Firm
Leigh Keck	"
Jamie Ross	KCSL
Doug Bowman	CCECDS
Rose Burbank	Coca-Cola
Ryan Wiehues	Coca Cola Enterprises
Ken Seeber	KGFX
Mike Murray	Ks Food Dealers
Matt Casey	GBA
Meagan Bottenberg	KDOL
Jamie Rutherford	State Library
Joe Mosimann	PMCA of KS
Victoria Wohlk	Pittsburg State U.
Karin Chang-Rios	KU
Aaron Isaacson	Adjutant General
Llewellyn Crain	Kansas Arts Commission

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SENATE WAYS AND MEANS COMMITTEE
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DATE: __April 20, 2010___

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Robert Maile	KS Sch/ F/t Deaf
Bill Schafer	KDOL
Craig Kaberline	K4A
Jean Krahn	KGP
LARRY BERG	MIDWEST ENERGY
Bob Totten	KS Contractors Assoc.
Lindsey Douglas	KDOT
Reed Davis	KDOT
Dick Koerth	KDWP
Chad Austin	KHA
Stuart Little	Little Govt. Relations
Mike Hammond	Assoc. of CMHCs
Shannon Bell	LGR
Melissa Wangemann	KAC
Lois Weeks	SRS
Marlee Carpenter	KAHP
William W Sneed	UKHA
Jeff Bottenberg	UKHA
Megan Bottenberg	KDOL
John Peterson	Capitol Strategies
Connie Hubbell	KAMU
Steve Solomon	TFI Family Services

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SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
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Carol A. Curtis	AstraZeneca
Robin Clements	DCCCA & YOUTHVILLE
Anne Marie Hughey	SKIL
Russ Jennings	JJA
Keith Bradshaw	JJA
April Holman	Kansas Action for Children
annie mckay	University of Kansas
Jim Rellman	KCCTF
Karin Chang-Rios	KU
Pat Kuesta	KDHE
Jackie Cowan	KU
Teri Garstka	University of Kansas
LeAnn Bell	KHPA
Don Heble	KHPA
Rob Mealy	Kearney & Assoc
Matt Casey	GBA
Leigh Keck	Hein Law Firm
Mike Murray	Ks Food Dlrs.
Kent Eckles	KS Chamber of Commerce
Todd Powell	Fort Hays State University
Ashley Dopita	Pinegar, Smith & Assoc
Doug Bowman	CCECDS

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SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE: __April 20, 2010___

NAME	REPRESENTING
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Kevin Carr	KTEC
Berend Koops	Hein Law Firm
Joe Mosimann	DMCA of KS
Stacey Woolington	Ks Dept of Agriculture
Mary Jane Stankiewicz	KGFA - KARA
Keslick Kaufman	Ks Co-op Council
Kim Fowler	Judicial Branch
Marck Desetti	KNEA
Bob Johnson	Federico Consulting
Bruce Witt	Via Christi Health
Dan Morin	KS Med Society
Gary Campbell	KMHC
Mitzi McPatrick	KABC.
BRYAN CASKEY	SEC. OF STATE
Bob Finat	Childrens Mercy
Chad Moore	Childrens Mercy PHS
Mike Matthews	Matthews Govt Relations
Whitney Damron	Whitney B Damron P.A.

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SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE: __April 20, 2010___

NAME	REPRESENTING
Mark Bozanyak	Capitol Strategies
Sister Therese Barajet	Ks. Catholic Conference
Barb Conant	Ks Dept on Aging
DAVID HUTCHINGS	KBI
Julie Thomas	~~DOB~~
Cindy Denton	DOB
Martin Hawver	Hawver Capitol Report
Mark Tallman	KASB
John Martella	School for Blind
Madeline Burkindine	School for Blind
JIM CLARK	~~KSDE~~ HCSF
Robin Jennison	GMD #1
Madeleine Burkindine	KSSB
Cynthia Smith	SCL Health System
Jennifer Crow	Cornerstone Group
Jane Carter	KOSE
RJ Wilson	KOSE
KATHY DAMRON	KU
Cindy Allison	KHPA
Bob Sampson	KHPA
Scott Brunner	KHPA
Jim Conant	KDOR
Marilyn Jacobson	DOA
Dustin Meyer	KHPA
Bob Vancrum	Greater KC Chamber
Pat Terrick	CPRF

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SENATE WAYS AND MEANS COMMITTEE
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Missy Taylor	KFE
Whitney Damron	Whitney B Damron, P.A.
DAVID HUTCHINGS	KBI
Don Hineman	Dist. #118 Rep.
Cindy Denton	DoB
Julie Thomas	DoB
Dodie Wellshear	Ad Astra Group
Sharon Joseph	KS ADAPT
GENE MEYER	KANSAS REPORTER
Martin Hawver	Hawver's Capitol Report
Jeannine Koranda	Wichita Eagle
Patrick Woods	SRS
Lois Weeks	SRS
Mark Tallman	KASB
Ashley Ballweg	Pinegar, Smith & Associates
Jim Conant	KDOR
David R. Corbin	KDOR
Doug Bowman	CCECDS
Jane Carter	KOSE
RJ Wilson	KOSE
Levi Henry	SANDSTONE
Jonathan Krueger	KBOR

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SENATE WAYS AND MEANS COMMITTEE
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DATE: __April 21, 2010___

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John Peterson	Capitol Strategies
Sue Gamble	KSSB
John Martello	KSSB
Marilyn Jacobson	DOA
Joe Mosimann	PMCA of KS
Rhonda Morgan	Coca Cola Enterprises
Lori Harrity	Coca Cola
Keith Tate	Coca-Cola
Greg Wilkes	Coca-Cola
Justin Merryfield	Coca-Cola
Anne Morse 4 Vs Key	SKIV
Shannon [illegible]	SILCK
Terry Heidner	KDOT
Bill Brady	Cap Strategies
Stuart Little	Little Govt. Relations
Mike Hammond	Assoc. of CMHCs
Mary Ellen Conlee	Senior Services of Wichita
Steve Solomon	TFI
BRYAN CASKEY	SEC. OF STATE
Tom Bruno	Bruno & Assocs.
JOHN C. BOTTENBERG	BOTTENBERG & ASSOCIATES
Jim Maag	McLane Company Inc.
LARRY R BAER	LKM

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SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE: __April 21, 2010___

NAME	REPRESENTING
Susan Kang	KDHE
Jane Metzger	Meals on Wheels
Barb Conant	KDOA
Martin Kennedy	KDOA
Jeff Bottenberg	Polsinelli Shg Lt
Lurena Mead	JCDS
Craig Kaberline	K4A
Pat Terick	CPRF
Mitzi E. McFatrick	KABC
Rob Mealy	Kearney & Assoc
Matt Hickam	Kensinger + Hickam
Kent Eckles	KS Chamber of Commerce
Leigh Keck	Hein Law Firm
Matt Casey	GBA
Mike Murray	Capitol Advantage
Melissa Ness	CA Centers
Mike Huttles	Huttles Govt Relations
Todd Powell	Fort Hays State U.
Chad Austin	KHA
Jennie Rose	KCSL
Jen Bruning	OP Chamber
Erik Wisner	KDA
Berend Hoops	Hein Law Firm

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SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE: __April 21, 2010___

NAME	REPRESENTING
Kevin Carr	KTEC
Susan Zalenski	DOB
Jerry Sloan	Judicial Branch
Kim Fowler	Judicial Branch
Leslie Kaufman	Ks Co-op Council
Ron Seeber	KGFA
Tim Goss	Coca Cola
EVAN HAAKE	COCA COLA
Chip Malinowski	Coca-Cola
KELLY FLYNN	KANSAS Beverage Association
Amy Campbell	KS Mental Health Coalition

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KANSAS
OFFICE OF THE GOVERNOR

Mark Parkinson, Governor

www.governor.ks.gov

April 19, 2010

The Honorable Jay Emler, Chairperson
Senate Committee on Ways and Means
Room 548-S, Statehouse

and

The Honorable Kevin Yoder, Chairperson
House Committee on Appropriations
Room 346-S, Statehouse

Dear Senator Emler and Representative Yoder:

The items contained in this memo, Governor's Budget Amendment No. 1, amend the revised FY 2010 and new FY 2011 budget that I submitted to you in January 2010. The items detailed here reflect new issues that have arisen, caseload adjustments, or changes that can be made based on new information. Two of these items change transfers to bring $38.0 million to the State General Fund in FY 2010. Total adjustments to expenditures are shown below.

	FY 2010	FY 2011
State General Fund	($ 44,137,755)	$ 1,012,295
All Other Funds	(57,393,782)	(515,021)
All Funds	($ 101,510,413)	$ 497,274

Board of Indigents Defense Services

1. Assigned Counsel Caseload

I amend my budget to add $686,456 from the State General Fund to increase expenditures in the Assigned Counsel Program which was arrived at through a consensus caseload process involving the Division of the Budget, the Kansas Legislative Research Department, and the agency. The revised estimate accounts for a steady caseload at the reduced rate of $62 per hour. Although the majority of cases are now being

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 1

Capitol Building, Room 212S, Topeka, KS 66612-1590 • (785) 296-3232
e-mail: governor@ks.gov

$62 per hour, there are still some ongoing cases being paid at the $80 per hour rate. Therefore, the estimated savings from the reduced hourly rate is materializing slower than anticipated.

	FY 2010	FY 2011
State General Fund	$ 686,456	$ --
All Other Funds	--	--
All Funds	$ 686,456	$ --

Department of Social & Rehabilitation Services,
Department on Aging, Kansas Health Policy Authority, and Juvenile Justice Authority

2. Health and Human Service Caseload Adjustments

I amend my FY 2010 and FY 2011 budget to reflect changes in caseloads and the cost of assistance programs. These adjustments are the result of consensus caseload estimates that involved the staff of the Kansas Health Policy Authority, the Department of Social and Rehabilitation Services, the Legislative Research Department, the Department on Aging, the Juvenile Justice Authority, and the Division of the Budget. The consensus estimates included Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families (TAF), General Assistance, and Reintegration/Foster Care. My budget recommendation served as the starting point for the revisions.

For FY 2010, this amendment includes a decrease from all funding sources of $3.1 million from all funding sources and a decrease of $34.7 million from the State General Fund. The decrease in caseload expenditures is the result of lower expenditures in Nursing Facilities, JJA out-of-home services, General Assistance, and Temporary Assistance to Families (TAF). The expenditure reductions for Nursing Facilities and JJA out-of-home services result from greater savings than were anticipated when I initially announced the 10.0 percent rate reduction in November. The reduction in the General Assistance Program is the result of a greater impact from the new 12-month limit on benefits that was initiated in the last allotment. The reduction in the TAF Program reflects lower than anticipated recipients as was anticipated at the fall consensus caseload meeting. These reductions were partially offset by higher estimates for the number of individuals in Foster Care and mental health services.

The State General Fund savings in Medicaid programs resulting from the enhanced Federal Medical Assistance Percentage rate included in the American Recovery and Reinvestment Act of 2009 (ARRA) has been included in prior estimates. However, the federal government recently announced that for a limited period, the Medicaid Clawback that all states pay will be reduced by a corresponding percentage. This reduction in clawback payments of $16.4 million from the State General Fund, which was included in my March plan to reduce the budget, is now incorporated into the caseload estimate for KHPA's Regular Medical Program. Also incorporated from my March plan is the use of an additional $15.0 million from the federal Temporary Assistance to Needy Families Fund for the Foster Care Program. Actual spending for the Temporary Assistance to Families Program has been less than originally expected and the savings can be used to replace State General Fund expenditures in Foster Care. Additional State

General Fund savings are included in the Foster Care estimate to reflect that SRS has improved its practices to increase the amount of federal funding that can be drawn for the program.

For FY 2011, the estimate is a decrease of $1.6 million from all funding sources, but an increase of $1.0 million from the State General Fund. These adjustments include decreases from all funding sources of $107,907 for the Department on Aging's Targeted Case Management (TCM) Program, $7.8 million for Temporary Assistance to Families, and $683,304 for General Assistance. TCM and TAF are still expected to increase over FY 2010 expenditures, but beneficiaries and program expenditures are not expected to increase as much as was originally estimated. The estimates for Psychiatric Residential Treatment Facility expenditures are increased in both JJA and SRS Mental Health reflecting both an increase in children served and system capacity. Estimates for Foster Care and JJA out-of-home placements are also increased. However, both agencies have additional federal funding that can be drawn for the programs, so less State General Fund is required.

The overall estimate for Nursing Facilities is unchanged from the fall, but the estimate now includes the addition of the Kansas Soldiers Home and the Kansas Veterans Home to the program. The estimate for Regular Medical is an increase of $410,885, but the State General Fund portion is decreased by $1.9 million. This State General Fund reduction is largely due to the FY 2011 clawback reduction of $8.4 million. The Regular Medical estimate does not include the use of a Preferred Drug List for mental health drugs as I recommended, but it does include the use of a prior authorization system for prescription drugs and the professional rate leveling reductions. The estimates for Medicaid Programs that had a 10.0 percent provider rate reduction in FY 2010 include estimated savings of $7.5 million, including $2.6 million from the State General Fund, which will be realized in FY 2011 from the time lag in billing. The tables below the effects these changes have on each state agency over the two years.

Health Policy Authority:	FY 2010	FY 2011
State General Fund	$ (16,400,000)	$ (1,921,180)
All Other Funds	16,400,000	2,332,065
All Funds	$ --	$ 410,885

Dept. of SRS:	FY 2010	FY 2011
State General Fund	$(16,573,487)	$ 2,557,366
All Other Funds	18,571,151	(6,135,351)
All Funds	$ 1,997,664	$ (3,577,985)

Dept. on Aging:	FY 2010	FY 2011
State General Fund	$ (861,550)	$ (38,447)
All Other Funds	(3,888,450)	(69,460)
All Funds	$ (4,750,000)	$ (107,907)

Juvenile Justice Authority:	FY 2010	FY 2011
State General Fund	$ (914,847)	$ 414,556
All Other Funds	541,010	1,236,869
All Funds	$ (373,837)	$ 1,651,425

Department of Social & Rehabilitation Services

3. Osawatomie State Hospital Electrical Sub-Station

I amend my budget to include new amounts from the State Institutions Building Fund (SIBF) in both FY 2010 and FY 2011. For FY 2010, $261,800 is needed, and $1,287,000 will be needed in FY 2011 for critical repairs to the Osawatomie State Hospital electrical sub-station. This station provides power to the entire hospital grounds and consists of two transformers, one of which is out of service as a result of damage sustained in an electrical storm. To get the project started, SRS will free $200,000 from within its capital budget, but additional appropriations will be necessary. Monies are available in the SIBF to finance these repairs.

	FY 2010	FY 2011
State General Fund	$ --	$ --
All Other Funds	261,800	1,287,000
All Funds	$ 261,800	$ 1,287,000

Kansas Commission on Veterans Affairs

4. Replacement of Storm Damaged Roofs at the Kansas Soldiers Home

I amend my FY 2011 budget to add $833,856 from the State Institutions Building Fund for replacement of roofs damaged by a hail storm at the Kansas Soldiers Home. This funding will allow the roofs on Halsey, Nimitz, Lincoln, and Grant Halls to be replaced, as well as the roofs on 61 of the cottages at the Home.

	FY 2010	FY 2011
State General Fund	$ --	$ --
All Other Funds		833,856
All Funds	$ --	$ 833,856

Department of Transportation

5. State Highway Fund

The Kansas Department of Transportation has canceled nearly all maintenance projects that have not been started in FY 2010, worth $86.5 million. I amend my budget to transfer $28.0 million from the State Highway Fund freed up from canceling these projects to the State General Fund in FY 2010.

	FY 2010	FY 2011
State General Fund	$ --	$ --
All Other Funds	(86,478,876)	--
All Funds	($86,478,876)	$ --

6. Primary Safety Belt Bill

I recommend passage of HB 2130, which would institute a primary safety belt law in Kansas. Enacting this bill will produce $10.0 million in flexible federal funds for the Department; therefore, I amend my budget to transfer $10.0 million from the State Highway Fund to the State General Fund in FY 2010.

State Agencies

7. Suspension of Payments to KPERS Death and Disability Fund

As I stated in March, I recommend suspension of employer contributions to the KPERS Death and Disability Fund for a three-month period, beginning April 1, 2010, and ending on June 30, 2010. The suspension will have no effect on payments to beneficiaries, as the Fund has sufficient balances. This moratorium will also benefit local governments. In order to implement this recommendation the Legislature must enact 2010 SB 568.

	FY 2010	FY 2011
State General Fund	($10,074,327)	$ --
All Other Funds	(2,779,293)	--
All Funds	($12,853,620)	$ --

Sincerely,

Mark Parkinson
Governor of the State of Kansas

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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Topeka, Kansas 66612-1504
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kslegres@klrd.ks.gov http://www.kslegislature.org/klrd

April 16, 2010

To: Governor Mark Parkinson and Legislative Budget Committee

From: Kansas Legislative Research Department
Kansas Division of the Budget

Re: Initial SGF Memo for Revised FY 2010 and FY 2011 Estimates

The Consensus Estimating Group met today to revise the November 5 estimates for FY 2010 and FY 2011. The revised estimates incorporate the fiscal impact of all 2010 legislation signed into law thus far. The impact of all other Kansas legislation becoming law after April 16 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment.

A far more detailed memo will be available soon which contains the economic forecast for Kansas upon which the forecasts are based, as well as a discussion of other factors influencing the individual source estimates.

The overall estimate for both fiscal years was decreased by a combined $130.2 million.

For FY 2010, the estimate was decreased by $46.4 million, or 0.9 percent, below the November estimate. The estimate for total taxes was decreased by $104.6 million, while the estimate for other revenues was increased by $58.2 million (and includes various FY 2010 transfer adjustments enacted earlier in the session). The overall revised SGF estimate of $5.254 billion represents a 6.0 percent reduction below final FY 2009 receipts.

The revised estimate for FY 2011 of $5.095 billion was decreased by $83.8 million, or 1.6 percent below the November estimate. The new forecast represents 3.0 percent reduction below the newly revised FY 2010 figure. The primary reason for the reduction of revenues is a net change in $320.0 million for transfers. Excluding these transfers, FY 2011 receipts would have been increased 3.1 percent.

Table 1 compares the new FY 2010 and FY 2011 estimates with actual receipts from FY 2009. Tables 2 and 3 show the revisions in the estimates for each fiscal year.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 2

Table 1
Consensus Revenue Estimate for Fiscal Years 2010 and 2011 and FY 2009 Actual Receipts
(Dollars in Thousands)

	FY 2009 (Actual)		FY 2010 (Revised)		FY 2011 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	$ 29,257	0.8 %	$ 24,000	(18.0) %	$ 24,000	-- %
Income Taxes:						
Individual	$2,682,000	(7.4) %	$2,510,000	(6.4) %	$2,585,000	3.0 %
Corporation	240,258	(44.4)	250,000	4.1	255,000	2.0
Financial Inst.	26,192	(21.0)	20,000	(23.6)	23,000	15.0
Total	$2,948,450	(12.3) %	$2,780,000	(5.7) %	$2,863,000	3.0 %
Estate Tax	$ 22,530	(49.1) %	$ 9,000	(60.1) %	$ 5,000	(44.4) %
Excise Taxes:						
Retail Sales	$1,689,516	(1.3) %	$1,640,000	(2.9) %	$1,690,000	3.0 %
Compensating Use	235,026	(4.6)	205,000	(12.8)	230,000	12.2
Cigarette	107,216	(4.9)	99,000	(7.7)	95,000	(4.0)
Tobacco Products	5,728	3.2	6,300	10.0	6,600	4.8
Cereal Malt Bev.	2,089	(6.2)	2,100	0.5	2,100	--
Liquor Gallonage	18,215	3.6	18,200	(0.1)	18,800	3.3
Liquor Enforcement	53,794	7.6	56,500	5.0	58,000	2.7
Liquor Drink	9,141	2.7	9,100	(0.4)	9,300	2.2
Corp. Franchise	41,720	(10.6)	34,000	(18.5)	17,000	(50.0)
Severance	124,249	(16.1)	84,000	(32.4)	98,400	17.1
Gas	73,814	(19.3)	41,400	(43.9)	50,900	22.9
Oil	50,436	(11.0)	42,600	(15.5)	47,500	11.5
Total	$2,286,693	(2.7) %	$2,154,200	(5.8) %	$2,225,200	3.3 %
Other Taxes:						
Insurance Prem.	$ 119,590	1.7 %	$ 118,800	(0.7) %	$ 123,000	3.5 %
Miscellaneous	1,794	(65.7)	1,800	0.3	1,800	--
Total	$ 121,384	(1.2) %	$ 120,600	(0.6) %	$ 124,800	3.5 %
Total Taxes	$5,408,314	(8.4) %	$5,087,800	(5.9) %	$5,242,000	3.0 %
Other Revenues:						
Interest	$ 64,199	(42.3) %	$ 23,000	(64.2) %	$ 25,000	8.7 %
Net Transfers	35,582	109.4	91,000	155.7	(228,491)	(351.1)
Agency Earnings	80,879	50.1	52,500	(35.1)	56,200	7.0
Total	$ 180,660	185.0 %	$ 166,500	(7.8) %	$ (147,291)	(188.5) %
Total Receipts	$5,588,974	(1.9) %	$5,254,300	(6.0) %	$5,094,709	(3.0) %

Table 2
State General Fund Receipts
FY 2010 Revised
Comparison of November 2009 Estimate to April 2010 Estimate
(Dollars in Thousands)

	FY 2010 CRE Est. Revised 11/05/09	FY 2010 CRE Est. Revised 04/16/10	Difference Amount	Difference Pct. Chg.
Property Tax:				
Motor Carrier	$ 24,000	$ 24,000	$ --	-- %
Income Taxes:				
Individual	$ 2,560,000	$ 2,510,000	$ (50,000)	(2.0) %
Corporation	245,000	250,000	5,000	2.0
Financial Inst.	24,000	20,000	(4,000)	(16.7)
Total	$ 2,829,000	$ 2,780,000	$ (49,000)	(1.7) %
Estate Tax	$ 14,500	$ 9,000	$ (5,500)	(37.9) %
Excise Taxes:				
Retail Sales	$ 1,660,500	$ 1,640,000	$ (20,500)	(1.2) %
Compensating Use	222,000	205,000	(17,000)	(7.7)
Cigarette	102,000	99,000	(3,000)	(2.9)
Tobacco Product	6,000	6,300	300	5.0
Cereal Malt Beverage	2,200	2,100	(100)	(4.5)
Liquor Gallonage	18,500	18,200	(300)	(1.6)
Liquor Enforcement	57,000	56,500	(500)	(0.9)
Liquor Drink	9,500	9,100	(400)	(4.2)
Corporate Franchise	26,000	34,000	8,000	30.8
Severance	101,700	84,000	(17,700)	(17.4)
Gas	47,700	41,400	(6,300)	(13.2)
Oil	54,000	42,600	(11,400)	(21.1)
Total	$ 2,205,400	$ 2,154,200	$ (51,200)	(2.3) %
Other Taxes:				
Insurance Premiums	$ 117,500	$ 118,800	$ 1,300	1.1 %
Miscellaneous	2,000	1,800	(200)	(10.0)
Total	$ 119,500	$ 120,600	$ 1,100	0.9 %
Total Taxes	$ 5,192,400	$ 5,087,800	$ (104,600)	(2.0) %
Other Revenues:				
Interest	$ 20,000	$ 23,000	$ 3,000	15.0 %
Net Transfers	33,700	91,000	57,300	170.0
Agency Earnings	54,600	52,500	(2,100)	(3.8)
Total Other Revenue	$ 108,300	$ 166,500	$ 58,200	53.7 %
Total Receipts	$ 5,300,700	$ 5,254,300	$ (46,400)	(0.9) %

Table 3
State General Fund Receipts
FY 2011 Revised
Comparison of November 2009 Estimate to April 2010 Estimate
(Dollars in Thousands)

	FY 2011 CRE Est. Revised 11/05/09	FY 2011 CRE Est. Revised 04/16/10	Difference Amount	Difference Pct. Chg.
Property Tax:				
Motor Carrier	$ 24,000	$ 24,000	$ --	-- %
Income Taxes:				
Individual	$ 2,610,000	$ 2,585,000	$ (25,000)	(1.0) %
Corporation	245,000	255,000	10,000	4.1
Financial Inst.	25,000	23,000	(2,000)	(8.0)
Total	$ 2,880,000	$ 2,863,000	$ (17,000)	(0.6) %
Estate Tax	$ 5,000	$ 5,000	$ --	-- %
Excise Taxes:				
Retail Sales	$ 1,710,000	$ 1,690,000	$ (20,000)	(1.2) %
Compensating Use	250,000	230,000	(20,000)	(8.0)
Cigarette	100,000	95,000	(5,000)	(5.0)
Tobacco Product	6,200	6,600	400	6.5
Cereal Malt Beverage	2,200	2,100	(100)	(4.5)
Liquor Gallonage	19,100	18,800	(300)	(1.6)
Liquor Enforcement	59,000	58,000	(1,000)	(1.7)
Liquor Drink	9,700	9,300	(400)	(4.1)
Corporate Franchise	15,000	17,000	2,000	13.3
Severance	118,800	98,400	(20,400)	(17.2)
Gas	62,800	50,900	(11,900)	(18.9)
Oil	56,000	47,500	(8,500)	(15.2)
Total	$ 2,290,000	$ 2,225,200	$ (64,800)	(2.8) %
Other Taxes:				
Insurance Premiums	$ 123,000	$ 123,000	$ --	-- %
Miscellaneous	2,000	1,800	(200)	(10.0)
Total	$ 125,000	$ 124,800	$ (200)	(0.2) %
Total Taxes	$ 5,324,000	$ 5,242,000	$ (82,000)	(1.5) %
Other Revenues:				
Interest	$ 22,000	$ 25,000	$ 3,000	13.6 %
Net Transfers	(223,700)	(228,491)	(4,791)	(2.1)
Agency Earnings	56,200	56,200	--	--
Total Other Revenue	$ (145,500)	$ (147,291)	$ (1,791)	(1.2) %
Total Receipts	$ 5,178,500	$ 5,094,709	$ (83,791)	(1.6) %

FY 2010 State General Fund Transfers

Agency/Program	Item	April 2010 CRE	Nov. 2009 CRE	Difference
Transfers in:				
State Agencies	Suspend Contributions to KPERS Death & Disability Fund	$ 5,233,179	$ 3,008,403	$ 2,224,776
State Agencies	2009 HB 2373 Transfers Adjusted 21.5%	1,843,439	1,843,439	-
KEY Fund	Transfer Balance	14,291,630	14,291,630	-
Economic Dev't. Initiatives Fund	Transfer Balance (HB 2222)	5,800,000	-	5,800,000
Department of Administration	Cancelled Warrants	1,956,071	1,956,071	-
Ks. Housing Res. Corp.	Housing Trust Fund (HB 2222)	2,000,000	-	2,000,000
KPERS	Bond Payment for 13th Check	3,214,134	3,214,134	-
Kansas Lottery	Gaming Revenues Fund	19,590,154	28,090,154	(8,500,000)
	Special Veterans Benefit Game	1,600,000	1,600,000	-
	Exp. Lottery Act Rev. Fund Receipts	29,703,568	54,703,568	(25,000,000)
Racing & Gaming	Tribal Gaming Regulation Loan	450,000	450,000	-
PMIB	PMIB Investment Portfolio Fee Fund	2,376,891	2,764,562	(387,671)
Department of Revenue	Kansas Qualified Biodiesel Fuel Producer Incentive Fund	-	-	-
Home Inspectors Reg. Board	Repayment of Loan	7,000	7,000	-
Securities Commissioner	Transfer Balance	10,099,799	10,099,799	-
	Investor Education Fund (HB 2222)	5,000,000	-	5,000,000
Osawatomie State Hospital	General Fees Fund	323,928	323,928	-
Highway Patrol	Training Center Fund	500,000	500,000	-
	Highway Patrol Motor Vehicle Fund	300,000	300,000	-
	Vehicle Identif. Number Fee Fund	100,000	100,000	-
Adjutant General	Hazardous Mitigation Fund	-	-	-
Animal Health Department	Livestock and Pseudorabies Indemnity Fund	17,275	17,275	-
	Legal Services Fund	31,244	31,244	-
	Conversion of Materials & Equipment Fund	15,420	15,420	-
State Fair	Special Cash Fund	200,000	200,000	-
	Return Unused Emergency Monies	-	-	-
Department of Transportation	Highway Fund Transfer for Highway Patrol	36,035,395	36,035,395	-
	State Highway Fund ($40 MX2=HB 2222)	105,287,150	25,287,150	80,000,000
	Overhead Payment/Purchasing	210,000	210,000	-
Water Office	Water Marketing Fund	-	-	-
	Water Supply Storage Assurance	8,632	-	8,632
Subtotal - Transfers In		***$ 246,194,909***	***$ 185,049,172***	***$ 61,145,737***
Transfers Out:				
Department of Education	School District Cap. Improvements Fund	$ (87,600,000)	$ (86,700,000)	$ (900,000)
Water Plan Agencies	State Water Plan Fund	-	-	-
Board of Regents	Regents Faculty of Distinction Program	(4,445,729)	(2,882,367)	(1,563,362)
	Regents Research Corporation Bonds	(4,943,694)	(2,457,907)	(2,485,787)
Attorney General	Tort Claims	(1,947,348)	(1,694,303)	(253,045)
Department of Administration	Federal Cash Management Fund	(29,100)	(500,000)	470,900
	Emergency Fund (State Fair)	(107,590)	(107,590)	-
Bioscience Authority	Biosciences Initiative	(35,000,000)	(40,000,000)	5,000,000
KPERS	Non-Retirement Administration	(240,000)	(120,000)	(120,000)
State Treasurer	Spirit Aerosystems Incentive	(3,281,605)	(3,318,246)	36,641
	Eaton MDH Spec. Qual. Indus. Mfg. Fund	(323,152)	(325,662)	2,511
	Tax Increment Finance Replacement Fund	(1,194,477)	(1,100,000)	(94,477)
	Learning Quest Matching Funds	(272,553)	(265,000)	(7,553)
Racing & Gaming	Tribal Gaming Regulation Loan	(450,000)	(450,000)	-
State Fair	Special Cash Fund	(200,000)	(200,000)	-
Adjutant General	National Guard Museum Assistance Fund	-	-	-
Technical Professions	Prior Year Correction	(190)	-	(190)
Subtotal-Transfers Out		***$ (140,035,438)***	***$ (140,121,075)***	***$ 85,637***
Total Transfers		*$ 106,159,471*	*$ 44,928,097*	*$ 61,231,374*
Interest		*(15,159,471)*	*(11,228,097)*	*(3,931,374)*
Net Transfers		***$ 91,000,000***	***$ 33,700,000***	***$ 57,300,001***

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Attachment 3

FY 2011 State General Fund Transfers

Agency/Program	Item	April 2010 CRE	Nov. 2009 CRE	Difference
Transfers in:				
KEY Fund	Transfer Balance	$ -	$ -	$ -
Children's Initiatives Fund	Transfer	-	-	
Department of Administration	Cancelled Warrants	1,945,230	1,945,230	-
	Transfers from non-reportable funds	-	-	-
Office of Admin Hearings	Transfer Balance	-	-	-
Economic Dev't Init Fund	Transfer Balance	-	-	-
Insurance Department	Insurance Regulation Fund	-	-	-
Kansas Corp. Comm.	Transfer Balances	-	-	-
KPERS	Bond Payment for 13th Check	3,537,100	3,537,100	-
Kansas Lottery	Gaming Revenues Fund	20,400,000	20,400,000	-
	Special Veterans Benefit Game	1,600,000	1,600,000	-
	South Central Casino Privilege Fee	-	-	-
	Exp. Lottery Act Rev. Fund Receipts (Dodge)	-	-	-
Racing & Gaming	Tribal Gaming Program Loan	450,000	450,000	-
	Loan Repayment to SGF and not PMIB	-	-	-
PMIB	PMIB Investment Portfolio Fee Fund	2,640,000	2,640,000	-
Revenue	Emergency Fund-Return Unused Money	-	-	-
	Administrative Savigs	-	-	-
Securities Commissioner	Transfer Balance	10,277,436	10,277,436	-
	Investor Education Fund	-	-	-
Department of Labor	Workers Compensation Fund	-	-	-
Department of Education	State Safety/School Bus Safety Fund	-	-	-
Department of Corrections	Correctional Industries Fund	-	-	-
Ks Comm on Peace Officers	Transfer Balance	-	-	-
Highway Patrol	Training Center Fund	500,000	500,000	-
Department of Transportation	Highway Fund Transfer for Highway Patrol	33,619,623	33,619,623	-
	Highway Fund	-	-	-
	Overhead Payment/Purchasing	210,000	210,000	-
State Fair	Special Cash Fund	200,000	200,000	-
State Conservation Commission	Agency Motor Pool Fund	-	-	-
	Land Reclamation Fee Fund	-	-	-
Water Office	Water Supply Storage Assurance	46,447	44,088	2,359
Subtotal-Transfers In		***$ 75,425,836***	***$ 75,423,477***	***$ 2,359***
Transfers Out:				
Department of Transportation	Special City/County Highway Fund	$ (10,063,664)	$ (10,063,664)	$ -
	Repay "Loan" to Highway Fund	(30,896,209)	(30,896,209)	-
Dept. of Education	School District Cap. Improvements Fund	(91,700,000)	(91,700,000)	-
Water Plan Agencies	State Water Plan Fund	(6,000,000)	(6,000,000)	-
State Fair	Capital Improvements	(300,000)	(300,000)	-
	Special Cash Fund	(200,000)	(200,000)	-
Board of Regents	Regents Faculty of Distinction Program	(3,000,000)	(3,000,000)	-
	Regents Research Corporation Bonds	(9,914,903)	(6,240,000)	(3,674,903)
	Infrastructure Maintenance Fund	(15,000,000)	(15,000,000)	-
Attorney General	Tort Claims	(1,336,762)	(137,185)	(1,199,577)
Department of Administration	Federal Cash Management Fund	(60,000)	(500,000)	440,000
Biosciences Authority	Biosciences Initiative	(70,000,000)	(70,000,000)	-
KPERS	Non-Retirement Administration	(120,000)	(120,000)	-
Insurance Department	Repayment to Workers Comp. Fund	(1,000,000)	(1,000,000)	-
State Treasurer	Spirit Aerosystems Incentive	(3,219,000)	(3,219,000)	-
	Eaton MDH Spec. Qual. Industrial Mfgr Fund	(327,000)	(327,000)	-
	Tax Increment Finance Replacement Fund	(1,100,000)	(1,100,000)	-
	Learning Quest Matching Funds	(265,000)	(265,000)	-
	Property Tax Reimb. to Local Tax Subdiv.	(43,983,000)	(43,983,000)	-
Racing & Gaming	Tribal Gaming Program Loan Repayment	(450,000)	(450,000)	-
KDHE	Repayment to Waste Tire Mgmt. Fund	(250,000)	(250,000)	-
	Repymt. To Ungd. Petrol. Trust Fund	(2,500,000)	(2,500,000)	-
Subtotal-Transfers Out		***$ (291,685,538)***	***$ (287,251,058)***	***$ (4,434,480)***
Total Transfers		*$ (216,259,702)*	*$ (211,827,581)*	*$ (4,432,121)*
Interest		*(12,231,298)*	*(11,872,419)*	*(358,879)*
Net Transfers		*$ (228,491,000)*	*$ (223,700,000)*	*$ (4,791,000)*

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Attachment 4

State General Fund Ending Balances
FY 2010 through FY 2012
(In Millions)

	FY 2010 Revised	FY 2011 Revised	FY 2012 Projected
Governor's Profile* (estimated)	$ (72.2)	$ (510.0)	Not available
Senate Ways and Means Committee*	(84.7)	(362.2)	(570.3)
House Appropriations Committee*	(75.5)	159.3	(351.0)

*) All profiles have been adjusted to reflect the April 16, 2010 State General Fund Consensus Revenue estimate. Profiles also assume that the ending balance is never below zero. Senate Ways and Means Committee recommendations are based on Senate Substitute for HB 2631. House Appropriations Committee recommendations based on House Substitute for SB 73.

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Date 4-19-2010
Attachment 5

FY 2011 Senate Ways and Means Committee Recommendations, EXCLUDING Tax Increases

Senate Ways and Means Committee Recommendations as of March 15, 2010 (Senate Sub. for HB 2631)

Adjusted for April State General Fund Consensus Revenue Estimate

STATUS OF THE STATE GENERAL FUND
FY 2010-FY 2012
(In Millions)

	Senate Ways and Means Committee FY 2010	Senate Ways and Means Committee FY 2011	Estimated FY 2012
Beginning Balance	$ 49.7	$ -	$ -
Receipts (April, 2010 Consensus Revenue Estimate)	5,254.3	5,094.7	5,640.0 *
Governor's Allotments (Revenue Adjustments) and Sen. Sub. for HB 2222	-	-	-
Governor's Other Revenue Adjustments (adjust transfers; continue KDOT transfer, etc.)	-	274.6	-
NO Governor's Recommended Sales/Use Tax Increase - 5.3% to 6.3%	-	-	-
NO Governor's Recommended Cigarette and Tobacco Product Tax Increase**	-	-	-
Senate Ways and Means Committee Revenue Adjustments (Senate Sub. for HB 2631)	27.5	12.3	-
Total Available Revenue	$ 5,331.5	$ 5,381.6	$ 5,640.0
Expenditures ***	6,144.3	6,088.9	6,210.3
Federal Economic Stimulus Legislation	(530.7)	(257.9)	-
Subtotal - Expenditures	5,613.6	5,831.0	6,210.3
Less Governor's Allotments and Net Other Adjustments	(162.6)	-	-
Senate Ways and Means Committee Adjustments (Senate Sub. for HB 2631)	(31.5)	(96.2)	-
Human Services Caseload Adjustments	(3.3)	9.0	
Expenditures Adjusted for a Zero Ending Balance	**(84.7)**	**(362.2)**	**(570.3)**
Total Adjusted Expenditures	5,331.5	5,381.6	5,640.0
Ending Balance	$ -	$ -	$ -
Ending Balance as a Percentage of Expenditures	0.0%	0.0%	0.0%
Adjusted Receipts in Excess of Unadjusted Expenditures	**$ (84.7)**	**$ (362.2)**	**$ (570.3)**

*) Assumes 4.0 percent growth in tax receipts.

**) Excludes Governor's recommended cigarette tax increase from $0.79 to $1.34 per pack; tobacco product tax increase from 10 percent to 40 percent.

***) FY 2012 expenditures include replacing federal economic stimulus funds; KPERS employer contribution increase; human services caseloads; special education increase and state employee undermarket salary adjustment.

Profile: SGF Profile Profile 1 - Senate Ways and Means Committee - April 16, 2010

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Attachment 6

FY 2011 House Appropriations Committee Recommendations

House Substitute for Senate Bill No. 73

Adjusted for April State General Fund Consensus Revenue Estimate

STATUS OF THE STATE GENERAL FUND
FY 2010-FY 2012
(In Millions)

	House Appropriations Committee FY 2010	House Appropriations Committee FY 2011	Estimated FY 2012	
Beginning Balance	$ 49.7	$ 0.0	$ 159.3	
Receipts (April, 2010 Consensus Revenue Estimate)	5,254.3	5,094.7	5,640.0	*
Governor's Other Revenue Adjustments (adjust transfers; continue KDOT transfer, etc.)	-	274.6	-	
NO Governor's Recommended Sales/Use Tax Increase - 5.3% to 6.3%	-	-	-	
NO Governor's Recommended Cigarette and Tobacco Product Tax Increase**	-	-	-	
House Appropriations Committee Revenue Adjustments	37.5	109.8	-	
Total Available Revenue	$ 5,341.5	$ 5,479.1	$ 5,799.3	
Expenditures ***	6,144.3	6,088.9	6,150.3	
Federal Economic Stimulus Legislation	(530.7)	(257.9)	-	
Subtotal - Expenditures	5,613.5	5,831.0	6,150.3	
Less Governor's Allotments and Net Other Adjustments	(162.6)	-	-	
House Appropriations Committee Expenditure Adjustments	(30.6)	(519.7)	-	
Human Services Caseload Adjustments	(3.3)	8.5		
Expenditures Adjusted for a Zero Ending Balance	**(75.5)**	**-**	**(351.0)**	
Total Adjusted Expenditures	5,341.5	5,319.8	5,799.3	
Ending Balance	$ 0.0	**$ 159.3**	**$ 0.0**	
Ending Balance as a Percentage of Expenditures	0.0%	3.0%	0.0%	
Adjusted Receipts in Excess of Unadjusted Expenditures	**$ (75.5)**	**$ 159.3**	**$ (351.0)**	

*) Assumes 4.0 percent growth in tax receipts.

**) Excludes Governor's recommended cigarette tax increase from $0.79 to $1.34 per pack; tobacco product tax increase from 10 percent to 40 percent.

***) FY 2012 expenditures include replacing federal economic stimulus funds; KPERS employer contribution increase; human services caseloads; special education increase and state employee undermarket salary adjustment.

Profile: SGF Profile No. 1 - House Appropriations Committee - April 16, 2010

Bill Explanation for 2010 Senate Substitute for House Bill 2631
As Amended by Senate Committee on Ways and Means

Sec. 2 --Department of Commerce

AGENCY ESTIMATE. The agency is estimating FY 2010 operating expenditures of $154.1 million, including $14,323 from the State General Fund and $16.7 from the Economic Development Initiatives Fund (EDIF). The request is an all funds increase of $36.7 million or 31.2 percent, and an EDIF increase of $500,000, or 3.1 percent, above the amount approved by the 2009 Legislature. The agency's State General Fund request remains the same as the approved amount. The all funds increase is largely attributable to the agency receiving several federal grants, including an $18.3 million grant from the United States Department of Housing and Urban Development. The EDIF increase is attributable to the Governor's November allotment of $500,000 which is not included in the agency's FY 2010 request.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $153.6 million, including $14,323 from the State General Fund and $16.3 million from the Economic Development Initiatives Fund (EDIF). The recommendation is an all funds increase of $36.2 million or 30.8 percent, above the amount approved by the 2009 Legislature. The all funds increase is largely attributable to the agency receiving several federal grants, including an $18.3 million grant from the United States Department of Housing and Urban Development. The Governor's State General Fund and EDIF recommendation is the same as the amount approved by the 2009 Legislature. The Governor's recommendation is a decrease of $500,000, or 0.3 percent, below the agency's FY 2010 estimate. The decrease is a result of the agency not including the allotment of $500,000 in their revised budget submission.

The Governor recommends lapsing $5,001 from the Economic Development Initiatives Fund (EDIF) in FY 2010 and replacing the lapsed amount with a $5,000 appropriation to the EDIF for the Senior Community Service Employment Program funded through the American Recovery and Reinvestment Act (ARRA).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 3 --Kansas Lottery

AGENCY ESTIMATE. The agency estimates a revised FY 2010 budget totaling $65.7 million, a reduction of $4.3 million, or 6.2 percent, below the approved amount. The agency has reduced the estimate for lottery ticket sales in FY 2010. The reduction below the approved amount is a result of lowered expenditures in selling tickets and paying prizes. All expenditures requested would come from special revenue funds. The agency estimate does not include any funding from the State General Fund. The estimate includes 89.0 FTE positions.

The agency requested a reduced transfer amount from the proceeds of lottery ticket sales from $72.0 million to $69.0 million.

GOVERNOR'S RECOMMENDATION The Governor recommends a FY 2010 budget totaling $65.5 million, all from special revenue funds. The recommendation is a reduction of $4.5 million, or 6.4 percent, below the approved amount, and $162,650, or 0.2 percent, below the agency's revised estimate. The reduction below the agency's request is the result of the Governor's recommendation to increase shrinkage rate from 2.0 percent to 5.0 percent. The Governor concurs with the agency's FTE position request.

The Governor recommends holding the transfer amount at $72.0 million. However, updated estimates suggest an increase in the Veterans' Scratch Ticket from $1,460,000 to $1,600,000. All proceeds from those tickets are transferred through the State General Fund by statute, and distributed to the Kansas Commission on Veterans' Affairs (30.0 percent), the Kansas National Guard Museum (30.0 percent), and Kansas National Guard scholarships (40.0 percent). The Governor recommends a reduction of the same amount from the regular lottery tickets in order to keep the level at the same as the approved amount.

To carry out the Governor's recommendation, two items are included in the appropriations bill. The first reduces the regular lottery ticket proceed transfer from $70,540,000 to $70,400,000. The second reduced the agency's FTE limitation by 10.0.

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SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 4 --Kansas Racing and Gaming Commission

AGENCY ESTIMATE. The agency estimates a revised FY 2010 budget totaling $6,990,328, all from special revenue funds. The revised estimate is a reduction of $1,518,646, or 17.8 percent, below the approved amount. The 2009 Legislature approved a budget that would allow flexibility in the event casino operators would be selected in FY 2010. The revised budget more accurately reflects the agency's needs for FY 2010, which includes regulatory activity for one-half year of operation at the casino in the Southwest Gaming Zone (Dodge City). The estimate does not include any supplemental funding requests and includes 73.5 FTE positions, the same as the approved amount.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request.

To carry out the Governor's current year recommendation, two new special revenue funds are included in the appropriations bill. Both funds are related to casino regulation and provide separation and transparency in the agency's expenditures.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 5 --Kansas Corporation Commission

AGENCY ESTIMATE. The agency estimates a revised FY 2010 budget totaling $27.3 million, all from special revenue funds, which is an increase of $6.3 million, or 29.7 percent, above the amount approved by the 2009 Legislature. The increase is partially attributed to a supplemental request totaling $438,680, all from special revenue funds, to implement two bills passed by the 2009 Legislature. The fiscal impacts for these bills were not included in the FY 2010 Omnibus Bill. Absent the supplemental request, the revised FY 2010 estimate is $26.9 million, which is an increase of $5.8 million, or 27.6 percent, above the amount approved by the 2009 Legislature. Further, the increase can be attributed to the receipt of a large amount of American Recovery and Reinvestment Act (ARRA) funding, which will be spent over the next three years to implement additional energy efficiency programs.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's revised current year estimate.

To carry out the Governor's current year recommendation, the aggregate limit of the public service regulation fund, the motor carrier license fees fund, and the conservation fee fund is increased by $610,044 from $16,290,795 to $16,900,839. Additionally, the position limitation is increased from 214.00 to 216.00.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 6 --Department of Revenue

AGENCY ESTIMATE. The agency estimates FY 2010 operating expenditures of $106,714,650, including $16,882,790 from the State General Fund. The estimate is an all funds decrease of $8,389,156, or 7.3 percent, and a State General Fund increase of $506,484, or 3.1 percent, from the amount approved by the 2009 Legislature. The Governor's July 2009 allotment reduction of $1,800,000 from the State General Fund and the Governor's November 2009 allotment of $506,484 from the State General Fund change the amount approved by the 2009 Legislature. The State General Fund increase is attributable to the November 2009 allotment not being included in the agency's estimate for FY 2010. The all funds decrease is largely due to a reduction in several special revenue funds including the Special County Mineral Production Tax Fund, the State Emergency Fund-CO Business Restoration (Kiowa County Business Restoration Assistance Program) and the State Emergency Fund-SE KS Business Recovery (Southeast Kansas Business Restoration Assistance Program).

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $106,218,166, including $16,376,306 from the State General Fund. The recommendation is an all funds decrease

of $8.9 million, or 7.7 percent, below the amount approved by the 2009 Legislature. The State General Fund recommendation of $16,376,306 is the same as the amount approved by the 2009 Legislature. The all funds decrease is largely due to a reduction in several special revenue funds including the Special County Mineral Production Tax Fund, the State Emergency Fund-CO Business Restoration (Kiowa County Business Restoration Assistance Program) and the State Emergency Fund-SE KS Business Recovery (Southeast Kansas Business Restoration Assistance Program)

Included in the Governor's recommendation is a transfer of $195,395 from the Kansas Qualified Biodiesel Fuel Producer Incentive Fund to the State General Fund for FY 2010. The is an incentive available to qualified producers of biodiesel fuel in Kansas and producers may be paid a production incentive in the amount of $.30 for each gallon of biodiesel sold by the producer.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 7 --Court of Tax Appeals

AGENCY ESTIMATE. The agency estimates a revised FY 2010 operating budget of $1,978,383, an increase of $42,807, or 2.2 percent, above the amount approved by the 2009 Legislature, as adjusted by the Governor's July 2009 and November 2009 State General Fund allotments. Requested State General Fund expenditures total $1,426,891, an increase of $42,807, or 3.1 percent, above the approved amount. The agency's budget was submitted prior to the Governor's November 2009 State General Fund allotments which reduced the agency's State General Fund expenditures by an additional $42,807. Absent that allotment, the agency's revised estimate of State General Fund expenditures would be the same as the currently approved budget.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $1,978,383, including $1,384,084 from the State General Fund. The decrease of $42,807 is a result of the Governor's November allotment of $42,807 not being included in the agency's FY 2010 estimate.

The Governor recommends increasing the expenditure limitation on the Court of Tax Appeals Filing Fee Fund by $42,807 from $546,492 to $589,299 in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 8 --Abstracters Board of Examiners

AGENCY ESTIMATE. The agency's revised estimate for FY 2010 is $23,407, all from the Abstracter's Fee Fund. This is an increase of $2,200, or 10.4 percent, above the amount approved by the 2009 Legislature. The increase is the result of revised salary and wages calculations. The estimate does not include any FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2010 estimate.

To carry out the Governor's current year recommendation, the expenditure limitation on the Abstracter's Fee Fund is increased from $21,207 to $23,407.

AGENCY ESTIMATE. The agency estimates $23,407, all from the Abstracter's Fee Fund, for operations for FY 2011. This is an increase of $2,200, or 10.4 percent, above the amount approved by the 2009 Legislature. The increase is the result of revised salary and wages calculations. The estimate does not include any FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2011 estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 9 --Board of Accountancy

AGENCY ESTIMATE. The agency estimates a revised FY 2011 budget totaling $311,661, an increase of $1,829, or 0.6 percent, above the amount approved by the 2009 Legislature. All expenditures would be made from special revenue funds. The request includes $178,179 for salaries and wages, an increase of $5,519, or 3.2 percent, above the amount approved for FY 2011. The increase is due to the agency's inclusion of $1,829 to continue the state undermarket pay adjustment which began in FY 2010, and $3,690 due to scheduled increases in the employers' contributions rate for Group Health Insurance benefits and KPERS benefits. The agency reduced contractual services by $3,690, or 2.8 percent, to partially offset increases in salaries and wages. The estimate also includes $4,747 for commodities and 3.0 FTE positions, the same as the FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 10 --Governmental Ethics Commission

AGENCY ESTIMATE. The agency estimates $667,993, the same amount approved by the 2009 Legislature, and includes $429,599 from the State General Fund in FY 2010. The request includes 9.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends $667,993, the same amount approved by the 2009 Legislature in FY 2010. The recommendation includes $416,711 from the State General Fund which is 12,888, or 3.0 percent, below the agency's request and the FY 2010 approved amount. The reduction from the State General Fund was part of the November 2009 Governor's allotments and was supplemented with funding from the Governmental Ethics Commission Fee Fund. The recommendation includes 9.0 FTE positions.

AGENCY ESTIMATE. The agency requests $708,860, including $481,443 from the State General Fund for FY 2011. The request is a State General Fund increase of $9,032, or 2.1 percent, above the FY 2011 approved amount. The increased amount is attributable to expenditure scheduled rate increases in the employee's contribution to Group Health Insurance and KPERS benefits. The request includes 9.0 FTE positions.

GOVERNOR'S RECOMMENDATION.
The Governor recommends $708,860, including $457,232 from the State General Fund. The recommendation is a State General Fund decrease of $13,179, or 2.8 percent, below the FY 2011 approved amount and a Governmental Ethics Fee Fund increase of $22,211, or 9.8 percent above the FY 2011 approved amount. The recommendation is an all funds increase of $9,032, or 1.9 percent, above the FY 2011 approved amount. The increased amount is attributable to expenditure scheduled rate increases in the employee's contribution to Group Health Insurance and KPERS benefits. The request includes 9.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 11 --Home Inspection Registration Board

AGENCY ESTIMATE. The agency estimates $36,020, all from the Home Inspectors Registration Fee Fund, for operating expenditures in FY 2010.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2010 estimate.

To carry out the Governor's current year recommendation, the expenditure limitation on the Home Inspectors Registration Fee Fund is decreased from no limit to $36,020.

AGENCY'S ESTIMATE. The agency estimates $35,750, all from the Home Inspectors Registration Fee Fund, for operating expenditures for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2011 estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 12 --Board of Mortuary Arts

AGENCY ESTIMATE. The agency estimates $275,039, all from the Board of Mortuary Arts Fee Fund for FY 2011. The request is an increase of $3,529 all funds, or 1.3 percent, above the FY 2011 approved amount. The increase is attributable to salary and wages adjustments. The request includes 3.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends $271,510, all from the Board of Mortuary Arts Fee Fund. The request is an all funds increase of $853, or 0.3 percent, above the FY 2011 approved amount and includes 3.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 13 --Board of Nursing

AGENCY ESTIMATE. The agency estimates FY 2011 operating expenditures of $1,887,059, all from the Board of Nursing Fee Fund. The request is an increase of $74,060, or 4.1 percent, above the amount approved by the 2009 Legislature. The increase corresponds with the undermarket salary adjustments that were authorized by the 2009 Legislature for FY 2010 and were not reflected in the approved amount for FY 2011. The request includes 24.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 14 --Securities Commissioner

AGENCY ESTIMATE. The agency estimates FY 2011 expenditures of $2,830,556, all from special revenue funds, an increase of $200, above the FY 2011 approved amount. The request includes an increase of $52,979 in salaries and wages offset by a reduction of $60,318 in contractual services from FY 2010 to FY 2011. The agency states that the shift is necessitated due to the promotion of one Special Investigator and one State Auditor resulting in higher salary costs; however, in June of 2010 the Commission will relocate their facilities, saving approximately $73,028 over the FY 2010 amount. The estimate includes 32.1 approved FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency estimate for FY 2011 operating expenditures of $2,830,556, all from special revenue funds. The Governor further recommends that the Legislature transfer $1.25 million from the Investor Education Fund to the State General Fund from monies received as part of the multi-state settlement on auction rate securities.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 15 --Board of Technical Professions

AGENCY ESTIMATE. The agency estimates $586,103, all from the Technical Professions Fee Fund, for operating expenditures for FY 2011. This is an increase of $2,635, or 0.5 percent, above the amount approved by the 2009 Legislature. The increase is a result of the agency including the undermarket increases from FY 2010 in the approved amount for FY 2011. The request includes 5.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 16 --Board of Veterinary Examiners

AGENCY ESTIMATE. The agency's revised estimate for operating expenditures in FY 2010 is $264,908, all from the Veterinary Examiner's Fee Fund. This is a decrease of $1,798, or 0.7 percent, below the amount approved by the 2009 Legislature. The decrease is the result of revised salary and wages calculations. The request includes 3.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2010 estimate.

To carry out the Governor's current year recommendation, the expenditure limitation on the Veterinary Examiner's Fee Fund is decreased from $266,706 to $264,908.

AGENCY'S ESTIMATE. The agency estimates $268,382, all from the Veterinary Examiner's Fee Fund, for operating expenditures for FY 2011. This is an increase of $1,676, or 0.6 percent, above the amount approved by the 2009 Legislature. The increase is the result of revised salary and wages calculations. The estimate includes 3.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2011 estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 17 --Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments

AGENCY ESTIMATE. The agency estimates $32,603, all from the Kansas Board of Examiners in the Fitting and Dispensing of Hearing Instruments Fee Fund. The request is an all funds increase of $2,680, or 9.0 percent, above the FY 2010 approved amount.

GOVERNOR'S RECOMMENDATION. The Governor recommends $31,357, all from the Kansas Board of Examiners in the Fitting and Dispensing of Hearing Instruments Fee Fund, in FY 2010. The recommendation is an all funds increase of $1,434, or 4.8 percent, above the FY 2010 approved amount.

AGENCY ESTIMATE. The agency estimates $32,726, all from the Kansas Board of Examiners in the Fitting and Dispensing of Hearing Instruments Fee Fund. The estimate is an all funds increase of $2,803, or 9.4 percent, above the FY 2011 approved amount.

GOVERNOR'S RECOMMENDATION. The Governor recommends $31,352, all from the Kansas Board of Examiners in the Fitting and Dispensing of Hearing Instruments Fee Fund, for FY 2011. The recommendation is an all funds increase of $1,429, or 4.8 percent, above the FY 2011 approved amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 18 --Board of Healing Arts

AGENCY ESTIMATE. The agency estimates FY 2011 operating expenditures of $4,004,385, all from the Board of Healing Arts Fee Fund. The estimate is an increase of $168,037, or 4.4 percent, above the amount approved by the 2009 Legislature. The agency estimates an expenditure limitation increase of $118,528 to cover the costs of relocating to a larger leased facility and increased rent for five months. The agency estimate also includes $49,509 for undermarket salary adjustments that were approved by the 2009 Legislature for FY 2010, but not for FY 2011. The request funds 45.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $3,885,857, all from the Board of Healing Arts Fee Fund. The recommendation is $49,598, or 1.3 percent, above the amount approved by the 2009 Legislature. The Governor did not recommend $118,528, all from the Board of Healing Arts Fee Fund, for moving expenses and prorated rent. The increase is attributed entirely to undermarket salary adjustments that were authorized by the 2009 Legislature for FY 2010 but not for FY 2011. The recommendation funds 45.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 19 --Kansas Dental Board

AGENCY ESTIMATE. The agency estimates FY 2011 operating expenditures of $370,799, all from the Dental Board Fee Fund. The estimate is an increase of $4,025, or 1.1 percent, above the amount approved by the 2009 Legislature for FY 2011. The increase is attributed to undermarket salary adjustments that were funded in the FY 2010 approved budget but not in the FY 2011 approved budget. The estimate funds 3.0 FTE positions. At the request of the 2009 Legislature, the agency is considering reductions in fees for administrative services to reduce the large surplus in the agency's fee fund. If the fee reductions are approved, the agency will reduce the FY 2010 revenue projections in the current legislative session, while reduced revenue in FY 2011 will be reflected in the next biennial budget cycle.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 20 --Optometry Board

AGENCY ESTIMATE. The agency estimates FY 2011 operating expenditures of $140,310, all from the Optometry Fee Fund. The estimate is an increase of $333, or 0.2 percent, above the amount approved by the 2009 Legislature. The increase is attributed to corrections made to compensation calculations for the Optometry Board members. The estimate funds 0.8 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 21 --Board of Pharmacy

AGENCY ESTIMATE. The agency estimates FY 2010 expenditures of $1,206,099, including $981,395 from the Board of Pharmacy Fee Fund. The estimate is an increase of $437,122, or 56.8 percent, above the amount approved by the 2009 Legislature. The amount includes supplemental requests of $212,418, all from the Board of Pharmacy Fee Fund, for a replacement vehicle, new office space, licensing software, increased monumental surcharge payments, moving costs, and salaries and wages for the Public Service Executive I position. The agency also estimates $224,704 from two new federal grants for the prescription drug monitoring program, which was authorized by the 2008 Legislature in 2008 Substitute for Senate Bill 491. The federal grants will pay for salaries and wages for an administrator and an information technology position and other implementation expenses. The FY 2010 estimate includes $2,901 in undermarket salary adjustments. The estimate includes 11.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 expenditures of $993,681, including $768,977 from the Board of Pharmacy Fee Fund. The recommendation is an increase of $224,704, or 29.2 percent, above the amount approved by the 2009 Legislature. The Governor recommends expenditures totaling $224,704 from two federal grant programs. The Governor's recommendation includes $2,901 for undermarket salary adjustments. The Governor does not recommend the agency's supplemental requests of $212,418, all from the Board of Pharmacy Fee Fund, for a replacement vehicle, new office space, licensing software, increased monumental surcharge payments, moving costs, and increased salaries and wages for the Public Service Executive I

position. The recommendation includes 11.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add $50,000, all from the Board of Pharmacy Fee Fund, in FY 2010 to purchase professional disciplinary and licensing software.

Sec. 22 --Attorney General

AGENCY ESTIMATE. The agency estimates a revised FY 2010 budget totaling $20.7 million, an increase of $3.5 million, or 20.0 percent, above the amount approved by the 2009 Legislature, as adjusted by State General Fund reappropriations, and the Governor's July and November 2009 allotments. Requested State General Fund expenditures total $4.8 million, an increase of $2.1 million, or 79.8 percent, above the approved amount. The agency's revised budget request was submitted prior to the Governor's November 2009 allotments, which reduced State General Fund expenditures by $2.2 million. Excluding the allotments, the agency's revised State General Fund request would have been a decrease of $40,840 from the approved amount, as adjusted by State General Fund reappropriations totaling $223,180. The revised estimate includes additional supplemental expenditures of $987,430, all from special revenue funds. The request would fund the currently approved 110.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends a revised FY 2010 budget of $20.6 million, an increase of $3.3 million, or 19.4 percent, above the approved FY 2010 amount. The State General Fund recommendation of $2.7 million is the same as the approved amount, as adjusted by State General Fund reappropriations and the Governor's July and November 2009 State General Fund allotments. The Governor concurs with $939,430 of the agency's requested supplemental expenditures, for interstate water litigation activities, tobacco master settlement agreement compliance activities, and to reimburse counties for sexually violent predator determinations.

To carry out the Governor's current year recommendation, three items are included in the appropriations bill: the transfer of $232,432 from the Kansas Endowment for Youth Fund to the agency's Tobacco Master Settlement Agreement Compliance Fund; the transfer of $686,998 from the agency's Medicaid Fraud Prosecution Revolving Fund to the agency's Interstate Water Litigation Fund; and the transfer of $20,000 from the agency's Crime Victims Assistance Fund to the agency's Sexually Violent Predator Expense Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete the $20,000 transfer recommended from the Crime Victims Compensation Fund to the Sexually Violent Predator Expense Fund in FY 2010. Instead, transfer $20,000 from the agency's Court Cost Fund to the Sexually Violent Predator Expense Fund. This funding would be expended to reimburse counties for determinations of whether an individual is a sexually violent predator.

Sec. 23 --Judicial Branch

AGENCY ESTIMATE. The agency estimates FY 2010 operating expenditures of $124.4 million, an increase of $13.1 million, or 11.7 percent, above the amount approved by the 2009 Legislature. The revised estimate includes State General Fund expenditures of $104.8 million, an increase of $7.6 million, or 7.8 percent, above the approved amount. A majority of the increase is due to a supplemental request of $8.0 million, all from the State General Fund, for operating expenditures. The agency estimates $19.6 million in expenditures from all other funds, an increase of $5.5 million, or 38.8 percent, above the approved amount. The increase is mainly due to 2009 SB 66 which employed a surcharge to raise approximately $5.0 million. The estimate includes 1,855.3 FTE positions. Absent the supplemental request, the agency estimate is $116.4 million, including $98.6 million from the State General Fund. This is a State General Fund decrease of $422,146, or less than 1.0 percent, below the FY 2010 approved amount. It is an all funds increase of $5.1 million, or 4.5 percent, above the FY 2010 approved amount.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $121.4 million, including $101.8 million from the State General Fund. The recommendation is an all funds decrease of

$3.0 million, or 2.4 percent, below the agency FY 2010 estimate. It is a State General Fund decrease of the same amount. The decrease is due to the Governor's recommendation to fund the agency's supplemental request at $5.0 million, instead of $8.0 million as the agency requested.

To carry out the Governor's current year recommendation, the bill appropriates the District Magistrate Judge Supplemental Compensation Fund for FY 2010 to receive supplemental funding provided by counties to District Magistrate Judges.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 24 --Social and Rehabilitation Services

AGENCY ESTIMATE. The agency estimates FY 2010 operating expenditures of $1.6 billion, including $567.6 million from the State General Fund. The revised estimate is an increase of $105.9 million, or 7.1 percent, from all funding sources above the amount approved by the 2009 Legislature. This includes a State General Fund increase of $15.4 million, or 2.8 percent, above the approved amount. The estimate includes State General Fund reappropriations of $1.3 million. In addition, the revised estimate includes supplemental requests totaling $85.8 million, including $3.2 million from the State General Fund.

The agency's estimate includes the addition of $217,755, including $66,165 from the State General Fund, which was transferred from the Department on Aging to account for the Money Follows the Person Program. In addition, the agency recommends transferring $3.1 million, all from the State General Fund, from the state hospitals to the Department of Social and Rehabilitation Services. The agency indicates that these funds were available from increased federal match in the Medicaid program which were not accounted for during the 2009 Legislative Session. The Department also requested an additional $80.8 million in federal funding and $1.6 million in special revenue fund expenditures in FY 2010. The majority of this funding was requested for the energy assistance program, child care assistance, and the Medicaid waivers.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $1.6 billion, including $551.8 million from the State General Fund. The recommendation is an all funds increase of $102.1 million, or 6.8 percent, above the approved amount. The Governor's recommendation is a State General Fund decrease of $383,835, or less than 0.1 percent, below the approved amount. The Governor's recommendation is a State General Fund decrease of $15.8 million, or 2.8 percent, below the agency's estimate.

The Governor does not recommend the transfer from the state hospitals, and instead recommends transferring $450,000, all from the State General Fund, from the Department to Larned State Hospital for the Sexual Predator Treatment program. In addition, the Governor recommends increasing expenditures from the TANF fund by $7.5 million in FY 2010. The Governor's recommendation reduces the agency's estimate for federal fund expenditures by $10.1 million.

This bill contains an expenditure limitation increase for the Social Welfare Fund of $1.1 million in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $15,000,000, all from the State General Fund, in FY 2010 for the Foster Care program and add the same amount from the Temporary Assistance for Needy Families funding.

Sec. 25 --Health Policy Authority

AGENCY ESTIMATE. The agency estimates a revised FY 2010 reportable budget totaling $1.5 billion, an increase of $42.2 million, or 3.0 percent, above the amount approved by the 2009 Legislature. Estimated State General Fund expenditures total $386.0 million, a decrease of $1.5 million, or 0.4 percent, below the approved amount. The estimate would fund 281.7 FTE positions. The agency submitted supplemental requests totaling $2,095,359, including $168,166 from the State General Fund, in FY 2010.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 reportable operating expenditures of $1.4 billion, including $387.5 million from the State General Fund. The FY 2010 recommendation is an increase of $5.8 million, or 0.4 percent, above the amount approved by the 2009 Legislature. The recommendation is a decrease of $36.4 million, or 2.5 percent, below the agency's revised estimate. The Governor recommends one of the agency's supplemental requests, totaling $1.8 million, all from federal funds, and 21.0 FTE positions for the Kansas Access to Covering Health Program (KATCH) federal grant. In addition, the recommendation includes funding totaling $11.3 million, including $18.3 million from the State General Fund, for human services caseloads as agreed to in the fall 2009 consensus caseload process.

This bill contains an expenditure limitation decrease of $8.6 million for the Medical Programs Fee Fund and smaller decreases for the Health Committee Insurance Fund in FY 2010. In addition, the bill contains expenditure limitation increases in FY 2010 for Other State Fees Fund, and increases the salaries and wages limitation for the State Workers Compensation Self Insurance Fund, the Dependent Care Assistance Program Fund, and the Preventative Health Care Program Fund. The bill also increases the FTE position limitation in FY 2010 by 7.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $16,400,000, all from the State General Fund, in FY 2010 and add the same amount from federal funds, due to the application of the enhanced federal contribution for Medicare clawback. This application will decrease the amount the state owes the federal government by $24.7 million over two years. The enhanced match will be retroactive back to the beginning of the ARRA benefit period, October 2008.

Sec. 26 --Commission on Veterans Affairs

AGENCY ESTIMATE. The agency estimates current year operating expenditures of $20,497,297, an all funds decrease of $416,379, or 2.0 percent, below the amount approved by the 2009 Legislature. The estimate includes FY 2010 State General Fund operating expenditures of $9,146,139, an increase of $926,344, or 11.3 percent, above the FY 2010 State General Fund approved amount. The estimate includes supplemental requests of $580,956, including $122,956 from the State General Fund. Without the supplemental requests, the agency estimate is $19,916,341, a decrease of $997,335, or 4.8 percent, below the FY 2010 approved amount.

GOVERNOR'S RECOMMENDATION. The Governor recommends current year operating expenditures of $19,556,065, a decrease of $1,357,611, or 6.5 percent, below the amount approved by the 2009 Legislature. The Governor recommends FY 2010 State General Fund expenditures of $8,204,907, a decrease of $14,888, or 0.2 percent, below the FY 2010 approved amount. The FY 2010 Governor's Recommendation from special revenue fund is equivalent to the FY 2010 agency request. The State General Fund reduction from the approved amount is attributable to special revenue fund reductions in the agency request and the replacement of State General fund dollars by Medicaid and Medicare funds in the amount of $458,000. The majority of the special revenue fund reduction in the agency request is due to $1,263,929 in expenditure decreases at the Kansas Soldiers' Home in the physical plant, primarily housekeeping and general maintenance.

To carry out the Governor's current year recommendation, two items are included in the appropriations bill: the appropriation of the Soldiers' Home Medicaid Fund as no limit and the appropriation of the Veterans' Home Medicaid Fund as no limit.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Increase the expenditure limitation on the following funds from the amount indicated to no limit in FY 2010: Soldiers' Home Fee Fund ($2,262,066); Veterans' Home Fee fund ($3,359,588); VA Burial Reimbursement Fund - Federal ($35,667); Veterans Home Federal fund ($3,077,188); Soldiers Home Federal Fund ($3,530,819); Commission on Veterans Affairs Federal Fund ($250,259).

2. Add language to allow the Executive Director of the Kansas Commission on Veterans' affairs

to transfer funds between the programs under the authority of Kansas Commission on Veterans' Affairs in order to assist in the best allocation of resources within the agency in FY 2010.

Sec. 27 --Department of Education

AGENCY ESTIMATE. The agency estimates FY 2010 operating expenditures of $3.87 billion, including $3.06 billion from the State General Fund. This an all funds increase of $204.2 million, or 5.6 percent, and a State General Fund increase of $215.4 million, or 7.6 percent, above the amount approved by the 2009 Legislature. The State General Fund increase is due to the adjustment in the FY 2010 approved budget for the Governor's November 2009 allotment totaling $124.0 million and the agency's supplemental request totaling $91.4 million, all from the State General Fund. The request includes 212.5 FTE positions, a decrease of 1.3 FTE positions below the FY 2010 approved amount. The estimate includes a supplemental request of $53.7 million, all from the State General Fund, for General State Aid and $37.7 million, all from the State General Fund, for Supplemental State Aid.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $3.7 billion, including $2.8 billion from the State General Fund. This is an all funds increase of $85.7 million, or 2.7 percent, above the FY 2010 approved amount. The recommendation is the same as the FY 2010 approved State General Fund expenditure of $2.8 billion. The all funds increase is due to a lapse of $85.4 million, all from the State General Fund, and subsequent replacement of those funds with federal stimulus funds. These funds were initially planned for FY 2011 expenditures but instead transferred to FY 2010.

To carry out the Governor's current year recommendation, the bill transfers an amount certified by the Commissioner of Education from the Motorcycle Safety Fund in the Department of Education to the Motorcycle Safety Fund in the state Board of Regents for reimbursement for the cost of motorcycle safety training courses provided by postsecondary institutions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 28 --Board of Regents

AGENCY ESTIMATE. The agency's current year estimate of operating expenditures is $214.4 million, which is a net reduction of $25.6 million, or 10.7 percent, below the approved budget. Of this amount, $172.9 million is from the State General Fund, which is an increase of $5.2 million, or 3.1 percent, above the approved budget and reflects reappropriations as well as November allotments totaling $7.0 million. The estimate includes other funds totaling $41.6 million, a decrease of $30.7 million, or 42.5 percent, below the approved amount, reflecting the transfer of federal American Recovery and Reinvestment Act (ARRA) funds to the universities totaling $32.2 million, partially offset by reappropriations.

GOVERNOR'S RECOMMENDATION. The Governor recommends $207.4 million, including $165.9 million from the State General Fund, in FY 2010, a decrease of $32.6 million, or 13.6 percent, all funds and $1.8 million, or 1.1 percent, State General Fund, below the FY 2010 approved amount. The Governor's recommendation includes the November allotment reduction of $7.0 million, all from the State General Fund.

To carry out the Governor's current year recommendation, two items are included in the appropriations bill: language prohibiting the issuance of additional bonds for the Postsecondary Education Infrastructure (PEI) Maintenance Program in FY 2010; and language allowing the Board of Regents the authority to transfer funds between the PEI infrastructure debt service State General Fund account and other State General Fund accounts.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 29 --Kansas State University

AGENCY ESTIMATE. The agency's current year estimate of operating expenditures is $428.2 million, which is a decrease of $63.7 million, or 12.9 percent, below the approved budget. The agency estimates FY 2010 State General Fund expenditures of $104.3 million, which is an increase of $343,695, or 0.3 percent, above the approved

budget. The State General Fund increase is due mainly to transfers from the Board of Regents. The all funds decrease reflects lower than anticipated revenues in a portion of special revenue funds, partially offset by increases in other special revenue funds.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's estimate in FY 2010.

To carry out the Governor's current year recommendations, language is included in the appropriations bill appropriating the agency Energy Conservation Improvements Fund as a no limit fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 30 --Department of Corrections

AGENCY ESTIMATE. The revised estimate for FY 2010 includes capital improvements expenditures totaling $7.4 million, including $2.3 million from the State General Fund. The capital improvements request includes $3.6 million for debt service principal payments and $3.7 million for rehabilitation and repair as well as other capital projects including an enhancement of $504,000.

GOVERNOR'S RECOMMENDATION. The Governor's recommendation for FY 2010 capital improvements expenditures totals $6.7 million, including $1.8 million from the State General Fund. The recommendation is a decrease of $647,000, or 8.8 percent, below the FY 2011 agency request. The difference is due to the enhancement request made by the agency that is not recommended by the Governor and a downward projection of $143,000 in the available funds in the Correctional Institutions Building Fund.

To carry out the Governor's current year recommendation the appropriations bill includes a lapse of $108,687, all from the Correctional Institutions Building Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 31 --Juvenile Justice Authority

AGENCY ESTIMATE. The agency estimates FY 2010 operating expenditures of $68,614,929, including $42,511,782 from the State General Fund. The estimate is an all funds increase of $2,302,923, or 3.5 percent, above the amount approved by the 2009 Legislature and a State General Fund increase of $1,418,094, or 3.5 percent, above the amount approved by the 2009 Legislature. The State General Fund increase can be attributed to the addition of maintenance costs associated with the Atchison Youth Residential Center and undermarket increases, which were partially offset by the November allotment reduction.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures of $67,817,362, including $42,006,643 from the State General Fund. The recommendation is an all funds increase of $1,505,356, or 2.3 percent, and a State General Fund increase of $912,955, or 2.0 percent, above the amount approved by the 2009 Legislature. The increase is mostly due to the increase of salary and wages. The recommendation is an all funds decrease of $797,567, or 1.2 percent, and a State General Fund decrease of $505,139, or 1.2 percent, below the agency request.

To carry out the Governor's current year recommendation, the bill lapses $162,301, all from the State General Fund, from the Incentive funding account in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 32 --Adjutant General

AGENCY ESTIMATE. For FY 2010, the agency's revised estimate for operating expenditures is $232,838,320, which is a decrease of $25,598,838, or 9.9 percent, below the current approved amount for FY 2010. The FY 2010

revised estimate includes State General Fund expenditures totaling $32,769,757, which is an increase of $282,751, or 0.9 percent, above the current approved for FY 2010. The increase in State General Fund expenditures is attributable to budgeted expenditures included in the FY 2010 budget that were removed as part of the November allotment, which included shutting 18 armories for savings totaling $156,662, and an additional $126,089 for four supplemental requests. The FY 2010 revised estimate includes 219.0 FTE positions, the same as the current approved amount.

GOVERNOR'S RECOMMENDATION. For FY 2010, the Governor recommends expenditures totaling $232,075,569, including $32,487,006 from the State General Fund. The recommendation is an all funds decrease of $26,361,589, or 10.2 percent, below the approved amount, but no change from the State General Fund amount approved by the 2009 Legislature. The FY 2010 recommendation is an all funds decrease of $762,751, or 0.3 percent, and a State General Fund decrease of $282,751, or 0.9 percent, below the agency's FY 2010 revised estimate. The Governor does not recommend any additional State General Fund expenditures for the agency's supplemental requests, however, the Governor does recommend transferring the requested amounts for the Civil Air Patrol ($4,231) and for Military Activation bonus payments ($21,858) from the agency's allocated State General Fund operating account to the respective State General Fund accounts for these programs. The Governor recommends that the agency use existing hazard mitigation funds to finance the Kansas Hazard Mitigation Plan, and includes a reduction to expenditures and transfer of $180,000 from the Adjutant General Expense Fund - Hazard Mitigation to the State General Fund (original funding in this account came from the State General Fund).

To carry out the Governor's current year recommendation, three items are included in the appropriations bill: the lapse of $26,089 from the State General Fund operating account of the Adjutant General; the appropriation of the same amount in order to fund within existing resources additional operating expenditures for the Civil Air Patrol, and funding to provide for additional military activation bonus payments, and the transfer of $180,000 from the Adjutant General's Expense Fund - Hazard Mitigation to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add $459,357, all from the National Guard Museum Assistance Fund, in FY 2010 for the 35th Infantry Division museum expansion. In addition, add language transferring $459,357 from the State General Fund to the National Guard Museum Assistance Fund in FY 2010. Funding is based on 2008 Senate Substitute for HB 2923, Section 6, which provides that an amount equal to 30.0 percent of net profits from the Veteran's Benefit instant scratch-off tickets from July 1, 2008, to June 30, 2010, to fund the 35th Infantry Division Museum and Museum Education Center. The additional $459,357 would allow for the completion of the expansion project.

Sec. 33 --State Fire Marshal

AGENCY ESTIMATE. The agency estimates FY 2010 operating expenditures of $4,884,774, an increase of $443,835, or 10.0 percent, above the amount approved by the 2009 Legislature. Of the FY 2010 expenditures, $3,628,716 are financed by the Fire Marshal Fee Fund, an increase of $444,857, or 14.0 percent, above the 2009 approved amount. The entire budget is funded from fee funds and federal funds. The request includes 53.0 FTE positions, the same as the approved amount.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's revised estimate for FY 2010 operating expenditures.

To carry out the Governor's current year recommendation, two items are included in the appropriations bill: the decrease of $22,265 in salaries and wages expenditures from the Fire Marshal Fee Fund, attributed to a transfer of the same amount to the Kansas Department of Health and Environment to support the Youth Programs Division; and an increase of $12,000 in expenditures from the Hazardous Materials Emergency Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 34 --Highway Patrol

AGENCY ESTIMATE. For FY 2010, the agency's revised estimate for operating expenditures is $88,671,613, which is an increase of $11,940,598, or 15.6 percent, above the current approved for FY 2010. The State General Fund estimate of $33,145,795 is an increase of $997,798, or 3.1 percent, above the current approved for FY 2010. The increase in State General Fund expenditures is attributable to budgeted expenditures included in the FY 2010 budget that were removed as part of the November allotment, which included the substitution of compensatory time for holiday pay as well as a shift of State General Fund expenditures to fee funds ($994,268), and the State General Fund portion of the agency's supplemental request for the cost of fuel ($3,530).

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2010 operating expenditures totaling $87,875,823, including $32,147,997 from the State General Fund. The recommendation is an all funds increase of $11,144,808, or 14.5 percent, above the approved amount, and a decrease of $795,790, or 0.9 percent, below the agency's FY 2010 revised estimate. The State General Fund recommendation is the same as the approved, and a decrease of $997,798, or 3.0 percent, below the agency's FY 2010 revised estimate. The State General Fund change from the agency revised estimate is due to the November allotment ($994,268), and the Governor not recommending the agency's supplemental request for additional expenditures related to fuel prices ($3,530). The all funds recommendation change of $795,790 from the agency's revised estimate is due to the November allotment reduction ($994,268), the shift of State General Fund salaries and wages expenditures to the Highway Patrol Training Center Fund as part of the November allotment ($588,268), and the reduction of special revenue fund expenditures related to the supplemental for fuel expenditures ($389,790).

To carry out the Governor's current year recommendation, two items are included in the appropriations bill: language allowing expenditure authority of a reappropriated balance should it exist; and the transfer of funds between Highway Patrol funds to be used for salaries and wages expenditures offsetting State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 35 --Kansas Parole Board

AGENCY ESTIMATE. The FY 2010 revised estimate totals $503,158, all from the State General Fund. The revised estimate is an increase of $28,090, or 5.9 percent, above the approved amount. All of the change is due to a supplemental request for building space rent. The FY 2010 request includes 3.0 FTE positions, the same as the approved amount.

GOVERNOR'S RECOMMENDATION. The Governor recommends $503,158, all from the State General Fund. The recommendation is the same as the agency's FY 2010 revised estimate, including the supplemental request for building space rent.

To carry out the Governor's current year recommendation the appropriations bill includes a supplemental appropriation of $28,090, all from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 36 --Kansas State Fair Board

AGENCY ESTIMATE. The agency estimates $5.7 million, including $341,861 from the State General Fund, for FY 2010 operating expenditures. The revised FY 2010 estimate is an increase of $120,108, or 2.2 percent, above the amount approved by the 2009 Legislature. The change is attributed to increases in contractual services ($109,848); commodities ($76,649); and capital outlay ($50,000). The increases are partially offset by a decrease in salaries and wages ($116,389).

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's revised FY 2010 estimate of expenditures. In addition, the Governor recommends the lapse of $186,283 in the agency's State Emergency Fund for building damage that occurred in May 2008. The agency was reimbursed for its expenditures by the Federal Emergency Management Agency (FEMA).

To carry out the Governor's current year recommendation, the bill transfers $186,283 from the agency's State

Emergency Fund - building damage May 23/25 2008 account of the State Fair Board to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 37 --Department of Wildlife and Parks

AGENCY ESTIMATE. The agency estimates a revised FY 2010 operating budget totaling $50.0 million, which is an increase of $300,278, or 0.6 percent, above the amount approved by the 2009 Legislature, as adjusted by the Governor's July 2009 and November 2009 State General Fund allotments. Requested State General Fund expenditures total $5.3 million, which is an increase of $171,991, or 3.4 percent, above the approved amount. The agency's budget request for FY 2010 was submitted prior to the Governor's November allotments. Including the Governor's allotments, the revised FY 2010 estimate for funding from the State General Fund is the same as the amount approved by the 2009 Legislature. In addition, the agency requests an expenditure limitation increase of $50,000 in the Cabin Revenue Fund - Capital Improvement account, which would allow the agency to build additional cabins at state parks and on public lands.

GOVERNOR'S RECOMMENDATION. The Governor recommends a revised FY 2010 operating budget totaling $49.8 million, which is an increase of $128,995, or 0.3 percent, above the FY 2010 approved amount, and a decrease of $171,991, or 0.3 percent, below the agency's revised FY 2010 estimate. The Governor does not recommend the agency's supplemental request. In addition, the Governor recommends a reduction of $171,991, all from the State General Fund, for contractual services funding in the Administration program.

To carry out the Governor's current year recommendations, three items are included in the appropriations bill: add $8,419, all from the State General Fund, for debt service payments for the Kansas City district office; add $13,832, all from the Boating Fee Fund, for debt service payments for the Kansas City district office; and add $37,887, all from the Wildlife Fee Fund, for debt service payments for the Kansas City district office.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 38 --Kansas Department of Transportation

AGENCY ESTIMATE. The agency estimates a revised reportable FY 2010 budget totaling $1.4 billion, which is an increase of $181.8 million, or 14.5 percent, above the amount approved by the 2009 Legislature. Requested reportable expenditures from the State Highway Fund total $1.1 billion, which is an increase of $153.2 million, or 16.7 percent, above the approved amount. The agency's FY 2010 revised estimate includes nonreportable expenditures of $190.2 million, which is an increase of $8.1 million, or 4.5 percent, above the amount approved by the 2009 Legislature. The increase of $181.8 million is primarily due to Construction Program expenditures attributable to the shift of project expenditures from prior fiscal years. The agency's FY 2010 estimate includes reductions to achieve the Governor's July 2009 allotment, which recommended reducing operations and maintenance to transfer $30.0 million to the State General Fund. Adjustments to achieve the Governor's November 2009 allotment, which recommended a $50.0 million reduction to operations and maintenance and transfer to the State General Fund, are not reflected in the FY 2010 revised estimate. All allotments recommended for KDOT require legislative approval. The revised request includes 3,113.5 FTE positions, which is the same as the approved amount.

For FY 2010, the agency estimates expenditures of $8,697,357, all from the State Highway Fund, for building projects. Expenditures include $4,265,826 for projects and $4,431,531 for rehabilitation and repair.

GOVERNOR'S RECOMMENDATION. For FY 2010, the Governor recommends a reportable budget of $1.4 billion, which is an increase of $110.1 million, or 8.8 percent, above the amount approved by the 2009 Legislature, and a decrease of $71.7 million, or 5.0 percent, below the agency's FY 2010 revised estimate. This includes reportable expenditures from the State Highway Fund totaling $996.3 million, which is an increase of $81.5 million, or 8.9 percent, above the amount approved by the 2009 Legislature, and a decrease of $71.7 million, or 6.7 percent, below the agency's FY 2010 revised estimate. The decrease from the agency's request is due to the Governor's July and November allotments, which require Legislative approval. Not including allotment adjustments, the Governor concurs with the agency's request with regards to shifts in construction expenditures.

nonreportable expenditures, and FTE positions.

The Governor concurs with the agency's request for FY 2010 building projects.

To carry out the Governor's current year recommendation, the bill reduces the agency's operating expenditures by $24.9 million as part of the Governor's recommended July and November 2009 allotments.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Transfer $28.0 million from the State Highway Fund to the State General Fund in FY 2010. This is achieved by reducing planned maintenance lettings with projects costs totaling $87.0 million over a number of fiscal years.

Sec. 39 --Dept. of Health and Environment - Health

AGENCY ESTIMATE. The agency estimates a total of $167.5 million, including $23.5 million from the State General Fund, for the Health function in FY 2010. This is an increase of $8.2 million, or 5.1 percent, from all funding sources, and an increase of $329,180, or 1.4 percent, from the State General Fund, above the amount approved by the 2009 Legislature as adjusted for reappropriations and the Governor's July and November 2009 State General Fund allotments. Most of the requested increase from all funding sources is for increased federal funds expenditures.

GOVERNOR'S RECOMMENDATION. The Governor recommends a total of $167.7 million, including $23.2 million from the State General Fund, for the Health function in FY 2010. This is an increase of $8.4 million, or 5.3 percent, from all funding sources above the approved amount. The State General Fund recommendation of $23.2 million is the same as the approved amount, as adjusted for reappropriations and the Governor's July and November 2009 State General Fund allotments.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Appropriate the Health Information Exchange-Federal Fund as a no limit fund in FY 2010. The fund would be used to receive and expend a 5-year, $9.0 million federal grant to establish the Kansas Health Information Exchange. Substantive legislation to create the fund has also been introduced.

Sec. 40 --Dept. of Health and Environment - Environment

AGENCY ESTIMATE. The agency estimates a total of $75.9 million, including $8.0 million from the State General Fund, for the Environment function in FY 2010. This is an increase of $5.6 million, or 7.9 percent, from all funding sources, and an increase of $100,000, or 1.3 percent, from the State General Fund, above the amount approved by the 2009 Legislature as adjusted for reappropriations and the Governor's July and November 2009 State General Fund allotments. Most of the requested increase from all funding sources is for increased federal funds expenditures.

GOVERNOR'S RECOMMENDATION. The Governor recommends a total of $75.6 million, including $7.9 million from the State General Fund, for the Environment function in FY 2010. This is an increase of $5.3 million, or 7.5 percent, from all funding sources above the approved amount. The State General Fund recommendation of $7.9 million is the same as the approved amount, as adjusted for reappropriations and the Governor's July and November 2009 State General Fund allotments.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Appropriate the QuantiFERON TB Laboratory Fund as a no limit fund in FY 2010. The fund will receive revenues from contractual services payments received from state universities that wish

to contract for lab services related to the requirements that all college students have a tuberculosis test using QuantiFERON. Substantive legislation to create the fund has also been introduced.

Sec. 41 --Legislative Coordinating Council

AGENCY REQUEST. The agency requests a FY 2011 budget of $804,057, all from the State General Fund, an increase of $62, or less than 0.1 percent, above the revised current year estimate. The increase reflects fringe benefit increases in salaries and wages. The request would include 11.0 FTE positions, the same as requested for the current year.

GOVERNOR'S RECOMMENDATION. The Governor recommends $727,436, all from the State General Fund, for a reduction of $6,304, or 0.9 percent, below the FY 2010 recommendation taken all in salary and wages. The recommendation also is a reduction of $76,621, or 9.5 percent, below the agency request. This reflects a reduction of $41,319, or 5.5 percent, below the revised request for salary and wages and a reduction of $35,302, or 74.5 percent, in contractual services.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 41 --Legislative Research Department

AGENCY REQUEST. The agency requests a FY 2011 budget of $4,066,423, all from the State General Fund, an increase of $285,092, or 7.5 percent, above the revised current year estimate. The increase reflects the addition of $225,820 for the second year of redistricting that is required by the U.S. and Kansas Constitutions. This includes 2.0 additional temporary FTE positions and associated operating expenditures. Absent the cost associated with required redistricting, the agency request would reflect an increase of $59,272, or 1.6 percent. The increase reflects increases in longevity and fringe benefits. The request would include 40.0 FTE positions, the same as requested for the current year.

GOVERNOR'S RECOMMENDATION. The Governor recommends $3,420,862, all from the State General Fund, for a reduction of $77,109, or 2.2 percent, below the FY 2010 recommendation. The reduction totals $49,511, or 1.5 percent, below the FY 2010 recommendation in salary and wages and $27,598, or 20.1 percent, in contractual services. The recommendation also is a reduction of $645,561, or 15.9 percent, below the agency request. This reflects a reduction of $405,948, or 11.0 percent, below the agency request for salary and wages, a reduction of $124,798, or 53.2 percent, in contractual services, a reduction of $57,475, or 74.2 percent, in commodities, and a reduction of $57,340, or 100.0 percent, in capital outlay.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add $263,811, all from the State General Fund, in a separate line item to fund the costs associated with redistricting, excluding additional computer equipment. This will allow the agency to continue redistricting activities to assist the Legislature in the redrawing of legislative, State Board of Education, and congressional districts as required by the U.S. and Kansas Constitutions.

Sec. 41 --Revisor of Statutes

AGENCY REQUEST. The agency requests a FY 2011 budget of $3,451,541, all from the State General Fund, an increase of $20,174, or 0.6 percent, above the revised current year estimate. The increase is mainly in contractual expenditures ($21,000, or 3.6 percent) which is partially offset by a reduction in salaries and wages ($826, or less than 0.1 percent). The request would include 27.0 FTE positions, the same as requested for the current year.

GOVERNOR'S RECOMMENDATION. The Governor recommends $3,215,664, all from the State General Fund, for a reduction of $57,598, or 1.8 percent, below the FY 2010 recommendation. The reduction totals $136,198, or 5.0 percent, below the FY 2010 recommendation in salary and wages and $78,600, or 14.8 percent, above the recommendation in commodities. The recommendation also is a reduction of $235,877, or 6.8 percent, below the agency request. This reflects a reduction of $235,877, or 8.3 percent, below the agency request for salary and

wages.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 42 --Legislature

AGENCY REQUEST. The agency requests a FY 2011 budget of $17,776,830, including $17,601,584 from the State General Fund, an increase of $458,963, or 2.7 percent, above the revised current year estimate. The State General Fund request is an increase of $383,717, or 2.2 percent, above the FY 2010 revised request. The increase mainly reflects fringe benefit increases in salaries and wages and the addition of 4.0 temporary FTE positions. Included in the FY 2011 agency request is funding in the amount of $187,667 and 4.0 temporary FTE positions for redistricting activities that begin in the second half of FY 2011. The request would fund 37.0 FTE positions, the same as requested for the current year.

GOVERNOR'S RECOMMENDATION. The Governor recommends $16,131,233, including $15,955,987 from the State General Fund. This is a reduction of $200,448, or 1.2 percent, below the FY 2010 recommendation and a State General Fund reduction of $275,694 or 1.7 percent, below the FY 2010 recommendation. The recommendation reflects an increase of $87,917, or 0.9 percent, above the FY 2010 recommendation in salary and wages. The increase is offset by reductions of $277,032, or 4.1 percent, in contractual services, and a reduction of $11,333, or 5.0 percent, in commodities.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $125,000, all from the State General Fund, for FY 2011 to continue limiting legislator postage (franking) privileges to 50.0 percent, and cap leadership postage (franking) privileges at $2,500 annually. This would continue the limitation approved in the current year in HB 2222 (recission bill).

2. Delete $97,100, all from the State General Fund, and add language to limit all interim joint committees and special committees, except for the Legislative Coordinating Council, Legislative Post Audit, Redistricting Advisory Group, Administrative Rules and Regulations, and Senate Confirmations, to a total of 60 days for committee meetings to be distributed by the Legislative Coordinating Council during the 2010 interim period.

3. Delete $66,399, all from the State General Fund, to eliminate file clerks for FY 2011. All bills and supplemental notes are available electronically.

4. Delete $62,775, all from the State General Fund, and add language to limit distribution of new statute books to only new legislators for FY 2011.

5. Delete $61,098, all from the State General Fund, for FY 2011 to eliminate newspaper clippers and newspaper subscriptions.

6. Delete $33,702, all from the State General Fund, and add language for FY 2011 to eliminate the distribution of permanent House and Senate Journals to legislators.

7. Add language to limit funding for leadership days for FY 2011 to the following: President/Speaker - 30 days; Majority/Minority Leaders - 20 days; Chairs Ways and Means/Appropriations - 15 days; Vice President/Speaker Pro-tem 10 days; Assistant Majority/Minority Leaders - 5 days; and all other leadership positions - 0 days

8. Add $95,000, all from the State General Fund, for FY 2011, in a separate line item to fund the required redistricting activities. This would only provide $20,000 for training of existing staff and $75,000 for a contract with the Secretary of State to provide revised census data.

Sec. 43 --Division of Post Audit

AGENCY REQUEST. The agency requests a FY 2011 budget of $2,954,826, all from the State General Fund, an increase of $186,944, or 6.8 percent, above the revised current year estimate. The increase mainly reflects fringe benefit increases in salaries and wages ($36,844, or 1.6 percent) and increased contractual expenditures ($154,800, or 32.0 percent) due to an anticipated increase in the cost of the single state audit. The audit work will increase because of the addition of federal American Recovery and Reinvestment Act funding to many state agency's budgets. The request would fund 27.0 FTE positions, the same as requested for the current year.

GOVERNOR'S RECOMMENDATION. The Governor recommends $2,557,658, all from the State General Fund, for a reduction of $41,255, or 1.6 percent, below the FY 2010 recommendation. The reduction totals $114,855, or 5.2 percent, below the FY 2010 recommendation in salary and wages and $1,200, or 7.2 percent, below the FY 2010 recommendation in commodities. The decreases are partially offset by an increase of $74,800, or 20.6 percent, in contractual services.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $210,208, all from the State General Fund, and 5.0 FTE positions to eliminate the school district audit team for FY 2011. This team reports to the 2010 Commission which sunsets on December 31, 2010. Currently, the last meeting of the 2010 Commission is tentatively scheduled for April 23, 2010.

2. Add language for FY 2011 to suspend all school district audits for two years.

3. Delete $210,425, all from the State General Fund, and add language to allow Post Audit the ability to pass through the costs to the state agencies for the single statewide audit for FY 2011. The $210,425 in costs would then be spread across the budgets of almost all other state agencies.

Sec. 44 --Office of the Governor

AGENCY REQUEST. The agency requests a FY 2011 reportable budget of $18.4 million, a decrease of $188,053, or 1.0 percent, below the revised current year estimate. The request includes State General Fund expenditures of $7.3 million, a decrease of $639,174, or 8.0 percent, below the revised current fiscal year estimate. The request includes 40.0 FTE positions, an increase of 1.0 FTE position above the current fiscal year's revised estimate, based on changing a non-FTE permanent unclassified position to an FTE position.

GOVERNOR'S RECOMMENDATION. The Governor recommends a total of $18.0 million in reportable operating expenditures for FY 2011, an increase of $112,492, or 0.6 percent, from all funding sources, and a State General Fund decrease of $338,629, or 4.6 percent, from the revised FY 2010 estimate. The all funds increase is largely the result of additional anticipated federal fund receipts in FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete a total of $171,226, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011. In addition, include language authorizing the agency to shift funding among its State General Fund line items to allow the agency as much flexibility as possible to manage the recommended reduction.

Sec. 45 --Lieutenant Governor

AGENCY REQUEST. The agency requests $206,539, all from the State General Fund, for FY 2011, a decrease of $8,206, or 3.8 percent, below the revised current year estimate. Most of the decrease is attributable to reduced travel costs in FY 2011. The request includes 3.5 FTE positions, the same as requested for the current fiscal year. No enhancement funding is requested.

GOVERNOR'S RECOMMENDATION. The Governor recommends a total FY 2011 budget of $196,212, all from the State General Fund. The recommendation is a reduction of $7,015, or 3.5 percent, below the revised FY 2010 recommendation, and a reduction of $10,327, or 5.0 percent, below the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete a total of $4,822, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 46 --Attorney General

AGENCY REQUEST. The agency requests a FY 2011 budget of $20.0 million, a decrease of $777,595, or 3.7 percent, below the revised current fiscal year estimate. The request includes State General Fund expenditures of $4.7 million, a decrease of $114,793, or 2.4 percent, below the revised current fiscal year estimate. The request includes 110.0 FTE positions, unchanged from the revised current year estimate. The request includes enhancement funding of $1.7 million, all from special revenue funds. Although the enhancement expenditures are requested from special revenue funds, approximately $1.2 million of the expenditures would likely require a transfer from the State General Fund (or some other funding source) to agency special revenue funds. Absent the enhancement requests, the requested FY 2011 budget totals $18.3 million, representing a total decrease of $2.4 million, or 11.8 percent, below the revised current year estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 budget totaling $19.9 million, a decrease of $762,057, or 3.7 percent, below the revised current year recommendation. The recommendation includes State General Fund expenditures of $2.6 million, a decrease of $109,317, or 4.1 percent, below the revised current year recommendation. The recommendation includes 110.0 FTE positions, unchanged from the current fiscal year. The Governor's recommendation includes offsetting $1.9 million in State General Fund expenditures with expenditures from the Medicaid Fraud Prosecution Revolving Fund ($1.4 million), and the Court Cost Fund ($500,000).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete a total of $63,261, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent below the Governor's recommendation for FY 2011. In addition, include language authorizing the agency to shift funding among its State General Fund line items to allow the agency as much flexibility as possible to manage the recommended reduction.

2. Add $150,000 in expenditures for FY 2011, all from the Crime Victims Assistance Fund, for grants to domestic violence prevention programs and Children's Advocacy Centers. Grants to domestic violence prevention and Children's Advocacy Center programs in the budget of the Office of the Governor have been reduced by a combined $688,325, or 13.1 percent, since FY 2009. The Attorney General has indicated that with an increase in the statutory transfer cap (from $100,000 to $300,000), $150,000 could be made available for grants to those programs.

3. Delete the transfer of $20,000 from the Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund for FY 2011, and instead transfer the same amount from the Court Cost Fund to the Sexually Violent Predator Expense Fund. The agency requested $20,000, all from the Sexually Violent Predator Expense Fund, for FY 2011, to provide funds for reimbursement to counties for costs related to determining whether a person may be a sexually violent predator. By statute, if no moneys are available in the fund, counties may file a claim against the state. According to the agency, although the fund has been created, the statute provides no mechanism for moneys to be deposited in the fund. The Governor recommends transferring $20,000 from the agency's Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund. The agency raised concerns with using this funding mechanism, believing it to be inappropriate to use funds designated for crime victims to pay expenses on behalf of convicted sex offenders. The Committee shares these concerns and recommends the $20,000 be transferred from the agency's

Court Cost Fund instead of the Crime Victims Assistance Fund.

4. Add language transferring a total of $17.0 million over a six year period (FY 2012-FY 2017) from the State Water Plan Fund to the Interstate Water Litigation Fund of the Attorney General. This is intended to replenish the funding available for water litigation activities, and to replace the funding that was accidentally lapsed from the Interstate Water Litigation Reserve Account of the State General Fund in FY 2007. Under the recommendation, $2.0 million would be transferred in FY 2012, and $3.0 million would be transferred each year from FY 2013 through FY 2017.

Sec. 47 --Secretary of State

AGENCY REQUEST. The agency requests a FY 2011 budget of $6.7 million, a decrease of $651,254, or 8.8 percent, below the revised current year estimate. The request includes $150,993 in State General Fund expenditures. The request includes 55.0 FTE positions, the same number as currently authorized. Enhancement funding of $150,993, all from the State General Fund, is requested for two items: publication of a proposed constitutional amendment ($102,752); and funding requested to match additional federal funding available through the Help America Vote Act ($48,241).

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2011 total request from all funding sources. The Governor's recommendation includes funding for the two requested enhancements, but funds those enhancements from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 48 --State Treasurer

AGENCY REQUEST. The agency requests FY 2011 expenditures of $60,990,508, which is an increase of $43,978,250, or 258.5 percent, above the revised FY 2010 estimate. The majority of the increase is attributed to the requested transfers to the machinery and equipment tax sliders. For FY 2011, $35,183,000 will be transferred to the Business Machinery and Equipment Tax Reduction Assistance Fund and $8,800,000 to the Telecommunications and Railroad Machinery and Equipment Tax Reduction Assistance Fund. The agency requests 53.5 FTE positions, which is a reduction of 2.0 FTE positions from the current year. The agency's request includes $771,269 for the Pooled Money Investment Board.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $16,496,223, which is a decrease of $44,494,285, or 73.0 percent, below the agency's FY 2011 request. The recommendation is a decrease of $61,035, or 0.4 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend the transfer to the machinery and equipment tax sliders, totaling $43,983,000, which accounts for the majority of the decrease. The Governor also recommends reducing the Kansas Investments Developing Scholars (KIDS) Matching Grant Program by $445,000 to $265,000 to more accurately reflect the state's match. The Governor's recommendation includes $771,269 for the Pooled Money Investment Board.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 49 --Insurance Department

AGENCY REQUEST. The agency requests budget year operating expenditures of $24,761,620, an increase of $511,945, or 2.1 percent, above the FY 2010 agency estimate. The request is completely funded by special revenue funds. The majority of the increase is in two programs. The Workers Compensation Program projects increased attorney costs and increased medical expenses for workers compensation claims. The Insurance Company Regulation Program projects increased costs for salary and wages and communications costs. The agency requests 138.4 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $24,461,620, an increase of $211,945, or 0.9 percent, above the FY 2010 Governor's recommendation. The

recommendation is $300,000, or 1.2 percent, below the FY 2011 agency request. The Governor recommends an increase of $6,955 for contractual services. The Governor further recommends suspension of the required transfer from the State General Fund to the Workers' Compensation Fund for FY 2011 be suspended and recommends $5.0 million be transferred from the Insurance Department Service Regulation fund to the State General Fund. The Governor recommends 138.4 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 50 --Health Care Stabilization Fund Board

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $36,542,940 from the Healthcare Stabilization Fund, an increase of $1,377,369, or 3.9 percent, above the revised FY 2010 agency estimate. Of the request, $2,256,290 is for the Administrative Program, while the remaining $34,286,650 is for the payment of claims and claims related expenditures. The increase in expenditures is primarily attributable to increased legal defense costs and proposed information technology upgrades at the agency. The agency requests 17.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends $35,130,178 in operating expenditures for FY 2011, the same as the FY 2010 Governor's recommendation. The Governor's recommendation is $1,412,762, or 3.9 percent, below the agency's FY 2011 request. Of the request, $1,658,928 is for the Administrative Program, while the remaining $33,471,250 is for the payment of claims and claims related expenses. The Governor does not recommend implementation of the proposed enterprise management system and does not recommend increases in legal fees for the claims program. The Governor also recommends that the transfers to the Health Care Stabilization Fund for payments to KU residents, faculty and graduate medical education students be stopped. The total impact of stopping these transfers is approximately $2.5 million.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add 1.0 FTE position to respond to Kansas Open Records requests. The position is currently filled by a temporary legal assistant and that position would be made permanent. The Committee recommends the shift of $40,046 from agency capital outlay budget to salary and wages for FY 2011. This action will accommodate the new expenditure with no change in the expenditure limitation for the Administration program. The Committee recommends that the agency utilize fees received from compliance with the Kansas Open Records requests.

Sec. 51 --Judicial Council

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $1,296,116, all from special revenue funds. This is a decrease of $61,253, or 4.5 percent, below the revised FY 2010 estimate. The request includes 7.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 52 --Board of Indigents' Defense Services

AGENCY REQUEST. The agency requests an FY 2011 operating budget totaling $25.4 million, including $23.9 million from the State General Fund. The State General Fund request is $1.2 million, or 5.1 percent, above the agency's FY 2010 revised request. The increase is due to enhancement requests for increased salaries for public defenders, computer and server upgrades, and eight vehicle replacements, totaling $931,930. The request includes 195.0 FTE positions, the same as the current year.

GOVERNOR'S RECOMMENDATION. The Governor recommends $23.5 million, including $22.0 million from the State General Fund, for FY 2011. The Governor's State General Fund recommendation is a reduction of $232,226, or 1.0 percent, below the FY 2010 recommendation. It is partially offset by an increase in the agency's fee funds of $126,871, or 9.0 percent, above the FY 2010 recommendation. When compared to the agency's FY 2011 request, the recommendation is a reduction of $1.9 million, or 7.5 percent. The entire adjustment reflects a State General Fund reduction of 8.0 percent. The Governor recommends a reduction of $1.1 million in the Assigned Counsel program by lowering the rate paid to Assigned Counsel from $80 per hour to $62 per hour. The reduction is partially offset by an increase in the caseload estimate of $173,163. The Governor does not recommend any of the agency's enhanced funding requests. The recommendation includes 195.0 FTE positions, the same as the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $539,761, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 53 --Judicial Branch

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $132.6 million, an all funds increase of $8.2 million, or 6.6 percent, above the revised FY 2010 estimate. The request includes State General Fund expenditures of $117.9 million, an increase of $13.1 million, or 12.5 percent, above the revised FY 2010 estimate. The request includes 1,859.3 FTE positions, an increase of 4.0 FTE above the revised FY 2010 estimate. The FTE increase is due to an enhancement request for 1.0 FTE Research Attorney and the inclusion of 3.0 FTE for the 14th Court of Appeals judge and staff, in the agency request. In addition, the request includes enhancements totaling $3.9 million, including $3.7 million from the State General Fund, for the second phase of the nonjudicial employee salary adjustment, 1.0 FTE Research Attorney and funding associated with the position. Absent the enhancements, the request is $128.7 million, including $114.1 million from the State General Fund. This is an all funds decrease of $4.4 million, or 3.5 percent, and a State General Fund decrease of $9.3 million, or 8.9 percent, below the revised FY 2010 estimate. The agency request also includes $199,499, all from the State General Fund, for the construction of the 14th Court of Appeals judge's suite.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $123.7 million, including $104.0 million from the State General Fund. The recommendation is an all funds increase of $2.3 million, or 1.9 percent, and a State General Fund increase of $2.3 million, or 2.2 percent, above the Governor's FY 2010 recommendation. The recommendation is an all funds decrease of $9.0 million, or 6.8 percent, and a State General Fund decrease of $13.8 million, or 11.7 percent, below the agency FY 2011 request. The recommendation includes a decrease of $5.1 million, all from the State General Fund, for salaries and wages. In addition, it did not include carrying forward the agency's supplemental appropriation of $5.0 million, all from the State General Fund, from FY 2010 for a total salaries and wages reduction of $10.1 million in FY 2011.The Governor did recommend continuing the Judicial Branch Surcharge, currently known as the Emergency Surcharge, to generate approximately $5.0 million in other funds. The Governor did not recommend the agency's enhancement request totaling $3.9 million, including $3.7 million from the State General Fund for the second phase of the nonjudicial adjustment plan and Research Attorney position.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $4.7 million, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.

2. Delete $225,515, all from the State General Fund, and 3.0 FTE positions for the 14th Court of Appeals Judge and staff for FY 2011.

3. Delete $199,499, all from the State General Fund, for construction of the 14th Court of Appeals Judge and staff offices for FY 2011.

4. Add language for FY 2011 to require fees paid for advance sheets and bound volumes of

opinions of the Supreme Court and Court of Appeals be used for the cost of printing the publications. Any remaining costs associated with printing will be paid for by State General Funds.

Sec. 54 --Kansas Public Employees Retirement System (KPERS)

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $43,540,730, including $3,213,748 from the State General Fund. The request is an all funds increase of $4,116,492, or 10.4 percent, and a State General Fund increase of $2,574,614, or 403.0 percent, above the FY 2010 estimate. The State General Fund increase is a result of the agency paying both the principal and interest portion of the KPERS 13th Check bond. As a result of the bonds being refinanced no principal payments were made in the current year. The all other funds increase is largely due to an increase in the professional fees associated with KPERS investments.

Included in the request is a transfer of $67.1 million from the Kansas Endowment for Youth Fund to the Children's Initiatives Fund for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Reduce the transfer from the Kansas Endowment for Youth Fund to the Children's Initiatives Fund by $12.0 million from $67.1 million to $55.1 million for FY 2011.

2. Transfer $12.0 million from the Kansas Endowment for Youth Fund to the State General Fund for FY 2011.

Sec. 55 --Kansas Human Rights Commission

AGENCY REQUEST. The Human Rights Commission requests $2,095,142 for operating expenditures for FY 2011. This is an increase of $212,745, or 11.3 percent, above the FY 2010 revised estimate. The request includes $1,774,983 from the State General Fund, an increase of $249,502, or 16.4 percent, above the FY 2010 revised estimate. Special revenue funds comprise $320,159 of the request, a decrease of $36,757, or 10.3 percent, below the FY 2010 revised estimate. The increase is attributed to enhancements totaling $256,943, all from the State General Fund. Without the enhancements, the request totals $1,838,199, a decrease of $44,198, or 2.3 percent, below the agency's FY 2010 estimate reflecting the absence of re-appropriated State General Fund amounts in FY 2011. The agency request includes the 34.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $1,762,297, a decrease of $120,100, or 6.4 percent, below the FY 2010 Governor's recommendation. The Governor's recommendation is a decrease of $332,845, or 18.8 percent, below the FY 2011 agency estimate. The recommendation includes $1,442,138 from the State General Fund, a decrease of $83,343, or 5.5 percent, below the FY 2010 Governor's recommendation. The decrease is attributable to a 3.3 percent increase in the salary and wages shrinkage rate for the agency for a savings of $65,058 and a reduction in contractual service expenditures for a savings of $10,844. The Governor also did not recommend the agency's enhancement requests.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $35,442, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 56 --Kansas Corporation Commission

AGENCY REQUEST. The agency requests a FY 2011 budget totaling $24.5 million, all from special revenue funds, which is a decrease of $2.8 million, or 10.4 percent, below the agency's revised FY 2010 estimate. The FY 2010 request includes enhancements totaling $596,401, all from special revenue funds. Absent the enhancements, the FY 2011 request is $24.0 million, which is a decrease of $3.3 million, or 12.2 percent, below the revised FY

2010 estimate. The decrease is attributed to one-time expenditures in FY 2010, such as enhancement funding for the 2010 Project, which sought to strengthen the agency's technology infrastructure, and funding for the Kansas Electric Transmission Authority (KETA). KETA will request funding independently for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 budget totaling $24.0 million, all from special revenue funds, which is a decrease of $496,401, or 2.0 percent, below the agency's FY 2011 request and a decrease of $3.3 million, or 12.2 percent, below the Governor's FY 2010 recommendation. The recommendation does not recommend the $400,000 transfer from the State General Fund to the Abandoned Oil and Gas Well Fund, but does recommend $100,000 for KETA funding for FY 2011.

In addition, the Governor recommends the transfer of $1.5 million in agency fee fund balances to the State General Fund for FY 2011. Specifically, the Governor recommends the transfer of $350,000 from the Public Service Regulation Fund, $255,000 from the Gas Pipeline Fee Fund, $500,000 from the Conservation Fee Fund, $20,000 from the In-Service Education Fund, $25,000 from the Petroleum Violation Escrow Fund, and $350,000 from the Motor Carrier Fee Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 57 --Citizens' Utility Ratepayer Board

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $816,094, all from the Utility Regulatory Fee Fund. The request is a decrease of $95,192, or 10.4 percent, below the revised FY 2010 estimate. The decrease is attributed to FY 2009 funds that the agency carried forward and has budgeted for contractual services in FY 2010. Consequently, the FY 2011 request for contractual services is decreased by $103,087, which is partially offset by increases in salary and wages due to higher health insurance costs.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $807,710, all from the Utility Regulatory Fee Fund, which is a decrease of $9,194, or 1.1 percent, below the agency's FY 2011 request and a decrease of $104,386, or 11.4 percent, below the Governor's FY 2010 recommendation. The Governor's recommendation to reduce contractual services expenditures by $9,194 will bring the agency's FY 2011 budget into balance. As submitted, the agency's budget had a negative fee fund balance of $9,194.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 58 --Department of Administration

AGENCY REQUEST. The agency requests FY 2011 operating expenditures totaling $78.5 million, an increase of $13.2 million, or 20.2 percent, above the current year revised estimate. The request includes $68.7 million from the State General Fund, an increase of $14.1 million, or 25.8 percent, above the current year revised estimate. The request includes 176.6 FTE positions.

The agency's request includes $55.4 million, all from the State General Fund, for debt service payments. The request is an increase of $13.5 million, or 32.3 percent, above the current year revised estimate. In FY 2010, several bonds were restructured which reduced debt service payments. Those reductions are not carried forward to FY 2011, which accounts for the increase.

Without debt service, the agency requests FY 2011 operating expenditures totaling $23.1 million, a reduction of $312,245, or 1.3 percent, below the current year revised estimate. The request includes $13.3 million from the State General Fund, an increase of $565,382, or 4.4 percent, above the current year revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends $77.4 million, an increase of $12.8 million, or 19.8 percent, above the Governor's FY 2010 recommendation. The recommendation includes $67.6 million from the State General Fund, an increase of $13.7 million, or 25.4 percent, above the FY 2010 recommendation. When compared to the agency's request, the Governor's recommendation is a reduction of $1.1 million, or 1.4 percent. The State General Fund recommendation is a reduction of $1.1 million, or 1.6 percent.

The recommendation includes $55.2 million, all from the State General Fund, for debt service payments. Without the debt service, the Governor's recommendation totals $22.2 million, including $12.4 million from the State General Fund. The recommendation, absent debt service, is an all funds reduction of $471,112, or 2.1 percent, below the FY 2010 recommendation and a State General Fund increase of $406,515, or 3.4 percent, above the FY 2010 recommendation. The State General Fund increase includes $150,000 for a gubernatorial transition team, and an increase of $322,804 in the Public Broadcasting Council grant for debt service payments. These increases are partially offset by reductions throughout the agency.

The Governor accepted the agency's reduced resources decreasing the agency's State General Fund request by 5.0 percent, across-the-board. The Governor did not include the agency's enhancement request totaling $242,664 for the Public Broadcasting Council. The reductions are partially offset by an increase of $13.5 million in debt service payments and scheduled rate increases in the employer's contribution to Group Health Insurance and KPERS benefits. The Governor concurs with the agency's request for 176.6 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $150,000, all from the State General Fund, for a Gubernatorial Transition Team for FY 2011. By statute, the Governor's recommendation must include funding for a transition team for the next Governor. The statute does not require the legislature to appropriate the funds.

2. Delete $358,430, including $63,260 from the State General Fund, for longevity bonus payments for FY 2011. The agency would be required to make the payments from existing resources.

Sec. 59 --Office of Administrative Hearings

AGENCY REQUEST. The agency requests $910,472, all from the Office of Administrative Hearings Fund, for operating expenditures for FY 2011. This an increase of $15,472, or 1.7 percent, above the FY 2010 estimate. The increase is due to scheduled increases on employer contributions to group health insurance and Kansas Public Employee Retirement System benefits, as well as operating charges and miscellaneous fees within contractual services. The request includes 13.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2011 request, and further recommends a transfer of $150,000 from the Administrative Hearings Fee Fund to the State General Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 60 --Court of Tax Appeals

AGENCY REQUEST. The agency is requesting $2,036,690 for FY 2011 operating expenditures, including $1,455,698 from the State General Fund. Included in the agency's request is $5,000 from the Duplicating Fees Fund and $575,992 from the Filing Fee Fund. The request is an all funds increase of $58,307, or 3.0 percent, and a State General Fund increase of $28,807, or 2.0 percent, above the FY 2010 revised estimate. The increase is largely attributable to increased costs associated with fringe benefits such as higher insurance premiums and KPERS employer contributions. The agency also saw requests increases in contractual services and commodities.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $2,036,690, including $1,382,913 from the State General Fund, which is the same as the agency's FY 2010 estimate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $33,986, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

2. Add $33,000, all from the Court of Tax Appeals Filing Fee Fund, for FY 2011 to offset the agency's State General Fund reduction. The addition of $33,000 will increase the expenditure limitation on the agency's Filing Fee Fund by $33,000, from $648,777 to $681,777 for FY 2011.

Sec. 61 --Department of Revenue

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $110,707,981, including $17,214,120 from the State General Fund. The request is an all funds increase of $3,993,331, or 3.7 percent, and a State General Fund increase of $331,330, or 2.0 percent, above the FY 2010 estimate. The request includes one enhancement to replace 12 agency vehicles. The enhancement totals $160,860 and is funded entirely through the Division of Vehicles Operating Fund. Without the enhancement, the request would be an all funds increase of $3,832,471, or 3.6 percent, above the FY 2010 estimate. The overall increase is partially attributable to an increase in costs associated with fringe benefits and an increase in the Division of Vehicles Modernization Project. The increase was offset by decreases in several special revenue funds including the VIPS/CAMA Technology Hardware Fund, the Vehicles Dealers and Manufacturers Fee Fund and the Special County Mineral Production Fund.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $109,696,415, including $16,353,414 from the State General Fund. The recommendation is an all funds increase of $3,478,249, or 3.3 percent, and a State General Fund decrease of $22,892, or 0.1 percent, from the Governor's FY 2010 recommendation. The increase is mostly attributable to the continuation of the Division of Vehicles Modernization Project. The recommendation is an all funds decrease of $1,011,566, or 0.9 percent, and a State General Fund decrease of $860,706, or 5.0 percent, below the agency's FY 2011 request. The decrease is due to the Governor recommending the agency's reduced resources of $860,706. Included in the Governor's recommendation is a $10,000 increase for a technical adjustment for an existing homeland security grant. The technical adjustment also created the Drivers License First Responders Indicator Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $401,897, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 62 --Kansas Lottery

AGENCY REQUEST. The agency requests a FY 2011 budget totaling $83.3 million, an increase of $17.7 million, or 26.9 percent, above the FY 2010 revised request. All requested expenditures would come from special revenue funds. The agency estimates gaming facility operators will be accepted to run, on behalf of the state, one casino in each of the Northeast and the South Central Gaming Zones. The increase is primarily attributed to this activity. The agency also requests enhanced funding for six replacement vehicles, totaling $119,200. Without the enhancements, the agency's request is $17.6 million, or 26.7 percent, above the agency's revised FY 2010 request. The request includes 99.0 FTE positions, an increase to the FTE limitation of 10.0 positions. All new positions would be in the Expanded Lottery program.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 budget totaling $78.3 million, an increase of $12.9 million, or 19.6 percent, above the FY 2010 recommendation. When compared to the agency's request, the Governor's recommendation is a reduction of $4,989,300, or 6.0 percent. The Governor does not recommend enhanced funding for vehicles. The recommendation includes additional reductions to salaries and wages designed to encourage the agency to meet the annual recommended $72.0 million transfer to the State Gaming Revenues Fund. The Governor also recommends reducing the amount of payments made to the Southwest Gaming Zone casino group based on updated estimates.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 63 --Kansas Racing and Gaming Commission

AGENCY REQUEST. The agency requests a FY 2011 budget totaling $9,441,582, all from special revenue funds. The request is an increase of $2,451,254, or 35.1 percent, above the agency's FY 2010 revised budget request. The agency has several enhancement requests totaling $1,301,448. Most of the enhancements are related to casino regulatory activity in the Northeast and South Central Gaming Zones. Without the enhancements, the agency's request is an increase of $1,149,806, or 16.4 percent, above the current year revised estimate. The remaining increase is due to regulatory activity for a full year of operation at the casino in the Southwest Gaming Zone. The request includes 96.5 FTE positions, an increase of 23.0 positions. The increase in positions is part of the agency's enhancement requests.

GOVERNOR'S RECOMMENDATION. The Governor recommends $8.1 million, all from special revenue funds, for FY 2011. The recommendation is an increase of $1.2 million, or 16.4 percent, above the Governor's FY 2010 recommendation. This is related to increases in casino regulation charged to the gaming facility operator in the Southwest Gaming Zone for the first full year in which the casino is open. Additional increases are related to background checks and other regulatory duties necessary for the gaming facility operators in the Northeast and South Central Gaming Zones. The recommendation does not include any enhancement funding.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 64 --Department of Commerce

AGENCY REQUEST. The agency is requesting FY 2011 operating expenditures of $131,957,323, including $16,564,779 from the Economic Development Initiatives Fund (EDIF). The agency is not requesting any State General Fund appropriations for FY 2011. The all funds request is a decrease of $22.2 million, or 14.4 percent, and an EDIF increase of $312,471, or 2.0 percent, from the agency's FY 2010 revised request. The all funds decrease is largely attributable to a reduction in federal funding and the EDIF increase is attributable to the agency's one enhancement package of $150,000 to fund the Kansas Sesquicentennial Celebration in 2011.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $131,786,584, including $15,594,040 from the Economic Development Initiatives Fund (EDIF). The Governor's FY 2011 recommendation does not contain any appropriations from the State General Fund. The Governor's recommendation is an all funds decrease of $21,843,367, or 14.2 percent, and an EDIF decrease of $658,268, or 4.1 percent, below the Governor's FY 2010 recommendation. The all funds decrease is largely attributable to the fact that the additional federal funds the agency received in FY 2010 did not continue to FY 2011. The FY 2011 recommendation is an all funds decrease of $170,739, or 0.1 percent, and an EDIF decrease of $970,739, or 5.9 percent, below the agency's FY 2011 request. The EDIF decrease is a result of the Governor not recommending the agency's enhancement request of $150,000, all from the EDIF, for the Kansas Sesquicentennial Celebration and accepting the agency's 5.0 percent reduced resources package of $820,739. The all funds decrease is offset by an increase in the Kansas Economic Opportunity Initiatives Fund (KEOIF) of $800,000. The KEOIF is funded through a transfer from the EDIF and for FY 2011 the agency requested $1,250,000; however, the Governor recommended a transfer of $2,050,000.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 65 --Kansas Inc.

AGENCY REQUEST. The agency requests $576,438 for FY 2011 operating expenditures, an increase of $49,164, or 9.3 percent, above the FY 2010 estimate. The estimate includes $365,162 from the Economic Development Initiatives Fund (EDIF) and $211,276 from the Kansas, Inc. Private Fund. The increase is a result of costs associated with moving the president's salary from contractual services to salaries and wages.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $558,180, including $346,904 from the Economic Development Initiatives Fund. The recommendation is an all funds reduction of $18,258, or 3.2 percent, and an Economic Development Initiatives Fund reduction of $18,258, or 5.0 percent from the agency's FY 2011 request. The reduction is a result of increased shrinkage as a result of holding open the policy analyst position.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 66 --Kansas Technology Enterprise Corp.

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $12,464,950, including $10,600,000 from the Economic Development Initiatives Fund. The request is an increase of $2,388,121, or 23.7 percent, above the FY 2010 revised estimate. The request includes three enhancements totaling $3,740,000. Without the enhancements, the request would be a decrease of $1,351,879, or 13.4 percent, below the FY 2010 revised estimate. The FY 2011 request includes a decrease of $343,000, all from the Economic Development Initiatives Fund, for Entrepreneurial Centers, PIPELINE program, and EPSCoR. Also included in the agency's FY 2011 request is a decrease of $500,000, all from the Economic Development Initiatives Fund, for operating expenses. The agency has requested three enhancements to supplement this funding, $3,740,000 from the Economic Development Initiatives Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $7,854,950, including $5,990,000 from the Economic Development Initiatives Fund. The recommendation is a decrease of $1,971,879, or 20.1 percent, below the Governor's FY 2010 recommendation and a decrease of $4,610,000, or 37.0 percent, below the agency's FY 2011 request. The Governor reduced the agency's Product Investment Financing, or investments, program by $600,000 for FY 2011. Additionally, the Governor reduced the agency's Commercialization Program by $143,000 and imposed a further reduction of $127,000 on agency expenditures for information technology expenses.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 67 --Kansas Housing Resources Corporation

GOVERNOR'S RECOMMENDATION. The Governor recommends "no limit" expenditure authority for the Housing Trust Fund for FY 2011, the same as FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 68 --Department of Labor

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $1,065,692,879, a decrease of $405,480,704, or 27.6 percent, below the FY 2010 revised estimate. The reduction is attributable to a reduction of $406,272,901 in projected Unemployment Insurance benefits. The request includes an enhancement of $106,400, all from special revenue funds, for seven replacement vehicles. The request includes $478,513 from the State General Fund, an increase of $7,558, or 1.6 percent, above the FY 2010 revised estimate. The agency is shifting State General Fund expenditures in the Labor Relations program to the Federal Indirect Cost Offset fund but this only partially offsets increased expenditures for salary and wages in the Administration program for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $1,065,562,553, a decrease of $405,596,901, or 27.6 percent, below the FY 2010 Governor's recommendation. The Governor's recommendation is $130,326, or less than 0.1 percent, below the FY 2011 agency request. The Governor does not recommend the agency's enhancement requests of $106,400 in special revenue funds for new vehicles and $23,926 from the State General Fund due the agency reduced resource package. The reduced resources proposal totals $23,926, equivalent to 5.0 percent of the agency State General Fund budget. The Governor does not recommend $451,920 in capital improvement projects. The Governor further recommends a transfer of $800,000 from the Workers' Compensation Fee Fund to the State General Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $11,172, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent below the Governor's recommendation for FY 2011.

Sec. 69 --Commission on Veterans Affairs

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, all from the State General Fund. 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 recommends FY 2011 State General Fund expenditures of $7,556,323, a decrease of $648,584, or 7.9 percent, below the Governor's 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 Governor does not recommend the enhancement proposal 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 Funds and reduce the State General Fund appropriation by the same amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $185,702, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

2. Increase the expenditure limitation on the following funds from the amount indicated to no limit for FY 2011: Soldiers' Home Fee Fund ($1,644,916); Soldiers' Home Medicare Fund ($288,000); Soldiers' Home Medicaid Fund ($270,000); Veterans' Home Medicare Fund ($188,000); Veterans' Home Medicaid Fund ($360,000); Veterans' Home Fee Fund ($3,495,481); VA Burial Reimbursement Fund - Federal ($56,400); Veterans Home Federal Fund ($2,958,598); Soldiers Home Federal Fund ($2,382,332); and the Commission on Veterans Affairs Federal Fund ($206,208).

3. Add language to allow the Executive Director of the Kansas Commission on Veterans' Affairs to transfer funds between the programs under the authority of Kansas Commission on Veterans' Affairs in order to assist in the best allocation of resources within the agency for FY 2011.

4. Add language to allow the Kansas Commission on Veterans' Affairs to expend Scratch Lotto Funds received by the agency for the enhanced service delivery program for normal program operations in the Veterans Services program, notwithstanding KSA 74-8724(3)(b) for FY 2011.

Sec. 70 --Dept. of Health and Environment - Health

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.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete a total of $654,054, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's FY 2010 recommendation for FY 2011.

2. Appropriate the Health Information Exchange-Federal Fund as a no-limit fund for FY 2011. The fund would be used to receive and expend a 5-year, $9.0 million federal grant to establish the Kansas Health Information Exchange. Substantive legislation to create the fund has also been introduced.

Sec. 71 --Dept. of Health and Environment - Environment

AGENCY REQUEST. The agency requests expenditures of $73.0 million for the Environment Function, which is a decrease of $2.9 million, or 3.8 percent, below the revised FY 2010 estimate. Enhancements of $1.5 million, including $0.9 million from the State General Fund, are requested. Absent enhancements, the request totals $71.5 million, which is a decrease of $4.4 million, or 5.8 percent, below the revised FY 2010 estimate. State General Fund expenditures of $8.8 million are requested, which is an increase of $0.8 million, or 9.6 percent, above the revised FY 2010 estimate. Absent enhancements, the State General Fund request totals $7.9 million, which is a decrease of $130,779, or 1.6 percent, below the revised FY 2010 estimate. The request also includes $1.9 million from the Children's Initiatives Fund, $3.8 million from the State Water Plan Fund, $18.7 million in federal funds, and $39.8 million from all other funding sources.

GOVERNOR'S RECOMMENDATION. The Governor recommends expenditures of $73.0 million for the Environment function, which is a decrease of $2.9 million, or 3.8 percent, below the revised FY 2010 estimate. The recommendation is a reduction of $2.3 million, or 3.1 percent, below the agency's request. The recommendation includes State General Fund expenditures of $7.8 million, which is a decrease of $0.1 million, or 1.8 percent, below the revised FY 2010 recommendation, and a reduction of $1.0 million, or 11.5 percent, below the agency's recommendation, largely as the result of requested enhancements that are not recommended. The recommendation also includes $1.9 million from the Children's Initiatives Fund, $3.0 million from the State Water Plan Fund, $18.6 million in federal funds, and $39.4 million from all other funding sources. The Governor's recommendation includes $350,000, all from the State Water Plan Fund, to match federal funding to provide $3.5 million in funding for the Treece buyout program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete a total of $191,193, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

2. Appropriate the QuantiFERON TB Laboratory Fund as a no limit fund for FY 2011. The fund will receive revenues from contractual services payments received from state universities that wish to contract for lab services related to the requirements that all college students have a tuberculosis test using QuantiFERON. Substantive legislation to create the fund has also been introduced.

Sec. 72 --Department on Aging

AGENCY REQUEST. The agency requests a FY 2011 budget of $512.1 million, an increase of $22.6 million, or 4.6 percent, above the revised current year estimate. The request includes State General Fund expenditures of $179.1 million, an increase of $32.1 million, or 21.8 percent, above the revised current year estimate. The request includes 214.0 FTE positions and 16.0 non-FTE positions, the same as the revised current year estimate. The request includes eleven enhancements totaling $22.9 million, including $11.4 million from the State General Fund. Absent the enhancements, the request would be a decrease of $300,000, or less than 0.1 percent, from all funding sources below the revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends $494.8 million, including $172.9 million from the State General Fund for FY 2011. The recommendation is a decrease of $17.2 million, or 3.4 percent, below the agency's request. This includes a decrease of $6.1 million, or 3.5 percent, below the agency's State General Fund request. The Governor does not recommend the enhancement requests with the exception of $675,000, all from the State General Fund, for the Nutrition Program to help maintain the number of meals served at the FY 2010 level.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $8,561,130, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

2. Delete $4,559,625, including $1,382,478 from the State General Fund, for FY 2011 to capture savings associated with the billing delay from the Medicaid provider reductions implemented from January 1, 2010 through June 30, 2010.

Sec. 73 --Health Policy Authority

AGENCY REQUEST. The agency requests a FY 2011 reportable operating budget of $1.5 billion, an increase of $2.3 million, or 0.2 percent, above the revised current year estimate. The request includes State General Fund expenditures of $444.8 million, an increase of $58.7 million, or 15.2 percent, above the revised current year estimate. The request includes 288.7 FTE positions, an increase of 7.0 FTE positions above the revised FY 2010 estimate. The FTE positions include the addition of 24.0 FTE positions, partially offset by reductions in the revised current year estimate.

The request includes enhancement funding of $10.3 million, including $366,756 from the State General Fund. Absent the enhancement requests, the FY 2011 request would be a reduction of $8.0 million, or 0.5 percent, and a State General Fund increase of $58.4 million, or 15.1 percent, from the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 reportable operating expenditures of $1.5 billion, including $477.5 million from the State General Fund. The recommendation is an all funds increase of $73.9 million, or 5.2 percent, and a State General Fund increase of $90.0 million, or 23.2 percent, above the FY 2010 recommendation. The Governor's recommendation is an increase of $35.2 million, or 2.4 percent, above the agency's request.

The Governor recommends the addition of $50.8 million, including $39.6 million from the State General Fund, for human service caseloads, as agreed to in the fall 2009 consensus caseload process. The portion of expenditures anticipated to be funded by the federal government for the Medicaid program decreased in FY 2011 due to the end of the federal American Recovery and Reinvestment Act (ARRA) funding at the end of December 2010, or half way through FY 2011. In addition, the base Medicaid matching rate for federal contributions, excluding ARRA funding, was reduced by 1.33 percent between FY 2010 and FY 2011. In addition, the Governor's recommendation includes one of the agency's enhancement requests, totaling $9.5 million, all from federal funds, and 24.0 FTE positions for the Kansas Access to Covering Health (KATCH) grant.

The Governor's recommendation also includes operational reductions totaling $4.1 million, including $2.0 million from the State General Fund. The Governor's recommendation continues the policy from the FY 2010 allotments to limit MediKan benefits to 12 months, resulting in FY 2011 savings of $1.1 million, all from the State General Fund.

The Governor recommends revising downward the estimate for the State Children's Health Insurance Program (SCHIP) resulting in savings of $3.3 million, including $1.0 million from the State General Fund for FY 2011.

The Governor recommends accepting all three of the agency's reduced resource items, totaling $5.8 million, including $2.0 million from the State General Fund. The reduced resources include professional services rate leveling, streamlining prior authorization, and mental health pharmacy management.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $8,270,000, all from the State General Fund, for FY 2011 and add the same amount from federal funds, due to the application of the enhanced federal contribution for Medicare clawback payments which will decrease the amount the state owes the federal government by $24.7 million over two years. The enhanced match will be retroactive to the beginning of the ARRA benefit period, October 2008.

2. Add $2,000,000, including $800,000 from the State General Fund, to restore savings anticipated in the Governor's recommendation from the implementation of a preferred drug list for mental health prescriptions for FY 2011.

3. Delete $3,148,685, including $954,681 from the State General Fund, for FY 2011 to capture savings associated with the billing delay from the Medicaid provider reductions implemented in FY 2010.

4. Delete $526,316, including $200,000 from the State General Fund, for salary and wages for FY 2011.

5. Delete $5,500,000, including $1,400,000 from the State General Fund, to capture savings associated with increasing premiums at all levels by $20 per month for the State Children's Health Insurance Program (SCHIP) for FY 2011.

6. Delete $8,332,500, including $2,916,375 from the State General Fund, to capture savings associated with reducing hospice services from a maximum of six months to three months for FY 2011.

7. Delete $5,775,000, including $2,310,000 from the State General Fund, to capture savings associated with eliminating transitional Medicaid benefits after the expiration of the enhanced federal match for the Medicaid program for FY 2011.

8. Delete $240,000, including $84,000 from the State General Fund, to capture savings associated with implementation of a policy of limiting the first fill of brand name prescriptions to 15 days instead of the current 30 day fill policy for FY 2011.

9. Delete $500,000, including $175,000 from the State General Fund, associated with an expanded Drug Use Reviews and by increasing expenditures for prescriber educational and peer intervention efforts for FY 2011.

10. Add $13,780,200, including $4,134,060 from the State General Fund, for increased Medicaid expenditures in the regular medical program due to the payment of a 1.0 percent privilege fee by all managed care organizations in the state for FY 2011.

11. Delete $5,091,220, all from the State General Fund, by reducing expenditures from the MediKan program for FY 2011.

12. Add language prohibiting the implementation of a MediKan preferred drug list for FY 2011.

13. Add language specifying funds donated or granted to the agency may only be used to assist the Clearinghouse in reducing backlogs unless specifically allowed by the contributing entity for FY 2011.

Sec. 74 --Social and Rehabilitation Services

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $1.6 billion, a decrease of $30.2 million, or 1.9 percent, below the revised current year estimate. The request includes State General Fund expenditures of $625.3 million, an increase of $57.7 million, or 10.2 percent, above the revised current year estimate. The request includes 3,669.1 FTE positions and 85.3 non-FTE positions, the same number of FTE positions as the revised current year estimate.

The request includes enhancement funding of $50.4 million, including $30.8 million from the State General Fund. Absent the enhancement requests, the request for FY 2011 would total $1.5 billion, including $594.5 million from the State General Fund, representing an overall decrease of $80.6 million, or 5.0 percent, and a State General Fund increase of $26.9 million, or 4.7 percent, from the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures $1.6 billion, including $592.9 million from the State General Fund. The recommendation is an all funds decrease of $43.4 million, or 2.7 percent below the FY 2010 recommendation. The Governor's recommendation is a decrease of $17.1 million, or 1.1 percent, below the agency's request. The Governor does not recommend any of the agency's enhancement requests. In addition, the Governor recommends the following adjustments:

A reductions of $8.3 million, including $8.1 million from the State General Fund, in Department of Social and Rehabilitation Services savings from reduced resources.

An addition of $34.5 million, including $8.1 million from the State General Fund, to fund the human services consensus caseloads agreed to at the fall estimating meeting.

An addition of $6.7 million in special revenue funds to be expended for the home and community based services waivers. The addition of special revenue funds results in the addition of $12.1 million of federal Medicaid funds. The increase is partially offset by the loss of $8.3 million in federal Medicaid funding resulting from the 1.33 percent decrease in the federal base match rate. The net increase to the system is $10.5 million.

A reduction of $270,805, all from federal funds for the Intermediate Care Facilities for Persons with Mental Retardation (ICF/MRs), resulting from the 1.33 percent decrease in the federal base match rate.

The Governor also recommends increasing the agency's salary and wages shrinkage by $3.0 million, including $1.6 million from the State General Fund, from 16.3 percent to 18.5 percent.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $5,640,890, including $1,710,318 from the State General Fund, for FY 2011 to capture savings associated with the billing delay from the Medicaid provider reductions implemented in FY 2010.

2. Delete $4,108,332, including $1,828,208 from the State General Fund, for FY 2011 for salary and wages reductions.

3. Delete $3,707,204, all from the State General Fund, to suspend all General Assistance payments for FY 2011.

4. Delete $17,401,067, including $6,200,000 from the State General Fund, from reductions to the home and community based services waivers after the enhanced federal match for the Medicaid program expires for FY 2011.

5. Delete $519,900, all from the State General Fund, to eliminate funding for the Funeral Assistance program for FY 2011.

6. Delete $5,890,993, all from the State General Fund, to reduce Mental Health Consolidated Grants for FY 2011.

7. Delete $5,233,297, all from the State General Fund, to reduce Mental Health State Aid for FY 2011.

8. Delete $1,325,000, all from the State General Fund, to reduce direct services grants for FY 2011.

9. Delete $3,163,000, all from the State General Fund, to reduce Developmental Disabilities State Aid for FY 2011.

10. Delete $500,000, all from the State General Fund, from information technology expenditures for FY 2011.

11. Delete $8,991,611, all from the Children's Initiatives Fund, to reduce all programs by 24.0 percent for FY 2011. This reduction was also applied to Department of Education programs funded by the Children's Initiatives Fund.

12. Add language which specifies that the Secretary is not responsible for administering programs which do not received adequate funding to provide assistance for FY 2011.

Sec. 74 --Rainbow Mental Health Facility

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $8,846,522, including $5,774,298 from the State General Fund. The request is an all funds increase of $79,347, or 0.9 percent, above the FY 2010 revised estimate and a State General Fund decrease of $51,158, or 0.9 percent, below the FY 2010 revised estimate. The request includes 122.2 FTE positions and does not include any enhancement requests.

GOVERNOR'S RECOMMENDATION. The Governor recommends operating expenditures of $8,596,522, including $4,524,298 from the State General Fund. The recommendation is an all funds decrease of $250,000, or 2.8 percent, below the FY 2011 agency request, and a State General Fund decrease of $1,250,000, or 21.6 percent, below the FY 2011 agency request. The decrease is attributable to a State General Fund transfer of $1,000,000 to the Department of Social and Rehabilitation Services and a reduction of $250,000 due to an increased salary and wages shrinkage rate.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 74 --Kansas Neurological Institute

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $29,985,713, including $11,927,917 from the State General Fund. The request is an all funds increase of $185,569, or 0.6 percent, above the FY 2010 revised estimate and a State General Fund increase of $2,750,155, or 30.0 percent, above the FY 2010 revised estimate. The request includes 570.2 FTE positions and does not include any enhancement requests. In addition, the request includes capital improvements expenditures for $125,320 from the Title XIX funds for Department of Administration's state energy conservation improvement project expenditures.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $29,485,713, including $11,327,917 from the State General Fund. The estimate is an all funds decrease of $500,000, or 1.7 percent, and a State General Fund decrease of $600,000, or 5.0 percent, below the agency's FY 2011 request. The reduction is attributable to expenditures salary and wages shrinkage adjustments. The recommendation includes 570.2 FTE positions. The Governor concurs with the agency's capital improvements request for $125,320 from the Title XIX funds for the Department of Administration's state energy conservation improvement project expenditures.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 74 --Parsons State Hospital

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $25,749,221, including $10,831,700 from the State General Fund. The request is an all funds increase of $79,334, or 0.3 percent, above the FY 2010 revised estimate and a State General Fund increase of $3,050,740, or 39.2 percent, above the FY 2010 revised estimate. The request includes 497.2 FTE positions and does not include any enhancement requests.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $25,399,221, including $10,415,600 from the State General Fund. The estimate is an all funds decrease of $350,000, or 1.4 percent, and a State General Fund decrease of $416,100, or 3.8 percent, below the agency's FY 2011 request. The reduction is attributable to salary and wages shrinkage adjustments. The recommendation includes 497.2 FTE positions. The recommendation includes a capital improvement expenditures of $125,946, including $66,121 from the State General Fund for Department of Administration's state energy conservation improvement projects.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 74 --Osawatomie State Hospital

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $29,494,180, including $18,242,009 from the State General Fund. The request is an all funds increase of $170,725, or 0.6 percent, above the FY 2010 revised estimate and a State General Fund increase of $1,100,038, or 6.4 percent, above the FY 2010 revised estimate. The request includes 441.3 FTE positions and does not include any enhancement requests.

GOVERNOR'S RECOMMENDATION. The Governor recommends operating expenditures of $28,594,180, including $14,342,009 from the State General Fund. The recommendation is an all funds decrease of $900,000, or 3.0 percent, below the FY 2011 agency request, and a State General Fund decrease of $3,900,000, or 21.4 percent, below the FY 2011 agency request. The State General Fund reduction reflects the shift of expenditures from the State General Fund to fee funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 74 --Larned State Hospital

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $60,370,472, including $45,208,952 from the State General Fund. The request is an all funds increase of $3,011,885, or 5.3 percent, above the FY 2010 revised estimate and a State General Fund increase of $1,804,014, or 4.2 percent, above the FY 2010 revised estimate. The request includes 976.2 FTE positions and one enhancement request in the Sexual Predator Transition Program for $483,925, all from the State General Fund. Absent the enhancement, FY 2011 operating expenditures for the agency would be $59,886,547, including $44,725,027 from the State General Fund.

GOVERNOR'S RECOMMENDATION. The Governor recommends operating expenditures of $58,886,547, including $43,745,072 from the State General Fund. The recommendation is an all funds decrease of $1,483,925, or 2.5 percent, below the FY 2011 agency request, and a State General Fund decrease of $1,463,880, or 3.2 percent, below the FY 2011 agency request. The decrease is attributable to a State General Fund salary and wages shrinkage increase. The recommendation is an all funds increase of $2,330,724, or 4.5 percent, above the FY 2010 Governor's recommendation and a State General Fund increase of $1,342,898, or 3.2 percent, above the FY 2010 Governor's recommendation. The recommendation includes 976.2 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 75 --Kansas Guardianship Program

AGENCY REQUEST. The agency requests $1,159,395, all from the State General Fund, for FY 2011 operating

expenditures. The request is an increase of $4,994, or 0.4 percent, above the FY 2010 revised estimate. The increase is attributed to salaries and wages expenditures predominantly related to expenses for group health insurance benefits. The increase is partially offset by reductions in contractual services and commodities by reducing communications costs and expenses for general office supplies.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $1,124,763, all from the State General Fund, an increase of $4,994, or 0.4 percent, above the FY 2010 Governor's recommendation. The recommendation is a decrease of $34,632, or 3.0 percent, below the agency's FY 2011 estimate. The Governor's recommendation continues the FY 2010 stipends into FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $32,513, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 76 --Department of Education

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $4.1 billion, an all funds increase of $245.6 million, or 6.4 percent, above the revised FY 2010 estimate. Included in this amount are State General Fund expenditures of $3.3 billion, an increase of $246.1 million, or 8.0 percent, above the revised FY 2010 estimate. The request would fund 212.5 FTE positions, the same as the revised FY 2010 estimate. The agency request includes enhancement requests totaling $363.5 million, including $363.1 million from the State General Fund. Absent the enhancements, the request would be $3.7 billion, including $2.9 billion, from the State General Fund. This is an all funds decrease of $117.9 million, or 3.0 percent, and a State General Fund decrease of $117.0 million, or 3.8 percent, below the FY 2010 request. The decrease is mainly due to a reappropriation of $74.0 million for General State Aid and Supplemental General State Aid to fund school payments that should have been made during FY 2009 but were delayed to FY 2010. In addition, the agency submitted a supplemental request in FY 2010 in the amount of $53.7 million to fund the base state aid per pupil amount at $4,218 and $37.7 million to fully fund Supplemental General State Aid. These reductions are offset by an increase of $49.7 million, all from the State General Fund, to cover increases in the KPERS – School Employer Contribution and the employer contribution for group health insurance.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $3.8 billion, including $3.0 billion from the State General Fund. This is an all funds increase of $4.9 million, or 0.1 percent, and a State General Fund increase of $178.9 million, or 6.3 percent, above the FY 2010 recommendation. The recommendation is a decrease of $359.1 million, or 8.7 percent, below the agency FY 2011 request. The Governor's recommendation includes $171.8 million, all from the State General Fund, to replace federal stimulus funds that were transferred to FY 2010 for Supplemental State Aid. In addition, the Governor added $32.7 million, all from the State General Fund, for General State Aid to the Base State Aid Per Pupil $50 which would equal a BSAPP of $4,062 for FY 2011. The recommendation also includes $36.2 million, all from the State General Fund, for the KPERS-School employer contribution rate increase and $13.5 million, all from the State General Fund, for the KPERS health insurance increase.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $32,750,000, all from the State General Fund, in General State Aid to delete the Governor's recommendation to increase the Base State Aid Per Pupil (BSAPP) $50, from $4,012 to $4,062, for FY 2011.

2. Delete $660,000, all from the State General Fund, from the Discretionary Grants program for FY 2011.

3. Add $660,000, all from the State General Fund, for the Driver's Education program for FY 2011.

4. Delete $3.0 million, all from the Children's Initiatives Fund, to reduce program expenditures in

the Parent Education and Pre-K Program by approximately 24.0 percent for FY 2011. The proportionate reduction of Children's Initiatives Fund expenditures for the Department of Education and the Department of Social and Rehabilitation Services results in an overall reduction of $12.0 million.

Sec. 77 --State Library

AGENCY REQUEST. The agency requests FY 2011 expenditures of $7,138,455, which is an increase of $525,648, or 7.9 percent, above the revised FY 2010 estimate. This amount includes $5,227,980 from the State General Fund, which is an increase of $537,731, or 11.5 percent, above the revised FY 2010 State General Fund estimate. The State General Fund increase is almost entirely attributed to the agency's FY 2011 enhancement requests of $510,028. The request shifts 1.0 FTE position to a non-FTE unclassified permanent position. Without the enhancement requests, requested expenditures total $6,628,427, which is an increase of $15,620, or 0.2 percent, above the revised FY 2010 estimate. State General Fund expenditures would $5,700,325, which is a decrease of $25,975, or 0.5 percent, below the revised FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $6,392,519, which is a decrease of $79,581, or 1.2 percent, below the Governor's FY 2010 recommendation. State General Fund expenditures total $4,482,054, which is a decrease of $67,488, or 1.5 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend the enhancement requests totaling $510,028, all from the State General Fund. The Governor accepts the agency's proposed reduced resources budget of $235,898, all from the State General Fund.

The Governor's FY 2011 recommendation is a decrease of $745,926, or 10.4 percent, below the agency's FY 2011 request. The Governor's State General Fund recommendation is a decrease of $745,926, or 14.3 percent, below the agency's State General Fund request. The difference is attributed to the Governor's acceptance of the agency's reduced resources budget and not recommending the enhancement requests for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $110,150, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 78 --Kansas Arts Commission

AGENCY REQUEST. The agency requests FY 2011 expenditures of $2,483,184, which is an increase of $134,119, or 5.7 percent, above the revised FY 2010 estimate. Requested State General Fund expenditures total $1,735,880, which is an increase of $474,358, or 37.6 percent, above the revised FY 2010 estimate. The request includes enhancements totaling $468,462, all from the State General Fund, mostly to restore grant funding to the FY 2009 level.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $1,951,351, which is a decrease of $275,129, or 12.4 percent, below the Governor's FY 2010 recommendation. The Governor's FY 2011 State General Fund recommendation of $1,204,047 is an increase of $65,110, or 5.7 percent, above the Governor's FY 2010 recommendation. The majority of the State General Fund increase is attributed to other assistance in grant programs. The all other funds decrease from FY 2010 is attributed to the receipt of one-time federal American Recovery and Reinvestment Act (ARRA) funds that were available in FY 2010 but are not available for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $93,100, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.

Sec. 79 --School for the Blind

AGENCY REQUEST. The agency requests FY 2011 operating expenditures totaling $6,783,316, including $6,271,927 from the State General Fund. The request is a State General Fund increase of $684,995, or 12.3 percent above the FY 2010 revised estimate, partially offset by a reduction in all other funds of $32,139, or 5.9 percent. The request includes enhanced funding totaling $572,665, all from the State General Fund. The request includes 93.5 FTE, the same as the revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures totaling $6,006,359, including $5,494,970 from the State General Fund. The recommendation is an all funds increase of $44,380, or 0.7 percent, above the Governor's FY 2010 recommendation, and a State General Fund increase of $76,519, or 1.4 percent. The recommendation does not include any funding for enhancement requests and includes additional reductions by adopting the agency's reduced resource reductions relating to vacating and holding open one security guard position and 2.5 FTE outreach positions. The recommendation includes 93.5 FTE positions, the same as the request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $211,799, all from the State General Fund, to achieve a target of approximately 2.5 percent below the Governor's FY 2010 recommendation for FY 2011.

Sec. 80 --School for the Deaf

AGENCY REQUEST. The agency requests FY 2011 operating expenditures totaling $9,840,205, including $9,368,440 from the State General Fund. The request is an all funds increase of $281,734, or 2.9 percent, and a State General Fund increase of $365,364, or 4.1 percent, above the agency's current year revised estimate. The State General Fund increase is partially offset by reduced expenditures from the agency's special revenue fund accounts. The request includes enhanced funding totaling $204,755, all from the State General Fund. The request includes 173.5 FTE, the same as the revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures totaling $9,298,172, including $8,826,407 from the State General Fund. The recommendation is an all funds increase of $11,631, or 0.1 percent above the Governor's FY 2010 recommendation. It is a State General Fund increase of $95,261, or 1.1 percent, above the Governor's FY 2010 recommendation. When compared to the agency's request, the recommendation is a reduction of $542,033, or 5.5 percent, all from the State General Fund. The Governor does not recommend the agency's $204,755 enhanced funding request, and recommends one of the agency's reduced resource reductions for residential services for a savings of $200,953. The recommendation also includes savings totaling $136,325 by vacating and holding open two administrative support positions and two custodial positions. The recommendation does not adjust the agency's FTE position request of 173.5.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $313,905, all from the State General Fund, to achieve a target of approximately 2.5 percent below the Governor's FY 2010 recommendation for FY 2011.

Sec. 81 --State Historical Society

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $8,935,590, which is an increase of $76,060, or 0.9 percent, above the revised FY 2010 estimate. Requested State General Fund expenditures total $5,787,221, which is an increase of $243,760, or 4.4 percent, above the revised FY 2010 estimate. The request includes enhancements totaling $165,000, including $150,000 from the State General Fund for the purpose of commemorating the State's Sesquicentennial in 2011.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $8,785,590, which is a decrease of $150,000, or 1.7 percent, below the agency's FY 2011 request. The entire decrease is attributed to the Governor not recommending the agency's enhancement requests. Recommended State

General Fund operating expenditures total $5,349,110, which is a decrease of $438,111, or 7.6 percent, below the agency's FY 2011 request. The Governor recommends the agency's reduced resources budget, which reduces the State General Fund amount by $288,111. However, the Governor recommends using the agency's special revenue funds to replace the State General Funds in the reduced resources budget.

The Governor's FY 2011 operating expenditures recommendation is a decrease of $73,940, or 0.8 percent, below the Governor's FY 2010 recommendation. Recommended State General Fund operating expenditures are a decrease of $46,625, or 0.9 percent, below the Governor's FY 2010 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $134,530, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 82 --Fort Hays State University

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $83.4 million, which is an increase of $398,791, or 0.5 percent, above the current year estimate. The agency requests State General Fund expenditures of $34.0 million, which is an increase of $633,906, or 1.9 percent, from the FY 2010 estimate. The increase reflects the enhancement request for $420,669 for the Kansas Academy of Mathematics and Science and fringe benefit increases, partially offset by reductions in other operating expenditures in order to reach budget targets.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011, with the exception of the enhancement request for the Kansas Academy of Mathematics and Science.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add $420,669, including $220,669 from the State General Fund, to fund a second class for the Kansas Academy of Mathematics and Science (KAMS) for two years (FY 2011 and FY 2012) using the "KAMS Ultra Light" proposal. The additional funding comes from a lapse of $220,669 from the unobligated balance of the Board of Regents Southwest Kansas Access State General Fund account, and the reduction of $200,000, all from the Economic Development Initiatives Fund (EDIF) from the Governor's recommended $5.0 million appropriation at Wichita State University for aviation infrastructure at the National Center for Aviation Training (NCAT).

Sec. 83 --Kansas State University

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $416.2 million, which is a decrease of $12.0 million, or 2.8 percent, below the current year estimate. The agency requests State General Fund expenditures of $104.3 million, which is no change from the FY 2010 estimate. The all funds reduction reflects an anticipated decrease in tuition revenues and does not include the third year of American Recovery and Reinvestment Act (ARRA) funds for the Regents.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 84 --KSU - Extension Systems and Agricultural Research Program

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $118.1 million, which is an increase of $233,305, or 0.3 percent, above the current year estimate. The agency requests State General Fund expenditures of $48.8 million, which is no change from the FY 2010 estimate. The increase reflects fringe benefit increases, partially offset by reductions in other operating expenditures in order to reach budget targets.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 85 --KSU - Veterinary Medical Center

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $34.6 million, which is a decrease of $1.6 million, or 4.4 percent, below the current year estimate. The agency requests State General Fund expenditures of $10.4 million, which is an increase of $11,377, or 0.1 percent, above the FY 2010 estimate, reflecting the agency's enhancement request for $11,377 from the State General Fund for the Veterinary Medical Training Program for Rural Kansas. The all funds reduction reflects an anticipated decrease in expenditures from the Hospital and Diagnostic Lab Revenue Fund due to carry forward funds available in FY 2010 that will not be available for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011, with the exception of the enhancement request for the Veterinary Medical Training Program for Rural Kansas.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 86 --Emporia State University

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $75.6 million, which is a decrease of $2.9 million, or 3.7 percent, below the current year estimate. The agency requests State General Fund expenditures of $31.4 million, which is no change from the FY 2010 estimate. The all funds reduction reflects an anticipated decrease in tuition revenues and does not include the third year of federal American Recovery and Reinvestment Act (ARRA) funds that have not yet been appropriated and distributed by the Board of Regents.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 87 --Pittsburg State University

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $87.2 million, which is a decrease of $560,646, or 0.6 percent, below the current year estimate. The agency requests State General Fund expenditures of $34.1 million, which is a decrease of $17,662, or 0.1 percent, below the FY 2010 estimate. The all funds reduction reflects the third year of the American Recovery and Reinvestment Act (ARRA) funding that has not yet been distributed by the Board of Regents for FY 2011, partially offset by increases in fringe benefit rates. The State General Fund reduction reflects reappropriations available in FY 2010 that are not expected to be available for FY 2011 and does not include transfers from the Board of Regents.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 88 --University of Kansas

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $606.1 million, which is an increase of $3.3 million, or 0.6 percent, above the current year estimate. The agency requests State General Fund expenditures of $136.2 million, which is an increase of $21,013, or less than 0.1 percent, above the current year.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 89 --University of Kansas Medical Center

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $279.6 million, which is a decrease of $2.6 million, or 0.9 percent, below the current year estimate. The agency requests State General Fund expenditures of $109.7 million, which is a decrease of $100,369, or 0.1 percent, below the current year. The reduction reflects reappropriations in FY 2010 that are not available for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 90 --Wichita State University

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $215.5 million, which is a decrease of $4.0 million, or 1.8 percent, below the current year estimate. The agency requests State General Fund expenditures of $66.3 million, which is a decrease of $69,992, or 0.1 percent, below the current year estimate, reflecting increased fringe benefit rates offset by reductions in other areas. The other funds reduction reflects the absence of a request for aviation infrastructure, funded at $2.5 million, all from the Economic Development Initiatives Fund (EDIF) in FY 2010, and federal American Recovery and Reinvestment Act (ARRA) funds that have not yet been appropriated and distributed by the Board of Regents.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011, and adds $5.0 million, all from the Economic Development Initiatives Fund (EDIF), for aviation infrastructure.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $200,000, all from the Economic Development Initiatives Fund (EDIF), to reduce the Governor's recommended appropriation of $5.0 million for aviation infrastructure at the National Center for Aviation Training (NCAT) by $200,000 and appropriate the same amount from the EDIF to Fort Hays State University for the Kansas Academy of Mathematics and Science for FY 2011.

2. Add language limiting expenditures from the Aviation Infrastructure Economic Development Initiatives Fund (EDIF) account at Wichita State University to equipment for the National Center for Aviation Training (NCAT) for FY 2011 and require Wichita Area Technical College to provide a report on September 1, 2010, to the Legislative Budget Committee detailing the expenditures of the EDIF funds to date.

Sec. 91 --Board of Regents

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $259.3 million, which is a net increase of $44.9 million, or 20.9 percent, above the current year estimate. Of this amount, $188.9 million is from the State General Fund, and is an increase of $16.0 million, or 9.3 percent, above the current year estimate. The request includes enhancements totaling $16.8 million, all from the State General Fund.

Absent the enhancement requests, the agency request is $242.5 million, including $172.1 million from the State General Fund, which is a decrease of $28.7 million, or 13.1 percent, all funds and an increase of $745,161, or 0.4 percent, State General Fund, from the FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $244.0 million, including $173.5 million from the State General Fund. The recommendation is an increase of $31.5 million, including $2.7 million from the State General Fund, above the FY 2010 recommendation. The all funds increase reflects the addition of $40.0 million, all from federal American Recovery and Reinvestment Act funds, partially offset by reductions in other funds for changes in debt service payments and federal dollars. The State General Fund increase reflects the unified operating grant increase of $2.1 million, as well as increases for fringe benefit rates and KPERS payments. The Governor's FY 2011 recommendation is a decrease of $15.4 million, all from the State General Fund, below the agency request due to unfulfilled enhancement requests.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $10.0 million, all from the State General Fund, from the postsecondary education operating grant for FY 2011. This reduces the postsecondary systemwide funding to the FY 2006 level.

2. Lapse $220,669, from the unobligated balance in the Southwest Kansas Access State General Fund account for FY 2011, and add the same amount to Fort Hays State University for the Kansas Academy of Mathematics and Science (KAMS) for FY 2011.

3. Lapse $4,331, from the unobligated balance in the Southwest Kansas Access State General Fund account for FY 2011, and add the same amount to fund the agency's enhancement request for Midwest Higher Education Compact (MHEC) dues increases for FY 2011.

4. Delete language for FY 2011 guaranteeing that no institution receiving Postsecondary Aid for Vocational Education should receive less funding for FY 2011 than it did in FY 2010.

Sec. 92 --Department of Corrections

AGENCY REQUEST. The FY 2011 request for the Department of Corrections operating expenditures totals $143.2 million, including $126.0 million from the State General Fund. The revised estimate is an all funds increase of $19.7 million, or 15.9 percent, above the FY 2010 revised estimate. The changes include an increase of $21.8 million, or 20.9 percent, from the State General Fund, which is partially offset by a decrease of $2.1 million, or 10.7 percent, in expenditures from special revenue funds. The increase is due to enhancement requests which total $20.8 million, including $20.7 million from the State General Fund. Absent the enhancements, the request totals $122.4 million, including $105.3 from the State General Fund. Which is an all funds decrease of $1.1 million, or 0.9 percent, below the FY 2010 revised estimate but is a State General Fund increase of $1.1 million, or 1.0 percent. The revised estimate includes 321.0 FTE positions and 118.0 non-FTE unclassified positions.

GOVERNOR'S RECOMMENDATION. The Governor's recommendation for FY 2011 operating expenditures totals $119.4 million, including $102.3 from the State General Fund. The request is an all funds decrease of $23.8 million, or 16.6 percent, and a State General Fund decrease of $23.7 million, or 18.8 percent, below the agency's FY 2011 request. Most of the decrease is due to the enhancement requests made by the agency that were not recommended by the Governor. Other reductions include the removal of capital outlay expenditures, staffing reductions, food service contract savings, parole services reductions, and the elimination of substance abuse treatment at Topeka Correctional Facility. The recommendation also includes the release of encumbrances from FY 2009 totaling $272,000, all from the State General Fund, and a transfer of $500,000 from the Correctional Industries Fund to the State General Fund for FY 2011. The recommendation includes 321.0 FTE and 118.0 non-FTE unclassified positions, the same as the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Topeka Correctional Facility

AGENCY REQUEST. The FY 2011 operating expenditures request for Topeka Correctional Facility (TCF) totals $14.2 million, including $13.5 million from the State General Fund. The request is an all funds increase of

$813,364, or 6.1 percent, and a State General Fund increase of $957,765, or 7.6 percent, above the FY 2010 revised estimate. The request includes enhancements that total $776,929, all from the State General Fund, to reduce the salary and wages shrinkage rate and fund 11.0 FTE positions that are current authorized but unfunded. The FY 2011 request includes 246.0 FTE positions and 7.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor's FY 2011 recommendation for operating expenditures totals $13.7 million, including $13.0 million from the State General Fund. The recommendation is a decrease of $464,770, all from the State General Fund, below the FY 2011 agency request due to enhancement funding requested by that agency that was not recommended by the Governor. The recommendation does include $312,159, all from the State General Fund, in enhancement funding to reduce the salary and wages shrinkage rate. The recommendation includes 246.0 FTE and 7.0 non-FTE unclassified positions, the same as the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Hutchinson Correctional Facility

AGENCY REQUEST. The FY 2011 operating expenditures request for Hutchinson Correctional Facility (HCF) totals $30.4 million, including $8.7 million from the State General Fund. The request is an all funds increase of $1.4 million, or 4.7 percent, and a State General Fund increase of $635,349, or 7.8 percent, above the FY 2010 revised estimate. The FY 2011 request includes $21.5 million in American Recovery and Reinvestment Act (ARRA) federal funds. ARRA funds were inserted into the HCF budget by the 2009 Legislature to reduce State General Fund expenditures. The request includes enhancements totaling $1.4 million, all from the State General Fund, for utilities, officer clothing, a transport bus, capital outlay, and to reduce the salary and wages shrinkage rate. The FY 2011 request includes 512.0 FTE and 3.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures totaling $29.7 million, including $8.0 million from the State General Fund. The recommendation is an all funds decrease of $705,353, or 2.3 percent, and a State General Fund decrease of $705,353, or 8.1 percent, below the agency's FY 2011 request. All of the difference is due to enhancement funding requested by the agency that was not recommended by the Governor. The recommendation does include enhancement funding totaling $713,121, all from the State General Fund, to reduce the salary and wages shrinkage rate. The recommendation includes 512.0 FTE and 3.0 non-FTE unclassified positions, the same as the agency's FY 2011 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Lansing Correctional Facility

AGENCY REQUEST. The Lansing Correctional Facility (LCF) is requesting $38.3 million, including $38.0 million from the State General Fund, for FY 2011 operating expenditures. The request is an all funds increase of $1.1 million, or 2.9 percent, and a State General Fund increase of $1.1 million, or 2.8 percent, above the FY 2010 revised estimate. The request includes enhancements totaling $750,582, all from the State General Fund, for hand-held radio replacement, perimeter camera system upgrades, and to reduce shrinkage. The FY 2011 request includes 682.0 FTE positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends $38.2 million, including $37.9 million from the State General Fund, for FY 2011 operating expenditures. The recommendation is an all funds decrease of $59,650, or 0.2 percent, and a State General Fund decrease of $59,650, or 0.2 percent, below the agency's FY 2011 request. All of the difference is due to enhancements requests made by the agency that were not recommended by the Governor. The recommendation does include $690,932, all from the State General Fund, in enhancement funding to reduce the salary and wages shrinkage rate. The recommendation includes 682.0 FTE and 3.0 non-FTE unclassified positions, the same as the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Ellsworth Correctional Facility

AGENCY REQUEST. The Ellsworth Correctional Facility requests FY 2011 operating expenditures of $13.0 million, including $12.9 million from the State General Fund. The request is an all funds increase of $382,424, or 3.0 percent, and a State General Fund increase of $389,215, or 3.1 percent, above the FY 2010 revised estimate. The request includes $296,899, all from the State General Fund, in enhancement requests for a reduced salary and wages shrinkage rate, capital outlay, and other operating expenditures. The FY 2011 request includes 219.0 FTE and 3.0 non-FTE unclassified positions, the same as FY 2010.

GOVERNOR'S RECOMMENDATION. The Governor recommends $12.9 million, including $12,859,512 from the State General Fund, for FY 2011 operating expenditures. The recommendation is an all funds decrease of $82,785, or 0.6 percent, and a State General Fund decrease of $82,785, or 0.6 percent, below the agency's FY 2011 request. All of the difference is due to enhancement requests that were not recommended by the Governor. The FY 2011 recommendation does include one enhancement totaling $214,114, all from the State General Fund, to reduce the salary and wages shrinkage rate. The recommendation includes 219.0 FTE and 3.0 non-FTE unclassified positions, the same as the FY 2011 agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Winfield Correctional Facility

AGENCY REQUEST. The FY 2011 operating expenditures request for Winfield Correctional Facility (WCF) totals $13.3 million, including $3.0 million from the State General Fund. The request is an all funds increase of $753,934, or 6.0 percent, and a State General Fund increase of $741,974, or 33.1 percent, above the FY 2010 revised estimate. The request includes $10.0 million in federal American Recovery and Reinvestment Act funds that were inserted by the 2009 Legislature in place of a State General Fund appropriation. The request includes $795,361, all from the State General Fund, in enhancements for capital outlay, utilities, travel and subsistence, and to reduce the salary and wages shrinkage rate. The FY 2011 request includes 200.0 FTE and 2.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends $12.8 million, including $2.5 million from the State General Fund, for FY 2011 operating expenditures. The recommendation is an all funds increase of $314,782, or 2.5 percent, and a State General Fund increase of $302,822, or 13.5 percent, above the FY 2010 recommendation. Most of the increase is in salaries and wages ($223,682) due to the recommended enhancement to reduce the shrinkage rate and some smaller changes in the fringe benefit contributions. There is also an increase in contractual services ($125,195), primarily due to budgeted expenditures for electricity. In addition, there is a decrease in commodities ($4,095), primarily for office supplies and inmate clothing and capital outlay ($30,000), which is mostly for computer system upgrades or replacement. The recommendation includes 200.0 FTE and 2.0 non-FTE unclassified positions, the same as the FY 2011 agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Norton Correctional Facility

AGENCY REQUEST. The FY 2011 request totals $14.2 million, including $4.1 million from the State General Fund. The request is an all funds increase of $871,404, or 6.5 percent, and a State General Fund increase of $915,245, or 28.7 percent, above the FY 2010 revised estimate. The FY 2011 request includes enhancements totaling $1.4 million, all from the State General Fund, to reduce the salary and wages shrinkage rate from 10.7 percent to 5.0 percent, to reopen the Stockton Correctional Facility, and for utilities. The request includes 264.0 FTE and 3.0 non-FTE unclassified permanent positions, an increase of 32.0 FTE positions above the FY 2010 revised estimate due to the enhancement request to reopen the Stockton Correctional Facility.

GOVERNOR'S RECOMMENDATION. The Governor recommends $13.5 million, including $3.4 million from the State General Fund, for FY 2011 operating expenditures. The recommendation is a reduction of $678,204, all from the State General Fund, and 32.0 FTE positions below the FY 2011 agency request. The difference is due to enhancement funding requested by the agency that is not recommended by the Governor. The recommendation includes $702,536, all from the State General Fund, in enhancement funding to reduce the salary and wages shrinkage rate. The recommendation includes 232.0 FTE and 3.0 non-FTE unclassified positions, the same as the FY 2010 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --El Dorado Correctional Facility

AGENCY REQUEST. The FY 2011 request for EDCF operating expenditures totals $24.0 million, including $24.0 from the State General Fund. The request is an increase of $662,421, or 2.8 percent, from all funds and $662,421, or 2.8 percent, from the State General Fund, above the FY 2010 revised estimate. The request includes $1,040,338, all from the State General Fund, in enhancements for contractual services, commodities, capital outlay expenditures, and to reduce shrinkage. The request includes 426.0 FTE and 3.0 non-FTE positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends $23.6 million, including $23.5 million from the State General Fund, for FY 2011 operating expenditures. The recommendation is an all funds decrease of $462,160, or 1.9 percent, and a State General Fund decrease of $462,160, or 1.9 percent, below the FY 2011 revised agency estimate due to three enhancements that were not recommended by the Governor. The recommendation does include one enhancement, totaling $578,178, all from the State General Fund, to reduce the salary and wages shrinkage rate. The recommendation includes 426.0 FTE and 3.0 non-FTE unclassified permanent positions, the same as the FY 2010 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 92 --Larned Correctional Mental Health Facility

AGENCY REQUEST. The FY 2011 agency request totals $10.0 million, all from the State General Fund. The request is an increase of $135,993, or 1.4 percent, above the revised FY 2010 estimate. The request includes $82,431, all from the State General Fund, in enhancements for maintenance equipment and an electronic timekeeping system for employees. The FY 2011 request includes 185.0 FTE positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures totaling $9.9 million, all from the State General Fund. The recommendation is a decrease of $82,431, or 0.8 percent, below the agency's request. All of the difference between the agency request and Governor's recommendation is due to three agency enhancement requests, which were not recommended by the Governor. The recommendation includes 185.0 FTE and 1.0 non-FTE unclassified position, the same as the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 93 --Juvenile Justice Authority

AGENCY REQUEST. The agency requests operating expenditures of $68,592,556, including $43,049,661 from the State General Fund. The estimate is an all funds decrease of $22,373, or less than 0.1 percent, and a State General Fund increase of $537,879, or 1.3 percent, from the FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $66,975,679, including $42,552,940 from the State General Fund. The Governor's recommendation is an all funds decrease of $841,683, or 1.2 percent, and a State General Fund increase of $546,297, or 1.3 percent, from the FY 2010

recommendation.

The recommendation is an all funds decrease of $1,616,877, or 2.4 percent, and a State General Fund decrease of $496,721, or 1.2 percent, below the agency request. The decrease is attributable to salary and wages, contractual services, and caseload estimates.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $67,775, including $20,549 from the State General Fund, for FY 2011 to capture savings associated with the billing delay in the Medicaid provider reductions implemented in FY 2010.

Sec. 93 --Kansas Juvenile Correctional Complex

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $18,367,507, an increase of $431,718, or 2.4 percent, above the revised FY 2010 estimate. The agency estimates FY 2011 State General Fund expenditures of $17,525,210, an increase of $699,817, or 4.2 percent, above the agency's FY 2010 estimate. The agency is requesting $487,767, all from the State General Fund, for an enhancement to fund a 2.5 percent Juvenile Corrections Officer (JCO) I salary increase, as negotiated by the union contract, as well as funding for operations at KJCC-West. Without the enhancement, the request is an all funds decrease of $56,049, or less than 0.1 percent, and a State General Fund increase of $212,050, or 1.3 percent, from the FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures $17,698,651, including $16,856,354 from the State General Fund. The recommendation is an all funds increase of $207,018, or 1.2 percent, and a State General Fund increase of $475,117 or 2.9 percent, above the FY 2010 recommendation.

The recommendation is a State General Fund decrease of $668,856, or 3.8 percent, below the agency's FY 2011 request. The decrease is mostly attributed to the Governor not recommending the agency's enhancement request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 93 --Larned Juvenile Correctional Facility

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $9,237,283, an increase of $72,666, or 0.8 percent, above the agency's FY 2010 estimate. The request includes State General Fund expenditures of $9,041,186, an increase of $98,393, or 1.1 percent, above the agency's FY 2010 estimate. The agency requests expenditures of $196,097 from special revenue funds, a decrease of $25,727, or 11.6 percent, below the revised FY 2010 amount. The agency is requesting $50,403, all from the State General Fund, for an enhancement to fund a 2.5 percent Juvenile Correctional Officer I salary increase agreed to under the union contract.

GOVERNOR'S RECOMMENDATION. The Governor recommends operating expenditures of $8,915,682, including $8,719,585 from the State General Fund. The recommendation is an all funds decrease of $38,620, or 0.4 percent, below the amount in the Governor's FY 2010 recommendation.

The recommendation is a decrease of $321,601, or 3.5 percent, all from the State General Fund, below the agency's FY 2011 request. The decrease is mostly attributed to reductions in salary and wages.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 94 --Adjutant General

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $157,558,066, which is a decrease of $75,280,254, or 32.3 percent, below the FY 2010 revised estimate. The FY 2011 request includes State General Fund expenditures totaling $18,483,180, which is a decrease of $14,286,577, or 43.6 percent, below the revised

estimate for FY 2010. This decrease is attributable to $26.3 million added by the 2009 Legislature as the State's portion of FY 2010 disaster relief to cover open disaster obligations. The State's portion of disaster expenditures related to electrical cooperatives and the December 2007 ice storm; partially offset by $12.1 million in requested FY 2011 enhancements, of which $10.7 million is for the State's portion of ongoing disaster relief payments. The request includes 219.0 FTE positions, no change from the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures totaling $112,426,042, including $11,688,906 from the State General Fund. The recommendation is an all funds decrease of $119,649,527, or 51.6 percent, and a State General Fund decrease of $20,798,100, or 64.0 percent, below the FY 2010 recommendation. The recommendation is an all funds decrease of $45,132,024, or 28.6 percent, and a State General Fund decrease of $6,794,274, or 36.8 percent, below the FY 2011 agency request. The Governor recommends three of the agency's enhancement requests, but only adds additional funding for the disaster assistance expenditures enhancement at half the requested amount totaling $43,361,592, including $5,173,836 from the State General Fund. The other two recommended enhancements, for Civil Air Patrol Operating Funds and Military Activation Bonus Payments, are recommended to be funded within the agency's existing resources. The Governor recommends the agency's reduced resources package for armories funding and capture of savings for FY 2011 achieved through the FY 2010 closure of 18 armories ($264,217 State General Fund).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add $247.0 million, including $24.8 million from the State General Fund, for the State's portion of FY 2011 disaster assistance payments on twelve open disasters, most notably the December 2007 ice storm and approval of electrical cooperatives claims. Testimony from the agency that projects have progressed further and faster than originally anticipated under the agency's original request for FY 2011 disaster assistance payments. The Governor's recommendation included $51.0 million, including $5.2 million from the State General Fund, and this addition would provide a total of $298.0 million, including $30.0 million from the State General Fund, for FY 2011 disaster assistance obligations.

Sec. 95 --State Fire Marshal

AGENCY REQUEST. The agency requests FY 2011 operating expenditures of $4,493,273, a decrease of $391,501, or 8.0 percent, below the FY 2010 revised estimate. Of the FY 2011 expenditures, $3,628,715 are financed by the Fire Marshal Fee Fund, a decrease of $1, or less than 0.1 percent, below the 2010 revised estimate. The agency's request includes enhancements to increase the levy on fire insurance premiums, and adjust the distribution of the fire insurance premium levy. The entire budget is funded from fee funds and federal funds. The request includes 53.0 FTE positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request for FY 2011 operating expenditures, and recommends the enhancement to change the distribution of the fire insurance premium levy to distribute the State General Fund administrative services fee across the three agencies it supports rather than being solely charged to the State Fire Marshal.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 96 --Kansas Parole Board

AGENCY REQUEST. The agency requests FY 2011 operating expenditures totaling $510,135, all from the State General Fund. The request is an increase of $6,977, or 1.4 percent, above the FY 2010 revised estimate. The request includes $28,609 in enhancement funding for building space rent. The FY 2011 request includes 3.0 FTE positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends $510,135, all from the State General Fund. The recommendation is the same as the agency's FY 2011 request, including the enhancement for building space rent.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 97 --Highway Patrol

AGENCY REQUEST. The agency requests a FY 2011 budget of $84,010,222, which is a decrease of $4,661,391, or 5.3 percent, below the FY 2010 revised estimate. The request includes State General Fund expenditures of $33,625,676, which is an increase of $479,881, or 1.4 percent, above the FY 2010 revised request. The request includes 859.0 FTE positions, the same as the FY 2010 revised estimate. The request includes enhancement funding of $712,296, including $6,053 from the State General Fund. Non-enhancement increases primarily occur in salaries and wages, due to budgeting partial restoration of holiday pay for troopers working on state holidays, and increases in fringe benefits. Major adjustments from all other funds include a decrease of approximately $5.4 million in homeland security funds and federal funds. This reduction is due in part to ARRA funds utilized in FY 2010 and only part of this funding continues into FY 2011. Additionally, the agency states that it receives notice of awarded homeland security funds late in the fiscal year, and potential grant funds for federal fiscal year 2011 are not estimated in the budget.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 operating expenditures of $82,709,658, including $31,938,642 from the State General Fund. The recommendation is an all funds decrease of $5,166,165, or 5.9 percent, below the FY 2010 recommendation, and a decrease of $1,300,564, or 1.5 percent, below the FY 2011 request. The recommendation is a State General Fund decrease of $209,355, or 0.7 percent, below the FY 2010 recommendation and a decrease of $1,687,034, or 5.0 percent, below the FY 2011 request. The Governor does not recommend any of the agency's enhancement requests and recommends part of the agency's reduced resources totaling $706,917, all from special revenue funds. The recommendation includes a reduction to State General Fund expenditures totaling $1,680,981, and a shift of expenditures to special revenue funds ($1,326,579 KHP Operations Fund, $354,402 Highway Patrol Federal Fund). The recommendation includes the following special revenue fund transfers to the KHP Operations fund to offset the State General Fund reduction: $921,856, from the Highway Patrol Training Center Fund; $240,570 from the General Fees Fund; and $37,153 from the Vehicle Identification Number Fee Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 98 --Kansas Bureau of Investigation

AGENCY REQUEST. The agency requests FY 2011 operating expenditures totaling $29,006,029, which is an increase of $1,699,060, or 6.2 percent, above the FY 2010 revised estimate. The request includes $17,855,183 from the State General Fund, which is an increase of $2,242,701, or 14.4 percent, above the FY 2010 revised estimate. This increase is due to the agency's enhancement requests. The request includes four operating enhancements totaling $2,583,112, all from the State General Fund, for: the data exchange project ($525,000), Kansas Criminal Justice Information System (KCJIS) communication lines ($464,823), filling 17.0 special agent positions ($1,343,289), and Lab equipment replacement ($250,000). The FY 2011 request includes 221.0 FTE positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $26,740,408, including $15,589,562 from the State General Fund. The recommendation is an all funds increase of $427,996, or 1.6 percent, above the FY 2010 recommendation, and a decrease of $2,265,621, or 7.8 percent, below the FY 2011 agency request. The recommendation is a State General Fund increase of $971,637, or 6.6 percent, above the FY 2010 recommendation and a decrease of $2,265,621, or 12.7 percent, below the FY 2011 agency request. The Governor does not recommend any of the agency's enhancement requests ($2,583,112 all from the State General Fund), and includes a 5.0 percent State General Fund reduction totaling $763,139, by reducing: $206,047 from the General Services Program; $373,938 from the Investigations Program; and $183,154 from the Laboratory Services Program. Additionally, the Governor recommends adding $1,080,630, all from the State General Fund, to assist in the DNA backlog. The funds should allow for the outsourcing of samples, purchase of new equipment, purchase consumables, and for the purchase of computer and software licenses. The Governor concurs with the agency's FTE and all other funds expenditures request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $1,080,630, all from the State General Fund, that was added by the Governor to assist in the DNA backlog for FY 2011.

Sec. 99 --Emergency Medical Services Board

AGENCY REQUEST. The agency requests FY 2011 expenditures of $2,221,887, which is a decrease of $36,534, or 1.6 percent, below the revised FY 2010 estimate. The amount does not include any federal grants, such as the $100,000 that was awarded in FY 2010. The request includes $300,000 from the Emergency Medical Services Operating Fund for the Education Incentive Grant Program.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 expenditures of $2,171,887, which is a decrease of $50,000, or 2.3 percent, below the agency's request. The decrease is attributed to a $50,000 reduction in the transfer from the Emergency Medical Services Operating Fund to the Education Incentive Grant Program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 100 --Sentencing Commission

AGENCY REQUEST. The FY 2011 request for operating expenditures totals $9.0 million, including $8.4 million from the State General Fund. The FY 2011 request is an all funds decrease of $443,494, or 4.7 percent, and a State General Fund decrease of $869,324, or 9.3 percent, below the FY 2010 revised estimate. The FY 2011 request includes 10.0 FTE and 4.0 non-FTE unclassified positions, the same as the FY 2010 revised estimate.

GOVERNOR'S RECOMMENDATION. The Governor's recommendation for FY 2011 totals $8.6 million, including $7.4 million from the State General Fund. The recommendation is an all funds decrease of $422,208, or 4.7 percent, and a State General Fund decrease of $1,084,608, or 12.8 percent, below the agency's FY 2011 request. The change is due to a decrease of 5.0 percent to the State General Fund request for 2003 SB 123 drug treatment ($422,208) and the substitution of $662,400 in fee funds to offset State General Fund expenditures. The recommendation includes 10.0 FTE and 4.0 non-FTE unclassified positions, the same as the FY 2010 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 101 --Kansas Commission on Peace Officers' Standards and Training (KCPOST)

AGENCY REQUEST. The agency requests FY 2011 operating expenditures totaling $650,005, all from the Kansas Commission on Peace Officers' Standards and Training Fund, which is an increase of $71,305, or 12.3 percent, above the FY 2010 revised estimate. The agency states that increases are primarily due to general start-up costs, but also some expenditures were delayed in relation to budget reductions previously made to the FY 2010 budget. The request includes 7.0 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request for FY 2011, and includes the transfer of $200,000 from the agency's fee fund to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 102 --Department of Agriculture

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $30.2 million, which is an increase of $3.1 million, or 11.5 percent, above the revised FY 2010 estimate. The request includes State General Fund expenditures of $12.6 million, which is an increase of $2.4 million, or 24.2 percent, above the revised FY 2010 estimate. The request includes enhancement funding that totals $3.6 million, including $2.2 million from the State General Fund. The enhancement funding accounts for the agency's increase over the revised FY 2010 estimate. Absent the enhancement funding, the agency's FY 2011 request totals $26.6 million, which is a decrease of $497,961, or 1.8 percent, below the agency's revised FY 2010 estimate. The request would fund 344.5 FTE positions.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 operating budget totaling $25.5 million, which is a decrease of $4.7 million, or 15.5 percent, below the agency's FY 2011 request, and a decrease of $1.1 million, or 4.3 percent, below the Governor's FY 2010 recommendation. The Governor recommends a reduction of 3.0 FTE positions for FY 2011. The State General Fund recommendation totals $9.5 million for FY 2011, which is a decrease of $3.1 million, or 24.3 percent, below the agency's FY 2011 request, and a decrease of $301,017, or 3.1 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's State General Fund enhancement requests, which total $2.2 million. The Governor recommends an additional reduction of $816,491 from the agency's FY 2011 State General Fund request. The reductions are reflected in the agency's reduced resources budget, which totals $516,491, and the Governor recommends an additional reduction of $300,000 from the agency's State General Fund budget.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $233,797, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

2. Add language for FY 2011 that would allow the agency to reappropriate any unencumbered balances over $100 from FY 2010 to FY 2011 in its State Water Plan Fund programs.

Sec. 103 --Animal Health Department

AGENCY REQUEST. The agency requests a FY 2011 budget of $2.6 million, which is a decrease of $139,113, or 5.0 percent, below the agency's revised FY 2010 estimate. The FY 2011 request includes a State General Fund budget of $840,266, which is a reduction from the revised FY 2010 estimate of $45,700, or 5.2 percent. The decrease is attributed to one-time funding for computers and related technology in FY 2010, which is partially offset by slight increases in salary and wages and contractual services for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's FY 2011 request; however, the Governor recommends a State General Fund budget totaling $798,253, which is a decrease of $42,013, or 5.0 percent, below the agency's FY 2011 request, and a decrease of $61,133, or 7.1 percent, below the Governor's FY 2010 recommendation. The Governor recommends adding $42,013 from the agency's special revenue funds to replace the State General Fund dollars.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $19,618, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 104 --Kansas State Fair Board

AGENCY REQUEST. The agency requests $5.8 million, including $294,854 from the State General Fund, for FY 2011 operating expenditures. The FY 2011 request is an increase of $106,734, or 1.9 percent, above the revised FY 2010 estimate. The increase is primarily attributed to the agency's request for enhancement funding, which totals $120,000 from the Economic Development Initiatives Fund (EDIF). Absent the enhancement funding, the FY 2011 request totals $5,669,764, which is a decrease of $13,266, or 0.2 percent, below the revised FY 2010 estimate. The decrease is reflected in the agency's contractual services budget.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 operating budget of $5.6 million, which is a decrease of $170,000, or 2.9 percent, below the agency's FY 2011 request, and a decrease of $63,266, or 1.1 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend the agency's enhancement requests, which total $120,000. The Governor recommends transferring $50,000 from the agency's State Fair Fee Fund to the State Fair Capital Improvement Fund for FY 2011, which would increase the agency's total transfer from the State Fair Fee Fund to the State Fair Capital Improvements Fund from $300,000 to $350,000. The transfer decreases the agency's expenditures by $50,000.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 105 --State Conservation Commission

AGENCY REQUEST. The agency requests a FY 2011 budget of $14.4 million, including $783,299 from the State General Fund. The request is an increase of $2.4 million, or 19.7 percent, above the revised FY 2010 estimate. The State General Fund request is a decrease of $17,234, or 2.2 percent, below the revised FY 2010 estimate. The request includes enhancement funding of $1.2 million, all from special revenue funds. Absent the enhancement funding, the FY 2011 request totals $13.2 million, which is an increase of $1.1 million, or 9.6 percent, above the revised FY 2010 estimate. The increase is attributed to the agency's State Water Plan Fund request.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 budget totaling $10.3 million, including $744,134 from the State General Fund. The recommendation is a decrease of $4.1 million, or 28.7 percent, above the agency's FY 2011 request, and a decrease of $902,225, or 8.1 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's enhancement requests, which total $1.2 million, all from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Delete $18,288, including $9,144 from the Land Reclamation Fund and $9,144 from the Motor Pool Fund, and transfer that amount to the State General Fund for FY 2011.

2. Add language that would allow the agency to spend State Water Plan Funds in the Water Resources Cost-Share program for contractual technical expertise and/or on non-salary agency administration expenditures for FY 2011.

3. Add reappropriation language to the Conservation Reserve Enhancement Program (CREP) account of the State Water Plan Fund for FY 2011.

Sec. 106 --Kansas Water Office

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $11.9 million, including $2.8 million from the State General Fund. The request is an increase of $3.1 million, or 34.6 percent, above the agency's revised FY 2010 estimate. The agency's request includes enhancement funding of $3.8 million, including $770,558 from the State General Fund. Absent the enhancement request, the agency's FY 2011 request totals $8.2 million, which is a decrease of $1.4 million, or 14.7 percent, below the agency's revised FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 operating budget of $7.2 million, including $1.9 million from the State General Fund. The recommendation is a decrease of $4.8 million, or 40.1 percent, below the agency's FY 2011 request, and a decrease of $1.7 million, or 18.8 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend any of the agency's enhancement requests, which total $3.8 million. The State General Fund recommendation totals $1.9 million, which is a decrease of $870,029, or 31.5 percent, below the agency's FY 2011 request, and a decrease of $76,079, or 3.9 percent, below the Governor's FY 2010 recommendation. The decrease from the agency's request is attributed to the Governor not recommending the agency's State General Fund enhancement requests, which total $770,558. In addition, the Governor recommends the agency's reduced resources budget of $99,471, all from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $46,447, all from the Water Supply Storage Assurance Fund, and transfer that amount to the State General Fund for FY 2011.

Sec. 107 --Department of Wildlife and Parks

AGENCY REQUEST. The agency requests a FY 2011 operating budget of $53.5 million, including $5.8 million from the State General Fund. The request is an increase of $3.5 million, or 7.0 percent, above the agency's revised FY 2010 request. Included in the agency's FY 2011 request is enhancement funding of $1.3 million, all from special revenue funds. Requested State General Fund expenditures total $5.8 million, which is an increase of $533,008, or 10.1 percent, above the agency's revised FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 operating budget of $53.0 million, including $5,522,436 from the State General Fund. The recommendation is a decrease of $462,786, or 0.9 percent, below the agency's FY 2011 request, and an increase of $3.2 million, or 6.4 percent, above the Governor's FY 2010 recommendation. The State General Fund recommendation totals $5.5 million, which is a decrease of $290,986, or 5.0 percent, below the agency's FY 2011 request, and an increase of $414,013, or 8.1 percent, above the Governor's FY 2010 recommendation. The Governor recommends reductions for State Parks capital outlay expenditures ($40,986) and to replace State General Fund expenditures for State Parks with special revenue funds ($250,000). The Governor recommends $848,030, all from special revenue funds, in enhancement funding for vehicle replacements. The Governor does not recommend any other enhancement requests.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Add $200,000, all from the Parks Fee Fund, to increase the agency's expenditure limitation for state parks operations in order to partially offset the decrease in the agency's State General Fund expenditures for FY 2011.

2. Delete $527,244, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.

Sec. 108 --Kansas Department of Transportation

AGENCY REQUEST. The agency requests a FY 2011 reportable budget of $1.2 billion, which is a decrease of $261.1 million, or 18.2 percent, below the FY 2010 revised estimate. Reportable expenditures from the State Highway Fund total $821.1 million, which is a decrease of $247.0 million, or 23.1 percent, below the FY 2010 revised estimate. The FY 2011 request includes: Non-reportable expenditures of $183.7 million, which is a decrease of $6.5 million, or 3.4 percent, below the FY 2010 revised estimate; a decrease of $261.1 million, primarily due to Construction Program capital improvements project expenditures shifted into FY 2010 for projects that do not continue into FY 2011, and federal ARRA funds expended in FY 2010 that do not reoccur in FY 2011; and an enhancement request for $4,853,909, all from the State Highway Fund, to replace 264 vehicles.

For FY 2011, the agency requests expenditures of $7,400,561, all from the State Highway Fund, for building projects. Expenditures include $3,946,422 for projects and $3,454,139 for rehabilitation and repair.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 reportable budget of $1.0 billion, which is a decrease of $321.8 million, or 23.6 percent, below the FY 2010 recommendation, and a decrease of $132.4 million, or 11.3 percent, below the agency's FY 2011 request. Reportable expenditures from the State Highway Fund total $699.7 million, which is a decrease of $296.6 million, or 29.8 percent, below the FY 2010 recommendation, and a decrease of $121.3 million, or 14.8 percent, below the agency's FY 2011 request. The Governor recommends the following adjustments: Transfer $105.0 million from the State Highway Fund to the State General Fund; reduce building project expenditures by $1,574,131; the Governor does not recommend the agency's enhancement request for replacement vehicles for $4.8 million; the Governor recommends continuation of funding for the Kansas Highway Patrol Operations through a transfer to the State General Fund ($36.2 million); the

Governor recommends cancellation of the FY 2009 loan repayment of $30,896,209 from the State General Fund to the State Highway Fund, that was delayed until FY 2011 by the 2009 Legislature; and the Governor does not recommend making the transfer from the State General Fund to the Special City and County Highway Fund (SCCHF) for FY 2011 ($10,063,664).

For FY 2011, the Governor recommends expenditures totaling $5,826,430, all from the State Highway Fund, for building projects. Expenditures include $2,372,291 for projects and $3,454,139 for rehabilitation and repair. The Governor does not recommend $1,574,131 in projects which include: the construction of one vehicle wash bay in Shawnee ($300,329), Area Shop Renovation in Topeka ($317,876), District Six Welding Shop Addition in Garden City ($835,926), and the purchase of land in various locations ($120,000).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 109 --Position Limitations

This section establishes the FTE positions for each state agency.

Sec. 110 --State Employee Pay

GOVERNOR'S RECOMMENDATION.

The Governor recommends the continuation for FY 2011 of $8.5 million from the State General Fund for the classified salary market salary adjustment included in 2008 HB 2916 which appropriated $8.5 million for four years, FY 2010 through FY 2013. The increase is to provide salary increases for classified employees whose salaries are under the market rate and this increase has been implemented for certain salaries in FY 2009 and FY 2010.

For FY 2011, the Governor recommends the continuation of the current temporary longevity bonus payment program. The recommendation provides for a bonus of $50 per year of service, with a 10-year minimum ($500) and a 25-year maximum ($1,250). The current statutory provisions of the longevity bonus payment are $40 per year of service, with a 10-year minimum ($400), and a 25-year maximum ($1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2011 payments is $14.4 million, including $6.0 million from the State General Fund.

The Governor also recommends continuation of provisions authorizing non-session payments to legislators to offset expenses incurred between sessions of the Legislature.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $8.5 million, all from the State General Fund, to remove the funding for FY 2011 for the classified salary market salary adjustment. This leaves the funding in place for FY 2012 and FY 2013.

Sec. 111 --State Officer Salary Reduction

SENATE COMMITTEE RECOMMENDATION.
1. Add language to implement a 5.0 percent salary reduction to salaried officers of the state which would apply to statewide elected officials, secretary of a department or chief executive officer, members of a board, council, or authority, legislators, legislative leadership, judges and justices and other positions authorized by statute. Legislative leadership staff would be divided into two categories. The salary of each chief of staff would continue to be reduced by 5.0 percent while the remaining leadership staff would have salaries reduced by 2.5 percent.

Sec. 112 --Department of Administration

AGENCY REQUEST. The agency requests $25.8 million, all from the State General Fund, for capital improvements for FY 2011. Projects are divided into three categories - rehabilitation and repair, specific projects, and debt service principal payments. The agency notes its priority is securing rehabilitation and repair funds. The request for rehabilitation and repair is the same as the FY 2010 revised estimate.

The agency requests non-reportable capital improvement expenditures totaling $3.0 million, all from special revenue funds. The request includes $740,000 for rehabilitation and repair projects, and $2.2 million for debt service principal payments.

GOVERNOR'S RECOMMENDATION. The Governor recommends a reportable FY 2011 capital improvement budget totaling $19.2 million, a reduction of $6.6 million below the agency's request. The Governor does not recommend any of the agency's new projects. The recommendation also includes a reduction of $145,970 for rehabilitation and repair projects as part of the 5.0 percent reduced resources budget. The Governor concurs with the agency's request for debt service interest.

The Governor's non-reportable capital improvement expenditure recommendation is a reduction of $50,000 below the agency's request. The entire reduction is in the surplus property rehabilitation and repair fund. The agency requested $50,000, but $100,000 was inadvertently entered into the budget system.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete $69,336, all from the State General Fund, to achieve a capital improvement State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

Sec. 113 --Department of Commerce

AGENCY REQUEST. The agency requests FY 2011 capital improvements to be $160,000 from special revenue funds. The request includes $80,000 for rehabilitation and repair on various buildings across the State and $80,000 for debt service principal payments on the Topeka Workforce Development building. The Topeka Workforce Development building was transferred from the Department of Labor to the Department of Commerce in 2004.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 114 --Insurance Department

AGENCY REQUEST. The agency requests FY 2011 capital improvement expenditures of $132,678, all from special revenue funds. This estimate includes $67,678 for the debt service principal payment for the HVAC replacement project. The remaining $65,000 will be used for rehabilitation and repair of the Kansas Insurance Building.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 115 --Social and Rehabilitation Services

AGENCY REQUEST. The agency requests capital improvement expenditures of $7.7 million for FY 2011. This includes $3.4 million for debt service principal payments; $4.1 million for rehabilitation and repair projects at the five state hospitals; and $200,000 for rehabilitation and repair projects at the Chanute area office.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvement expenditures of $5.0 million, a decrease of $2.6 million, or 34.6 percent, below the agency's request. The reduction is all in the agency's request for rehabilitation and repair projects at the state hospitals.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 116 --Department of Labor

AGENCY REQUEST. The agency requests FY 2011 capital improvement expenditures of $792,551, an increase of $228,927, or 40.6 percent, above the FY 2010 revised estimate. The capital improvements projects are fully funded from special revenue funds. Major projects include: Renovation of 401 SW Topeka; Roof Replacement at 417 SW Jackson; Renovation of 1309 SW Topeka; Renovation of Eastman Building at 2650 E. Circle Drive; and Renovation of 427 SW Topeka.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvements expenditures of $340,631 including $80,000 for general rehabilitation and repair and $260,631 for the payment of debt service principal, all from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 117 --Commission on Veterans Affairs

AGENCY REQUEST. The agency requests FY 2011 capital improvement expenditures of $1,999,322, an increase of $1,558,509, or 353.6 percent, above the FY 2010 agency estimate.

At the Kansas Soldiers' Home, the agency requests $1,512,817, all from the State Institutions Building Fund. Included in the request are the following: $150,000 for major repair and maintenance at the Kansas Soldiers' home; $200,000 for street repair and replacement at the Kansas Soldiers' Home; $33,630 to replace the roofs on the power plant building, the garages, and the plumbing shop; $460,908 to replace the roofs on Nimitz, Lincoln, Grant, and Walt Halls; $500,000 for repairs due to hail damage from a storm in June 2009; $130,000 for foundation repairs at various buildings at the facility; and $38,279 for replacement of windows in the portion of Pershing Hall which houses the CBOC (Community Based Outpatient Clinic).

At the Kansas Veterans' Home, the agency requests $486,505, all from the State Institutions Building Fund. Included in the request are the following: $45,000 for updated fire alarm panels; $100,000 for emergency repair and replacement; $165,000 to partially replace the carpet in with tile at the facility; and $176,505 for window replacement in Donlon

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvement expenditures of $1,038,414, a decrease of $960,908, or 48.1 percent, below the FY 2011 agency estimate. The recommendation includes $551,909 for rehabilitation and repair at the Kansas Soldiers' Home and $486,505 for rehabilitation and repair at the Kansas Veterans' Home. The Governor concurs with all requests except: $460,908 for roof replacement at Nimitz, Lincoln, Grant and Walt Halls and $500,000 for hail damage repairs at the Kansas Soldiers' Home. The Governor recommends additional cost estimates on the hail damage.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 118 --School for the Blind

AGENCY REQUEST. The agency requests FY 2011 capital improvement expenditures of $417,818. The request includes $30,510 from the State General Fund, for debt service principal payments. The remainder would be funded from the State Institutions Building Fund (SIBF). The projects are as follows:

$78,600, all from the SIBF, for general rehabilitation and repair projects;

$105,236, all from the SIBF, to continue upgrades to campus security. Funds for FY 2011 would be used to implement video surveillance and recording systems, and smoke and carbon monoxide detectors in school and student residence buildings. The agency has had difficulty finding vendors to service the current systems;

$161,430, all from the SIBF, to reroof sections of the Johnson Building, an instructional building for elementary and high school students. The roof currently leaks; and,

$42,042, all from the SIBF, to reseal driveways and parking lots on campus.

GOVERNOR'S RECOMMENDATION. The Governor recommends a FY 2011 capital improvement budget totaling $109,110, including $30,510 from the State General Fund. The recommendation includes funding for debt service principal, paid from the State General Fund, and rehabilitation and repair from the SIBF. The Governor does not recommend any funding for the new projects.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 119 --School for the Deaf

AGENCY REQUEST. The agency requests $930,299 for capital improvement projects. The request includes $63,850, all from the State General Fund, for debt service principal payments. All remaining funding would come from the State Institutions Building Fund (SIBF) for the following projects:

Rehabilitation and Repair. The agency requests $205,000 for maintenance projects. The agency's top priority is maintaining the campus buildings.

Roth Dormitory Renovation Architect Fees. The agency requests $279,449 for architecture fees associated with renovating the West Wing of the building. The East Wing has already been renovated and houses the majority of the residential students. According to the agency, obtaining architectural drawings will allow the agency to obtain a more accurate estimate of the entire project. Currently, the agency estimates the West Wing renovation will cost $3.67 million. Upon completion, the renovation would include one floor of dormitories, one floor of independent living units used for life skills training, and a multi-purpose floor used for parent education, a library, a conference room, and a media area.

Roth Dormitory Electrical Utility Distribution Upgrades. As part of the dormitory renovations, the agency requests $242,000 to upgrade the electrical system. The agency notes that the current electrical system is too outdated to carry current electrical loads.

Kitchen Refrigeration Upgrade. The agency requests $140,000 to upgrade the main kitchen refrigeration systems. The agency notes that the system frequently malfunctions, and repairs are no longer cost efficient.

GOVERNOR'S RECOMMENDATION. The Governor recommends $268,250, including $63,850 from the State General Fund, for capital improvement requests in FY 2011. The Governor concurs with the agency's request for debt service principal, all from the State General Fund, and concurs with the agency's request for rehabilitation and repair funding, all from the SIBF. The Governor does not recommend any other capital improvement projects in FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 120 --State Historical Society

AGENCY REQUEST. The agency requests $301,477, including $209,477 from the State General Fund, for capital improvements projects for FY 2011. The agency requests $125,000 from the State General Fund for the repair and rehabilitation of the more than fifty structures under its care. The agency requests $50,000 from the State General Fund for the replacement of faulty lighting fixtures that have caught fire on at least two occasions at the State Historical Society in Topeka. The agency also requests $14,477 from the State General Fund for Constitution Hall. The agency requests $27,000 in private funds for Cottonwood Ranch, $30,000 from federal grants to match the $20,000 from the State General Fund for the John Brown Museum, and $35,000 from private funds for Grinter Place.

GOVERNOR'S RECOMMENDATION. The Governor recommends $301,477, including $125,000 from the State General Fund, for capital improvements projects for FY 2011. The Governor recommends using the agency's special revenue funds to replace the lighting fixtures ($50,000), provide the state match for the John Brown Museum ($20,000), and repair Constitution Hall ($14,477), instead of using State General Funds as the agency had requested for FY 2011. The Governor concurs with the use of private funds and federal grants for Cottonwood Ranch, Grinter Place, and the John Brown Museum.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 121 --Emporia State University

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $1.9 million, all from special revenue funds. The request includes $1.0 million for rehabilitation and repair, $370,000 for deferred maintenance, and $510,000 for debt service principal payments. The FY 2011 request does not include funding from the Educational Building Fund or the federal American Recovery and Reinvestment Act funds; these funds are appropriated in the Board budget and then distributed to the individual institutions.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 122 --Fort Hays State University

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $1.0 million, all from special revenue funds. The request includes rehabilitation and repair projects totaling $400,000 for parking maintenance and $615,944 for debt service principal payments. The reduction from FY 2010 to FY 2011 reflects funds that have not yet been distributed by the Board of Regents and interest earnings not yet collected for FY 2011.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add $635,100, all from special revenue funds, for deferred maintenance for FY 2011 to reflect updated estimates of revenues into the agency Deferred Maintenance Support Fund, which is a no limit fund.

Sec. 123 --Kansas State University

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $7.1 million, including $165,396 from the State General Fund. The request includes $1.8 million for deferred maintenance projects and $4.5 million for debt service principal payments.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 124 --KSU - Extension Systems and Agricultural Research Program

AGENCY REQUEST. The agency requests $1.0 million, all from special revenue funds, for FY 2011 for a new sheep and goat facility. According to the agency, the sheep unit is being moved because the existing facility no longer meets the needs of the program.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 125 --Pittsburg State University

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $2.7 million, including $332,732 from the State General Fund. The request includes deferred maintenance projects totaling $375,000 and debt service payments of $1.4 million. The request does not include transfers from the Board of Regents from the federal American Recovery and Reinvestment Act (ARRA) funds or the Educational Building Fund.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 126 --University of Kansas

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $32.1 million, including $22.5 million from the State General Fund. The request includes an enhancement for $21.1 million, all from the State General Fund, for deferred maintenance projects. The request is part of the $92.9 million identified by the Board of Regents as necessary to adequately address deferred maintenance systemwide. This funding would be in addition to the funding received by postsecondary institutions from the Postsecondary Educational Institution Infrastructure Maintenance Program.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvements funding of $10.9 million, including $1.4 million from the State General Fund. The recommendation includes $5.8 million for debt service principal payments and $3.2 million for deferred maintenance. The Governor does not recommend the enhancement request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 127 --University of Kansas Medical Center

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $10.7 million, including $9.4 million from the State General Fund. The request includes an enhancement for $9.0 million, all from the State General Fund, for deferred maintenance projects. The request is part of the $92.9 million identified by the Board of Regents as necessary to adequately address deferred maintenance systemwide. This funding would be in addition to the funding received by postsecondary institutions from the Postsecondary Educational Institution

Infrastructure Maintenance Program.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvements expenditures of $1.7 million, including $440,000 from the State General Fund. The recommendation is a reduction of $9.0 million, all from the State General Fund, below the agency request due to the unfunded enhancement in that amount for deferred maintenance.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 128 --Wichita State University

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures of $4.3 million, including $1.4 million from the State General Fund. The request includes deferred maintenance expenditures of $935,544 and debt services principal payments of $3.1 million. The request does not include Infrastructure Maintenance Fund or federal American Recovery and Reinvestment Act (ARRA) funds which have not yet been appropriated and distributed by the Board of Regents.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency request for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 129 --Board of Regents

AGENCY REQUEST. The agency requests FY 2011 capital improvement expenditures of $41.7 million, all from special revenue funds. The expenditures consist of debt service principal payments of $26.7 million including $5.2 million for Research Bonds, $7.5 million for PEI Infrastructure bonds and $14.0 million for Crumbling Classrooms Bonds, as well as $15.0 million for general maintenance at the universities.

GOVERNOR'S RECOMMENDATION. The Governor recommends $39.2 million, including $5.0 million from the State General Fund, for FY 2011 capital improvements. The recommendation includes debt service principal payments of $24.2 million. The recommendation is a reduction of $2.5 million, or 6.0 percent, all funds and an increase of $5.0 million from the State General Fund. The change is related to the PEI Infrastructure program. The Governor reduced State General Fund appropriations to the Board of Regents by $5.0 million in operating expenditures, and increased State General Fund appropriations for principal payments by the same amount. This change was required because the PEI program bonds are guaranteed by the State General Fund. The recommendation allows the Board to keep the principal payments from the institutions and reallocate funds as necessary to equalize the change in State General Fund expenditures.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 130 --Department of Corrections

AGENCY REQUEST. FY 2011 capital improvements expenditures for the Department of Corrections total $7.4 million, including $2.3 million from the State General Fund. The request includes $3.7 million for rehabilitation and repair projects and $3.6 million for debt service principal payments. The request includes one enhancement request totaling $504,000, all from the State General Fund, to begin planning on a new men's and women's mental health facility for inmates with severe mental health and behavioral management needs.

GOVERNOR'S RECOMMENDATION. The Governor's recommendation for FY 2011 capital improvements expenditures totals $6.7 million, including $1.8 million from the State General Fund. The recommendation is a decrease of $647,000, or 8.8 percent, below the FY 2011 agency request. The difference is due to a downward projection of $143,000 in the available funds in the Correctional Institutions Building Fund and $504,000 in enhancement funds that are not recommended by the Governor.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 131 --Juvenile Justice Authority

AGENCY REQUEST. The agency requests capital improvements for FY 2011 in the amount of $3,150,973, all from the State Institutions Building Fund. Included in the request is $860,973 for rehabilitation and repair projects, including professional services, security upgrades, and replacement carpeting. The balance is debt service principal payments for the Kansas Juvenile Correctional Complex and Larned Juvenile Correctional Facility. The funding for capital improvements flows through the central office budget in the budget year and is reflected within facility budgets in the current year.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 132 --Highway Patrol

AGENCY REQUEST. The agency requests FY 2011 capital improvement expenditures totaling $1,158,477, all from special revenue funds. The request includes debt service principal payments of $305,000 on the Fleet Center and the Vehicle Identification Number Facility in Olathe; rehabilitation, repair, and scale replacement totaling $273,560; and $579,917 for labor, materials and equipment to replace four roofs and a boiler at the Kansas Highway Patrol Training Academy in Salina.

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvements expenditures totaling $451,560, all from special revenue funds. The Governor's recommendation includes the following: the Governor concurs with the agency's request for $305,000 for debt service principal; reduction and transfer of Academy roof and boiler replacement funds ($579,917 from the Highway Patrol Training Center Fund) to the KHP Operations Fund to be used for salaries and wages as part of the reduced resources; and reducing scale replacement and rehabilitation and repair expenditures by $127,000 and leaving funds in the KHP Operations fund to be used for salary and wages as part of the reduced resources.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 133 --Adjutant General

AGENCY REQUEST. The agency requests FY 2011 capital improvements expenditures totaling $74,870,638. The request includes expenditures totaling $9,537,403 from the State General Fund. State General Fund expenditures include: $1,820,000 for debt service principal; and $7,717,403 in requested enhancements. Federal Fund expenditures ($65,333,235) include: $1.0 million in matching funds for the armory renovation program; $2,790,235 in Architectural and Engineering costs associated with the new Field Maintenance Shop and the Armory in Wichita; and $61,543,000 for the construction costs of the Wichita Field Maintenance Shop ($22.8 million, 121,921 sq. ft.) and Armory ($38.8 million, 209,000 sq.ft.).

GOVERNOR'S RECOMMENDATION. The Governor recommends FY 2011 capital improvements expenditures totaling $67,153,235, including $1,820,000 from the State General Fund. The difference, when compared to the agency request, is due to State General Fund reductions of $7,717,403. The Governor did not recommend any enhanced funding for capital improvements. The Governor concurs with the agency's request for debt service principal ($1.8 million) and special revenue fund expenditures. The recommendation includes the issuance of the remaining $3.0 million in armory renovation bonds for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 134 --Kansas State Fair Capital Improvements

AGENCY REQUEST. The agency requests capital improvement expenditures of $1.4 million, including $1.3 million from the State General Fund, which is an increase of $1.1 million, or 423.7 percent, above the revised FY 2010 estimate. The agency requests $116,592, all from special revenue funds, for rehabilitation and repair projects. In addition, the agency requests $1.3 million, all from the State General Fund, for debt service principal payments for FY 2011.

In addition, the agency requests $843,000 be transferred from the State General Fund to the State Fair Capital Improvements Fund. The agency notes that the state has not made its statutory transfer in four of the past nine fiscal years, which has created a void of $1,043,000 within the State Fair Capital Improvement Fund. The agency requests $843,000 for FY 2011 from the State General Fund, which in addition to the agency's FY 2010 supplemental request, would fund the match amounts that the state did not transfer in previous fiscal years.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's revised FY 2011 request for expenditures and recommends a transfer of $50,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund. This additional transfer would increase the agency's transfer from the State Fair Fee Fund to the State Fair Capital Improvements Fund from $300,000 to $350,000 for FY 2011. The Governor also recommends that the agency transfer all or part of its contribution earlier than required from the State Fair Fee Fund to the State Fair Capital Improvements Fund in order to make the required bond payment. The Governor does not recommend the enhancement request to transfer $843,000 from the State General Fund to the State Fair Capital Improvements Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 135 --Department of Wildlife and Parks

AGENCY REQUEST. The agency requests expenditures totaling $8.9 million, including $1.5 million from the State General Fund for FY 2011. The request is a decrease of $5.7 million, or 38.9 percent, below the agency's revised FY 2010 estimate. The request includes an enhancement of $1.5 million, all from the State General Fund. Absent the enhancement, the agency's State General Fund request for capital improvements totals $6,300, which is attributed to debt service principal payments. The remainder of the decrease is due to capital improvement projects that are anticipated to conclude in FY 2010 and reappropriated funding that was carried forward from FY 2009 to FY 2010 that is budgeted to be spent in FY 2010. The agency requests increases in several of the programs to reflect anticipated payments, maintenance, and construction.

GOVERNOR'S RECOMMENDATION. The Governor recommends expenditures totaling $6.4 million, including $6,300 from the State General Fund. The recommendation is a decrease of $2.4 million, or 27.3 percent, below the agency's FY 2011 request, and a decrease of $8.0 million, or 55.4 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend the agency's enhancement request, which totals $1.5 million, all from the State General Fund. The Governor also recommends suspending a transfer from the State Highway Fund to the agency's Department Access Roads Fund in FY 2011 totaling $1,043,528. In addition, the Governor recommends an addition of $125,000, all from federal funds, for facilities at the State Parks.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 136 --Kansas Bioscience Authority

GOVERNOR'S RECOMMENDATION. The Governor recommends transferring $35.0 million from the State General Fund to the Bioscience Development and Investment Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 137 --Economic Development Initiatives Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends transferring $3,018,605 from the Economic Development Initiatives Fund to the State General Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 138 --Loan Repayment Transfer Cancellations

GOVERNOR'S RECOMMENDATION.

(a) The Governor recommends suspending the scheduled transfer of $250,000 from the State General Fund to the Waste Tire Management Fund of the Department of Health and Environment for FY 2011. This transfer would have repaid 25.0 percent of the amount transferred from the fund to the State General Fund in FY 2003.

(b) The Governor recommends suspending the scheduled transfer of $2,500,000 from the State General Fund to the Underground Petroleum Storage Tank Release Fund of the Department of Health and Environment for FY 2011. This transfer would have repaid 25.0 percent of the amount transferred from the fund to the State General Fund in FY 2003.

(c) (d) (e) The Governor recommends suspending the scheduled transfer of $30.9 million from the State General Fund to the State Highway Fund of the Kansas Department of Transportation for FY 2011. This transfer would have repaid 25.0 percent of the amount transferred from the fund during the 2002 and 2003 Legislative Sessions.

(f) The Governor recommends that anticipated transfers from the State General Fund to the Workers' Compensation Fund of $1.0 million for FY 2011 be halted.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 139 --Kansas State Fair Capital Improvements

GOVERNOR'S RECOMMENDATION. The Governor recommends a transfer of $50,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund. This additional transfer would increase the agency's transfer from the State Fair Fee Fund to the State Fair Capital Improvements Fund from $300,000 to $350,000 in FY 2011. The Governor also recommends that the agency transfer all or part of its contribution earlier than required from the State Fair Fee Fund to the State Fair Capital Improvements Fund in order to make the required bond payment.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 140 --Housing Trust Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends adjusting transfer amounts to the State Housing Trust Fund of the Kansas Housing Resources Corporation for FY 2011, FY 2012 and FY 2013. The recommendation would provide no transfer for FY 2011 and FY 2012, and would provide $2,000,000 from the State General Fund, and $2,000,000 from the Economic Development Initiatives Fund for a total of $4,000,000 for FY 2013.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 141 --Health Care Stabilization Board Transfer

GOVERNOR'S RECOMMENDATION. The Governor recommends suspending any planned transfers from the State General Fund to the Healthcare Stabilization Fund for FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 142 --Abandoned Oil and Gas Well Transfer

AGENCY REQUEST. The agency requests transfers of $400,000 from the State General Fund, State Water Plan Fund, and the Conservation Fee Fund, for a total of $1.2 million, to the Abandoned Oil and Gas Well Fund in FY 2010 and FY 2011 for well-plugging activities.

GOVERNOR'S RECOMMENDATION. The Governor recommends transfers from the State Water Plan Fund of $288,000 in FY 2010 and $374,865 in FY 2011. The Governor does not recommend a transfer from the State General Fund for FY 2010, FY 2011, or FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 143 --Department of Education - Capital Outlay State Aid - Revenue Transfer

AGENCY REQUEST. The agency requests $26.4 million, all from the State General Fund, for Capital Outlay State Aid for FY 2011. This is an increase of $26.4 million, or 100.0 percent, above the revised FY 2010 estimate.

GOVERNOR'S RECOMMENDATION. The Governor recommends suspending any planned transfers from the State General Fund to the School District Capital Outlay State Aid Fund for fiscal years FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 144 --Attorney General

SENATE COMMITTEE RECOMMENDATION.

1. The Senate Committee recommends the addition of language authorizing the current statutory cap on transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund be increased from $100,000 to $300,000 for FY 2010 through FY 2015. A permanent increase in the transfer cap is included in 2010 SB 326. The bill passed the Senate during the 2009 Session and is currently in the House.

Sec. 145 --Department of Education - School District Capital Improvement State Aid - Revenue Transfer

AGENCY REQUEST. The agency requests $91.7 million for Capital Improvement State Aid for FY 2011. This s an increase of $5.0 million, or 5.8 percent, above the revised FY 2010 estimate. In November 2008, approximately $847.0 million in school bonds passed throughout Kansas. The request reflects the anticipated increase in

expenditures.

GOVERNOR'S RECOMMENDATION. The Governor concurs with the agency's request and recommends a revenue transfer of $91.7 million from the State General Fund to the School Districts Capital Improvements Fund for FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 147 --Qualifying Gifts

This section provides for the transfer of matching funds pursuant to the Faculty of Distinction Program.

Sec. 148 --Kansas Development Finance Authority

GOVERNOR'S RECOMMENDATION. The Governor's recommendation would change demand transfers from the State General Fund to Regent Institution Debt Service Funds, or funds at a State Educational Institution for bond payments to revenue transfers for FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 149 --Infrastructure Maintenance Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends eliminating transfers from the State General Fund to the Infrastructure Maintenance Fund for FY 2010, FY 2011, and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 150 --Local Ad Valorem Tax Reduction Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends eliminating the transfer from the State General Fund to the Local Ad Valorem Tax Reduction Fund for FY 2010, FY 2011, and FY 2012. The Governor recommends resuming the transfer in FY 2013, FY 2014, and FY 2015. For FY 2013, the transfer will total $13,500,000.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 151 --County and City Revenue Sharing Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends eliminating the transfer from the State General Fund to the City and County Revenue Sharing Fund for FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 152 --Business Machinery and Equipment Tax Reduction Assistance Fund - "Slider," Telecommunications and Railroad Machinery and Equipment Tax Reduction Fund - "Slider"

GOVERNOR'S RECOMMENDATION. The Governor does not recommend the transfer of $35,183,000 from the State General Fund to the Business Machinery and Equipment Tax Reduction Assistance Fund for FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 153 --Telecommunications and Railroad Machinery and Equipment Tax Reduction Fund - "Slider"

GOVERNOR'S RECOMMENDATION. The Governor does not recommend the transfer of $8,800,000 from the State General Fund to the Telecommunications and Railroad Machinery and Equipment Tax Reduction Assistance Fund for FY 2011 and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 154 --Special City County Highway Fund

GOVERNOR'S RECOMMENDATION. The Governor does not recommend making the transfer of $10,063,664 from the State General Fund to the Special City County Highway Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Add language that would repay the previously underpaid counties a total of $11.1 million from FY 2011 to FY 2015 from the Special City County Highway Fund. The payments would be deducted from the quarterly distributions from the Special City County Highway Fund for five years from the 100 remaining counties that were overpaid from FY 2000 to FY 2009.

Sec. 155 --Economic Development Initiatives Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends transferring $200,000 from the Economic Development Initiatives Fund to the Kansas Qualified Biodiesel Fuel Producer Incentive Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 156 --Kansas Retail Dealers Incentive Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends eliminating transfers from the State General Fund to the Kansas Retail Dealer Incentive Fund for FY 2010, FY 2011, and FY 2012.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 157 --State Gaming Revenues Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends adjusting the date on which the Kansas Lottery makes a transfer from lottery proceeds to the State Gaming Revenues Fund from July 15 to June 25.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 158 --State Water Plan Fund

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the statutory transfer of $6.0 million to $1.348.245 from the State General Fund to the State Water Plan Fund for FY 2011.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 159 --Repealer

This section repeals the existing 2009 K.S.A. Supplement regarding certain transfers.

Sec. 160 --Repealer

This section repeals existing 2009 K.S.A. Supplement statutes.

Sec. 161 --Severability

This section provides that if one or more sections of this bill are found by the court to be invalid. the remaining sections shall remain valid.

Sec. 162 --FTE Appeals

This section provides for agencies to exceed the position limitation established by the bill with the approval of the State Finance Council.

Sec. 163 --Appeals to Exceed Limitation

This section provides for agencies to exceed expenditure limitations with the approval of the Governor and the State Finance Council.

Sec. 164 --Savings

This section provides for the reappropriation of special revenue funds that are not specifically appropriated or limited by this, and prior appropriation acts. This section does not apply to the Expanded Lottery Act Revenues Fund, the State Economic Development Initiatives Fund, the Children's Initiatives Fund, the State Water Plan Fund, the Kansas Endowment for Youth Fund, the Kansas Educational Building Fund, the State Institutions Building Fund, or the Correctional Institutions Building Fund,

Sec. 165 --Special Revenue Fund Bond Reappropriations

The Governor's recommendation would allow expenditures in bond special revenue funds for the purposes enumerated by the bond special revenue fund in the event that moneys are credited to the funds and are not appropriated or limited.

Sec. 166 --Federal Grants

This section provides for the expenditure of federal grant funds, pursuant to the grant requirements, for federal funds that are not included in the bill.

Sec. 167 --Correctional Institutions Building Fund

This section provides for the reappropriation of Correctional Institutions Building Fund monies.

Sec. 168 --Education Building Fund Reappropriation

This section provides for the reappropriation of Educational Building Fund monies.

Sec. 169 --State Institutions Building Fund Reappropriation

This section provides for the reappropriation of State Institutional Building Fund monies.

Sec. 170 --Legislative Post Audit Special Revenue Fund Transfers

Provides that state agencies are allowed to exceed their special revenue fund expenditure limitation for the purposes of paying for audits done by Legislative Post Audit.

Senate Appropriations Bill - Senate Substitute for HB 2631

(Reflects Senate Committee Adjustments for FY 2010, FY 2011, FY 2012, FY 2013, FY 2014, FY 2015, FY 2016, and FY 2017)

Agency/Item	*State General Fund*	*All Other Funds*	*All Funds*	*FTEs*
FY 2010				
Board of Pharmacy				
1. Add $50,000, all from the Board of Pharmacy Fee Fund, to purchase professional disciplinary and licensing software in FY 2010.	0	50,000	50,000	0.0
Agency Subtotal	*$0*	*$50,000*	*$50,000*	*0.0*
Attorney General				
1. Delete the $20,000 transfer recommended in FY 2010 from the Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund. Instead, transfer $20,000 from the Court Cost Fund to the Sexually Violent Predator Expense Fund. This funding would be expended to reimburse counties for determinations of whether an individual is a sexually violent predator.	0	0	0	0.0
2. Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by $200,000, from $100,000 to $300,000, in FY 2010.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Insurance Department				
1. Capture $3.4 million in additional State General Fund revenues in FY 2010 for the 1.0 percent managed care organizations privilege fee.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Commission on Veterans Affairs				
1. Increase the expenditure limitation on the following funds from the amount indicated to no-limit in FY 2010: Soldiers' Home Fee Fund ($2,262,066); Veterans' Home Fee Fund ($3,359,588); VA Burial Reimbursement Fund - Federal ($35,667); Veterans Home Federal Fund ($3,077,188); Soldiers Home Federal Fund ($3,530,819); Commission on Veterans Affairs Federal Fund ($250,259). It is anticipated that no additional expenditures will be made by this action. However, it will give the agency maximum flexibility to manage their special revenue funds.	0	0	0	0.0
2. Add language to allow the Executive Director of the Kansas Commission on Veterans' Affairs to transfer funds between the programs under the authority of Kansas Commission on Veterans' Affairs in order to assist in the best allocation of resources within the agency in FY 2010.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Dept. of Health and Environment - Health				
1. Appropriate the Health Information Exchange-Federal Fund as a no-limit fund in FY 2010. The fund would be used to receive and expend a 5-year, $9.0 million federal grant to establish the Kansas Health Information Exchange. Substantive legislation to create the fund has also been introduced.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Dept. of Health and Environment - Environment				
1. Appropriate the QuantiFERON TB Laboratory Fund as a no-limit fund in FY 2010. The fund would be used to deposit contractual services payments received from state universities that wish to contract for lab services related to the requirements that all college students have a tuberculosis test using QuantiFERON.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Health Policy Authority				
1. Delete $16.4 million, all from the State General Fund, and add the same amount from federal funds in FY 2010 to capture savings associated with the enhanced federal match rate to "clawback" payments for the Medicare Modernization Act of 2003.	(16,400,000)	16,400,000	0	0.0
Agency Subtotal	*($16,400,000)*	*$16,400,000*	*$0*	*0.0*
Social and Rehabilitation Services				
1. Delete $15.0 million, all from the State General Fund, in FY 2010 for the Foster Care program and add the same amount from the Temporary Assistance for Needy Families Fund.	(15,000,000)	15,000,000	0	0.0
Agency Subtotal	*($15,000,000)*	*$15,000,000*	*$0*	*0.0*

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 8

Agency/Item	State General Fund	All Other Funds	All Funds	FTE
Adjutant General				
1. Add $459,357, all from the National Guard Museum Assistance Fund, in FY 2010 for the 35th Infantry Division museum expansion. In addition, add language transferring $459,357 from the State General Fund to the National Guard Museum Assistance Fund in FY 2010. Funding is based on 2008 Senate Substitute for House Bill 2923, Section 6, which provides that an amount equal to 30.0 percent of net profits from the Veteran's Benefit instant scratch-off tickets from July 1, 2008, to June 30, 2010, to fund the 35th Infantry Division Museum and Museum Education Center. The additional $459,357 would allow for the completion of the expansion project.	0	459,357	459,357	0.0
Agency Subtotal	*$0*	*$459,357*	*$459,357*	*0.0*
Kansas Department of Transportation				
1. Delete $28.0 million, all from the State Highway Fund, in FY 2010 and transfer the same amount to the State General Fund. This reduction is achieved by reducing planned maintenance lettings with project costs totaling $87.0 million over a number of fiscal years.	0	(28,000,000)	(28,000,000)	0.0
Agency Subtotal	*$0*	*($28,000,000)*	*($28,000,000)*	*0.0*
TOTAL: FY 2010	**($31,400,000)**	**$3,909,357**	**($27,490,643)**	**0.0**
FY 2011				
Legislature				
1. Delete $125,000, all from the State General Fund, for FY 2011 to continue limiting legislator postage (franking) privileges to 50.0 percent, and cap leadership postage (franking) privileges at $2,500 annually. This would continue the limitation approved in the current year in HB 2222 (recission bill).	(125,000)	0	(125,000)	0.0
2. Delete $97,100, all from the State General Fund, and add language to limit all interim joint committees and special committees, except for the Legislative Coordinating Council, Legislative Post Audit, Redistricting Advisory Group, Administrative Rules and Regulations, and Senate Confirmations, to a total of 60 days for committee meetings to be distributed by the Legislative Coordinating Council during the 2010 interim period	(97,100)	0	(97,100)	0.0
3. Delete $66,399, all from the State General Fund, to eliminate file clerks for FY 2011. All bills and supplemental notes are available electronically.	(66,399)	0	(66,399)	0.0
4. Delete $62,775, all from the State General Fund, and add language to limit distribution of new statute books to only new legislators for FY 2011. Cumulative supplements to the statutes would still be provided to all legislators.	(62,775)	0	(62,775)	0.0
5. Delete $61,098, all from the State General Fund, for FY 2011 to eliminate newspaper clippers and newspaper subscriptions.	(61,098)	0	(61,098)	0.0
6. Delete $33,702, all from the State General Fund, and add language for FY 2011 to eliminate the distribution of permanent House and Senate Journals to Legislators.	(33,702)	0	(33,702)	0.0
7. Add language to limit funding for leadership days for FY 2011 to the following: President/Speaker - 30 days; Majority/Minority Leaders - 20 days; Chairs Ways and Means/Appropriations - 15 days; Vice President/Speaker Pro-tem - 10 days; Assistant Majority/Minority Leaders - 5 days; All other leadership positions - 0 days	0	0	0	0.0
8. Add $95,000, all from the State General Fund, for FY 2011 in a separate line item to fund the required redistricting activities. This would only provide $20,000 for training of existing staff and $75,000 for a contract with the Secretary of State to provide revised census data.	95,000	0	95,000	0.0
Agency Subtotal	*($351,074)*	*$0*	*($351,074)*	*0.0*
Legislative Research Department				
1. Add $263,811, all from the State General Fund, in a separate line item for FY 2011 to fund the costs associated with redistricting, excluding additional computer equipment. This will allow the agency to continue redistricting activities to assist the Legislature in redrawing of legislative, State Board of Education, and congressional districts as required by the U.S. and Kansas Constitutions.	263,811	0	263,811	0.0
Agency Subtotal	*$263,811*	*$0*	*$263,811*	*0.0*
Division of Post Audit				
1. Delete $210,208, all from the State General Fund, and 5.0 FTE positions to eliminate the school district audit team for FY 2011. This team reports to the 2010 Commission which sunsets on December 31, 2010. Currently, the last meeting of the 2010 Commission is tentatively scheduled for April 23, 2010.	(210,208)	0	(210,208)	(5.0)
2. Add language for FY 2011 to suspend all school district audits for two years.	0	0	0	0.0

gency/Item	State General Fund	All Other Funds	All Funds	
3. Delete $210,425, all from the State General Fund, and add language to allow Post Audit the ability to pass through the costs to the state agencies for the single statewide audit for FY 2011. The $210,425 in expenditures would then be spread across the budgets of almost all other state agencies.	(210,425)	0	(210,425)	0.0
Agency Subtotal	*($420,633)*	*$0*	*($420,633)*	*(5.0)*
Office of the Governor				
1. Delete $171,226, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(171,226)	0	(171,226)	0.0
2. Add language authorizing the agency to shift funding among its State General Fund line items to allow the agency as much flexibility as possible to manage the recommended reductions for FY 2011.	0	0	0	0.0
Agency Subtotal	*($171,226)*	*$0*	*($171,226)*	*0.0*
Lieutenant Governor				
1. Delete $4,822, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(4,822)	0	(4,822)	0.0
Agency Subtotal	*($4,822)*	*$0*	*($4,822)*	*0.0*
Attorney General				
1. Delete $63,261, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(63,261)	0	(63,261)	0.0
2. Add language authorizing the agency to shift funding among its State General Fund line items to allow the agency as much flexibility as possible to manage the recommended reductions for FY 2011.	0	0	0	0.0
3. Add $150,000, all from the Crime Victims Assistance Fund, for grants to domestic violence prevention programs and Children's Advocacy Centers for FY 2011.	0	150,000	150,000	0.0
4. Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by $200,000, from $100,000 to $300,000, for FY 2011.	0	0	0	0.0
5. Delete the $20,000 transfer recommended for FY 2011 from the Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund. Instead, transfer $20,000 from the Court Cost Fund to the Sexually Violent Predator Expense Fund. This funding would be expended to reimburse counties for determinations of whether an individual is a sexually violent predator.	0	0	0	0.0
Agency Subtotal	*($63,261)*	*$150,000*	*$86,739*	*0.0*
Health Care Stabilization Fund Board				
1. Add 1.0 FTE position to respond to Kansas Open Records requests and fund the position from existing resources for FY 2011.	0	0	0	1.0
Agency Subtotal	*$0*	*$0*	*$0*	*1.0*
Board of Indigents' Defense Services				
1. Delete $539,761, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(539,761)	0	(539,761)	0.0
Agency Subtotal	*($539,761)*	*$0*	*($539,761)*	*0.0*
Judicial Branch				
1. Delete $199,499, all from the State General Fund, for the construction of offices for the 14th Court of Appeals Judge and staff for FY 2011. 2010 SB 541 will delay adding the additional judge until January 1, 2012.	(199,499)	0	(199,499)	0.0
2. Delete $4.7 million, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.	(4,744,434)	0	(4,744,434)	0.0
3. Delete $225,515, all from the State General Fund, and 3.0 FTE positions for the 14th Court of Appeals Judge and staff for FY 2011. Current law provides for the additional judge in FY 2011. Senate Bill 541 has been introduced to delay the addition of the judge until FY 2012.	(225,515)	0	(225,515)	(3.0)

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Agency/Item	State General Fund	All Other Funds	All Funds	
4. Add a proviso to require fees paid for advance sheets and bound volumes of opinions of the Supreme Court and Court of Appeals be used for the cost of printing the publications. Any remaining costs associated with printing will be paid for by State General Funds.	0	0	0	0.0
Agency Subtotal	*($5,169,448)*	*$0*	*($5,169,448)*	*(3.0)*
Kansas Human Rights Commission				
1. Delete $35,442, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(35,442)	0	(35,442)	0.0
Agency Subtotal	*($35,442)*	*$0*	*($35,442)*	*0.0*
Department of Administration				
1. Delete $150,000, all from the State General Fund, to eliminate funding for a Gubernatorial Transition Team for FY 2011.	(150,000)	0	(150,000)	0.0
2. Delete $358,430, including $63,260 from the State General Fund, for longevity bonus payments for FY 2011. The agency would be required to make the payments from existing resources since payment of longevity bonuses is required by law.	(63,260)	(295,170)	(358,430)	0.0
3. Delete $69,336, all from the State General Fund, to achieve a capital improvement State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(69,336)	0	(69,336)	0.0
Agency Subtotal	*($282,596)*	*($295,170)*	*($577,766)*	*0.0*
Court of Tax Appeals				
1. Delete $33,986, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(33,986)	0	(33,986)	0.0
2. Add $33,000, all from the Court of Tax Appeals Filing Fee Fund, for FY 2011 to offset the agency's State General Fund reduction. The addition of $33,000 will increase the expenditure limitation on the agency's Filing Fee Fund by $33,000 from $648,777 to $681,777 for FY 2011.	0	33,000	33,000	0.0
Agency Subtotal	*($33,986)*	*$33,000*	*($986)*	*0.0*
Department of Revenue				
1. Delete $401,897, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(401,897)	0	(401,897)	0.0
Agency Subtotal	*($401,897)*	*$0*	*($401,897)*	*0.0*
Department of Labor				
1. Delete $11,172, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(11,172)	0	(11,172)	0.0
Agency Subtotal	*($11,172)*	*$0*	*($11,172)*	*0.0*
Commission on Veterans Affairs				
1. Delete $185,702, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(185,702)	0	(185,702)	0.0
2. Increase the expenditure limitation on the following funds from the amount indicated to no-limit for FY 2011: Soldiers' Home Fee Fund ($1,644,916); Soldiers' Home Medicare Fund ($288,000); Soldiers' Home Medicaid Fund ($270,000); Veterans' Home Medicare Fund ($188,000); Veterans' Home Medicaid Fund ($360,000); Veterans' Home Fee Fund ($3,495,481); VA Burial Reimbursement Fund - Federal ($56,400); Veterans Home Federal Fund ($2,958,598); Soldiers Home Federal Fund ($2,382,332); Commission on Veterans Affairs Federal Fund ($206,208). It is anticipated that no additional expenditures will be made by this action. However, it will give the agency maximum flexibility to manage their special revenue funds.	0	0	0	0.0
3. Add language to allow the Executive Director of the Kansas Commission on Veterans' Affairs to transfer funds between the programs under the authority of Kansas Commission on Veterans' Affairs in order to assist in the best allocation of resources within the agency for FY 2011.	0	0	0	0.0
4. Add language to allow the Kansas Commission on Veterans' Affairs to expend Scratch Lotto Funds received by the agency not only for the enhanced service delivery program but also for normal program operations in the Veterans Services Program, notwithstanding KSA 74-8724(3)(b) for FY 2011.	0	0	0	0.0

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gency/Item	State General Fund	All Other Funds	All Funds	
Agency Subtotal	*($185,702)*	*$0*	*($185,702)*	*0.0*
Dept. of Health and Environment - Health				
1. Delete $654,054, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.	(654,054)	0	(654,054)	0.0
2. Appropriate the Health Information Exchange-Federal Fund as a no-limit fund for FY 2011. The fund would be used to receive and expend a 5-year, $9.0 million federal grant to establish the Kansas Health Information Exchange. Substantive legislation to create the fund has also been introduced.	0	0	0	0.0
Agency Subtotal	*($654,054)*	*$0*	*($654,054)*	*0.0*
Dept. of Health and Environment - Environment				
1. Delete $191,193, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(191,193)	0	(191,193)	0.0
2. Appropriate the QuantiFERON TB Laboratory Fund as a no-limit fund for FY 2011. The fund would be used to deposit contractual services payments received from state universities that wish to contract for lab services related to the requirements that all college students have a tuberculosis test using QuantiFERON.	0	0	0	0.0
Agency Subtotal	*($191,193)*	*$0*	*($191,193)*	*0.0*
Department on Aging				
1. Delete $8,561,130, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(8,561,130)	0	(8,561,130)	0.0
2. Delete $4,559,625, including $1,382,478 from the State General Fund, for FY 2011 to capture savings associated with the billing delay from the Medicaid provider reductions implemented from January 1, 2010, through June 30, 2010.	(1,382,478)	(3,177,147)	(4,559,625)	0.0
Agency Subtotal	*($9,943,608)*	*($3,177,147)*	*($13,120,755)*	*0.0*
Health Policy Authority				
1. Delete $8.3 million, all from the State General Fund, and add the same amount from federal funds to capture savings associated with the enhanced federal match rate to state "clawback" payments for the Medicare Modernization Act of 2003 for FY 2011.	(8,270,000)	8,270,000	0	0.0
2. Add $2.0 million, including $800,000 from the State General Fund, to restore savings associated with the Governor's recommended implementation of a preferred drug formulary for mental health medications and do not implement a preferred drug formulary for FY 2011.	800,000	1,200,000	2,000,000	0.0
3. Delete $3.1 million, including $1.0 million from the State General Fund, for FY 2011 to capture saving associated with the billing delay associated with the Medicaid provider reductions implemented in FY 2010.	(954,681)	(2,194,004)	(3,148,685)	0.0
4. Delete $526,316, including $200,000 from the State General Fund, to reduce salaries and wages funding for FY 2011.	(200,000)	(326,316)	(526,316)	0.0
5. Delete $5.5 million, including $1.4 million from the State General Fund, to reflect increasing monthly HealthWave premiums by $20 for FY 2011.	(1,400,000)	(4,100,000)	(5,500,000)	0.0
6. Delete $8.3 million, including $2.9 million from the State General Fund, to capture savings associated with reducing the maximum hospice benefits from six months to three months for FY 2011.	(2,916,375)	(5,416,125)	(8,332,500)	0.0
7. Delete $5.8 million, including $2.3 million from the State General Fund, to capture savings associated with eliminating transitional Medicaid assistance after the expiration of the enhanced federal match for the Medicaid program for FY 2011.	(2,310,000)	(3,465,000)	(5,775,000)	0.0
8. Delete $240,000, including $84,000 from the State General Fund, to capture savings by limiting the first fill of a brand name prescription to 15 days instead of the current 30 day policy for FY 2011.	(84,000)	(156,000)	(240,000)	0.0
9. Delete $500,000, including $175,000 from the State General Fund, associated with expanded Drug Use Reviews and increased expenditures for prescriber educational and peer intervention programs for FY 2011.	(175,000)	(325,000)	(500,000)	0.0
10. Add $13.8 million, including $4.1 million from the State General Fund, for increased Medicaid expenditures as a result of utilizing increased Managed Care Organization privilege fee payments for FY 2011.	4,134,060	9,646,140	13,780,200	0.0
11. Delete $5.1 million, all from the State General Fund, by reducing MediKan program expenditures for FY 2011.	(5,091,220)	0	(5,091,220)	0.0

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Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
12. Add language prohibiting the agency from implementing a preferred drug formulary for MediKan mental health prescriptions for FY 2011.	0	0	0	0.0
13. Add language specifying funds donated or granted to the agency may only be used to assist the Clearinghouse in reducing backlogs unless specifically allowed by the contributing entity for FY 2011.	0	0	0	0.0
Agency Subtotal	*($16,467,216)*	*$3,133,695*	*($13,333,521)*	*0.0*
Social and Rehabilitation Services				
1. Delete $5.6 million, including $1.7 million from the State General Fund, for FY 2011 to capture savings associated with the billing delay in the Medicaid provider reductions implemented in FY 2010.	(1,710,318)	(3,930,572)	(5,640,890)	0.0
2. Delete $4.1 million, including $1.8 million from the State General Fund, for a salaries and wages reduction for FY 2011.	(1,828,208)	(2,280,124)	(4,108,332)	0.0
3. Delete $3.7 million, all from the State General Fund, to suspend all General Assistance payments for FY 2011.	(3,707,204)	0	(3,707,204)	0.0
4. Delete $17.4 million, including $6.2 million from the State General Fund, to reduce funding for home and community based services waivers for FY 2011.	(6,200,000)	(11,201,067)	(17,401,067)	0.0
5. Delete $519,900, all from the State General Fund, to eliminate funding for the funeral assistance program for FY 2011.	(519,900)	0	(519,900)	0.0
6. Delete $5.9 million, all from the State General Fund, to reduce funding for mental health consolidated grants to Community Mental Health Centers for FY 2011.	(5,890,993)	0	(5,890,993)	0.0
7. Delete $5,233,297, all from the State General Fund, to reduce Mental Health State Aid to Community Mental Health Centers for FY 2011.	(5,233,297)	0	(5,233,297)	0.0
8. Delete $1.3 million, all from the State General Fund, to reduce direct services grants for Community Developmental Disabilities Organizations for FY 2011.	(1,325,000)	0	(1,325,000)	0.0
9. Delete $3.2 million, all from the State General Fund, to reduce state aid to Community Developmental Disabilities Organizations for FY 2011.	(3,163,000)	0	(3,163,000)	0.0
10. Delete $500,000, all from the State General Fund, to reduce funding for information technology expenditures for FY 2011.	(500,000)	0	(500,000)	0.0
11. Delete $9.0 million, all from the Children's Initiatives Fund, for FY 2011 to reduce expenditures for each program by 24.0 percent. The proportionate reduction of Children's Initiatives Fund expenditures for the Department of Social and Rehabilitation Services and the Department of Education results in a $12.0 million overall reduction.	0	(8,991,611)	(8,991,611)	0.0
12. Add language for FY 2011 that specifies the Secretary is not responsible for administering programs which did not receive adequate funding to provide assistance.	0	0	0	0.0
Agency Subtotal	*($30,077,920)*	*($26,403,374)*	*($56,481,294)*	*0.0*
Kansas Guardianship Program				
1. Delete $32,513, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(32,513)	0	(32,513)	0.0
Agency Subtotal	*($32,513)*	*$0*	*($32,513)*	*0.0*
Board of Regents				
1. Delete $10.0 million, all from the State General Fund, to reduce the Governor's budget recommendation for the postsecondary education system to the FY 2006 level for FY 2011.	(10,000,000)	0	(10,000,000)	0.0
2. Lapse $220,669, from unobligated balances in the Southwest Kansas Access State General Fund account of the Board of Regents for FY 2011, and add the same amount to Fort Hays State University for the Kansas Academy of Mathematics and Science (KAMS).	0	0	0	0.0
3. Lapse $4,331, from unobligated balances in the Southwest Kansas Access State General Fund account of the Board of Regents for FY 2011, and add the same amount to fund the agency's enhancement request for Midwest Higher Education Compact (MHEC) dues increases.	4,331	0	4,331	0.0
4. Delete language for FY 2011 guaranteeing that no institution receiving Postsecondary Aid for Vocational Education should receive less funding for FY 2011 than it did in FY 2010. Due to budget reductions, this language cannot be implemented.	0	0	0	0.0
Agency Subtotal	*($9,995,669)*	*$0*	*($9,995,669)*	*0.0*

Agency/Item	State General Fund	All Other Funds	All Funds	
Fort Hays State University				
1. Add $420,669, including $220,669 from the State General Fund and $200,000 from the Economic Development Initiatives Fund for FY 2011, to fund the second class of the Kansas Academy for Mathematics and Science (KAMS) for two years.	220,669	200,000	420,669	0.0
2. Add $635,100, all from special revenue funds, for deferred maintenance to reflect updated estimates of revenues into the agency's Deferred Maintenance Support Fund for FY 2011.	0	635,100	635,100	0.0
Agency Subtotal	*$220,669*	*$835,100*	*$1,055,769*	*0.0*
Wichita State University				
1. Add language requiring Wichita Area Technical College make expenditures to provide a report to the Legislative Budget Committee by September 1, 2010 detailing the expenditure of Economic Development Initiatives Fund appropriations for the National Center for Aviation Training (NCAT) to date for FY 2011.	0	0	0	0.0
2. Delete $200,000, all from the Economic Development Initiatives Fund (EDIF), to reduce the Governor's recommended funding for aviation infrastructure at the National Center for Aviation Training (NCAT) from $5.0 million to $4.8 million for FY 2011.	0	(200,000)	(200,000)	0.0
Agency Subtotal	*$0*	*($200,000)*	*($200,000)*	*0.0*
Department of Education				
1. Delete $32.75 million, all from the State General Fund, in General State Aid to delete the Governor's recommendation to increase the Base State Aid Per Pupil (BSAPP) $50, from $4,012 to $4,062, for FY 2011.	(32,750,000)	0	(32,750,000)	0.0
2. Delete $660,000, all from the State General Fund, from the Discretionary Grants program for FY 2011.	(660,000)	0	(660,000)	0.0
3. Add $660,000, all from the State General Fund, for the Driver's Education program for FY 2011.	660,000	0	660,000	0.0
4. Delete $3.0 million, all from the Children's Initiatives Fund, to reduce program expenditures in the Parent Education and Pre-K Program by approximately 24.0 percent for FY 2011. The proportionate reduction of Children's Initiatives Fund expenditures for the Department of Education and the Department of Social and Rehabilitation Services results in an overall reduction of $12.0 million.	0	(3,008,389)	(3,008,389)	0.0
Agency Subtotal	*($32,750,000)*	*($3,008,389)*	*($35,758,389)*	*0.0*
State Library				
1. Delete $110,150, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(110,150)	0	(110,150)	0.0
Agency Subtotal	*($110,150)*	*$0*	*($110,150)*	*0.0*
Kansas Arts Commission				
1. Delete $93,100, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.	(93,100)	0	(93,100)	0.0
Agency Subtotal	*($93,100)*	*$0*	*($93,100)*	*0.0*
School for the Blind				
1. Delete $211,799, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.	(211,799)	0	(211,799)	0.0
Agency Subtotal	*($211,799)*	*$0*	*($211,799)*	*0.0*
School for the Deaf				
1. Delete $313,905, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.	(313,905)	0	(313,905)	0.0
Agency Subtotal	*($313,905)*	*$0*	*($313,905)*	*0.0*
State Historical Society				
1. Delete $134,530, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(134,530)	0	(134,530)	0.0
Agency Subtotal	*($134,530)*	*$0*	*($134,530)*	*0.0*

8-7

Agency/Item	State General Fund	All Other Funds	All Funds	
Juvenile Justice Authority				
1. Delete $67,775, including $20,549 from the State General Fund, for FY 2011 to capture savings associated with the billing delay in the Medicaid provider reductions implemented in FY 2010.	(20,549)	(47,226)	(67,775)	0.0
Agency Subtotal	*($20,549)*	*($47,226)*	*($67,775)*	*0.0*
Adjutant General				
1. Add $247.0 million, including $24.8 million from the State General Fund, for FY 2011 disaster assistance payments. This addition would provide a total of $298.0 million, including $30.0 million from the State General Fund, for FY 2011 disaster assistance obligations.	24,787,015	222,179,661	246,966,676	0.0
Agency Subtotal	*$24,787,015*	*$222,179,661*	*$246,966,676*	*0.0*
Kansas Bureau of Investigation				
1. Delete $1,080,630, all from the State General Fund, that was added by the Governor for the DNA lab backlog for FY 2011.	(1,080,630)	0	(1,080,630)	0.0
Agency Subtotal	*($1,080,630)*	*$0*	*($1,080,630)*	*0.0*
Department of Agriculture				
1. Delete $233,797, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(233,797)	0	(233,797)	0.0
2. Add language for FY 2011 that would allow the agency to reappropriate any unencumbered balances over $100 from FY 2010 to FY 2011 in its State Water Plan Fund programs.	0	0	0	0.0
Agency Subtotal	*($233,797)*	*$0*	*($233,797)*	*0.0*
Animal Health Department				
1. Delete $19,618, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.	(19,618)	0	(19,618)	0.0
Agency Subtotal	*($19,618)*	*$0*	*($19,618)*	*0.0*
State Conservation Commission				
1. Delete $18,288, including $9,144 from the Land Reclamation Fund and $9,144 from the Motor Pool Fund, and transfer that amount to the State General Fund for FY 2011.	0	(18,288)	(18,288)	0.0
2. Add language that would allow the agency to spend State Water Plan Funds in the Water Resources Cost-Share program for contractual technical expertise and/or on non-salary agency administration expenditures for FY 2011.	0	0	0	0.0
3. Add reappropriation language to the Conservation Reserve Enhancement Program (CREP) account of the State Water Plan Fund for FY 2011.	0	0	0	0.0
Agency Subtotal	*$0*	*($18,288)*	*($18,288)*	*0.0*
Kansas Water Office				
1. Delete $46,447, all from the Water Supply Storage Assurance Fund, and transfer that amount to the State General Fund for FY 2011.	0	(46,447)	(46,447)	0.0
Agency Subtotal	*$0*	*($46,447)*	*($46,447)*	*0.0*
Department of Wildlife and Parks				
1. Add $200,000, all from the Parks Fee Fund, to increase the agency's expenditure limitation for state parks operations from $5,734,743 to $5,934,743 in order to partially offset the agency's decreasing State General Fund expenditures for FY 2011.	0	200,000	200,000	0.0
2. Delete $527,244, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the FY 2010 Governor's recommendation for FY 2011.	(527,244)	0	(527,244)	0.0
Agency Subtotal	*($527,244)*	*$200,000*	*($327,244)*	*0.0*
Special City County Highway Fund				
1. Add language that would repay the previously underpaid counties a total of $11.1 million from FY 2011 to FY 2015 from the Special City County Highway Fund. The payments would be deducted from the quarterly distributions from the Special City County Highway Fund for five years from the one hundred remaining counties that were overpaid from FY 2000 to FY 2009.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*

8-8

gency/Item	State General Fund	All Other Funds	All Funds	
Children's Initiatives Fund				
1. Decrease the transfer from the Kansas Endowment for Youth Fund by $12.0 million, and transfer the funding to the State General Fund for FY 2011.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
State Employee Pay				
1. Delete $8,534,972, all from the State General Fund, for the State classified employees market pay adjustment for FY 2011.	(8,534,972)	0	(8,534,972)	0.0
Agency Subtotal	*($8,534,972)*	*$0*	*($8,534,972)*	*0.0*
State Officer Salary Reduction				
1. Add language to continue the 5.0 percent salary reduction to salaried officers of the state contained in Senate Substitute for HB 2222 (recission bill) with the following exception. Legislative leadership staff would be divided into two categories. The salary of each chief of staff would continue to be reduced by 5.0 percent while the remaining leadership staff would have salaries reduced by 2.5 percent. The 5.0 percent salary reduction would continue to apply to statewide elected officials, secretary of a department or chief executive officer, members of a board, council, or authority, legislators, legislative leadership, judges and justices and other positions authorized by statute.	(2,527,430)	(1,048,200)	(3,575,630)	0.0
Agency Subtotal	*($2,527,430)*	*($1,048,200)*	*($3,575,630)*	*0.0*
TOTAL: FY 2011	**($96,319,422)**	**$192,287,215**	**$95,967,793**	**(7.0)**
FY 2012				
Attorney General				
1. Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by $200,000, from $100,000 to $300,000, for FY 2012.	0	0	0	0.0
2. Add language transferring $2.0 million, all from the State Water Plan Fund, to the Attorney General's Interstate Water Litigation Fund for FY 2012. This is intended to begin replenishing the funding for interstate water litigation. Total transfers for FY 2012-FY 2017 will be $17.0 million.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Special City County Highway Fund				
1. Add language that would repay the previously underpaid counties a total of $11.1 million from FY 2011 to FY 2015 from the Special City County Highway Fund. The payments would be deducted from the quarterly distributions from the Special City County Highway Fund for five years from the one hundred remaining counties that were overpaid from FY 2000 to FY 2009.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
TOTAL: FY 2012	**$0**	**$0**	**$0**	**0.0**
FY 2013				
Attorney General				
1. Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by $200,000, from $100,000 to $300,000, for FY 2013.	0	0	0	0.0
2. Add language transferring $3.0 million, all from the State Water Plan Fund, to the Attorney General's Interstate Water Litigation Fund for FY 2013. This is intended to continue replenishing the funding for interstate water litigation. Total transfers for FY 2012-FY 2017 will be $17.0 million.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Special City County Highway Fund				
1. Add language that would repay the previously underpaid counties a total of $11.1 million from FY 2011 to FY 2015 from the Special City County Highway Fund. The payments would be deducted from the quarterly distributions from the Special City County Highway Fund for five years from the one hundred remaining counties that were overpaid from FY 2000 to FY 2009.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
TOTAL: FY 2013	**$0**	**$0**	**$0**	**0.0**

Agency/Item	State General Fund	All Other Funds	All Funds	
FY 2014				
Attorney General				
1. Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by $200,000, from $100,000 to $300,000, for FY 2014.	0	0	0	0.0
2. Add language transferring $3.0 million, all from the State Water Plan Fund, to the Attorney General's Interstate Water Litigation Fund for FY 2014. This is intended to continue replenishing the funding for interstate water litigation. Total transfers for FY 2012-FY 2017 will be $17.0 million.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Special City County Highway Fund				
1. Add language that would repay the previously underpaid counties a total of $11.1 million from FY 2011 to FY 2015 from the Special City County Highway Fund. The payments would be deducted from the quarterly distributions from the Special City County Highway Fund for five years from the one hundred remaining counties that were overpaid from FY 2000 to FY 2009.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
TOTAL: FY 2014	**$0**	**$0**	**$0**	**0.0**
FY 2015				
Attorney General				
1. Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by $200,000, from $100,000 to $300,000, for FY 2015.	0	0	0	0.0
2. Add language transferring $3.0 million, all from the State Water Plan Fund, to the Attorney General's Interstate Water Litigation Fund for FY 2015. This is intended to continue replenishing the funding for interstate water litigation. Total transfers for FY 2012-FY 2017 will be $17.0 million.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
Special City County Highway Fund				
1. Add language that would repay the previously underpaid counties a total of $11.1 million from FY 2011 to FY 2015 from the Special City County Highway Fund. The payments would be deducted from the quarterly distributions from the Special City County Highway Fund for five years from the one hundred remaining counties that were overpaid from FY 2000 to FY 2009.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
TOTAL: FY 2015	**$0**	**$0**	**$0**	**0.0**
FY 2016				
Attorney General				
1. Add language transferring $3.0 million, all from the State Water Plan Fund, to the Attorney General's Interstate Water Litigation Fund for FY 2016. This is intended to continue replenishing the funding for interstate water litigation. Total transfers for FY 2012-FY 2017 will be $17.0 million.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
TOTAL: FY 2016	**$0**	**$0**	**$0**	**0.0**
FY 2017				
Attorney General				
1. Add language transferring $3.0 million, all from the State Water Plan Fund, to the Attorney General's Interstate Water Litigation Fund for FY 2017. This is intended to continue replenishing the funding for interstate water litigation. Total transfers for FY 2012-FY 2017 will be $17.0 million.	0	0	0	0.0
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*
TOTAL: FY 2017	**$0**	**$0**	**$0**	**0.0**

8-10

Items for Omnibus Consideration
(Referred by the Senate Committee)

Agency/Item	*State General Fund*	*All Other Funds*	*All Funds*	*FTEs*
FY 2009				
State Employee Pay				
Review the possible addition of $8.5 million for the classified market salary adjustment.	8,534,972	0	8,534,972	0.0
TOTAL	**$8,534,972**	**$0**	**$8,534,972**	**0.0**
FY 2010				
Kansas State Fair Capital Improvements				
Review at Omnibus the transfer of $12,899, all from the State General Fund, to the State Fair Capital Improvements Fund in FY 2010 to fund an anticipated shortfall in the agency's FY 2010 debt service payment.	12,899	0	12,899	0.0
TOTAL	**$12,899**	**$0**	**$12,899**	**0.0**
FY 2011				
Governmental Ethics Commission				
Review at Omnibus the appropriation $457,232, all from the State General Fund, should House Substitute for SB 416 not be enacted into law by that date. House Substitute for SB 416 would delete the requirement that certain faculty members employed by state education institutions submit a statement of substantial interests (SSI) to the Kansas Governmental Ethics Commission.	0	0	0	0.0
Division of Post Audit				
Review the progress of a bill introduced allowing Post Audit to pass through costs to state agencies for the single statewide audit during Omnibus.	0	0	0	0.0
Office of the Governor				
Consider at Omnibus the issue of additional funding for domestic violence prevention grants and Children's Advocacy Centers for FY 2011.	255,173	0	255,173	0.0
Health Care Stabilization Fund Board				
Review at Omnibus the status of SB 414, which amends the Health Care Provider Insurance Affordability Act to provide a process for the repayment of the deferred State General Fund payments, as follows: beginning on July 1, 2013 and on an annual basis through July 1, 2017, twenty percent of the total amount of the State General Fund deferred transfers are to be transferred to the Health Care Stabilization Fund. No interest will be allowed to accrue on the deferred payments. In the event that SB 414 has been passed favorably by the House, the Committee recommends that the Legislature include language in the Omnibus appropriations bill deleting section 109 of SB 556 and HB 2706 which suspends the State General Fund transfers to the Health Care Stabilization Fund for FY 2011 and FY 2012.	0	0	0	0.0
Judicial Branch				
Review at Omnibus Senate Substitute for HB 2476 which increases the surcharge for docket fees from $10 to $20.	0	0	0	0.0

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 9

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Department of Revenue				
Review at Omnibus the 9.0 vacant FTE positions in the Tax Operations Division. The agency is currently holding 9.0 FTE positions vacant due to reductions in the Division's State General Fund appropriation. The agency has estimated that each vacant position has the potential to collect approximately $1.3 million in tax revenue. Additionally, the agency has indicated that the average salary for the vacant 9.0 FTE positions is approximately $50,000. The Committee would like to note that funding some of the positions within the Division could yield a significant return on investment.	0	0	0	0.0
Review at Omnibus the status of HB 2521 which would require the electronic filing of sales and withholding tax when the combination of both exceed $45,000. The bill is required in order for the agency to implement its reduced resource package which totaled $862,984, all from the State General Fund.	0	0	0	0.0
Commission on Veterans Affairs				
Review at Omnibus the status of the Medicare and Medicaid certification process at the Soldiers' Home and Veterans' Homes and consider the appropriation of additional funds dependent upon whether Medicare and Medicaid monies have been received by the agency and to what extent.	0	0	0	0.0
Dept. of Health and Environment - Health				
Review at Omnibus funding for Telehealth services and consider the addition of $1.2 million, all from the State General Fund, for FY 2011 to fund additional services designed to facilitate continued in-home care for those in need of long-term care services.	1,200,000	0	1,200,000	0.0
Review at Omnibus funding for the Infant and Toddler program and consider the addition of $102,083, all from the State General Fund, for FY 2011 to provide the remaining funding necessary to meet the federal maintenance of effort requirements to draw down federal funds for the program.	102,083	0	102,083	0.0
Review at Omnibus the agency's plan to manage the 2.5 percent State General Fund cut ($654,054) imposed on the agency for FY 2011.	0	0	0	0.0
Review at Omnibus the issue of funding to provide one-half of the match requirement ($577,310, all from the State General Fund) for federal bioterrorism funding for FY 2011.	577,310	0	577,310	0.0
Dept. of Health and Environment - Environment				
Review at Omnibus the agency's plan to manage the 2.5 percent State General Fund cut ($191,193) imposed on the agency for FY 2011.	0	0	0	0.0
Department on Aging				
	0	0	0	0.0
Review at Omnibus the agency's enhancement request of $1,095,000, including $382,900 from the State General Fund, to add a telehealth service to the HCBS/FE waiver program. The agency has funded a telehealth pilot study, and the Kansas University Medical Center is evaluating the study results. Results of the three year study will be available by the end of FY 2010. The agency has indicated that telehealth technology could have a significant effect on the health and well-being of residents with chronic diseases and the cost of care when used at home. The request would fund 500 telehealth units a year at approximately $6 per day.	382,900	712,100	1,095,000	0.0
Health Policy Authority				
Consider restoration of funding for hospice services for FY 2011 to eliminate a reduction in the maximum benefit from 60 days to 30 days.	2,916,375	5,416,125	8,332,500	0.0
Consider restoration of funding for the State Children's Health Insurance Program for FY 2011 to eliminate an increase in premiums.	1,400,000	4,100,000	5,500,000	0.0

9-2

gency/Item	State General Fund	All Other Funds	All Funds	FTEs
Consider restoration of funding for the transitional Medicaid program for FY 2011.	2,310,000	3,465,000	5,775,000	0.0
Consider the restoration of funding for the MediKan program for FY 2011.	5,091,220	0	5,091,220	0.0
Consider the restoration of salaries and wages reduced for FY 2011.	200,000	326,316	526,316	0.0
Review options regarding the securitization of drug rebate income, including viability and any issues which exist.	0	0	0	0.0
Review status of new funding for the Comprehensive Neuroscience Project, which is designed to help the state evaluate mental health prescibing practices and improve care.	0	0	0	0.0
Review the status of a policy to align Medicaid reimbursement rates for dental services with private insurance.	0	0	0	0.0
Review the status of a policy to eliminate coverage for over-the-counter medications.	0	0	0	0.0
Review the status of an agency review of the maximum allowable charge for specialty drugs.	0	0	0	0.0
Review the status of an expanded Surveillance Utilization Review to include review of a longer time period.	0	0	0	0.0
Review the status of dose optimization for chronic pain medications.	0	0	0	0.0
Review the status of implementation of a co-pay for non-preferred brand name drugs.	0	0	0	0.0
Review the status of implementation of a co-pay for professional services and procedures.	0	0	0	0.0
Review the status of implementing a hard edit for narcotics to prohibit refill of 30 day prescriptions before 28 days.	0	0	0	0.0
Review the status of removing current exceptions to the brand limit policy.	0	0	0	0.0
Review the status of SB 560, regarding Managed Care Organizations privilege fees.	0	0	0	0.0
Review the status of the e-prescribing project.	0	0	0	0.0
Review the status of the proposed expansion of the Lock-In program.	0	0	0	0.0
Social and Rehabilitation Services				
Consider restoration of $12.0 million, all from the Children's Initiatives Fund, in early childhood program reductions for FY 2011. Review the recommendation from the Children's Cabinet on how the reduction, if not restored, should be distributed.	0	12,000,000	12,000,000	0.0
Consider restoration of Developmental Disabilities State Aid for FY 2011.	3,163,000	0	3,163,000	0.0
Consider restoration of direct services grants for Community Developmental Disabilities Organizations for FY 2011.	1,325,000	0	1,325,000	0.0
Consider restoration of Home and Community Based Services waivers funding for FY 2011.	6,200,000	11,201,067	17,401,067	0.0
Consider restoration of information technology expenditures for FY 2011.	500,000	0	500,000	0.0
Consider restoration of Mental Health Consolidated Grants distributed to the Community Mental Health Centers for FY 2011.	5,890,993	0	5,890,993	0.0
Consider restoration of Mental Health State Aid distributed to Community Mental Health Centers for FY 2011.	5,233,297	0	5,233,297	0.0
Consider restoration of salaries and wages reduced for FY 2011.	1,828,208	2,280,124	4,108,332	0.0
Consider restoration of the Funeral Assistance program for FY 2011.	519,900	0	519,900	0.0
Consider restoration of the General Assistance program for FY 2011.	3,707,204	0	3,707,204	0.0
Review at Omnibus the addition of $1.1 million, all from the State General Fund, to restore funding to the Centers for Independent Living for FY 2011.	1,100,000	0	1,100,000	0.0

9-3

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Review the status of the extension of the enhanced federal match for the Medicaid program until June 30, 2011.	0	0	0	0.0
Rainbow Mental Health Facility				
Review at Omnibus a report by the Department of Social and Rehabilitation Services (SRS) regarding vacant FTE positions for this agency to identify positions for elimination.	0	0	0	0.0
Kansas Neurological Institute				
Review at Omnibus a report by the Department of Social and Rehabilitation Services (SRS) regarding vacant FTE positions for this agency to identify positions for elimination.	0	0	0	0.0
Parsons State Hospital				
Review at Omnibus a report by the Department of Social and Rehabilitation Services (SRS) regarding vacant FTE positions for this agency to identify positions for elimination.	0	0	0	0.0
Osawatomie State Hospital				
Review at Omnibus a report by the Department of Social and Rehabilitation Services (SRS) regarding vacant FTE positions for this agency to identify positions for elimination.	0	0	0	0.0
Larned State Hospital				
Review at Omnibus a report by the Department of Social and Rehabilitation Services (SRS) regarding vacant FTE positions for this agency to identify positions for elimination.	0	0	0	0.0
Kansas Guardianship Program				
Review at Omnibus the deletion of $32,513, all from the State General Fund, from the FY 2011 Governor's recommended budget. In FY 2011, due to limited ability to further reduce the budget, the only alternative to implement the cuts would be in salaries or a decrease in stipends to the guardians.	32,513	0	32,513	0.0
Department of Education				
Review at Omnibus funding for the Discretionary Grants Program for FY 2011. The program includes funding for Environmental Education, Communities in Schools, Kansas History Teaching Materials, and After School Programs.	0	0	0	0.0
Review at Omnibus funding for the Driver's Education Program for FY 2011.	0	0	0	0.0
Review at Omnibus the addition of $120,955, all from the State General Fund, for the state student assessment program for FY 2011.	120,955	0	120,955	0.0
Review at Omnibus the addition of $81,118, all from the State General Fund, for an architect position within the Department of Education for FY 2011.	81,118	0	81,118	0.0
Review at Omnibus the addition of $82,823, all from the State General Fund, for membership dues for the Council of Chief State School Officers and the National Association of State Boards of Education for FY 2011.	82,823	0	82,823	0.0
Review at Omnibus the Interstate Compact for Military Children for FY 2011.	0	0	0	0.0
School for the Blind				
Review the addition of $118,442, all from the State General Fund, to comply with the statutory requirement that ties teacher salaries at the School for the Blind to the teacher salaries for U.S.D. 233, the Olathe school districts for the previous year. The Committee noted its extreme regard for these teachers. The Governor recommended increasing the salaries, but did not add any funding.	118,442	0	118,442	0.0

9-4

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Review the addition of $161,430, all from the State Institutions Building Fund, to reroof the Johnson Building. The building contains classrooms for elementary and high school students and currently leaks.	0	161,430	161,430	0.0
School for the Deaf				
Review the addition of $125,000, all from the State Institutions Building Fund, for emergency repairs to the eletrical system at the school. The Committee requests the agency provide report which shows the cost of repairs, the cost of replacing the entire system campus-wide, and any increases in utility costs caused by switching from a central distribution line to a building-by-building system.	0	125,000	125,000	0.0
Review the addition of $183,255, all from the State General Fund, to comply with the statutory requirement that ties teacher salaries at the School for the Deaf to the teacher salaries for U.S.D. 233, the Olathe school districts for the previous year. The Committee noted its extreme regard for these teachers. The Governor recommended increasing the salaries, but did not add any funding.	183,255	0	183,255	0.0
Adjutant General				
Review at Omnibus the newest disaster assistance estimates on any open and/or new disasters.	0	0	0	0.0
Highway Patrol				
Review at Omnibus the recommended FY 2011 shift of State General Fund expenditures to special revenue funds, and the associated impacts to agency operations by leaving these funds with a low or zero ending balance. These funds include the: General Fees Fund, Vehicle Identification Number Fee Fund, KHP Training Center Fund, and KHP Federal Fund.	0	0	0	0.0
Kansas Bureau of Investigation				
Review at Omnibus Kansas Criminal Justice Information System (KCJIS) needs and requests, particularly the agency's request for $464,823, all from the State General Fund, for KCJIS communications lines upgrades and replacement of network interface cards. The agency states that existing 56K lines will be discontinued December 31, 2010, and the enhancement would allow for an increased bandwidth connection to 1.5 MB (T1) to each mandated site in order to continue service in FY 2011.	464,823	0	464,823	0.0
Review at Omnibus the deletion of $1,080,630, all from the State General Fund, that was added by the Governor to assist in the DNA lab backlog for FY 2011. Funds were originally added for the outsourcing of samples, purchase of new equipment, consumables, and computer and software licenses.	1,080,630	0	1,080,630	0.0
Emergency Medical Services Board				
Review the addition of $50,000, all from the EMS Operating Fund, to the Education Incentive Grant Program for FY 2011, if bills affecting the fire insurance premiums are not enacted into law.	0	50,000	50,000	0.0
Department of Agriculture				
Review at Omnibus the addition of 2.0 FTE positions in the Lodging Inspection program for FY 2011. The addition of 2.0 FTE positions would be contingent on the passage of 2010 SB 570, which would increase license fees to generate revenue for inspections of lodging establishments in FY 2011.	0	0	0	2.0
Review at Omnibus the transfer of $29,000 from the Department of Revenue to the Department of Agriculture for FY 2011 to fund agricultural land valuations performed by the agency's Agricultural Statistics program.	0	0	0	0.0
Kansas State Fair Capital Improvements				
Review at Omnibus the transfer of $225,404, all from the State General Fund, to the State Fair Capital Improvements Fund for FY 2011 to fund an anticipated shortfall in the agency's FY 2011 debt service payment.	225,404	0	225,404	0.0

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Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
Special City County Highway Fund				
Review the status of Senate Bill 575 which authorizes the repayment of the underpaid counties from the Special City County Highway Fund for fiscal years 2011 to 2015. If the bill is on its way to the Governor or has been enacted by Omnibus, then the language in the appropriations bill regarding the repayment shall be stricken. However, if the bill has not or will not be enacted by Omnibus, then the language in the appropriations bill will remain.	0	0	0	0.0
TOTAL	**$46,292,626**	**$39,837,162**	**$86,129,788**	**2.0**
GRAND TOTAL	**$54,840,497**	**$39,837,162**	**$94,677,659**	**2.0**

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Children's Initiatives Fund

FY 2009 - FY 2011

Senate Committee Adjustments as of March 12, 2010

	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	Senate Adjustments FY 2011	
Department of Health and Environment					
Healthy Start/Home Visitor	$ 250,000	$ 250,000	$ 250,000	$ -	
Infants and Toddlers Program (Tiny K)	5,700,000	5,700,000	5,700,000	-	
Smoking Cessation/Prevention Program Grants	1,000,000	1,000,000	1,000,000	-	
PKU/Hemophilia	208,000	-	-	-	
Newborn Hearing Aid Loaner Program	49,852	50,000	50,000	-	
SIDS Network Grant	75,000	75,000	75,000	-	
Newborn Screening	2,204,382	2,224,106	2,219,766	-	
Subtotal - KDHE	$ 9,487,234	$ 9,299,106	$ 9,294,766	$ -	
Juvenile Justice Authority					
Juvenile Prevention Program Grants	$ 4,976,821	$ 4,740,406	$ 3,785,814	$ -	
Juvenile Graduated Sanctions Grants	4,023,179	4,259,594	5,214,186	-	
Subtotal - JJA	$ 9,000,000	$ 9,000,000	$ 9,000,000	$ -	
Department of Social and Rehabilitation Services					
Children's Cabinet Accountability Fund	$ 538,197	$ 545,407	$ 541,802	$ (129,985)	a
Children's Mental Health Initiative	3,800,000	3,800,000	3,800,000	(911,669)	a
Family Centered System of Care	5,000,000	5,000,000	5,000,000	(1,199,565)	a
Child Care Services	1,400,000	1,400,000	1,400,000	(335,878)	a
Community Services - Child Welfare	3,136,934	-	-	-	
Smart Start Kansas - Children's Cabinet	8,437,225	8,448,244	8,443,161	(2,025,624)	a
Family Preservation	3,313,066	3,241,062	3,241,062	(777,573)	a
Early Childhood Block Grants	11,088,987	11,059,475	11,049,830	(2,650,998)	a
Early Childhood Block Grants - Autism	-	50,000	50,000	(11,996)	a
Early Head Start	3,452,779	3,452,779	3,452,779	(828,367)	a
Child Care Quality Initiative	500,000	500,000	500,000	(119,956)	a
Subtotal - SRS	$ 40,667,188	$37,496,967	$37,478,634	$ (8,991,611)	
HealthWave	$ 2,000,000	$ -	$ -	$ -	
Medical Assistance	3,000,000	-	-	-	
Immunization Outreach	500,000	-	-	-	
Subtotal - KHPA	$ 5,500,000	$ -	$ -	$ -	
Department of Education					
Reading and Vision Research	$ 100,000	$ -	$ -	$ -	
Four Year Old at Risk/General State Aid	100,000				
Parents as Teachers	7,521,357	7,539,500	7,539,500	(1,808,824)	a
Pre-K Pilot	5,000,000	5,000,000	5,000,000	(1,199,565)	a
Subtotal - Dept. of Ed.	$ 12,721,357	$12,539,500	$12,539,500	$ (3,008,389)	
University of Kansas Medical Center					
Tele-Kid Health Care Link	$ 394	$ -	$ -	$ -	
TOTAL	**$ 77,376,173**	**$68,335,573**	**$68,312,900**	**$(12,000,000)**	

	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	Senate Adjustments FY 2011	
Beginning Balance	$ 12,747,981	$ 165,984	$ -	$ -	
Plus: Other Income*	354,705				
State General Fund Transfer					
Children's Initiatives Reserve Fund Transfer In**	-	1,283,705	1,194,152	1,194,152	
KEY Fund Transfer In	64,458,892	66,885,884	67,118,748	55,118,748	b
Total Available	$ 77,561,578	$68,335,573	$68,312,900	$ 56,312,900	
Less: Expenditures	77,376,173	68,335,573	68,312,900	56,312,900	
Transfer Out to KEY Fund	-	-	-	-	
Transfer Out to Children's Initiatives Reserve Fund**	-	-	-	-	
Transfer Out to State General Fund	19,421	-			
ENDING BALANCE	**$ 165,984**	**$ -**	**$ -**	**$ -**	

* 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. The transfer which was scheduled to occur on July 1, 2008, of one third of the remaining balance of the CIRF, was inadvertently omitted. On July 1, 2009, 50 percent of the remaining balance of the CIRF was transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

*** The Governor's recommendation for FY 2010 transfers funding of $14.3 million from the Kansas Endowment for Youth (KEY) Fund to the State General Fund. In addition, the Governor's FY 2010 recommendation transfers $232,432 from the Kansas Endowment for Youth Fund to the Attorney General. The Governor's recommendation for FY 2011 recommends a transfer from the KEY fund to the Attorney General of $475,985.

a) The Senate Committee requested that the Children's Cabinet assess and recommend where to take the $12.0 million in reductions for review prior to Omnibus. Prior to Omnibus, reductions will occur in proportionately across Department of Social and Rehabilitation Services and the Department of Education pro

b) The Senate Committee recommends a $12.0 million decrease in the transfer from th Youth Fund to the State General Fund in FY 2011. The Senate Committee further rec transferred from the Kansas Endowment for Youth Fund to the State General Fund.

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State Water Plan Fund

Agency/Program Expenditures	FY 2009 Actual Expenditures	FY 2010 Governor's Rec.	FY 2011 Governor's Rec.	FY 2011 Senate Adjustments
KDHE				
Contamination Remediation	$ 850,831	$ 447,951	$ 753,870	$ -
TMDL Initiatives	217,416	194,959	166,821	-
Local Environmental Protection Program	1,502,848	1,066,942	980,000	-
Non-Point Source Program	300,792	305,876	246,072	-
Water Restoration and Protection Strategy	590,087	431,312	548,696	-
Treece Superfund	-	-	350,000	-
TOTAL	$ 3,461,974	$ 2,447,040	$ 3,045,459	$ -
Department of Agriculture				
Interstate Issues	$ 451,518	$ 332,875	$ 459,816	$ -
Water Use	60,000	60,000	46,200	-
Subbasin Water Resources Management	639,273	641,771	490,032	-
TOTAL	$ 1,150,791	$ 1,034,646	$ 996,048	$ -
State Conservation Commission				
Water Resources Cost-Share	$ 3,435,957	$ 2,435,803	$ 2,142,151	$ -
Non-Point Source Pollution	3,082,483	2,562,787	2,278,435	-
Water Transition Assistance	2,161,479	100,000	600,984	-
Aid to Conservation Districts	2,253,788	2,266,962	2,113,796	-
Conservation Reserve Enhancement Program	116,123	1,113,584	-	-
Watershed Dam Construction	927,153	726,697	691,975	-
Water Quality Buffer Initiative	267,047	312,163	196,770	-
Riparian and Wetland Program	236,515	187,366	165,144	-
Multipurpose Small Lakes	1,123,176	-	-	-
Water Supply Restoration Program	998,466	-	656,298	-
TOTAL	$ 14,602,187	$ 9,705,362	$ 8,845,553	$ -
Kansas Water Office				
Assessment and Evaluation	$ 740,604	$ 508,002	$ 490,000	$ -
GIS Database Development	250,000	177,500	175,000	-
MOU - Storage Operations and Maintenance	296,841	274,500	248,500	-
Technical Assistance to Water Users	490,761	585,849	437,443	-
Water Resource Education	53,449	47,000	38,500	-
Weather Modification	240,000	156,200	168,000	-
Weather Stations	80,000	50,000	49,000	-
Neosho River Basin Issues	65,134	860,080	-	-
Wichita Aquifer Storage and Recovery Project	1,000,000	300,000	563,531	-
TOTAL	$ 3,216,789	$ 2,959,131	$ 2,169,974	$ -
Department of Wildlife and Parks				
Stream Monitoring	$ 32,000	$ 28,800	$ 28,800	$ -
University of Kansas				
Geological Survey	$ 32,000	$ 28,800	$ 28,800	$ -
TOTAL FUNDING	**$ 22,495,741**	**$ 16,203,779**	**$ 15,114,634**	$ -

Revenues	FY 2009 Actual Expenditures	FY 2010 Governor's Rec.	FY 2011 Governor's Rec.	FY 2011 Senate Adjustments
Beginning Balance	$ 2,846,479	$ 1,205,720	$ 34,397	$ -
Adjustments/Receipts				
Released Encumbrances	$ 1,212,360	$ 421,700	$ -	$ -
State General Fund Transfer	2,000,000	-	1,348,245	-
EDIF Transfer	2,846,126	2,000,000	2,000,000	-
Kansas v. Colorado Suspense Fund	525,729	-	-	-
Fee Revenues	14,590,767	12,898,756	12,118,170	-
Transfer to the KCC - Abandoned Oi/Gas Wells	(320,000)	(288,000)	(374,865)	-
Expenditures	$ (22,495,741)	$ (16,203,779)	$ (15,114,634)	$ -
ENDING BALANCE	$ 1,205,720	$ 34,397	$ 11,313	$ -

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State Water Plan Fund

History and Purpose

The **State Water Plan Fund** is a statutory fund (K.S.A. 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (K.S.A. 82a-903). The fund is subject to appropriation by the Legislature and 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, fees on fertilizer and pesticide registration, and fines and penalties levied by the Kansas Department of Health and Environment (KDHE). Sand royalty receipts, fees paid by public water suppliers, and annual transfers of $6.0 million from the State General Fund and $2.0 million from the Economic Development Initiatives Fund (EDIF) also contribute to the revenue of the fund.

Revenue

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

- **Municipal Water Fees:** $0.03 per 1,000 gallons;
- **Industrial Water Fees:** $0.03 per 1,000 gallons;
- **Stock Water Fees:** $0.03 per 1,000 gallons;
- **Pesticide Registration Fees:** $100 per pesticide registered;
- **Fertilizer Registration Fees:** $1.40 per ton inspected;
- **Sand Royalty Receipts:** $0.15 per ton;
- **Clean Drinking Water Fee Fund:** $0.03 per 1,000 gallons;
- **Pollution Fines and Penalties:** 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:** this transfer includes funds received from the State of 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 at that time;
- **State General Fund Transfer:** K.S.A. 82a-953(a) provides for the annual transfer of $6.0 million from the State General Fund to the State Water Plan Fund; and
- **Economic Development Initiatives Fund (EDIF) Transfer:** K.S.A. 79-4804(g) provides for the annual transfer of $2.0 million from the EDIF to the State Water Plan Fund.

ECONOMIC DEVELOPMENT INITIATIVES FUND
FY 2009 - 2011

Agency/Program	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	Senate Adjustments FY 2011
Department of Commerce				
Operating Grant	$ 14,782,929	$ 13,513,065	$ 13,038,871	$ -
Older Kansans Employment Program	298,036	297,170	294,651	-
Rural Opportunity Program	1,975,363	1,918,581	1,752,035	-
Parsons Ammunition Facility Road Reconstruction Grant	750,000 a	-	-	-
Senior Community Services Employment Program	-	3,941	9,141	-
Kansas Commission on Disability Concerns	-	196,341	192,292	-
Strong Military Bases Program	-	323,210	307,050	-
Subtotal - Commerce	$ 17,806,328	$ 16,252,308	$ 15,594,040	$ -
Kansas Technology Enterprise Corporation				
Operations	$ 1,725,918	$ 1,301,064	$ 1,191,500	$ -
University & Strategic Research	4,198,724	3,496,864	2,416,000	-
Product Development Financing	643,319	525,000	-	-
Commercialization	2,571,493	1,888,943	1,382,500	-
Mid-America Manuf. Tech. Center (MAMTC)	1,362,149	545,000	1,000,000	-
Subtotal - KTEC	$ 10,501,603	$ 7,756,871	$ 5,990,000	$ -
Kansas, Inc.				
Operations	$ 394,882	$ 355,162	$ 346,904	$ -
Board of Regents & Universities				
Vocational Education Capital Outlay	$ 2,398,275	$ 2,565,000	$ 2,565,000	$ -
Technology Innovation & Internship	232,140	180,500	180,500	-
KSU - ESARP	275,294	298,668	298,668	-
FHSU - KAMS	-	-	-	200,000
WSU - Aviation Classroom & Training Equipment	-	2,500,000	5,000,000	(200,000)
WSU - Aviation Research	6,968,653	4,994,337	5,000,000	-
Subtotal - Regents & Universities	$ 9,874,362	$ 10,538,505	$ 13,044,168	$ -
State Fair				
Ticket Marketing & Premiums	$ 65,541	$ -	$ -	$ -
Subtotal - State Fair	$ 65,541	$ -	$ -	$ -
Total Expenditures	**$ 38,642,716**	**$ 34,902,846**	**$ 34,975,112**	**$ -**
Transfers to Other Funds				
Kansas Economic Opportunity Initiatives Fund	$ 1,250,000	$ 2,050,000	$ 2,050,000	-
KS Qualified Biodiesel Fuel Producer Incentive Fund	374,000	200,000	200,000	-
State Water Plan Fund	2,846,126	2,000,000	2,000,000	-
Public Use General Aviation Airport Development Fund	-	1,000,000	1,000,000	-
KPERS Death and Disability Moratorium	-	50,534	-	-
Health Insurance Moratorium	-	214,058	-	-
State Housing Trust Fund	-	2,000,000	-	-
State General Fund	-	5,800,000	3,018,605	-
Subtotal - Transfers	$ 4,470,126	$ 13,314,592	$ 8,268,605	$ -
TOTAL TRANSFERS AND EXPENDITURES	**$ 43,112,842**	**$ 48,217,438**	**$ 43,243,717**	**$ -**

EDIF Resource Estimate	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	Senate Adjustments FY 2011
Beginning Balance	$ 4,980,302	$ 6,696,286	$ 11,717	-
Gaming Revenues	40,782,869	40,782,869	42,432,000	-
Other Income*	4,045,957	750,000	800,000	-
Total Available	$ 49,809,128	$ 48,229,155	$ 43,243,717	$ -
Less: Expenditures and Transfers	43,112,842	48,217,438	43,243,717	-
ENDING BALANCE	**$ 6,696,286**	**$ 11,717**	**$ -**	**$ -**

* Other income includes interest, transfers, reimbursements and released encumbrances
a Pursuant to 2008 Senate Sub. for HB 2946 the Dept. of Commerce was reimbursed th
reflected in Other Income.

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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.

During the 2009 Session, the Legislature changed the transfers to the following for FY 2009 and FY 2010

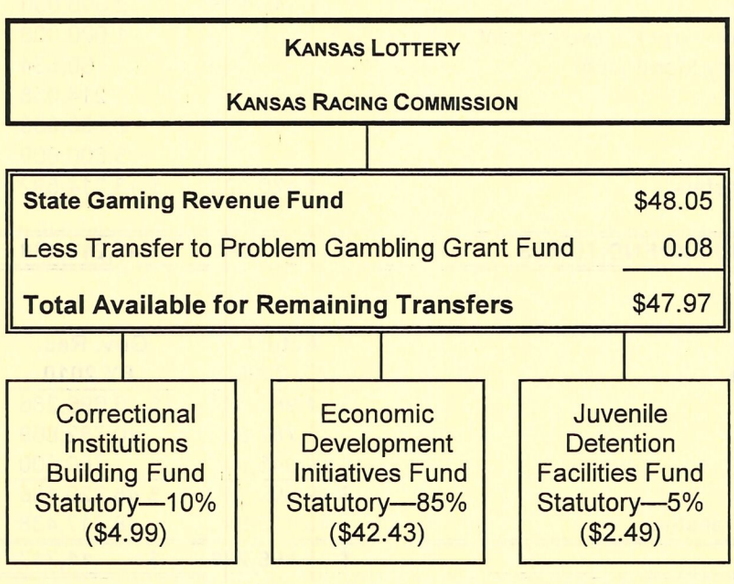
1. Economic Development Initiatives Fund - $40,782,869

2. Correction Institutions Building Fund - $4,797,985

3. Juvenile Detention Facilities Fund - $2,398,992

4. Problem Gambling Grant Fund - $80,000

ECONOMIC DEVELOPMENT INITIATIVES FUND
Revenue Flow
(In Millions)



KANSAS
DIVISION OF THE BUDGET

Mark Parkinson, Governor
Duane Goossen, Director
http://budget.ks.gov

MEMORANDUM

TO: Governor Mark Parkinson and Legislative Budget Committee

FROM: Kansas Division of the Budget and Kansas Legislative Research Department

DATE: April 14, 2010

SUBJECT: Consensus Caseload Estimates for FY 2010 and FY 2011

The Division of the Budget, Legislative Research Department, Department of Social and Rehabilitation Services (SRS), Kansas Health Policy Authority (KHPA), Department on Aging, and the Juvenile Justice Authority (JJA) met on April 14, 2010 to revise the estimates on caseload expenditures for FY 2010 and FY 2011. The consensus estimates include expenditures for Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families, General Assistance, the Reintegration/Foster Care contracts, and JJA psychiatric residential treatment facilities and out of home placements. The estimating group used the Governor's budget recommendation as the starting point for the current estimate. A chart summarizing the estimates for FY 2010 and FY 2011 is included at the end of this memorandum. The estimate for FY 2010 is decreased by $34.7 million from the State General Fund and $3.1 million from all funding sources. The new estimate for FY 2011 then increases by $1.0 million from the State General Fund, but decreases by $1.6 million from all funding sources.

The estimates include Regular Medical Assistance expenditures by both the Kansas Health Policy Authority and the Department of Social and Rehabilitation Services. Most health care services for persons who qualify for Medicaid, MediKan and other state health insurance programs were transferred to the KHPA from the Division of Health Policy and Finance on July 1, 2006, as directed in 2005 Senate Bill 272. Certain mental health services, addiction treatment services, and services for persons with disabilities that are a part of the Regular Medical Assistance program remained a part of the budget of SRS. The total of the two-year adjustments reflect a State General Fund reduction of $33.7 million and an all funds reduction of $4.7 million.

FY 2010

For FY 2010, the new estimate is a decrease from all funding sources of $3.1 million and $34.7 million from the State General Fund. The decrease in caseload expenditures is the result of lower expenditures in Nursing Facilities, JJA out-of-home services, General Assistance, and Temporary Assistance to Families (TAF). The expenditure reductions for Nursing Facilities

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and JJA out-of-home services are due to higher than budgeted savings from the 10.0 percent rate reduction that was included in the Governor's November 2009 Allotment. The reduction in the General Assistance Program is the result of a greater impact from the new 12-month limit on benefits that was initiated in the last allotment. The reduction in the TAF Program reflects that the number of recipients is not rising as quickly as was anticipated at the fall consensus caseload meeting. These decreases were partially offset by higher estimates for the number of individuals in Foster Care and mental health services.

The State General Fund savings in Medicaid programs resulting from the enhanced Federal Medical Assistance Percentage rate included in the American Recovery and Reinvestment Act of 2009 (ARRA) has been included in prior estimates. However, the federal government recently announced that for a limited period, the state portion of the Medicaid Clawback that all states pay will be reduced by a corresponding percentage. This reduction in clawback payments of $16.4 million from the State General Fund, which was included in the Governor's March plan to reduce the budget, is incorporated into the caseload estimate for KHPA's Regular Medical Program. The Regular Medical estimate does not include any change in expenditures that will result from federal health reform. KHPA did not provide an estimate of expenditures that will result from enactment of the federal legislation.

The estimates for Regular Medical, mental health services, and addiction treatment services include rate changes for managed care organizations that have recently begun paying privilege fees to the Insurance Department. Also incorporated from the Governor's March plan is the use of an additional $15.0 million from the federal Temporary Assistance to Needy Families Fund for the Foster Care Program. Actual spending for the Temporary Assistance to Families Program has been less than originally expected and the savings can be used to replace State General Fund expenditures in Foster Care. Additional State General Fund savings are included in the Foster Care estimate to reflect that SRS has improved its practices to increase the amount of federal funding that can be drawn for the program.

FY 2011

For FY 2011, the estimate is a decrease of $1.6 million from all funding sources, but an increase of $1.0 million from the State General Fund. These adjustments include decreases from all funding sources of $107,907 for the Department on Aging's Targeted Case Management (TCM) Program, $7.8 million for Temporary Assistance to Families, and $683,304 for General Assistance. TCM and TAF are still expected to increase over FY 2010 expenditures, but beneficiaries and program expenditures are not expected to increase as much as was originally estimated. The estimates for Psychiatric Residential Treatment Facility expenditures are increased in JJA and SRS Mental Health reflecting both an increase in children served and system capacity. Estimates for Foster Care and JJA out-of-home placements are also increased. However, both agencies have additional federal funding that can be drawn for the programs, so less State General Fund is required.

The overall estimate for Nursing Facilities is unchanged from the fall, but the estimate does now include the addition of the Kansas Soldiers' Home and the Kansas Veterans' Home to the program. The estimate for Regular Medical is an increase of $410,885, but the State General Fund portion is decreased by $1.9 million. This State General Fund reduction is largely due to the FY 2011 clawback reduction of $8.4 million. The Regular Medical estimate does not include the use of a Preferred Drug List for mental health drugs as was recommended by the Governor, but it does include the use of a prior authorization system for prescription drugs and the professional rate leveling reductions. The Regular Medical estimate also does not include any

change in expenditures that will result from federal health reform. KHPA did not provide an estimate of expenditures that will result from enactment of the federal legislation. The estimates for Medicaid Programs that had a 10.0 percent provider rate reduction in FY 2010 also include estimated savings of $7.5 million, including $2.6 million from the State General Fund, which will be realized in FY 2011 from the time lag in billing. The estimates for Regular Medical, mental health services, and addiction treatment services include rate changes for managed care organizations that have recently begun paying privilege fees to the Insurance Department.

The caseload estimates for FY 2011 include the enhanced federal Medicaid funding from the American Recovery and Reinvestment Act of 2009 for the period from July 1, 2010 to December 31, 2010. However, there is a possibility that the enhanced Federal Medical Assistance Percentage rate will be extended from January 1, 2011 to July 1, 2011. If that happens, the required state match for Medicaid programs will be reduced by approximately $127.3 million. The savings for Medicaid Programs that are included in the consensus process would total $98.2 million. Additionally, Medicaid Programs that are not included in the process, such as the home and community-based services waivers, would save an estimated $29.1 million.

April 2010 Consensus Caseload Estimates

		FY 2010 Governor's Rec.	April Revised FY 2010	Difference from Governor's Rec.	FY 2011 Governor's Rec.	April Revised FY 2011	Difference from Governor's Rec.
Regular Medical	SGF	351,905,687	335,505,687	(16,400,000)	441,517,000	439,595,820	(1,921,180)
	AF	1,280,604,528	1,280,604,528	--	1,353,508,000	1,353,918,885	410,885
Nursing Facilities	SGF	109,614,350	108,752,800	(861,550)	133,149,324	133,149,324	--
	AF	360,750,000	356,000,000	(4,750,000)	373,700,000	373,700,000	--
Aging TCM	SGF	1,540,526	1,540,526	--	1,852,760	1,814,313	(38,447)
	AF	5,070,000	5,070,000	--	5,200,000	5,092,093	(107,907)
PRTF	SGF	2,103,322	2,103,322	--	2,315,950	2,784,849	468,899
	AF	6,922,500	6,922,500	--	6,500,000	7,816,022	1,316,022
Out-of-Home Placements	SGF	19,027,508	18,112,661	(914,847)	21,037,226	20,982,883	(54,343)
	AF	22,327,508	21,953,671	(373,837)	23,383,470	23,718,873	335,403
Temporary Assist. to Families	SGF	23,821,028	23,821,028	--	29,821,028	29,821,028	--
	AF	53,000,000	50,503,500	(2,496,500)	61,800,000	54,039,150	(7,760,850)
General Assistance	SGF	4,212,000	3,835,680	(376,320)	3,707,304	3,024,000	(683,304)
	AF	4,212,000	3,835,680	(376,320)	3,707,304	3,024,000	(683,304)
Reintegration/Foster Care Contract	SGF	85,000,000	68,159,943	(16,840,057)	85,725,000	87,382,089	1,657,089
	AF	131,115,351	133,041,453	1,926,102	131,789,617	136,165,704	4,376,087
Mental Health	SGF	70,629,218	71,272,108	642,890	85,179,413	86,762,994	1,583,581
	AF	233,920,191	236,864,573	2,944,382	241,430,053	241,920,135	490,082
NFMH	SGF	13,552,500	13,552,500	--	14,000,000	14,000,000	--
	AF	15,845,318	15,845,318	--	16,258,274	16,258,274	--
Community Supports & Services	SGF	9,457,500	9,457,500	--	11,700,000	11,700,000	--
	AF	31,130,678	31,130,678	--	32,837,496	32,837,496	--
AAPS	SGF	5,307,200	5,307,200	--	6,734,070	6,734,070	--
	AF	21,823,568	21,823,568	--	18,900,000	18,900,000	--
Total SGF		**696,170,839**	**661,420,955**	**(34,749,884)**	**836,739,075**	**837,751,370**	**1,012,295**
Total AF		**2,166,721,642**	**2,163,595,469**	**(3,126,173)**	**2,269,014,214**	**2,267,390,632**	**(1,623,582)**

SGF - State General Fund
AF - All Funds
* Addiction and Prevention Services (AAPS)/Prepaid Inpatient Health Plan (PIHP)

Updated December 7, 2009

AMENDED (Final)
Kansas After School Enhancement Grants
(2009-2010)

Unified School Districts

USD #	District Name	Amended Award
USD 204	Bonner Springs	$16,624
USD 233	Olathe	$19,720
USD 240	Twin Valley	$12,989
USD 259	Wichita	$24,400
USD 282	West Elk	$1,460
USD 310	Fairfield	$11,900
USD 373	Newton	$14,397
USD 383	Manhattan-Ogden	$16,395
USD 446	Independence	$11,184
USD 475	Geary County	$11,586
USD 500	Kansas City	$24,400
	Total	**$165,055**

Community/Faith Based Organizations

Name	Amended Award
Boys & Girls Club of Coffeyville	$24,400
Boys & Girls Club of Hutchinson	$24,400
Boys & Girls Club of Manhattan	$16,145
Cherry Street Youth Center (Chanute)	$23,400
Communities in Schools (KCK)	$15,400
Communities in Schools (Ottawa)	$6,116
Extension Education Foundation	$14,284
Inter-Faith Ministries (Wichita)	$24,400
Valley Heights Area Community Education and Action Council	$24,400
Wichita YMCA	$24,400
Total	**$197,345**

AMENDED AMOUNT AWARDED: $362,400
(Each original award reduced by $600)

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 14

KASEG Reports
2009-2010
Mid-Year Report

District #	Grantee	Average Number of Students Served	Days Served	Minutes Served	State Funds Used to Date
204	Bonner Springs	65	24	60	$6,540
233	Olathe	94	78	90	$10,160
240	Twin Valley	48	43	75	$6,000
259	Wichita	90	45	120	$7,477
282	West Elk	30	2	120	$730
310	Fairfield	17	88	150	$5,000
373	Newton	75	45	60	$4,591
383	Manhattan-Ogden	250	75	230	$15,776
446	Independence	73	82	137	$4,490
475	Geary County -	90	81	120	$6,093
500	Kansas City	30	30	50	$8,889
	Boys & Girls Club of Coffeyville	150	88	180	$12,500
	Boys & Girls Club of Hutchinson	75	83	45	$12,754
	Boys & Girls Club of Manhattan	91	75	60	$11,770
	Cherry Street Youth Center (Chanute)	93	65	90	$13,810
	Communities in Schools (KCK)	120	12	120	$15,400
	Communities in Schools (Ottawa)	113	54	120	$2,738
	Extension Education Foundation (4-H)	85	54	100	$4,392
	Inter-Faith Ministries	174	172	60	$12,500
	Valley Heights	57	53	105	$8,746
	Wichita YMCA	382	44	90	$12,308
	TOTALS	**2,202 Kids**		**Avg. 94 min**	**$181,409**

Updated December 7, 2009

AMENDED (Final)
Kansas Middle School Afterschool Activity Advancement Grants (2009-2010)
(After School/Summer School Programs)

Unified School Districts:

USD #	District Name	Type of Program	Amended Grant Award
USD 244	Burlington	AS/S	$24,900
USD 291	Greeley County	S	$7,392
USD 309	Nickerson	AS	$15,940
USD 310	Fairfield	S	$11,400
USD 408	Marion-Florence	S	$19,154
USD 475	Geary County	AS	$24,900
USD 491	Eudora	AS	$24,900
USD 497	Lawrence	AS/S	$24,900
USD-500	Kansas City	S	$24,900
		Total	**$178,386**

Community/Faith Based Organizations:

Name	Type of Program	Amended Grant Award
Boys & Girls Club of Hutchinson	AS/S	$18,020
Boys & Girls Club of Manhattan	AS	$20,151
Boys & Girls Club of Topeka	AS	$24,900
	Total	**$63,071**

Amended Award Total: $241,457
(Each award reduced by $100)

(2,500)
241,500

14-3

KMSA Reports
(Middle School Grants)
2009-2010
Mid-Year Report

District #	Grantee	Average Number of Students Served	Number of Days Served	Number of Minutes Served	Amount of State Funds Used to Date
244	Burlington	30	81	150	$10,000
200	Greeley County	Summer Program (30 served last summer)			
309	Nickerson	32	83	150	$6,500
310	Fairfield	Summer Program (30 served last summer)			
408	Marion-Florence	Summer Program (35 served last summer)			
475	Geary County	75	80	60	$12,500
491	Eudora	Program has not begun – district will not use all grant funds.			$663
497	Lawrence	44	89	150	$15,782
500	Kansas City	Summer Program (225 served last summer)			
	Boys & Girls Club of Hutchinson	25	100	90	$8,219
	Boys & Girls Club of Manhattan	18	76	195	$10,229
	Boys & Girls Club of Topeka	50	103	150	$18,750
	Average Total	Estimated 594		135	#82,643

April 16, 2010

Sen. Jay Emler
Kansas Senate
Chairman Ways and Means Committee
State Capitol, 545-S
300 SW 10th Ave
Topeka, KS 66612

RE: Increase in spending authority / available designated federal funds

Dear Sen. Emler:

I respectfully request an increase of $1.5 million in spending authority be granted to the Secretary of State's office budget. This increase in spending authority will have no impact on the state general fund. The $1.5 million will be federal funds appropriated in accordance with the federal Help America Vote Act (HAVA) of 2002.

This money will be utilized by Kansas counties to make necessary improvements to their election administration systems including the purchase of voting equipment, software and supplies.

Please feel free to contact me with any questions you may have.

Respectfully,

CHRIS BIGGS
Secretary of State

cc: Leah Robinson, Fiscal Analyst, Legislative Research Department
Sheena Ward, Budget Analyst, Division of Budget

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 15

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 16

Status of State Building Funds

	FY 2009 Actual	FY 2010** Gov. Rec.	FY 2010 Senate Committee Est.	FY 2010 House Committee Est.	FY 2011** Governor's Estimate	FY 2011 Senate Committee Est.	FY 2011 House Committee Est.	FY 2012* Governor Estimate
Educational Building Fund								
Beginning Balance	$ 17,515,790	$ 17,360,468	$ 17,360,468	$ 17,360,468	$ (2,063,942) *	$ (2,063,942)	$ (2,063,942)	$1,729,
Released Encumbrances/Adjs.	--	--	--	--	--	--	--	
Receipts	33,936,742	32,592,641	32,592,641	32,592,641	34,268,917	34,268,917	34,268,917	34,971,7
Resources Available	$ 51,452,532	$ 49,953,109	$ 49,953,109	$ 49,953,109	$ 32,204,975	$ 32,204,975	$ 32,204,975	$ 36,701,690
Less Expenditures	**$ 34,092,064**	**$ 52,017,051**	**$ 52,017,051**	**$ 52,017,051**	**$ 30,475,000**	**$ 30,475,000**	**$ 30,475,000**	**$ 30,475,000**
Ending Balance	$ 17,360,468	$ (2,063,942)	$ (2,063,942)	$ (2,063,942)	$ 1,729,975	$ 1,729,975	$ 1,729,975	$ 6,226,690
State Institutions Building Fund								
Beginning Balance	$ 12,116,898	$ 10,024,109	$ 10,024,109	$ 10,024,109	$ 7,274,278	$ 7,536,078	$ 7,536,078	$8,141,664
Released Encumbrances/Adjs.	--	--	--	--	--	--	--	--
Receipts	16,960,860	16,347,821	16,347,821	16,347,821	17,187,246	17,187,246	17,187,246	17,539,965
Resources Available	$ 29,077,758	$ 26,371,930	$ 26,371,930	$ 26,371,930	$ 24,461,524	$ 24,723,324	$ 24,723,324	$ 25,681,629
Less Expenditures	**$ 19,053,649**	**$ 19,097,652**	**$ 18,835,852**	**$ 18,835,852**	**$ 16,319,860**	**$ 14,199,004**	**$ 14,199,004**	**$ 14,199,004**
Ending Balance	$ 10,024,109	$ 7,274,278	$ 7,536,078	$ 7,536,078	$ 8,141,664	$ 10,524,320	$ 10,524,320	$ 11,482,625
Correctional Institutions Building Fund								
Beginning Balance	$ 2,741,172	$ 2,068,591	$ 2,068,591	$ 2,068,591	$ --	$ --	$ --	$ --
Released Encumbrances/Adjs.	--	--	--	--	--	--	--	--
Receipts	4,798,305	4,797,985	4,797,985	4,797,985	4,992,000	4,992,000	4,992,000	4,992,000
Resources Available	$ 7,539,477	$ 6,866,576	$ 6,866,576	$ 6,866,576	$ 4,992,000	$ 4,992,000	$ 4,992,000	$ 4,992,000
Less Expenditures	**$ 5,470,886**	**$ 6,866,576**	**$ 6,866,576**	**$ 6,866,576**	**$ 4,992,000**	**$ 4,992,000**	**$ 4,992,000**	**$ 4,992,000**
Ending Balance	$ 2,068,591	$ --	$ --	$ --	$ --	$ --	$ --	$ --

** Unfinished or delayed FY 2010 projects will result in lower FY 2010 expenditures and a positive balance.*
*** Reflects the Governor's April 19, 2010 budget amendments.*

Educational Building Fund

KSA 76-6b01 authorizes a 1.0 mill tax levy on real property for the Educational Building Fund (EBF), for the use and benefit of the state institutions of higher education.

KSA 76-6b02 limits the use of the funds in the EBF to the construction, reconstruction, equipment and repair of buildings and grounds at the state educational institutions under the control and supervision of the State Board of Regents and for payment of debt service on revenue bonds issued to finance such projects, all subject to appropriation by the Legislature.

State Institutions Building Fund

KSA 76-6b04 authorizes a 0.5 mill tax levy on real property for the State Institutions Building Fund (SIBF), for the use and benefit of state institutions caring for persons who are mentally ill, retarded, visually handicapped, with a handicapping hearing loss or tubercular or state institutions caring for children who are deprived, wayward, miscreant, delinquent, children in need of care or juvenile offenders and who are in need of residential care or treatment, or institutions designed primarily to provide vocational rehabilitation for handicapped persons.

State institutions include, but are not limited to, those institutions under the authority of the Commissioner of Juvenile Justice.

KSA 76-6b05 limits expenditures from the fund to be used for the construction, reconstruction, equipment and repair of buildings and grounds at institutions specified in K.S.A. 76-6b04, and amendments thereto, and for payment of debt service on revenue bonds issued to finance such projects, all subject to appropriation by the Legislature.

Correctional Institutions Building Fund

KSA 79-4803 transfers an amount equal to 10.0 percent of the balance of all moneys credited to the state gaming revenues fund to the Correctional Institutions Building Fund (CIBF), to be appropriated by the Legislature for the use and benefit of state correctional institutions.

KANSAS STATE SCHOOL FOR THE DEAF
OVER A CENTURY OF SERVICE. ESTABLISHED 1861.

450 EAST PARK STREET
OLATHE, KANSAS 66061-5497
TELEPHONE (913) 791-0573
FAX (913) 791-0577

Date: March 29, 2010

To: Joint Committee On State Building Construction

From: Robert A. Maile, Superintendent

Re: Electrical Redistribution/System Upgrade

In response to our request for funding to address safety issues related to our electrical distribution system, a request was made for a more definitive plan, including information on how utility rates would be impacted. Such a plan has been completed which would transfer ownership of all high voltage (12,470 volt) equipment and distribution to Westar, with KSD maintaining responsibility for the 480 volt secondary distribution from the transformers to the buildings.

Included with this memo is a letter from Westar indicating a reduction in utility rates which would accompany this transition, and an estimated cost of $158,709 for their portion of the renovation. Also included is a Budgetary Cost Estimate from the Division of Facilities Management showing additional contracted costs of $180,706 for a total project cost of $339,415. (Related diagrams are also included, along with photos of the current deterioration which were previously shared.)

Funding of this project would eliminate existing safety hazards and replace an antiquated electrical distribution system.

Your consideration of this request is appreciated.

Attachments

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 17

Westar Energy®

March 23, 2010

Robert A Maile, Ph.D.
Superintendent
Kansas School for the Deaf
450 E. Park St
Olathe, KS 66061

Dear Dr. Maile,

This letter is outlining the preliminary cost associated with the electrical system upgrade/ renovation at the Kansas School for the Deaf. David Wolfe is the design engineer for this project. He and Jim Brooke, State Engineer, have been in constant communication. In addition to the construction cost, I will provide the preliminary cost regarding the utility rates.

David has estimated the cost to replace the primary metering point with Westar Energy primary lines to be $158,709.13. As a result of this change the utility rates should go from approximately 7 cents per kilowatt hour to approximately 6.4 cents per kilowatt hour.

Yours truly,

Dante McGrew
Business Manager

23505 W. 86th Street / Shawnee, Kansas 66227-3298

BUDGETARY COST ESTIMATE (page 1 of 2)

DATE PREPARED: 3/24/2010

PROJECT: Budgetary Construction Estimate for Complete Westar Ownership
High Voltage System Replacement

BASIS FOR ESTIMATE:
X Budgetary
___ Preliminary Design
___ Final Design
___ Other ___

LOCATION: Kansas School for the Deaf

ENGINEER: Jim Brooke

SUMMARY:

ESTIMATOR: Brooke

CHECKED BY:

ITEM NO.	DESCRIPTION		QUANTITY NO. UNITS	QUANTITY UNIT MEAS.	LABOR PER UNIT	LABOR TOTAL	MATERIAL PER UNIT	MATERIAL TOTAL	TOTAL COST Incl (OH&P)
1	P1	3ph fused PRI riser	1	EA	$ 1,000.00	$ 1,000	$ 500.00	$ 500	$ 1,500
2	P1-2	3-1/0-AURD in 4"HDPE, wire by Westar*	40	FT	$ 12.50	$ 500	$ 12.50	$ 500	$ 1,000
3	P2	3ph PRI JCT BOX 0012J35916	1	EA	$ 500.00	$ 500	$ 500.00	$ 500	$ 1,000
4	P2-3	3-2-AURD in 4"HDPE, wire by Westar*	20	FT	$ 12.50	$ 250	$ 12.50	$ 250	$ 500
5	P2-4	3-1/0-AURD in 4"HDPE, wire by Westar*	50	FT	$ 12.50	$ 625	$ 12.50	$ 625	$ 1,250
6	P2-5	3-1/0-AURD in 4"HDPE, wire by Westar* **	165	FT	$ 12.50	$ 2,063	$ 12.50	$ 2,063	$ 4,125
7	P3	300kva 120/208 Transformer pad 726895	1	EA	$ 400.00	$ 400	$ 400.00	$ 400	$ 800
8	P4	3ph PRI JCT BOX 0012J35917	1	EA	$ 500.00	$ 500	$ 500.00	$ 500	$ 1,000
9	P4-5	Change of route from Westar **	0	FT	$ 12.50	$ -	$ 12.50	$ -	$ -
10	P4-6	3-2-AURD in 4"HDPE, wire by Westar*	170	FT	$ 12.50	$ 2,125	$ 12.50	$ 2,125	$ 4,250
11	P4-7	3-2-AURD in 4"HDPE, wire by Westar*	351	FT	$ 12.50	$ 4,388	$ 12.50	$ 4,388	$ 8,775
12	P5	300kva 120/208 Transformer pad 726896	1	EA	$ 400.00	$ 400	$ 400.00	$ 400	$ 800
13	P6	300kva 120/208 Transformer pad 726897	1	EA	$ 400.00	$ 400	$ 400.00	$ 400	$ 800
14	P7	500kva 120/208 Transformer pad 726898	1	EA	$ 500.00	$ 500	$ 500.00	$ 500	$ 1,000
15	P8	3ph DDE on existing pole	10	EA		$ -		$ -	Westar pays
16	P8-9	3-1/0 ASCR	110	FT		$ -		$ -	Westar pays
17	P9	3ph tangent	1	EA		$ -		$ -	Westar pays
18	P9-10	3-1/0 ASCR	110	FT		$ -		$ -	Westar pays
19	P10	3ph fused PRI riser	1	EA	$ 1,000.00	$ 1,000	$ 500.00	$ 500	$ 1,500
20	P10-11	3-1/0-AURD in 4"HDPE, wire by Westar*	52	FT	$ 12.50	$ 650	$ 12.50	$ 650	$ 1,300
21	P11	3ph PRI JCT BOX 0012J35918	1		$ 500.00	$ 500	$ 500.00	$ 500	$ 1,000
22	P11-12	3-2-AURD in 4"HDPE, wire by Westar*	39	FT	$ 12.50	$ 488	$ 12.50	$ 488	$ 975
23	P11-13	3-2-AURD in 4"HDPE, wire by Westar* **	190	FT	$ 12.50	$ 2,375	$ 12.50	$ 2,375	$ 4,750
24	P11-14	3-2-AURD in 4"HDPE, wire by Westar*	366	FT	$ 12.50	$ 4,575	$ 12.50	$ 4,575	$ 9,150
25	P12	150kva 120/208 Transformer pad 726899	1	EA	$ 300.00	$ 300	$ 300.00	$ 300	$ 600
26	P13	150kva 120/208 Transformer pad 726900	1	EA	$ 300.00	$ 300	$ 300.00	$ 300	$ 600
27	P14	500kva 120/208 Transformer pad 726901	1	EA	$ 500.00	$ 500	$ 500.00	$ 500	$ 1,000
28	* (Includes 10' length for risers) ** Note change from Westar layout								
29		riser elbows for all above	20	EA	$ 200.00	$ 4,000		$ -	$ 4,000
31	LOW VOLTAGE FEEDERS FROM TRANSFORMERS								
32		Roberts, Emery, Weld Remove transformer	3	EA	$ 1,000.00	$ 3,000	$ 200.00	$ 600	$ 3,600
33		300A/208V service to Taylor Gym	10	FT	$ 44.50	$ 445	$ 47.00	$ 470	$ 915
34		800A/208V service to Powerhouse	60	FT	$ 149.00	$ 8,940	$ 86.50	$ 5,190	$ 14,130
35		800A/208V service to Parks-Bilger	20	FT	$ 149.00	$ 2,980	$ 86.50	$ 1,730	$ 4,710
36		800A/208V service to Roth	100	FT	$ 149.00	$ 14,900	$ 86.50	$ 8,650	$ 23,550
37		Demolish exist Transfomers	4	EA	$ 2,000.00	$ 8,000	$ 200.00	$ 800	$ 8,800
38	DEMOLITION AND CLEAN UP								
39		Demolish High Voltage Cabling	1200	FT	$ 2.00	$ 2,400	$ -	$ -	$ 2,400
40		Remove Taylor Gym Asbestos	1	LOT	$ 12,000	$ 12,000	$ 6,000.00	$ 6,000	$ 18,000
41		Remove HV Switches in PH	3	EA	$ 1,000	$ 3,000	$ -	$ -	$ 3,000
42		Remove HV juction boxes/ dispose PCB's	2	EA	$ 1,000	$ 2,000	$ -	$ -	$ 2,000
43									
44	SUB-TOTAL					$ 81,003		$ 40,778	$ 132,780

17-3

BUDGETARY COST ESTIMATE (page 2 of 2)

DATE PREPARED: 3/24/2010

PROJECT: Budgetary Construction Estimate for Complete Westar Ownership
High Voltage System Replacement

LOCATION: Kansas School for the Deaf

ENGINEER: Jim Brooke

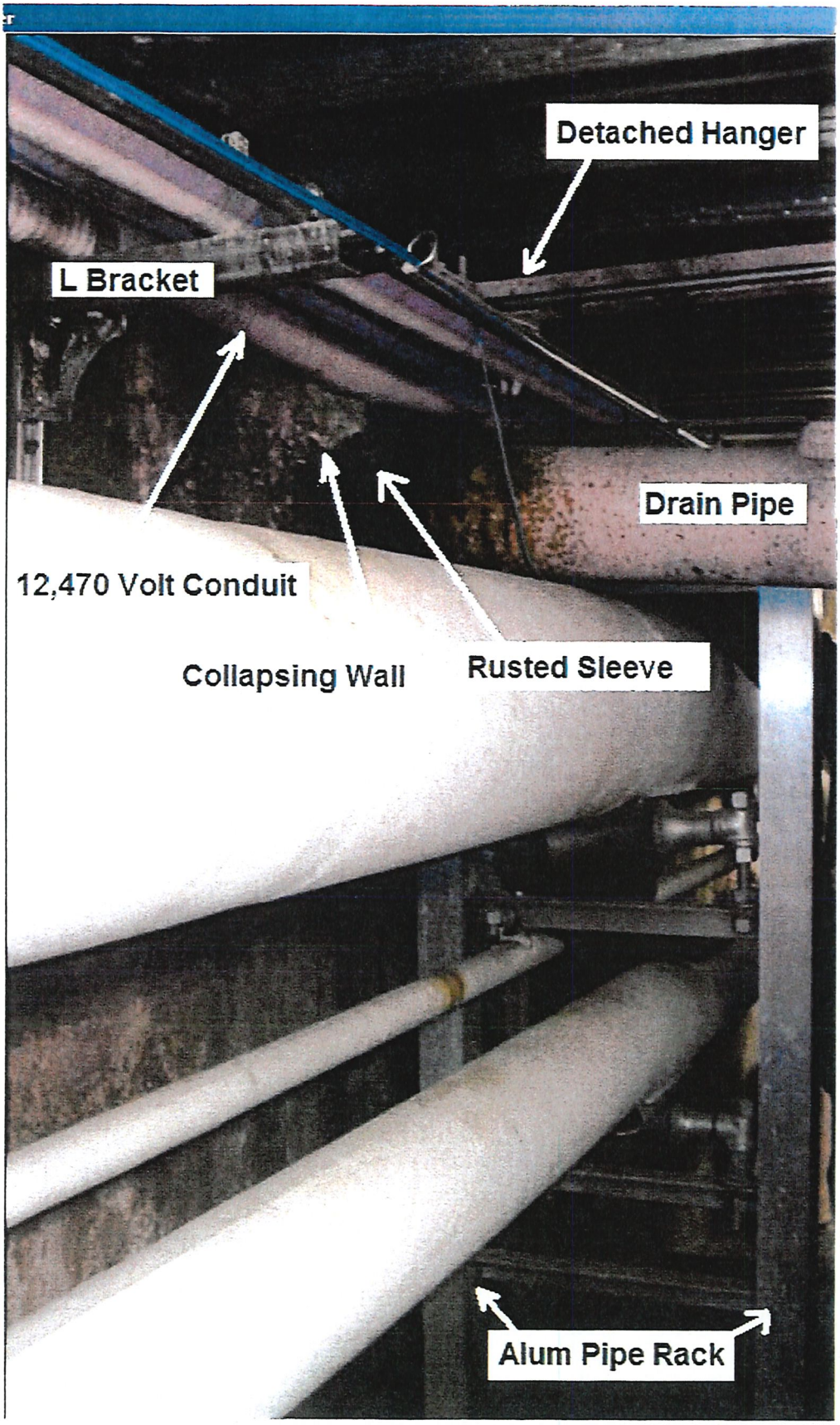
BASIS FOR ESTIMATE:
X Budgetary
___ Preliminary Design
___ Final Design
___ Other ___

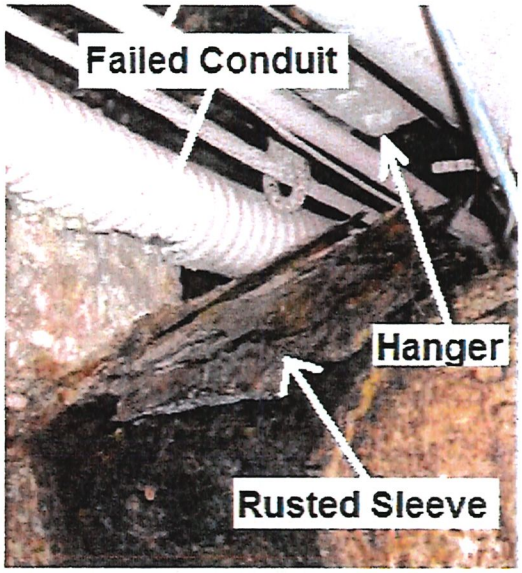
SUMMARY:

ESTIMATOR: Brooke

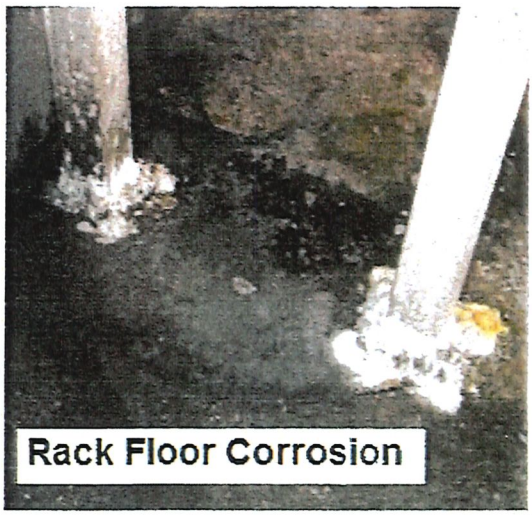
CHECKED BY:

ITEM NO.	DESCRIPTION	QUANTITY NO. UNITS	QUANTITY UNIT MEAS.	LABOR PER UNIT	LABOR TOTAL	MATERIAL PER UNIT	MATERIAL TOTAL	TOTAL COST Incl (OH&P)
	REPEAT OF SUB-TOTAL							$ 132,780
	SUMMARY OF COSTS AND ADDERS							
	Contingency			20%	$ 16,201	20%	8,156	$ 24,356
	Budgetary Construction Estimate							$ 157,136
	15% **Engineering and Contract Admin**							$ 23,570
	Payment to Westar ($144,209 + $4500 for 3 poles + $10K metering point)							$ 158,709
	GRAND TOTAL							**$ 339,415**

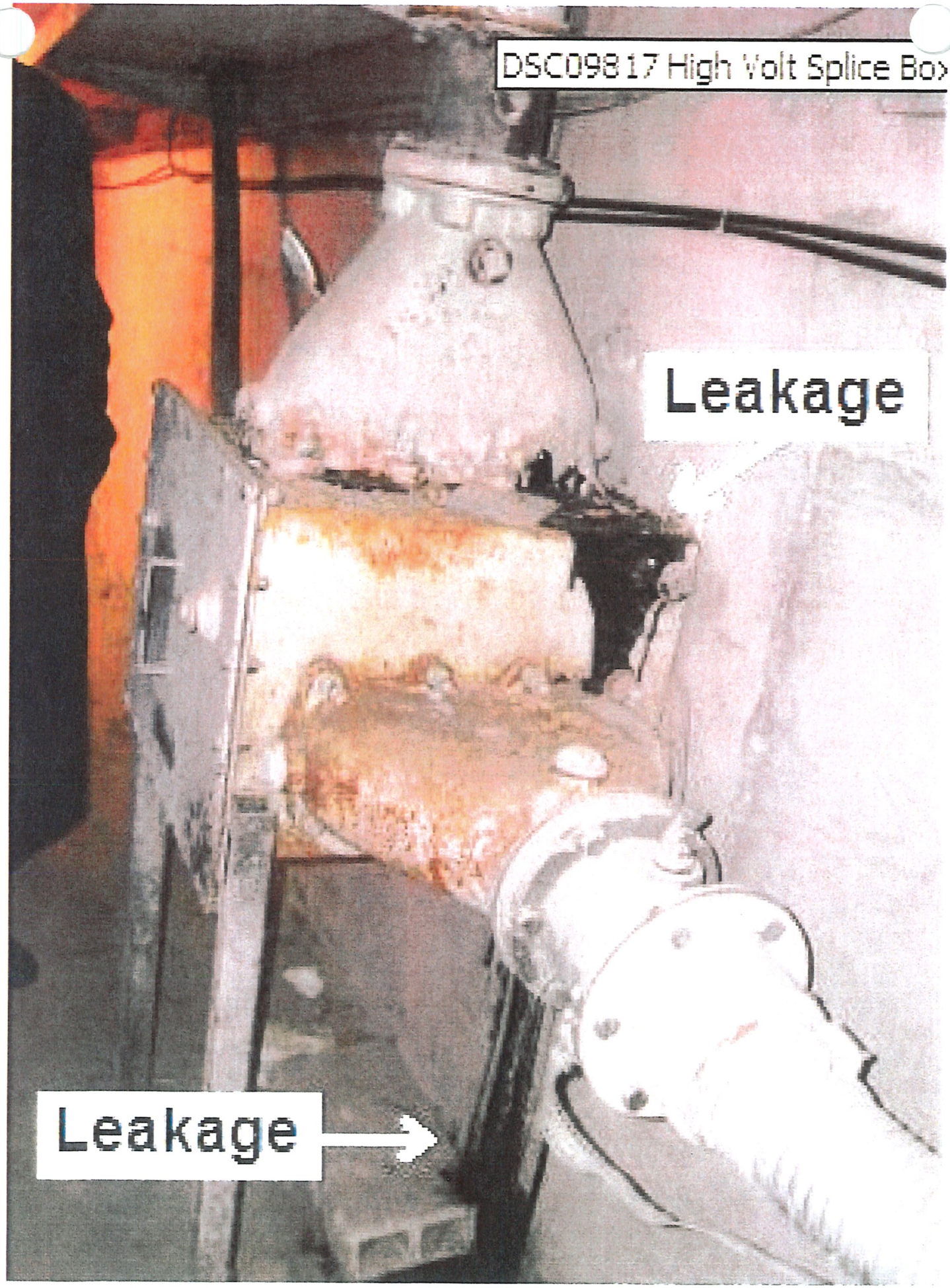

Detached Hanger
L Bracket
Drain Pipe
12,470 Volt Conduit
Collapsing Wall
Rusted Sleeve
Alum Pipe Rack


Failed Conduit
Hanger
Rusted Sleeve

Hanger

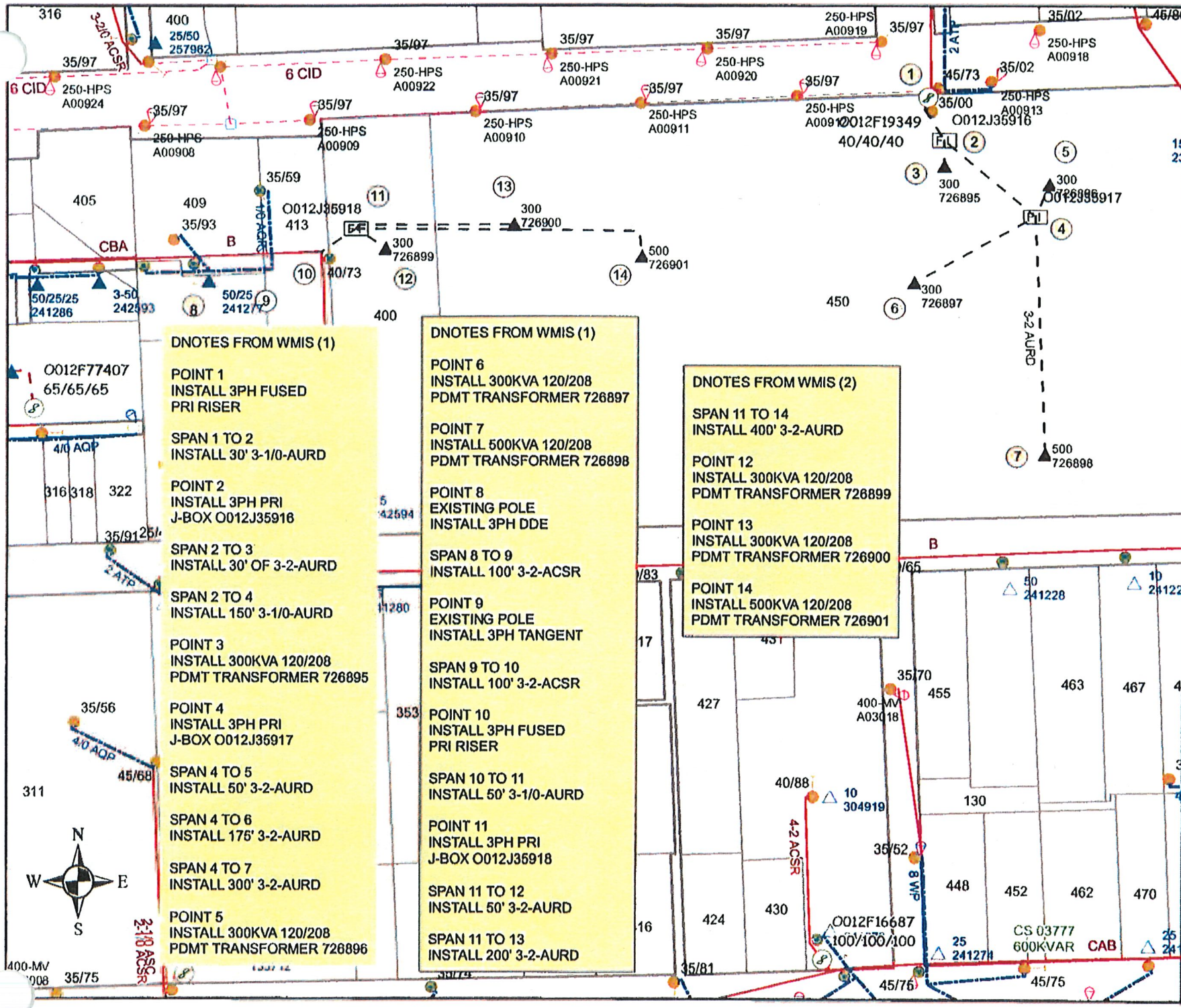

Rack Floor Corrosion

17-5



High Voltage Splice Box

17-6



Title KS SCHOOL FOR THE DEAF

By WOLFE 667-5116

Sub/Ckt TIML 12-24,

Date 2/25/2010

Scale 1 inch = 150 feet

WR # 045755

Upstream Device X000X00000

Crew HQ 3420

Sheet Page 1

Westar Energy

Think Safety

Exist New

Line Direction

17-7

State Court of Tax Appeals

Included in Senate Substitute for House Bill 2631 (Mega Bill) are the following expenditure limitation increases for the Court of Tax Appeals:

FY 2010 - $546,492 to $589,299

FY 2011 - $648,777 to $681,777

For FY 2010 the Governor recommended increasing the expenditure limitation on the Court of Tax Appeals Filing Fee Fund by $42,807. The increase is the amount of the Governor's November allotment.

The Senate Ways and Means Subcommittee on the Court of Tax Appeals recommended increasing the Court of Tax Appeals Filing Fee Fund by $33,000 for FY 2011. The increase was recommended in order to offset the State General Fund reduction of 2.5 percent, or $33,986.

The agency indicated the FY 2010 shortfall of $18,000 is due to an employee retirement which will occur in June. The agency had estimated the retirement would occur earlier in the year. If approved, the Court of Tax Appeals Filing Fee Fund would be increased by $18,000 from $589,299 to $607,299 for FY 2010.

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Kansas Bureau of Investigation

C. Substitute for House Bill 2517. (Law).

Substitute for House Bill 2517 creates new law that requires, on or after July 1, 2011, a domestic violence designation in a criminal case by the court if the trier of fact determines that a defendant committed a domestic violence offense. Only if the court finds, on the record, that the defendant has not previously committed a domestic violence offense or participated in a diversion agreement on a complaint alleging a domestic violence offense, and the domestic violence offense was not used to coerce, control, punish, intimidate, or take revenge against a person with whom the offender is involved or has been involved in a dating relationship or against a family or household member, would the court be authorized to not place a domestic violence designation on the criminal case or the defendant. The bill allows, but does not require, a court to place a "DV" designation on the criminal case number uniquely identifying the case. The Attorney General is required to promulgate rules and regulations, on or before July 1, 2011, to carry out the provision providing for disposition of a criminal case with a domestic violence designation. The bill provides that the court, at disposition, for any criminal offense with a domestic violence designation, be:

- Required to order the defendant to undergo, and pay for, a domestic violence offender assessment and follow all recommendations, unless otherwise ordered by the court or the Kansas Department of Corrections;
- Authorized, but not required, to order a defendant to undergo, and pay for, a domestic violence offender assessment and any other evaluation prior to sentencing if the assessment or evaluation would assist the court in determining an appropriate sentence; and
- Required to provide the domestic violence assessment and any other evaluation to any entity responsible for supervising the defendant.

One of the requirements in the bill is for the Kansas Bureau of Investigation to make available to the Governor's Domestic Violence Fatality Review Board crime record information related to domestic violence. The information would be required to be transmitted in a manner that does not identify individual offenders or victims.

The fiscal note on the bill states that the KBI would not significantly increase the number of records submitted to the Central Repository of Criminal History Records at the agency. However, the agency would be required to update code tables for its Incident Based Reporting (IBR) database to support the definitions of domestic violence and intimate relationships. The agency is requesting funding for programming changes costing $2,100, all from the State General Fund, in FY 2010. The KBI also states that local law enforcement agencies would have to modify their IBR programs to meet the standards of House Bill 2517. However, there are no data on which to estimate the cost to all affected law enforcement agencies.

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KHPA Executive Positions - Salary History

(Salary amount paid per position)

FY 2010		FY 2009		FY 2008		FY 2007		FY 2006		FY 2005	
Position Title	**Annual Salary**	**Position Title**	**Annual Salary**	**Position Title**	**Annual Salary**	**Position Title**	**Annual Salary**	**Position Title**	**Annual Salary**	**Position Title**	**Annual Sa**
Executive Director*	$133,038.59	Executive Director	$145,960.00	Executive Director	$137,699.90	Executive Director	$135,000.06	Executive Director	$95,349.02	Executive Director	$95,
Deputy Director	$0.00							Deputy Director	$80,500.42	Deputy Director	$82,
Policy Director	$0.00	Policy Director	$115,919.96	Policy Director	$111,999.94						
Medicaid Director	$115,920.00	Medicaid Director	$125,030.10	Medicaid Director	$119,646.02	Medicaid Director	$117,300.04	Medicaid Director	$89,211.20	Medicaid Director	$87,
Employee Health Plan Director	$106,050.00	Employee Health Plan Director	$106,050.10	Employee Health Plan Director	$104,999.96	Employee Health Plan Director	$99,500.00				
Chief Financial Officer	$103,458.60	Chief Financial Officer	$103,458.68	Chief Financial Officer	$99,960.12	Chief Operations/Financial Officer	$97,999.98	Chief Operations/Financial Officer	$88,067.20		
Subtotal - Executive Team	**$458,467.19**		**$596,418.84**		**$574,305.94**		**$449,800.08**		**$353,127.84**		**$264,7**
Percent change from prior year	**-23.1%**		**3.9%**		**27.7%**		**27.4%**		**33.4%**		
Medical Director	$138,567.00	Medical Director	$138,567.00	Medical Director	$132,600.00	Medical Director	$130,000.00				
Dir., Data Policy & Evaluation	$104,506.69	Dir., Data Policy & Evaluation	$104,506.74	Dir., Data Policy & Evaluation	$100,006.40	Data Policy Director	$73,611.20	Data Policy Director	$70,824.00	Public Service Executive II	$64,168.00
Pharmacy Program Manager	$102,502.00	Pharmacy Program Manager	$102,502.40	Pharmacist	$94,993.60	Pharmacist	$91,353.60	Pharmacist	$84,456.32	Pharmacist	$82,395.56
Manager/Administrator	$94,760.00	Public Service Executive III	$94,760.12	Public Service Executive III	$91,999.96	Public Service Executive III	$91,999.96	Public Service Executive III	$65,769.60	Public Service Executive III	$62,691.20
General Counsel	$85,852.34	General Counsel	$85,852.26	General Counsel	$85,002.32	General Counsel	$89,999.99	Attorney II	$62,691.20	Attorney II	$61,152.00
Deputy Director - SEHBP	$80,800.00	Deputy Director - SEHBP	$80,799.94	Deputy Director - SEHBP	$79,999.92	Manager/Administrator	$65,578.01	Manager/Administrator	$64,292.17	Manager/Administrator	$62,727.08
Total Salaries	**$1,065,454.99**		**$1,203,407.34**		**$1,158,908.42**		**$992,343.11**		**$701,161.46**		**$597,842.44**
Percent change from prior year	**-11.5%**		**3.8%**		**16.8%**		**41.5%**		**17.3%**		
* - FY 2010 salary reflects legislative reduction											

Securitizing Drug Rebate

KHPA was asked to investigate the possibility of securitizing revenue from drug rebates as a means to accelerate the collections into this FY 2011. The Kansas Development Finance Authority provided an estimate of the impact of issuing revenue bonds backed by the anticipated revenues from drug rebates.

The estimate was based on expected revenues of $20.0 million per year. KDFA produced two scenarios of bond proceeds shown in the table below. The first scenario assumes that the revenue to debt service ratio is 3 to 1. This would mean $6.7 million in drug rebate would be used to pay debt service each year and there would be a remainder of $13.3 million to use for other Medicaid purposes.

The second scenario assumes that all $20.0 million of expected revenue would be used to pay debt service on the bond. If the drug rebate revenue were insufficient to meet the debt service payment, the State General Fund would be used to repay the bonds.

	Amortization Term		
	10 years	**15 years**	**20 years**
Revenue 3 times debt services	$51.4	$69.4	$83.3
Revenue 1 time debt service, with SGF backing	$154.3	$208.3	$250.0

Dollars in millions

KDFA expressed some concerns about the probability of a successful sale of this type of bond. They could find no other state considering a revenue bond issuance backed by drug rebates. The model and estimates generated are based on lottery revenue bonds that have been offered by other states. As the first state in the market place, KDFA thought the state would face significant challenges and poor pricing as the first to attempt these bonds.

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Date 4-19-2010
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KANSAS
DEPARTMENT OF WILDLIFE AND PARKS

Mark Parkinson, Governor
J. Michael Hayden, Secretary

www.kdwp.state.ks.us

April 16, 2010

Senator Carolyn McGinn
Chairperson, Sub-Committee on Agriculture
Senate Committee on Ways and Means
Room 223-E, State Capitol Building
Topeka, KS 66612

Dear Senator McGinn:

The State Legislature has completed the regular portion of the 2010 Legislative Session. During that time, the Senate Committee on Ways and Means and the House Committee on Appropriations both completed review of the FY 2011 budget request for the Kansas Department of Wildlife and Parks (KDWP). Both Committees have similar recommendations for the KDWP in FY 2011. Normally the differences in the recommendations would be resolved in a Conference committee on the final appropriations bill. However, this may not be a normal year.

The Senate Committee on Ways and Means and the House Committee on Appropriations both reduced the amount of State General Fund (SGF) support recommended by the Governor for State Parks in FY 2011 and both Committees provided for increased fiscal support from the Park Fee Fund by increasing the recommended expenditure for FY 2011. These recommendations allow the KDWP to use any increases in state park revenue to offset the reduction in SGF appropriations which may avoid closure of state parks in the spring of FY 2011.

I am requesting your support to provide in the FY 2011 Omnibus Appropriation Bill a recommendation to increase the expenditures from the Park Fee Fund by an amount approximately equal to the reduction in SGF appropriations. Currently, the Senate Committee reduces FY 2011 SGF by $527,244 and provides for an increase in the Park Fee Fund of $200,000. This is a net reduction of $327,244. The House Committee reduces SGF by $414,013 and increases Park Fee Fund by $1,000,000 a net increase of $585,987. As mentioned before, my concern is that there may not be a FY 2011 Omnibus Appropriation Bill Conference Committee to resolve these differences and that based on prior experience the Senate version of the bill may be adopted by the House.

KDWP would appreciate the opportunity to utilize any increased receipts from attendance at state parks to offset SGF reductions in order to avoid closur
Spring of FY 2011. If the state parks have a good season with no adverse v

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OFFICE OF THE SECRETARY
1020 S Kansas Ave., Suite 200, Topeka, KS 66612-1327
Voice: (785) 296-2281 • Fax: (785) 296-6953

is possible that receipts will increase above the estimate in the FY 2011 Governor's Budget Report. With adequate expenditure authority from the Park Fee Fund the Department may be able to maintain the current level of state park services.

Your support of this request would be appreciated. If you have any questions or desire additional information, please advise. Thank you.

Sincerely,

J Michael Hayden

J. Michael Hayden, Secretary
Kansas Department of Wildlife and Parks

OFFICE OF THE SECRETARY
1020 S Kansas Ave., Suite 200, Topeka, KS 66612-1327
Voice: (785) 296-2281 • Fax: (785) 296-6953

Senate Subcommittee Recommendation

Social Services

Agency/Item	*State General Fund*	*All Other Funds*	*All Funds*	*FTEs*
Social and Rehabilitation Services				
FY 2010				
U. Governor's Budget Amendment Number 1, Item 2. Adopt Item 2, Human Services Caseloads for SRS, KHPA, and JJA. (KDOA was approved in Committee on Monday).	(2,488,334)	0	(2,488,334)	0.0
V. Governor's Budget Amendment Number 1, Item 3. Adopt item 3, regarding Osawatomie State Hospital.	0	261,800	261,800	0.0
FY 2011				
A. Extension of the Enhanced Federal Match for the Medicaid Program.	0	0	0	0.0
B. Centers for Independent Living Funding. Add $550,000, all from the State General Fund, to restore 50.0 percent of the reduction recommended by the Governor, for FY 2011.	550,000	0	550,000	0.0
C. General Assistance Program Funding. Add $2.2 million, all from the State General Fund, to result in $1.5 million, all from the State General Fund, in total funding for General Assistance for FY 2011.	2,207,204	0	2,207,204	0.0
D. Salary and Wages Funding.	0	0	0	0.0
E. Home and Community Based Services Waivers Funding. Add $8.7 million, including $3.1 million from the State General Fund, to restore 50.0 percent of the reduction approved by the Senate Committee, for FY 2011.	3,100,000	5,600,534	8,700,534	0.0
F. Funeral Assistance Program Funding.	0	0	0	0.0
G. Mental Health Consolidation Grants. Add $2.9 million, all from the State General Fund, to restore 50.0 percent of the reduction approved by the Senate Committee, for FY 2011.	2,945,496	0	2,945,496	0.0
H. Mental Health State Aid. Add $2.6 million, all from the State General Fund, to restore 50.0 percent of the reduction approved by the Senate Committee, for FY 2011.	2,616,649	0	2,616,649	0.0
I. Community Developmental Disabilities Organizations Direct Services Grants.	0	0	0	0.0
J Developmental Disabilities State Aid.	0	0	0	0.0
K. Information Technology Expenditures.	0	0	0	0.0
L. Children's Initiatives Fund Reductions.	0	0	0	0.0
T. Senate Substitute for House Bill 2356	0	0	0	0.0
U. Governor's Budget Amendment Number 1, Item 2. Adopt item 2 for SRS, KHPA, and JJA (KDOA was approved in Committee on Monday).	8,243,818	(13,494,532)	(5,250,714)	0.0
V. Governor's Budget Amendment Number 1, Item 3. Adopt item 3 regarding Osawatomie State Hospital.	0	1,287,000	1,287,000	0.0
Agency Subtotal	*$17,174,833*	*($6,345,198)*	*$10,829,635*	*0.0*
TOTAL	**$17,174,833**	**($6,345,198)**	**$10,829,635**	**0.0**
GRAND TOTAL	**$17,174,833**	**($6,345,198)**	**$10,829,635**	**0.0**

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Date 4-19-2010
Attachment 23

MARY ANN TORRENCE, ATTORNEY
REVISOR OF STATUTES
JAMES A. WILSON III, ATTORNEY
FIRST ASSISTANT REVISOR
GORDON L. SELF, ATTORNEY
FIRST ASSISTANT REVISOR

OFFICE OF REVISOR OF STATUTES
KANSAS LEGISLATURE

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

TO: Senate Committee on Ways and Means

FROM: Theresa Kiernan, Senior Assistant Revisor of Statutes

RE: House Bill No. 2446

DATE: April 20, 2010

HB 2446 was introduced by the Legislative Educational Planning Committee.

The bill would establish a procedure for the transfer of gifts accepted by a State Educational Institution (University) to the University's foundation or a foundation subsidiary. Under current law, K.S.A. 76-156a, the endowment association or foundation of a University may receive any gift or bequest and act as the investing agent of the University. The bill would provide that a gift made to a University would be deemed to be a gift to the University's foundation. The foundation would have 30 days to disclaim the gift or to assign the gift to a foundation subsidiary. The gift would remain subject to any conditions or limitations imposed by the donor and any conditions imposed by the chief executive officer of the University. Any property which becomes property of a foundation or foundation subsidiary under this procedure would be held, administered, invested and expended solely for the benefit of the University (including the faculty and staff) and would not be considered public property. Unless restricted, the property could be commingled with other property of the foundation or foundation subsidiary. The bill would allow for the imposition of administrative fees for services and for the reimbursement for the actual expenses of the foundation or foundation subsidiary.

The bill would provide, upon written approval of the chief executive officer of a University, that all University funds and student scholarship or loan funds currently held or managed by a foundation for a University be deemed to be the property of the foundation.

The procedure established in New Section 1 of the bill for the transfer of property to a University foundation or foundation subsidiary would not apply to:

Gifts of real property.

Gifts made under the express condition that such gift not be transferred to the university foundation or foundation subsidiary.

Fees, tuition or other charges collected by the state educational institution.

Funds appropriated by the state to a state educational institution, the state board of regents or any political or taxing subdivision of the state or to the United States or instrumentality thereof.

Gifts made directly to the foundation or foundation subsidiary.

300 SW TENTH AVE - STE 24-E, Statehouse—TOPEKA, KANSAS 6(
PHONE (785) 296-2321 FAX (785) 296-6668 E-mail: Revisor'sO

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The bill also would make technical corrections to existing law relating to the permanent university (KU) fund, state agricultural university (KSU) fund and the state normal school (ESU) fund.

The bill would amend K.S.A. 76-718a which concerns where the investing agent of a University may invest funds. The bill would allow investments in time deposits, thirty-day open accounts or ninety-day CDs offered by financial institutions to the extent insured by the FDIC or NCUSIF (current law limits to such offerings by commercial banks located in Kansas and U.S. treasury bills or notes). The bill also would allow investment in funds in the permanent endowment fund of the endowment association or foundation.

The bill also would repeal four statutes concerning management contracts entered into by the Board of Regents and KU Endowment Association for the management of property and funds derived from the estates of Molvie E. Pilla, Edwina P. Trigg and J.L. Porter.

The House Education Budget Committee amended the bill to exclude gifts of real property and to correct the statutory reference to the Fort Hays State University Foundation.

The bill passed the house on a vote of 119 to 0.

Statutes repealed by or referenced in HB 2446

76-347. Molvie E. Pilla will; property management contract. The state board of regents is hereby authorized and empowered to enter into a management contract with the Kansas university endowment association for the management of property and funds deriving from the estate of Molvie E. Pilla, deceased. Such agreement may provide for sale of real property in accordance with said will and such sale to be at public auction.

76-349. Same; women students' scholarship loan fund. The state board of regents is authorized and empowered to contract with the Kansas university endowment association for management of a permanent women students' scholarship loan fund in a manner consistent with the will of Molvie E. Pilla, deceased, but such agreement shall be terminable at will by either party giving written notice to the other party ninety (90) days in advance of termination.

76-360. Edwina P. Trigg and J. L. Porter estates; property management contracts. The state board of regents is hereby authorized and empowered to enter into one or more management contracts with the Kansas university endowment association for the management of property and funds deriving from the estates of Edwina P. Trigg, deceased, and J. L. Porter, deceased. Such agreements may provide for sale of real property in accordance with said wills and such sales to be at public auction.

76-362. Same; scholarship funds or scholarship loan funds. The state board of regents is authorized and empowered to contract with the Kansas university endowment association for management of one or more permanent scholarship funds or scholarship loan funds in a manner consistent with the wills of Edwina P. Trigg, deceased, or J. L. Porter, deceased, or both, but any such agreement shall be terminable at will by either party giving written notice to the other party ninety (90) days in advance of termination.

76-156a. Investing agents for state educational institutions. The Kansas university

endowment association is hereby authorized to act as the investing agent for any endowment or bequest to the university of Kansas. The Kansas state university foundation is hereby authorized to act as the investing agent for any endowment or bequest to Kansas state university of agriculture and applied science or to Kansas state university-Salina, college of technology. The Wichita state university foundation is hereby authorized to act as the investing agent for any endowment or bequest to Wichita state university. The Fort Hays state university foundation is hereby authorized to act as the investing agent for any endowment or bequest to Fort Hays state university. The Emporia state university foundation, inc., is hereby authorized to act as the investing agent for any endowment or bequest to Emporia state university. The Pittsburg state university foundation, inc., is hereby authorized to act as the investing agent for any endowment or bequest to Pittsburg state university.

Any such investing agent may exercise such fiscal management and administrative powers as may be necessary or appropriate for the lawful and efficient management of any such endowment or bequest. Each investing agent is hereby authorized to execute any agreements or other legal papers appropriate to the accomplishment of the purposes of this act with respect to any such endowment or bequest.

FOUNDATION

Testimony on HB 2446
Senate Ways and Means Committee
Senator Jay Elmer, Chairman
Presented by Lois Cox, CFA, CFP, Director of Investments
Kansas State University Foundation
April 20, 2010

Amend KSA 76-718, KSA 76-308, KSA 76-410a and KSA 76-604

Mr Chairman and Members of the Committee,

Thank you for the opportunity to testify today. My name is Lois Cox. I am the Director of Investments for the Kansas State University Foundation

This proposal is presented to address an obsolescence issue in the current statute wording and to offer an additional investment option supported by the recent adoption of the Uniform Prudent Management of Institutional Funds Act by the State of Kansas.

We are proposing the change to address the updated regulatory authorities of financial institutions. In addition, the proposed amendments allow for the addition of the endowment pools as an investment option. The respective pools of money are permanent endowment pools in nature, as stated in the authorizing statutes, and therefore their investment objectives are compatible with those of the respective institutions endowment pools. Including this investment option has the dual benefits of better matching the investment objectives of the pools of funds with authorized investment options and simplifying the implementation of actual investment of the funds through existing investment pools at each institution.

We worked with the University of Kansas and Emporia State University in drafting this proposed legislation and all are in agreement on the changes.

KSU Foundation Center 2323 Anderson Avenue, Suite 500 Manhattan
Telephone 785-532-6266 or 800-432-1578 fax 785-532-7545 ww

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Date 4-19-2010
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KU OFFICE OF BUSINESS & FINANCIAL PLANNING
The University of Kansas

Senate Ways and Means Committee
Hearing on H.B. 2446
April 20, 2010

Testimony of Theresa Gordzica
Chief Business & Financial Planning Officer
University of Kansas

Good Afternoon Chairman Emler and Members of the Committee, I am Theresa Gordzica, Chief Financial Officer for the University of Kansas and I am here to testify in support of H.B. 2446. This bill would streamline rules governing donations to the university, eliminating inefficiency and duplication, and thereby maximizing the effect of donors' gifts.

The University of Kansas appreciates the Committee's attention to this legislation. Over the years the Legislature has stressed to all state agencies the importance of being good stewards of taxpayer dollars. We continue to look for opportunities for KU to become more efficient in its operations.

KSA 76-156a was written in 1969 to identify specific endowment associations and foundations that are authorized agents to invest "endowments and bequests" received by Regents institutions. Over the years many gifts of varying dollar magnitudes have been received that have been directed to the university rather than the endowment association. Under current law, the terms "endowments" and "bequests" are not defined.

An example of a gift that might not qualify as "endowments or bequests" under the current statute would be a $100 donation made payable to the University for the benefit of the KU Libraries. A gift that clearly does constitute an "endowment" or "bequest" would be a $5,000 bequest to KU to establish a scholarship fund.

However, under current law, the only way for KU to have KU Endowment administer these gifts – as opposed to administrative personnel at KU having to do so in addition to their other duties – is for KU to deem these gifts to be "endowments" or "bequests" and, for each such gift, regardless of its size and purpose, to create a new separate "agency account" with KU Endowment.

Often there already is an existing KU Endowment account set up to receive contributions that are made directly to KU Endowment to support the same purpose at KU but under current law such contributions cannot go into such a non-agency account. This bill would enable KU to simply direct that these types of gifts and bequests would go directly to KU Endowment to administer in a non-agency account.

Business & Financial Planning
Strong Hall | 1450 Jawhawk Blvd., Room 225 | Lawrence, KS 66045 | (785) 864-4868 | Fax (785)

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Further, under current law, KU has to use its own administrative personnel – whose have other primary job duties – to generate a gift receipt to the donor for such a gift. In contrast, KU Endowment already has the infrastructure to generate gift receipts when funds are deposited in a KU Endowment account.

Although the current statute's "endowments and bequests" language is not well defined, its intent is clear – to allow the endowment associations and foundations to manage these charitable contributions that are directed to the universities in concert with the other contributions that are made directly to their respective foundation or endowment, which such foundations or endowments already invest and distribute for the universities' benefit.

KU works closely with the KU Endowment and has established "agency fund accounts" for gifts that are clearly "endowments and bequests." Nearly all gifts carry donor restrictions for specific uses and the University and KU Endowment have established procedures to ensure the donor's wishes are honored.

The proposed legislation will clarify the original intent of the existing legislation, reduce each university's administrative effort to establish separate "agency" fund accounts and to generate receipts for such gifts, and eliminate the inefficiency and duplication of effort required by the endowment associations and foundations to manage duplicative accounts.

The proposed legislation also provides some additional investment options for the permanent university fund held at the KU Endowment and similar funds held at the respective foundations for Emporia State and Kansas State universities. The legislation would expand the investment options from interest bearing instruments only to allow those funds to be invested in the endowment or foundations' long term investment pool. The longer term investment of the funds would help the institutions to preserve the purchasing power of the funds over time.

I would be happy to answer any questions.

EMPORIA STATE UNIVERSITY™

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OFFICE OF THE PRESIDENT
Campus Box 4001

April 19, 2010

Senator Jay Emler, Chairman
Senate Ways & Means Committee
Kansas State Capitol
300 SW 10th St, Room 537-N
Topeka, KS 66612

Dear Senator Emler:

On behalf of Emporia State University, I am appearing today in support of H.B. 2446.

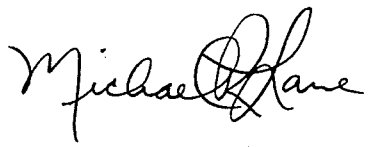
Sections 4 and 5 of H.B. 2446 are of the most direct interest to ESU. Those sections increase flexibility available to the ESU Foundation in investing the State Normal School Fund. The legislation allows the University Foundation to invest the Fund in its permanent endowment, an option which the ESU Foundation utilizes in most Funds under its jurisdiction.

As its name implies, The State Normal School Fund is a very old Fund, which was donated to the University prior to the existence of the ESU University Foundation. It has been administered by the ESU Foundation for several years under provisions of existing statute. The fund presently has an original principal of $294,251, which cannot be distributed under provisions of both existing statute and H.B. 2446. This amendment is a part of the 2010 Legislative program approved by the Kansas Board of Regents.

Section 1 of H.B. 2446 is also a part of the Board of Regents 2010 Legislative program. The section streamlines and clarifies the authority of a University in relationship to its Foundation. Emporia State is supportive of this provision, although it is likely to have more applicability to the larger Universities.

Thank you for this opportunity to appear and for consideration of our request.

Sincerely,



Michael R. Lane, President
Emporia State University

cc: Committee Members

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 27

KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

TELEPHONE – 785-296-3421
FAX – 785-296-0983
www.kansasregents.org

April 20, 2010

Senator Jay Emler, Chairman
Senate Ways & Means Committee
Statehouse, Room 545-S
Topeka, KS 66612

Senator Laura Kelly, Ranking Member
Senate Ways & Means Committee
Statehouse, Room 125-E
Topeka, KS 66612

Dear Chairman Emler and Ranking Member Kelly:

On behalf of the Kansas Board of Regents, I write to you in support of House Bill 2446. This legislation, which was unanimously approved (119-0) by the House on March 29, would clearly allow for university foundation/endowments' administration of gifts made to their respective universities without the concurrent requirements for maintaining such gifts as agency fund accounts and entering into agreements to administer each of those accounts on a gift by gift basis. The bill would also update outdated language in existing investment statutes and offer an additional investment option consistent with the Legislature's recent adoption of the Uniform Prudent Management of Institutional Funds Act.

As the state universities have continued to look for ways to achieve cost savings in their operations, this proposal, to streamline the rules governing donations and thereby eliminate inefficiencies and maximize the value of the gifts, is one that would require legislative action. Under the terms of the bill, the university CEO would continue to control which gifts are transferred to the foundation/endowment, and any restrictions placed on the gift would remain intact, but the steps of creating a special fund account within the university for each gift and then entering an agreement with the foundation/endowment for administration of each of those accounts would be eliminated.

The Board and the six state universities are supportive of the House amendment that excludes real property from the bill's application.

Thank you for your favorable consideration of House Bill 2446.

Sincerely,

R L Robinson

Reginald L. Robinson
President & CEO

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 28

KANSAS

CHILDREN'S CABINET AND TRUST FUND

April 15, 2010

Members of the Kansas Senate Ways and Means Committee:

Per the request of the Senate Ways and Means Committee, the Children's Cabinet submits the following cuts to the Children's Initiative Fund (CIF). Specifically, the Committee requested the Cabinet review outcome and accountability data to guide their decision-making process.

The CIF accountability framework, developed by the Children's Cabinet and The Institute for Educational Research and Public Service at the University of Kansas, is a dynamic and data-driven process that the Children's Cabinet uses to assess CIF programs. Each year funded programs are required to provide information about their level of evidence base, funding support, target population, quality of their evaluation, and level of outcomes measured. Findings are summarized in a briefing book and used by the Cabinet members to make funding recommendations.

This recommendation uses a weighted formula that takes into consideration the level of evidence base, the quality of evaluation, the level of outcomes measured, and if funds are considered as Federal match to leverage additional dollars into the State. Careful consideration was made to ensure the most fair and reasoned criteria were used.

The recommendation was presented to the Children's Cabinet and was approved to submit to this Committee. No alternative recommendations were put forth by Cabinet members.

The Cabinet wants to thank the Committee for the opportunity to be able to present this information. It is our hope that when the budget committees submit their recommendations and the legislature returns, they develop funding strategies that will avoid making cuts in programs funded by CIF. From early childhood to juvenile justice **all** of the programs can be credited with contributing to the optimal development of children in the state. The impacts of these cuts will be difficult to absorb, erode valuable progress in the health and education of children and will have negative consequences for children and families for many years to come.

If you have any questions, please call Jim Redmon or Melissa Ness at the Children's Cabinet.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 29

Programs	Agency	FY11	Weighted Budget Cut*
Children's Cabinet Accountability Fund	KCCTF	$541,802	$184,213
Child Care Assistance Program	SRS	$1,400,000	$476,000
Child Care Quality Initiatives	SRS	$500,000	$95,000
Children's Mental Health Initiative	SRS	$3,800,000	$722,000
Early Childhood Block Grant - Autism	KCCTF	$50,000	$17,000
Early Childhood Block Grant	KCCTF	$11,049,830	$2,099,468
Early Head Start	SRS	$3,452,779	$310,750
Family Centered Systems of Care	SRS	$5,000,000	$1,200,000
Family Preservation	SRS	$3,241,062	$291,696
Healthy Start Home Visitors	KDHE	$250,000	$47,500
Infants & Toddlers	KDHE	$5,700,000	$513,000
Juvenile Graduated Sanctions Grants	JJA	$5,214,186	$990,695
Juvenile Prevention & Intervention Program Grants	JJA	$3,785,814	$908,595
Newborn Hearing Aid Loaner Program	KDHE	$50,000	$17,000
Newborn Screening	KDHE	$2,219,766	$421,756
Parents As Teachers	KSDE	$7,539,500	$1,055,530
Pre-K Pilot	KCCTF	$5,000,000	$950,000
SIDS Network Grant	KDHE	$75,000	$18,000
Smart Start Kansas	KCCTF	$8,443,161	$1,604,201
Smoking Cessation	KDHE	$1,000,000	$90,000
Totals		$68,312,900	$12,012,403

*Criteria were: level of evidence base, quality of evaluation, level of outcomes measured and if funds are used as Federal match to leverage additional dollars into the State.

Children's Initiatives Fund
FY 2011

Senate Committee Adjustments and Children's Cabinet Recommendations

	Gov. Rec. FY 2011	Senate Adjustments FY 2011	Children's Cabinet Rec for Senate Adjustment FY 2011	Children's Cabinet Rec for Senate Adjustment by Percentage FY 2011	Children's Cabinet Rec Percent Change from Gov Rec FY 2011
Department of Health and Environment					
Healthy Start/Home Visitor	$ 250,000	$ -	$ (47,500)	0.4 %	(19.0) %
Infants and Toddlers Program (Tiny K)	5,700,000	-	(513,000)	4.3	(9.0)
Smoking Cessation/Prevention Program Grants	1,000,000	-	(90,000)	0.7	(9.0)
PKU/Hemophilia	-	-	-	-	-
Newborn Hearing Aid Loaner Program	50,000	-	(17,000)	0.1	(34.0)
SIDS Network Grant	75,000	-	(18,000)	0.1	(24.0)
Newborn Screening	2,219,766	-	(421,756)	3.5	(19.0)
Subtotal - KDHE	$ 9,294,766	$ -	$ (1,107,256)	9.2 %	(11.9) %
Juvenile Justice Authority					
Juvenile Prevention Program Grants	$ 3,785,814	$ -	$ (908,595)	7.6 %	(24.0) %
Juvenile Graduated Sanctions Grants	5,214,186	-	(990,695)	8.2	(19.0)
Subtotal - JJA	$ 9,000,000	$ -	$ (1,899,290)	15.8 %	(21.1) %
Department of Social and Rehabilitation Services					
Children's Cabinet Accountability Fund	$ 541,802	$ (129,985) a	$ (184,213)	1.5 %	(34.0) %
Children's Mental Health Initiative	3,800,000	(911,669) a	(722,000)	6.0	(19.0)
Family Centered System of Care	5,000,000	(1,199,565) a	(1,200,000)	10.0	(24.0)
Child Care Services	1,400,000	(335,878) a	(476,000)	4.0	(34.0)
Community Services - Child Welfare	-	-	-	-	-
Smart Start Kansas - Children's Cabinet	8,443,161	(2,025,624) a	(1,604,201)	13.4	(19.0)
Family Preservation	3,241,062	(777,573) a	(291,696)	2.4	(9.0)
Early Childhood Block Grants	11,049,830	(2,650,998) a	(2,099,468)	17.5	(19.0)
Early Childhood Block Grants - Autism	50,000	(11,996) a	(17,000)	0.1	(34.0)
Early Head Start	3,452,779	(828,367) a	(310,750)	2.6	(9.0)
Child Care Quality Initiative	500,000	(119,956) a	(95,000)	0.8	(19.0)
Subtotal - SRS	$ 37,478,634	$ (8,991,611)	$ (7,000,328)	58.3 %	(18.7) %
Kansas Health Policy Authority					
HealthWave	$ -	$ -	$ -	- %	- %
Medical Assistance	-	-	-	-	-
Immunization Outreach	-	-	-	-	-
Subtotal - KHPA	$ -	$ -	$ -	- %	- %
Department of Education					
Reading and Vision Research	$ -	$ -	$ -	- %	- %
Four Year Old at Risk/General State Aid	-	-	-	-	-
Parents as Teachers	7,539,500	(1,808,824) a	(1,055,530)	8.8	(14.0)
Pre-K Pilot	5,000,000	(1,199,565) a	(950,000)	7.9	(19.0)
Subtotal - Dept. of Ed.	$ 12,539,500	$ (3,008,389)	$ (2,005,530)	16.7 %	(16.0) %
University of Kansas Medical Center					
Tele-Kid Health Care Link	$ -	$ -	$ -	- %	- %
TOTAL	**$ 68,312,900**	**$ (12,000,000)**	**$ (12,012,404)**	**100.0 %**	**(17.6) %**

	Gov. Rec. FY 2011	Senate Adjustments FY 2011	Children's Cabinet Rec for Senate Adjustment FY 2011	Children's Cabinet Rec for Senate Adjustment by Percentage FY 2011	Children's Cabinet Rec Percent Change from Gov Rec FY 2011
Beginning Balance	$ -	$ -	$ -	-	-
Plus: Other Income*					
State General Fund Transfer					
Children's Initiatives Reserve Fund Transfer In**	1,194,152	1,194,152	1,194,152	1,194,152	1,194,152
KEY Fund Transfer In	67,118,748	55,118,748 b	55,118,748 b	55,118,748 b	55,118,748 b
Total Available	$ 68,312,900	$ 56,312,900	$ 56,312,900	56,312,900	56,312,900
Less: Expenditures	68,312,900	56,312,900	56,300,496	56,300,496	56,300,496
Transfer Out to KEY Fund	-	-	-	-	-
Transfer Out to Children's Initiatives Reserve Fund**	-	-	-	-	-
Transfer Out to State General Fund					
ENDING BALANCE	**$ -**	**$ -**	**$ 12,404**	**12,404**	**12,404**

* 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. The transfer which was scheduled to occur on July 1, 2008, of one third of the remaining balance of the CIRF, was inadvertently omitted. On July 1, 2009, 50 percent of the remaining balance of the CIRF was transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

*** The Governor's recommendation for FY 2010 transfers funding of $14.3 million from the Kansas Endowment for Youth (KEY) Fund to the State General Fund. In addition, the Governor's FY 2010 recommendation transfers $232,432 from the Kansas Endowment for Youth Fund to the Attorney General. The Governor's recommendation for FY 2011 recommends a transfer from the KEY fund to the Attorney General of $475,985.

a) The Senate Committee requested that the Children's Cabinet assess and recommend where the $12.0 million in reductions occur for review prior to Omnibus. Prior to Omnibus, reductions will occur in Smart Start, Early Childhood Block Grant and Early Head Start. The Committee also recommends the Children's Cabinet consider reductions in Parents as Teachers and Tiny K.

b) The Senate Committee recommends a $12.0 million decrease in the transfer from the Kansas Endowmen Fund in FY 2011. The Senate Committee further recommends $12.0 million be transferred from the Kansas General Fund.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 30

Children's Initiatives Fund

FY 2009 - FY 2011

Senate Committee Adjustments as of April 21, 2010

	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	Senate Adjustments FY 2011	
Department of Health and Environment					
Healthy Start/Home Visitor	$ 250,000	$ 250,000	$ 250,000	(34,540)	
Infants and Toddlers Program (Tiny K)	5,700,000	5,700,000	5,700,000	(373,032)	
Smoking Cessation/Prevention Program Grants	1,000,000	1,000,000	1,000,000	(65,444)	
PKU/Hemophilia	208,000	-	-	-	
Newborn Hearing Aid Loaner Program	49,852	50,000	50,000	(12,361)	
SIDS Network Grant	75,000	75,000	75,000	(13,089)	
Newborn Screening	2,204,382	2,224,106	2,219,766	(306,683)	
Subtotal - KDHE	$ 9,487,234	$ 9,299,106	$ 9,294,766	$ (805,149)	
Juvenile Justice Authority					
Juvenile Prevention Program Grants	$ 4,976,821	$ 4,740,406	$ 3,785,814	$ -	
Juvenile Graduated Sanctions Grants	4,023,179	4,259,594	5,214,186	-	
Subtotal - JJA	$ 9,000,000	$ 9,000,000	$ 9,000,000	$ -	
Department of Social and Rehabilitation Services					
Children's Cabinet Accountability Fund	$ 538,197	$ 545,407	$ 541,802	(133,952)	
Children's Mental Health Initiative	3,800,000	3,800,000	3,800,000	(525,008)	
Family Centered System of Care	5,000,000	5,000,000	5,000,000	(872,589)	
Child Care Services	1,400,000	1,400,000	1,400,000	(346,127)	
Community Services - Child Welfare	3,136,934	-	-	-	
Smart Start Kansas - Children's Cabinet	8,437,225	8,448,244	8,443,161	(1,166,506)	
Family Preservation	3,313,066	3,241,062	3,241,062	(212,109)	
Early Childhood Block Grants	11,088,987	11,059,475	11,049,830	(1,526,644)	
Early Childhood Block Grants - Autism	-	50,000	50,000	(12,362)	
Early Head Start	3,452,779	3,452,779	3,452,779	(225,964)	
Child Care Quality Initiative	500,000	500,000	500,000	(69,080)	
Subtotal - SRS	$ 40,667,188	$ 37,496,967	$ 37,478,634	$ (5,090,341)	
HealthWave	$ 2,000,000	$ -	$ -	$ -	
Medical Assistance	3,000,000	-	-	-	
Immunization Outreach	500,000	-	-	-	
Subtotal - KHPA	$ 5,500,000	$ -	$ -	$ -	
Department of Education					
Reading and Vision Research	$ 100,000	$ -	$ -	$ -	
Four Year Old at Risk/General State Aid	100,000	-	-	-	
Parents as Teachers	7,521,357	7,539,500	7,539,500	(767,536)	
Pre-K Pilot	5,000,000	5,000,000	5,000,000	(690,800)	
Subtotal - Dept. of Ed.	$ 12,721,357	$ 12,539,500	$ 12,539,500	$ (1,458,336)	
University of Kansas Medical Center					
Tele-Kid Health Care Link	$ 394	$ -	$ -	$ -	
TOTAL	**$ 77,376,173**	**$ 68,335,573**	**$ 68,312,900**	**$ (7,353,826)**	

	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	Senate Adjustments FY 2011	
Beginning Balance	$ 12,747,981	$ 165,984	$ -	$ -	
Plus: Other Income*	354,705	-	-	-	
State General Fund Transfer	-	-	-	-	
Children's Initiatives Reserve Fund Transfer In**	-	1,283,705	1,194,152	1,194,152	
KEY Fund Transfer In	64,458,892	66,885,884	67,118,748	59,764,922	b
Total Available	$ 77,561,578	$ 68,335,573	$ 68,312,900	$ 60,959,074	
Less: Expenditures	77,376,173	68,335,573	68,312,900	60,959,074	
Transfer Out to KEY Fund	-	-	-	-	
Transfer Out to Children's Initiatives Reserve Fund**	-	-	-	-	
Transfer Out to State General Fund	19,421	-			
ENDING BALANCE	**$ 165,984**	**$ -**	**$ -**	**$ -**	

* 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. The transfer which was scheduled to occur on July 1, 2008, of one third of the remaining balance of the CIRF, was inadvertently omitted. On July 1, 2009, 50 percent of the remaining balance of the CIRF was transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

*** The Governor's recommendation for FY 2010 transfers funding of $14.3 million from the Kansas Endowment for Youth (KEY) Fund to the State General Fund. In addition, the Governor's FY 2010 recommendation transfers $232,432 from the Kansas Endowment for Youth Fund to the Attorney General. The Governor's recommendation for FY 2011 recommends a transfer from the KEY fund to the Attorney General of $475,985.

a) The Senate Committee recommends reducing the transfer from the Kansas Endowment for Youth (KEY) Fund to the State General Fund by $4.4 million in FY 2010.

b) The Senate Committee recommends a $7.4 million decrease in the transfer from the Kansas Endowment for Youth Fund to the Children's Initiatives Fund in FY 2011.

30-2

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 31

Kansas Endowment for Youth (KEY) Fund Summary

	Actual FY 2003	Actual FY 2004	Actual FY 2005	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate	
Beginning Balance	$ 7,814,894	$ -	$ 42,981	$ 512,837	$ 208,555	$ 4,635,676	$ 8,457,177	$ 16,738,905	$
Released Encumbrances			-	9,574	100	9,355	223	-	
Tobacco Receipts	61,511,858	$ 52,531,729	53,453,764	49,463,392	51,977,584	52,755,628	57,907,900	48,500,000	
Strategic Contributions Funds			-	-	-	14,680,000	15,043,960	12,000,000	
Transfer to Children's Initiatives Fund	(45,000,000)	(42,588,748)	(51,135,585)	(49,514,213)	(47,361,933)	(62,922,205)	(64,458,892)	(66,885,884)	(67,118,748)
Transfer to State General Fund	(24,326,752)	(9,900,000)	(1,654,514)	(375,957)	-	-	(4,097)	(14,291,630)	-
Transfer in from Children Initiatives Fund			-	300,000	-	-	-	-	-
Transfer to the Attorney General						(500,000)	-	(232,432)	(475,985)
Total Available	$ -	$ 42,981	$ 706,646	$ 395,633	$ 4,824,306	$ 8,658,454	$ 16,946,271	$ (4,171,041)	$ (11,524,867)
Children's Cabinet Administration		-	(193,809)	(187,078)	(188,630)	(201,277)	(207,366)	(259,093)	(259,093)
Ending Balance	**$ -**	**$ 42,981**	**$ 512,837**	**$ 208,555**	**$ 4,635,676**	**$ 8,457,177**	**$ 16,738,905**	**$ (4,430,134)**	**$ (11,783,960)**

Children's Initiatives Fund

	Governor's Recommendation	Balance (accounting for encumbrances) as of 4/16/2010	Amount Encumbered as of 04/16/2010
Department of Social and Rehabilitation Services			
Accountability	$ 545,407	$ -	$ 131,612
Children's MH Waiver*	3,800,000	-	3,800,000
Family Centered System of Care	5,000,000	-	1
Child Care	1,400,000	457,691	-
Early Childhood Disc. Grant	8,443,161	126,424	6,531,842
Family Preservation	3,246,145	1,068	-
Early Head Start	3,452,779	153	876,658
Child Care Qual. Initiatives	500,000	-	125,000
Early Childhood Block Grant	11,059,475	(536)	9,904,341
Early Childhood Block Grant-Autism	50,000	50,000	-
Total	$ 37,496,967	$ 634,800	$ 21,369,453

* While there is no actual encumbrance in the Children's MH Waiver account, one is being shown to indicate this balance is reserved for funding of the SED Waiver. Since CIF is not included in the funding table for the SED Waiver, a JV is done to account for this funding. Consequently, the $3.8 million shown as an encumbrance will be fully expended in FY 2010.

Department of Health and Enivronment	$ 9,299,106	$ 970,468	$ 205,182
Juvenile Justice Authority	9,000,000	-	-
Department of Education	12,539,500	-	3,172,886
Grand TOTAL	**$ 68,335,573**	**$ 1,605,268**	**$ 24,747,521**

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 32

State of Kansas

Social and Rehabilitation Services
Division of Mental Health

Notice of Proposed Methods and Standards for Establishing PRTF Payment Rates

The Secretary of Social and Rehabilitation Services administers the Psychiatric Residential Treatment Facility (PRTF) program for Kansas youth in need of that level of care. The secretary is publishing the amended description of the methods and standards for establishing payment rates, having an anticipated effective date of April 1, 2010, designed to more comprehensively meet the psychiatric treatment needs of Kansas youth. A summary of the change follows:

Kansas is establishing Class I PRTFs that must meet more stringent state standards, must be accredited by the Joint Commission, must be state licensed as a hospital, and must admit all children or adolescents regardless of the severity of their symptoms of serious emotional disturbance. These facilities will provide inpatient psychiatric treatment needed by children who would otherwise be admitted to state mental health hospitals.

There will be a fiscal impact to PRTF expenditures of approximately $125,750 state and federal funds for state fiscal year 2010, and $765,000 state and federal funds for state fiscal year 2011. However, these expenditures will be offset by a concurrent decrease in expenditures at the state mental health hospitals resulting in net overall state general fund savings of about $900,000 in FY 2011.

A copy of detailed proposed changes to the Kansas Medicaid State Plan, "Methods and Standards for Establishing Payment Rates—Psychiatric Residential Treatment Facilities," may be obtained by contacting Rick Shults at Rick.Shults@srs.ks.gov. Comments may be sent and reviewed by the public by sending in writing to Rick Shults at the above e-mail or to his attention at SRS, Disability and Behavioral Health Services, Mental Health Division, 9th Floor South, Docking State Office Building, 915 S.W. Harrison, Topeka, 66612-1570.

Don Jordon
Secretary of Social and
Rehabilitation Services

Doc. No. 038131

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Senate Ways & Means Cmte
Date 4-19-2010
Attachment 33

FY 2011 Department on Aging Adjustments as of April 19, 2010

FY 2011 Governors Recommendation	State General Fund	All Funds
FY 2011 Governors Base	$156,702,912	$449,302,139
Restore Nursing Facility 10% Medicaid reduction	$13,314,931	$37,370,000
Restore HCBS/FE 10% Medicaid reduction	$2,517,531	$7,065,762
Restore TCM 10% Medicaid reduction	$185,276	$520,000
Restore PACE 10% Medicaid reduction	$204,642	$574,353
Final FY 2011 Governors Recommendation	***$172,925,292***	***$494,832,254***

Senate Adjustments		
Operations 2.5% reduction *(1)*	($145,958)	($431,073)
Senior Care Act 2.5% reduction *(2)*	($1,125,755)	($1,125,755)
Nutrition 2.5% reduction *(3)*	($2,610,956)	($2,973,740)
Nursing Facility 2.5% reduction *(4)*	($4,328,461)	($12,338,273)
PACE 2.5% reduction *(5)*	($350,000)	($982,318)
Nursing Facility Caseload Adjustment	$1,162,538	$3,262,806
TCM Caseload Adjustment	($38,447)	($107,907)
HCBS/FE Medicaid billing delay savings	($219,940)	($617,288)
FY 2011 Senate Recommendation	***$165,306,760***	***$479,626,613***

The agency indicates that the adjustment will:

(1) require furloughs, layoffs and will make it difficult to complete nursing facility surveys
(2) result in 873, or 18% less, individuals no longer receiving services
(3) result in 549,674 fewer meals served and meal site closures
(4) reduce nursing facility provider payments by 3.3%
(5) eliminate funding for 18 planned new PACE customers operate

House Adjustments		
Add funding for Nutrition Programs *(6)*	$700,000	$785,555
Nursing Facility: assume extension of AARA	($19,858,432)	$0
HCBS/FE: assume extension of AARA	($3,782,031)	$0
PACE: assume extension of AARA	($305,211)	$0
TCM: assume extension of AARA	($276,328)	$0
FY 2011 House Recommendation	**$149,403,290**	**$495,617,809**

The agency indicates that the adjustment will:

(6) restore the nutrition program to FY 2009 actual levels (assuming AARA extension rates)

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 34

SECRETARY OF STATE SPECIAL REVENUE FUNDS

Fund	Source	FY 2011 Gov. Rec. Ending Balance
Information and Copy Services Fee Fund	Receipts for computer services or other information, sale and shipment of Session Laws, Kansas Administrative Regulations and supplements, and shipment of Kansas Statutes Annotated and supplements	$ 311,695
Technology and Communication Fee Fund	Technology fees for electronic filing of documents	351,709
Democracy Fund	Counties' share of matching funds for Help America Vote Act	142,324
Credit Card Clearing Fund	Fees charged on credit card purchases	-
Athlete Agent Fee Fund	Registration of athlete agents	34,283
State Register Fee Fund	Subscriptions, publication fees, and sale of binders	53,334
Cemetery and Funeral Audit Fund	Fees from audits of prearranged funeral plans and cemetery corporations	4,459
Prepaid Services Fund	Fees for services	-
Electronic Voting Machine Examination Fund	Receipts from inspection of voting machines	-
Cemetery Merchandise Trust Clearing Fund	Prepaid funeral products	-
Secretary of State Fee Refund Fund	Internal transfers	-
HAVA-Elvis Fund	HAVA-related electronic voting systems fees	461,742
Uniform Commercial Code Fee Fund	Lien filings	357,589
State Flag and Banner Fund	Sales of state flags	10,627
HAVA-Federal Funds	Federal funds	

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 35

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 36

School for the Blind	FY 2009 Ending Balances	FY 2010 Ending Balance	FY 2011 Ending Balance	Dicreti
Local Services Reimbursement Fund 2088	$ 34,721	$ 42,665	$ 61,665	N
General Fees Fund 2093	80,354	38,308	790	Y
Student Activity Fees Fund 2146	1,093	618	143	Y
Food Assistance - Cash for Commodities Federal Fund 3036	1,766	1,766	1,666	N
Food Assistance - Breakfast Federal Fund 3037	1,585	885	285	N
Food Assistance - Lunch Federal Fund 3038	3,157	1,757	3,357	N
Chapter I Handicapped Federal Fund 3039	-	-	-	N
Elementary & Secondary Education Act Federal Fund 3164	9,431	5,187	1,930	N
Technology Lending Library Federal Fund 3833	8,987	8,989	10,005	N
Supported Employment Initiative Federal Fund 3847	-	-	-	N
Education Improvement Federal Fund 3898	32,924	32,924	32,924	N
Gift Fund 7329	17,424	1,135	7,135	N
Total Fee Fund Ending Balances	$ 191,442	$ 134,234	$ 119,900	

School for the Deaf	FY 2009 Ending Balances	FY 2010 Ending Balance*	FY 2011 Ending Balance	Dicretionary
Local Services Reimbursement Fund 2091	$ 7,594	$ 37,475	$ 2,175	N
General Fees Fund 2094	52,917	39,530	4,650	Y
Student Activities Fee Fund 2147	76,081	51,675	3,275	Y
Elementary &Secondary Education Act Fed 3166	-	-	-	N
Federal Grants Fund - School Lunch Program 3201	-	-	-	N
Special Bequest Fund 7321	127,889	66,785	6,475	N
Gift Fund 7330	9,850	2,150	250	N
Special Workshop Fund 7504	1,300	750	350	Y
Total Fee Fund Ending Balances	$ 275,631	$ 198,365	$ 17,175	

*Data reflects projections provided by the agency.

KANSAS STATE SCHOOL FOR THE DEAF
OVER A CENTURY OF SERVICE. ESTABLISHED 1861.

450 EAST PARK STREET
OLATHE, KANSAS 66061-5497
TELEPHONE (913) 791-0573
FAX (913) 791-0577

DATE: March 2, 2010

TO: Senate Ways and Means Other Education Subcommittee

FROM: Robert A. Maile
KSSD Superintendent

RE: Additional Reduction Target - $313,905

The proposed additional reduction target of $313,905 would be met as follows:

1. **Close School 4 Additional Days - $99,524**

   In addition to reducing the number of student days, teachers and residential personnel would receive another 2.22% pay reduction. The ten day reduction in the 2009-2010 school year was equivalent to a 5.26% pay decrease resulting in a pay reduction of 7.48% over two school years.

2. **Vacate 3 Residential Services Positions - $119,435**

   Special programming that provides language immersion and language acquisition for high risk students would be suspended.

3. **Vacate Technology, Instruction and Support position - $94,946**

   Special technology instruction and support for elementary children and staff would be suspended.

KANSAS STATE SCHOOL FOR THE BLIND

1100 STATE AVENUE
KANSAS CITY, KANSAS 66102-4486
TELEPHONE (913) 281-3308
FAX—(913) 281-3104

Date: March 2, 2010

To: Senate Ways and Means Education Subcommittee

From: Madeleine Burkindine, KSSB Superintendent

Re: Proposed FY2011 Budget Reductions

	Reduction Amount	Per Cent Reduced
1. Reduce Teacher Contract by Three Days:	$45,000	
These reductions will harm student learning. Over the last two (2) years we have reduced learning opportunities at this critical developmental stage, which can never be made up as an adult.		
2. Eliminate Extra Curricular Activities:	80,000	
Will eliminate such activities as Band, Track and Field, Forensics, Wrestling, etc.		
3. Continue FY2010 Ten Day Furlough of Non-Instructional Staff:	46,799	
4. Library Assistant:	40,000	
Eliminate Library Position.		
Total Reductions:	**$211,799**	**3.83%**

4/21/2010					
USD#	USD Name	County Name	6/30/2010 Est. Driver Training Cash Bal.	2008-09 Actual Driver Training Expenditures	2008-09 Driver Ed. Students Paid FY10
101	ERIE	NEOSHO	14,635	18,108	35
102	CIMARRON-ENSIGN	GRAY	16,985	8,806	40
103	CHEYLIN	CHEYENNE	0	1,720	10
105	RAWLINS COUNTY	RAWLINS	11,314	7,243	25
106	WESTERN PLAINS	NESS	3,058	0	15
107	ROCK HILLS	JEWELL	8,614	3,065	23
108	WASHINGTON CO.S	WASHINGTON	13,893	9,827	33
109	REPUBLIC COUNTY	REPUBLIC	11,103	6,320	21
110	THUNDER RIDGE S	PHILLIPS	28,325	4,429	10
111	DONIPHAN WEST S	DONIPHAN	0	12,540	10
200	GREELEY COUNTY	GREELEY	4,707	4,093	15
202	TURNER-KANSAS C	WYANDOTTE	0	47,489	61
203	PIPER-KANSAS CI	WYANDOTTE	0	0	0
204	BONNER SPRINGS	WYANDOTTE	10,795	19,137	38
205	BLUESTEM	BUTLER	11,672	10,969	30
206	REMINGTON-WHITE	BUTLER	20,319	13,140	14
207	FT LEAVENWORTH	LEAVENWORTH	0	0	0
208	WAKEENEY	TREGO	13,390	18,347	35
209	MOSCOW PUBLIC S	STEVENS	0	4,758	12
210	HUGOTON PUBLIC	STEVENS	19,229	11,551	51
211	NORTON COMMUNIT	NORTON	17,779	9,778	40
212	NORTHERN VALLEY	NORTON	1,142	3,409	11
213	WEST SOLOMON VA	NORTON	0	0	0
214	ULYSSES	GRANT	14,894	30,595	102
215	LAKIN	KEARNY	99,656	8,942	28
216	DEERFIELD	KEARNY	19,737	7,080	22
217	ROLLA	MORTON	18,359	9,632	17
218	ELKHART	MORTON	11,587	517	0
219	MINNEOLA	CLARK	13,845	5,284	21
220	ASHLAND	CLARK	7,055	4,109	12
223	BARNES	WASHINGTON	36,416	11,608	27
224	CLIFTON-CLYDE	WASHINGTON	15,659	20,703	21
225	FOWLER	MEADE	3,253	9,559	12
226	MEADE	MEADE	2,000	3,854	9
227	JETMORE	HODGEMAN	5,906	4,138	24
228	HANSTON	HODGEMAN	0	10,498	0
229	BLUE VALLEY	JOHNSON	156,748	133,311	390
230	SPRING HILL	JOHNSON	33,996	27,216	87
231	GARDNER-EDGERTO	JOHNSON	25,256	50,523	159
232	DESOTO	JOHNSON	217,236	68,039	219
233	OLATHE	JOHNSON	190,000	150,817	484
234	FORT SCOTT	BOURBON	21,862	8,912	43
235	UNIONTOWN	BOURBON	9,616	4,727	29
237	SMITH CENTER	SMITH	2,000	5,677	35
239	NORTH OTTAWA CO	OTTAWA	11,531	8,402	34
240	TWIN VALLEY	OTTAWA	11,300	16,294	41
241	WALLACE COUNTY	WALLACE	5,431	5,783	24
242	WESKAN	WALLACE	0	0	0
243	LEBO-WAVERLY	COFFEY	2,062	9,263	39
244	BURLINGTON	COFFEY	16,495	12,485	53
245	LEROY-GRIDLEY	COFFEY	8,072		
246	NORTHEAST	CRAWFORD	17,699		
247	CHEROKEE	CRAWFORD	56		

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 37

USD#	USD Name	County Name	6/30/2010 Est. Driver Training Cash Bal.	2008-09 Actual Driver Training Expenditures	2008-09 Driver Ed. Students Paid FY10
248	GIRARD	CRAWFORD	24,624	9,128	32
249	FRONTENAC PUBLI	CRAWFORD	12,898	8,184	39
250	PITTSBURG	CRAWFORD	0	20,777	29
251	NORTH LYON COUN	LYON	10,608	30,049	28
252	SOUTHERN LYON C	LYON	4,914	10,164	41
253	EMPORIA	LYON	24,170	9,312	0
254	BARBER COUNTY N	BARBER	3,473	15,994	47
255	SOUTH BARBER	BARBER	2,911	7,042	17
256	MARMATON VALLEY	ALLEN	14,260	4,144	20
257	IOLA	ALLEN	12,608	12,020	55
258	HUMBOLDT	ALLEN	356	4,582	23
259	WICHITA	SEDGWICK	10,757	1,356,796	1,609
260	DERBY	SEDGWICK	0	51,407	131
261	HAYSVILLE	SEDGWICK	165,674	157,071	238
262	VALLEY CENTER P	SEDGWICK	66,078	19,925	85
263	MULVANE	SEDGWICK	112,091	3,971	116
264	CLEARWATER	SEDGWICK	33,389	8,258	42
265	GODDARD	SEDGWICK	63,683	75,270	256
266	MAIZE	SEDGWICK	141,009	10,350	207
267	RENWICK	SEDGWICK	34,677	27,633	127
268	CHENEY	SEDGWICK	22,119	20,432	73
269	PALCO	ROOKS	651	2,313	11
270	PLAINVILLE	ROOKS	11,828	5,754	16
271	STOCKTON	ROOKS	3,392	5,633	23
272	WACONDA	MITCHELL	2,743	8,793	24
273	BELOIT	MITCHELL	9,243	14,428	46
274	OAKLEY	LOGAN	0	9,853	28
275	TRIPLAINS	LOGAN	0	2,790	0
281	HILL CITY	GRAHAM	8,538	4,239	18
282	WEST ELK	ELK	0	4,108	26
283	ELK VALLEY	ELK	4,650	3,190	13
284	CHASE COUNTY	CHASE	7,800	1,078	0
285	CEDAR VALE	CHAUTAUQUA	442	1,655	6
286	Chautauqua County Commun	CHAUTAUQUA	21,714	0	0
287	WEST FRANKLIN	FRANKLIN	35,612	23,203	29
288	CENTRAL HEIGHTS	FRANKLIN	0	13,019	41
289	WELLSVILLE	FRANKLIN	6,408	14,185	29
290	OTTAWA	FRANKLIN	48,125	26,501	85
291	Grinnell Public Schools	GOVE	0	32	0
292	WHEATLAND	GOVE	12,093	2,996	14
293	QUINTER PUBLIC	GOVE	1,441	5,910	23
294	OBERLIN	DECATUR	11,250	10,209	25
297	ST FRANCIS COMM	CHEYENNE	2,914	22,016	24
298	LINCOLN	LINCOLN	0	3,552	15
299	SYLVAN GROVE	LINCOLN	0	2,091	11
300	COMANCHE COUNTY	COMANCHE	0	240	35
303	NESS CITY	NESS	16,743	142	30
305	SALINA	SALINE	5,578	30,099	106
306	SOUTHEAST OF SA	SALINE	0	5,085	33
307	Ell-Saline	Saline	19,833	1,998	20
308	HUTCHINSON PUBL	RENO	109,406	3,690	0
309	NICKERSON	RENO	22,469	14,213	45
310	FAIRFIELD	RENO	892	4,278	19
311	PRETTY PRAIRIE	RENO	16,914	3,921	20

USD#	USD Name	County Name	6/30/2010 Est. Driver Training Cash Bal.	2008-09 Actual Driver Training Expenditures	2008-09 Driver Ed. Students Paid FY10
312	HAVEN PUBLIC SC	RENO	5,708	9,149	47
313	BUHLER	RENO	23,579	66,499	276
314	BREWSTER	THOMAS	3,334	1,523	12
315	COLBY PUBLIC SC	THOMAS	238	9,308	34
316	GOLDEN PLAINS	THOMAS	0	0	7
320	WAMEGO	POTTAWATOMIE	0	17,879	32
321	KAW VALLEY	POTTAWATOMIE	16,108	13,036	79
322	ONAGA-HAVENSVIL	POTTAWATOMIE	11,000	7,070	26
323	ROCK CREEK	POTTAWATOMIE	14,591	0	0
325	PHILLIPSBURG	PHILLIPS	10,986	8,750	50
326	LOGAN	PHILLIPS	4,121	2,442	9
327	ELLSWORTH	ELLSWORTH	16,778	5,455	27
328	LORRAINE	ELLSWORTH	14,244	5,603	21
329	Mill Creek Valley	WABAUNSEE	29,831	4,176	17
330	MISSION VALLEY	WABAUNSEE	22,384	12,529	29
331	KINGMAN-NORWICH	KINGMAN	7,848	18,757	42
332	CUNNINGHAM	KINGMAN	11,997	4,381	15
333	CONCORDIA	CLOUD	0	1,534	0
334	SOUTHERN CLOUD	CLOUD	8,482	7,820	18
335	NORTH JACKSON	JACKSON	11,324	3,386	0
336	HOLTON	JACKSON	0	21,927	78
337	ROYAL VALLEY	JACKSON	9,127	2,321	27
338	VALLEY FALLS	JEFFERSON	18,085	11,104	26
339	JEFFERSON COUNT	JEFFERSON	4,052	6,466	29
340	JEFFERSON WEST	JEFFERSON	13,873	13,184	42
341	OSKALOOSA PUBLI	JEFFERSON	13,106	5,082	21
342	MCLOUTH	JEFFERSON	7,003	8,599	26
343	PERRY PUBLIC SC	JEFFERSON	35,252	7,488	30
344	PLEASANTON	LINN	7,041	2,822	21
345	SEAMAN	SHAWNEE	47,175	85,969	331
346	JAYHAWK	LINN	25,743	4,003	19
347	KINSLEY-OFFERLE	EDWARDS	8,454	529	19
348	BALDWIN CITY	DOUGLAS	12,188	16,250	40
349	STAFFORD	STAFFORD	2,667	6,462	11
350	ST JOHN-HUDSON	STAFFORD	6,392	0	15
351	MACKSVILLE	STAFFORD	17,891	3,096	15
352	GOODLAND	SHERMAN	11,481	7,295	52
353	WELLINGTON	SUMNER	0	25,559	88
354	CLAFLIN	BARTON	6,976	3,117	17
355	ELLINWOOD PUBLI	BARTON	29,944	7,982	34
356	CONWAY SPRINGS	SUMNER	20,474	7,723	20
357	BELLE PLAINE	SUMNER	4,499	2,852	36
358	Oxford	SUMNER	7,197	3,174	24
359	ARGONIA PUBLIC	SUMNER	0	44	0
360	CALDWELL	SUMNER	5,000	2,802	9
361	ANTHONY-HARPER	HARPER	4,144	9,751	18
362	PRAIRIE VIEW	LINN	0	11,723	31
363	HOLCOMB	FINNEY	17,622	11,534	56
364	MARYSVILLE	MARSHALL	15,000	12,948	43
365	GARNETT	ANDERSON	13,619	11,360	66
366	WOODSON	WOODSON	0	3,946	28
367	OSAWATOMIE	MIAMI	6,700	19,100	63
368	PAOLA	MIAMI	0	12,228	79
369	BURRTON	HARVEY	12,188	10,000	28

USD#	USD Name	County Name	6/30/2010 Est. Driver Training Cash Bal.	2008-09 Actual Driver Training Expenditures	2008-09 Driver Ed. Students Paid FY10
371	MONTEZUMA	GRAY	0	8,461	24
372	SILVER LAKE	SHAWNEE	29,340	10,434	46
373	NEWTON	HARVEY	24,838	57,416	128
374	SUBLETTE	HASKELL	13,220	7,654	24
375	CIRCLE	BUTLER	11,182	17,094	93
376	STERLING	RICE	12,914	5,209	32
377	ATCHISON CO COM	ATCHISON	9,776	8,930	56
378	RILEY COUNTY	RILEY	398	16,590	43
379	CLAY CENTER	CLAY	24,888	12,190	65
380	VERMILLION	MARSHALL	18,008	16,616	23
381	SPEARVILLE	FORD	1,846	3,172	13
382	PRATT	PRATT	20,000	15,503	61
383	MANHATTAN	RILEY	59,078	115,983	322
384	BLUE VALLEY	RILEY	0	3,376	20
385	ANDOVER	BUTLER	41,767	61,284	232
386	MADISON-VIRGIL	GREENWOOD	6,674	5,441	23
387	ALTOONA-MIDWAY	WILSON	3,558	3,763	9
388	ELLIS	ELLIS	6,000	4,563	33
389	EUREKA	GREENWOOD	15,630	6,261	26
390	HAMILTON	GREENWOOD	2,277	2,451	8
392	OSBORNE COUNTY	OSBORNE	17,033	4,029	20
393	SOLOMON	DICKINSON	20,712	4,634	32
394	ROSE HILL PUBLI	BUTLER	34,339	19,175	71
395	LACROSSE	RUSH	19,489	4,425	20
396	DOUGLASS PUBLIC	BUTLER	20,211	6,554	32
397	CENTRE	MARION	10,643	2,649	12
398	PEABODY-BURNS	MARION	19,301	6,936	22
399	PARADISE	RUSSELL	500	2,031	11
400	SMOKY VALLEY	MCPHERSON	26,239	10,714	45
401	CHASE	RICE	14,419	200	0
402	AUGUSTA	BUTLER	32,874	20,367	91
403	OTIS-BISON	RUSH	95	5,327	13
404	RIVERTON	CHEROKEE	11,138	3,859	23
405	LYONS	RICE	10,432	10,014	29
406	WATHENA	DONIPHAN	0	7,737	16
407	RUSSELL COUNTY	RUSSELL	25,732	38,890	50
408	MARION-FLORENCE	MARION	15,282	3,284	48
409	ATCHISON PUBLIC	ATCHISON	5,394	12,669	34
410	DURHAM-HILLSBOR	MARION	5,000	10,580	34
411	GOESSEL	MARION	0	19,272	20
412	HOXIE COMMUNITY	SHERIDAN	12,000	452	16
413	CHANUTE PUBLIC	NEOSHO	31,880	13,964	62
415	HIAWATHA	BROWN	15,376	13,007	24
416	LOUISBURG	MIAMI	16,917	23,721	91
417	MORRIS COUNTY	MORRIS	11,217	15,973	44
418	MCPHERSON	MCPHERSON	0	7,708	0
419	CANTON-GALVA	MCPHERSON	18,733	11,233	28
420	OSAGE CITY	OSAGE	0	0	0
421	LYNDON	OSAGE	19,347	20,044	31
422	GREENSBURG	KIOWA	9,652	6,087	31
423	MOUNDRIDGE	MCPHERSON	0	4,291	0
424	MULLINVILLE	KIOWA	0	0	0
426	PIKE VALLEY	REPUBLIC	18,539	9,499	16
428	GREAT BEND	BARTON	127,018	53,866	190

USD#	USD Name	County Name	6/30/2010 Est. Driver Training Cash Bal.	2008-09 Actual Driver Training Expenditures	2008-09 Driver Ed. Students Paid FY10
429	TROY PUBLIC SCH	DONIPHAN	2,370	0	0
430	SOUTH BROWN COU	BROWN	10,084	9,575	28
431	HOISINGTON	BARTON	7,498	11,741	45
432	VICTORIA	ELLIS	640	5,735	13
434	SANTA FE TRAIL	OSAGE	6,260	17,566	55
435	ABILENE	DICKINSON	40,629	18,773	62
436	CANEY VALLEY	MONTGOMERY	0	15,610	57
437	AUBURN WASHBURN	SHAWNEE	6,700	29,993	95
438	SKYLINE SCHOOLS	PRATT	5,000	11,433	21
439	SEDGWICK PUBLIC	HARVEY	17,042	7,819	32
440	HALSTEAD	HARVEY	25,111	4,033	28
441	SABETHA	NEMAHA	25,151	14,223	63
442	NEMAHA VALLEY S	NEMAHA	29,233	5,586	30
443	DODGE CITY	FORD	43,698	0	0
444	LITTLE RIVER	RICE	4,000	6,960	24
445	COFFEYVILLE	MONTGOMERY	30,500	8,132	41
446	INDEPENDENCE	MONTGOMERY	28,558	15,244	35
447	CHERRYVALE	MONTGOMERY	40,152	14,174	47
448	INMAN	MCPHERSON	7,949	8,593	31
449	EASTON	LEAVENWORTH	1,636	7,306	32
450	SHAWNEE HEIGHTS	SHAWNEE	29,965	36,053	134
451	B & B	NEMAHA	21,934	2,288	11
452	STANTON COUNTY	STANTON	0	1,316	34
453	LEAVENWORTH	LEAVENWORTH	114,908	36,023	143
454	BURLINGAME	OSAGE	29,369	8,552	60
456	MARAIS DES CYGN	OSAGE	29,045	19,489	17
457	GARDEN CITY	FINNEY	0	54,466	148
458	BASEHOR-LINWOOD	LEAVENWORTH	10,000	21,037	41
459	BUCKLIN	FORD	4,621	8,288	8
460	HESSTON	HARVEY	14,391	22,859	72
461	NEODESHA	WILSON	4,332	5,030	33
462	CENTRAL	COWLEY	7,645	5,916	15
463	UDALL	COWLEY	7,474	4,998	25
464	TONGANOXIE	LEAVENWORTH	62,464	22,038	116
465	WINFIELD	COWLEY	5,940	4,756	61
466	SCOTT COUNTY	SCOTT	7,119	1,079	34
467	LEOTI	WICHITA	0	3,340	11
468	HEALY PUBLIC SC	LANE	0	0	0
469	LANSING	LEAVENWORTH	0	23,919	72
470	ARKANSAS CITY	COWLEY	27,666	19,517	79
471	DEXTER	COWLEY	4,326	7,913	15
473	CHAPMAN	DICKINSON	39,203	13,030	51
474	HAVILAND	KIOWA	0	239	0
475	JUNCTION CITY	GEARY	34,350	23,724	89
476	COPELAND	GRAY	0	0	0
477	INGALLS	GRAY	3,286	5,182	16
479	CREST	ANDERSON	10,812	4,220	16
480	LIBERAL	SEWARD	55,749	77,177	128
481	RURAL VISTA	DICKINSON	11,542	5,805	34
482	DIGHTON	LANE	655	3,548	13
483	KISMET-PLAINS	SEWARD	31,434	11,431	36
484	FREDONIA	WILSON	12,324	16,198	45
486	ELWOOD	DONIPHAN	366	566	12
487	HERINGTON	DICKINSON	2,158	8,798	26

USD#	USD Name	County Name	6/30/2010 Est. Driver Training Cash Bal.	2008-09 Actual Driver Training Expenditures	2008-09 Driver Ed. Students Paid FY10
488	AXTELL	MARSHALL	19,879	7,813	36
489	HAYS	ELLIS	0	69,255	115
490	EL DORADO	BUTLER	13,450	13,438	85
491	EUDORA	DOUGLAS	0	14,686	48
492	FLINTHILLS	BUTLER	0	2,656	12
493	COLUMBUS	CHEROKEE	27,243	11,551	63
494	SYRACUSE	HAMILTON	0	3,554	10
495	FT LARNED	PAWNEE	19,223	5,558	0
496	PAWNEE HEIGHTS	PAWNEE	0	3,071	13
497	LAWRENCE	DOUGLAS	46,125	43,363	155
498	VALLEY HEIGHTS	MARSHALL	1,904	2,442	8
499	GALENA	CHEROKEE	21,071	13,877	30
500	KANSAS CITY	WYANDOTTE	52,696	37,664	138
501	Topeka Public Schools	Shawnee	0	0	0
502	LEWIS	EDWARDS	0	0	0
503	PARSONS	LABETTE	5,000	10,674	59
504	OSWEGO	LABETTE	7,333	6,606	20
505	CHETOPA-ST.PAUL	LABETTE	28,962	10,323	38
506	LABETTE COUNTY	LABETTE	28,389	17,818	101
507	SATANTA	HASKELL	6,887	1,792	10
508	BAXTER SPRINGS	CHEROKEE	15,679	7,909	52
509	SOUTH HAVEN	SUMNER	9,602	3,515	16
511	ATTICA	HARPER	3,808	4,747	6
512	SHAWNEE MISSION	JOHNSON	80,742	0	0
TOTALS			5,095,299	5,260,400	14,480

Driver Training Fund Balance by District

(in thousands)

School District	School District Name	County	6/30/2010 Est. Cash Bal.
D0101	ERIE	NEOSHO	$ 14,635
D0102	CIMARRON-ENSIGN	GRAY	16,985
D0103	CHEYLIN	CHEYENNE	0
D0105	RAWLINS COUNTY	RAWLINS	11,314
D0106	WESTERN PLAINS	NESS	3,058
D0107	ROCK HILLS	JEWELL	8,614
D0108	WASHINGTON CO.S	WASHINGTON	13,893
D0109	REPUBLIC COUNTY	REPUBLIC	11,103
D0110	THUNDER RIDGE S	PHILLIPS	28,325
D0111	DONIPHAN WEST S	DONIPHAN	0
D0200	GREELEY COUNTY	GREELEY	4,707
D0202	TURNER-KANSAS C	WYANDOTTE	0
D0203	PIPER-KANSAS CI	WYANDOTTE	0
D0204	BONNER SPRINGS	WYANDOTTE	10,795
D0205	BLUESTEM	BUTLER	11,672
D0206	REMINGTON-WHITE	BUTLER	20,319
D0207	FT LEAVENWORTH	LEAVENWORTH	0
D0208	WAKEENEY	TREGO	13,390
D0209	MOSCOW PUBLIC S	STEVENS	0
D0210	HUGOTON PUBLIC	STEVENS	19,229
D0211	NORTON COMMUNIT	NORTON	17,779
D0212	NORTHERN VALLEY	NORTON	1,142
D0213	WEST SOLOMON VA	NORTON	0
D0214	ULYSSES	GRANT	14,894
D0215	LAKIN	KEARNY	99,656
D0216	DEERFIELD	KEARNY	19,737
D0217	ROLLA	MORTON	18,359
D0218	ELKHART	MORTON	11,587
D0219	MINNEOLA	CLARK	13,845
D0220	ASHLAND	CLARK	7,055
D0223	BARNES	WASHINGTON	36,416
D0224	CLIFTON-CLYDE	WASHINGTON	15,659
D0225	FOWLER	MEADE	3,253
D0226	MEADE	MEADE	2,000
D0227	JETMORE	HODGEMAN	5,906
D0228	HANSTON	HODGEMAN	0
D0229	BLUE VALLEY	JOHNSON	156,748
D0230	SPRING HILL	JOHNSON	33,996
D0231	GARDNER-EDGERTO	JOHNSON	25,256
D0232	DESOTO	JOHNSON	217,236
D0233	OLATHE	JOHNSON	190,000
D0234	FORT SCOTT	BOURBON	21,862
D0235	UNIONTOWN	BOURBON	9,616
D0237	SMITH CENTER	SMITH	2,000
D0239	NORTH OTTAWA CO	OTTAWA	11,531
D0240	TWIN VALLEY	OTTAWA	11,300
D0241	WALLACE COUNTY	WALLACE	5,431
D0242	WESKAN	WALLACE	0
D0243	LEBO-WAVERLY	COFFEY	2,062
D0244	BURLINGTON	COFFEY	16,495
D0245	LEROY-GRIDLEY	COFFEY	8,072
D0246	NORTHEAST	CRAWFORD	17,699
D0247	CHEROKEE	CRAWFORD	56
D0248	GIRARD	CRAWFORD	24,624

School District	School District Name	County	6/30/2010 Est. Cash Bal.
D0249	FRONTENAC PUBLI	CRAWFORD	12,898
D0250	PITTSBURG	CRAWFORD	0
D0251	NORTH LYON COUN	LYON	10,608
D0252	SOUTHERN LYON C	LYON	4,914
D0253	EMPORIA	LYON	24,170
D0254	BARBER COUNTY N	BARBER	3,473
D0255	SOUTH BARBER	BARBER	2,911
D0256	MARMATON VALLEY	ALLEN	14,260
D0257	IOLA	ALLEN	12,608
D0258	HUMBOLDT	ALLEN	356
D0259	WICHITA	SEDGWICK	10,757
D0260	DERBY	SEDGWICK	0
D0261	HAYSVILLE	SEDGWICK	165,674
D0262	VALLEY CENTER P	SEDGWICK	66,078
D0263	MULVANE	SEDGWICK	112,091
D0264	CLEARWATER	SEDGWICK	33,389
D0265	GODDARD	SEDGWICK	63,683
D0266	MAIZE	SEDGWICK	141,009
D0267	RENWICK	SEDGWICK	34,677
D0268	CHENEY	SEDGWICK	22,119
D0269	PALCO	ROOKS	651
D0270	PLAINVILLE	ROOKS	11,828
D0271	STOCKTON	ROOKS	3,392
D0272	WACONDA	MITCHELL	2,743
D0273	BELOIT	MITCHELL	9,243
D0274	OAKLEY	LOGAN	0
D0275	TRIPLAINS	LOGAN	0
D0281	HILL CITY	GRAHAM	8,538
D0282	WEST ELK	ELK	0
D0283	ELK VALLEY	ELK	4,650
D0284	CHASE COUNTY	CHASE	7,800
D0285	CEDAR VALE	CHAUTAUQUA	442
D0286	Chautauqua County Community U	CHAUTAUQUA	21,714
D0287	WEST FRANKLIN	FRANKLIN	35,612
D0288	CENTRAL HEIGHTS	FRANKLIN	0
D0289	WELLSVILLE	FRANKLIN	6,408
D0290	OTTAWA	FRANKLIN	48,125
D0291	Grinnell Public Schools	GOVE	0
D0292	WHEATLAND	GOVE	12,093
D0293	QUINTER PUBLIC	GOVE	1,441
D0294	OBERLIN	DECATUR	11,250
D0297	ST FRANCIS COMM	CHEYENNE	2,914
D0298	LINCOLN	LINCOLN	0
D0299	SYLVAN GROVE	LINCOLN	0
D0300	COMANCHE COUNTY	COMANCHE	0
D0303	NESS CITY	NESS	16,743
D0305	SALINA	SALINE	5,578
D0306	SOUTHEAST OF SA	SALINE	0
D0307	Ell-Saline	Saline	19,833
D0308	HUTCHINSON PUBL	RENO	109,406
D0309	NICKERSON	RENO	22,469
D0310	FAIRFIELD	RENO	892
D0311	PRETTY PRAIRIE	RENO	16,914
D0312	HAVEN PUBLIC SC	RENO	5,708
D0313	BUHLER	RENO	23,579
D0314	BREWSTER	THOMAS	3,334

School District	School District Name	County	6/30/2010 Est. Cash Bal.
D0315	COLBY PUBLIC SC	THOMAS	238
D0316	GOLDEN PLAINS	THOMAS	0
D0320	WAMEGO	POTTAWATOMIE	0
D0321	KAW VALLEY	POTTAWATOMIE	16,108
D0322	ONAGA-HAVENSVIL	POTTAWATOMIE	11,000
D0323	ROCK CREEK	POTTAWATOMIE	14,591
D0325	PHILLIPSBURG	PHILLIPS	10,986
D0326	LOGAN	PHILLIPS	4,121
D0327	ELLSWORTH	ELLSWORTH	16,778
D0328	LORRAINE	ELLSWORTH	14,244
D0329	Mill Creek Valley	WABAUNSEE	29,831
D0330	MISSION VALLEY	WABAUNSEE	22,384
D0331	KINGMAN-NORWICH	KINGMAN	7,848
D0332	CUNNINGHAM	KINGMAN	11,997
D0333	CONCORDIA	CLOUD	0
D0334	SOUTHERN CLOUD	CLOUD	8,482
D0335	NORTH JACKSON	JACKSON	11,324
D0336	HOLTON	JACKSON	0
D0337	ROYAL VALLEY	JACKSON	9,127
D0338	VALLEY FALLS	JEFFERSON	18,085
D0339	JEFFERSON COUNT	JEFFERSON	4,052
D0340	JEFFERSON WEST	JEFFERSON	13,873
D0341	OSKALOOSA PUBLI	JEFFERSON	13,106
D0342	MCLOUTH	JEFFERSON	7,003
D0343	PERRY PUBLIC SC	JEFFERSON	35,252
D0344	PLEASANTON	LINN	7,041
D0345	SEAMAN	SHAWNEE	47,175
D0346	JAYHAWK	LINN	25,743
D0347	KINSLEY-OFFERLE	EDWARDS	8,454
D0348	BALDWIN CITY	DOUGLAS	12,188
D0349	STAFFORD	STAFFORD	2,667
D0350	ST JOHN-HUDSON	STAFFORD	6,392
D0351	MACKSVILLE	STAFFORD	17,891
D0352	GOODLAND	SHERMAN	11,481
D0353	WELLINGTON	SUMNER	0
D0354	CLAFLIN	BARTON	6,976
D0355	ELLINWOOD PUBLI	BARTON	29,944
D0356	CONWAY SPRINGS	SUMNER	20,474
D0357	BELLE PLAINE	SUMNER	4,499
D0358	Oxford	SUMNER	7,197
D0359	ARGONIA PUBLIC	SUMNER	0
D0360	CALDWELL	SUMNER	5,000
D0361	ANTHONY-HARPER	HARPER	4,144
D0362	PRAIRIE VIEW	LINN	0
D0363	HOLCOMB	FINNEY	17,622
D0364	MARYSVILLE	MARSHALL	15,000
D0365	GARNETT	ANDERSON	13,619
D0366	WOODSON	WOODSON	0
D0367	OSAWATOMIE	MIAMI	6,700
D0368	PAOLA	MIAMI	0
D0369	BURRTON	HARVEY	12,188
D0371	MONTEZUMA	GRAY	0
D0372	SILVER LAKE	SHAWNEE	29,340
D0373	NEWTON	HARVEY	24,838
D0374	SUBLETTE	HASKELL	13,220
D0375	CIRCLE	BUTLER	11,182

School District	School District Name	County	6/30/2010 Est. Cash Bal.
D0376	STERLING	RICE	12,914
D0377	ATCHISON CO COM	ATCHISON	9,776
D0378	RILEY COUNTY	RILEY	398
D0379	CLAY CENTER	CLAY	24,888
D0380	VERMILLION	MARSHALL	18,008
D0381	SPEARVILLE	FORD	1,846
D0382	PRATT	PRATT	20,000
D0383	MANHATTAN	RILEY	59,078
D0384	BLUE VALLEY	RILEY	0
D0385	ANDOVER	BUTLER	41,767
D0386	MADISON-VIRGIL	GREENWOOD	6,674
D0387	ALTOONA-MIDWAY	WILSON	3,558
D0388	ELLIS	ELLIS	6,000
D0389	EUREKA	GREENWOOD	15,630
D0390	HAMILTON	GREENWOOD	2,277
D0392	OSBORNE COUNTY	OSBORNE	17,033
D0393	SOLOMON	DICKINSON	20,712
D0394	ROSE HILL PUBLI	BUTLER	34,339
D0395	LACROSSE	RUSH	19,489
D0396	DOUGLASS PUBLIC	BUTLER	20,211
D0397	CENTRE	MARION	10,643
D0398	PEABODY-BURNS	MARION	19,301
D0399	PARADISE	RUSSELL	500
D0400	SMOKY VALLEY	MCPHERSON	26,239
D0401	CHASE	RICE	14,419
D0402	AUGUSTA	BUTLER	32,874
D0403	OTIS-BISON	RUSH	95
D0404	RIVERTON	CHEROKEE	11,138
D0405	LYONS	RICE	10,432
D0406	WATHENA	DONIPHAN	0
D0407	RUSSELL COUNTY	RUSSELL	25,732
D0408	MARION-FLORENCE	MARION	15,282
D0409	ATCHISON PUBLIC	ATCHISON	5,394
D0410	DURHAM-HILLSBOR	MARION	5,000
D0411	GOESSEL	MARION	0
D0412	HOXIE COMMUNITY	SHERIDAN	12,000
D0413	CHANUTE PUBLIC	NEOSHO	31,880
D0415	HIAWATHA	BROWN	15,376
D0416	LOUISBURG	MIAMI	16,917
D0417	MORRIS COUNTY	MORRIS	11,217
D0418	MCPHERSON	MCPHERSON	0
D0419	CANTON-GALVA	MCPHERSON	18,733
D0420	OSAGE CITY	OSAGE	0
D0421	LYNDON	OSAGE	19,347
D0422	GREENSBURG	KIOWA	9,652
D0423	MOUNDRIDGE	MCPHERSON	0
D0424	MULLINVILLE	KIOWA	0
D0426	PIKE VALLEY	REPUBLIC	18,539
D0428	GREAT BEND	BARTON	127,018
D0429	TROY PUBLIC SCH	DONIPHAN	2,370
D0430	SOUTH BROWN COU	BROWN	10,084
D0431	HOISINGTON	BARTON	7,498
D0432	VICTORIA	ELLIS	640
D0434	SANTA FE TRAIL	OSAGE	6,260
D0435	ABILENE	DICKINSON	40,629
D0436	CANEY VALLEY	MONTGOMERY	0

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School District	School District Name	County	6/30/2010 Est. Cash Bal.
D0437	AUBURN WASHBURN	SHAWNEE	6,700
D0438	SKYLINE SCHOOLS	PRATT	5,000
D0439	SEDGWICK PUBLIC	HARVEY	17,042
D0440	HALSTEAD	HARVEY	25,111
D0441	SABETHA	NEMAHA	25,151
D0442	NEMAHA VALLEY S	NEMAHA	29,233
D0443	DODGE CITY	FORD	43,698
D0444	LITTLE RIVER	RICE	4,000
D0445	COFFEYVILLE	MONTGOMERY	30,500
D0446	INDEPENDENCE	MONTGOMERY	28,558
D0447	CHERRYVALE	MONTGOMERY	40,152
D0448	INMAN	MCPHERSON	7,949
D0449	EASTON	LEAVENWORTH	1,636
D0450	SHAWNEE HEIGHTS	SHAWNEE	29,965
D0451	B & B	NEMAHA	21,934
D0452	STANTON COUNTY	STANTON	0
D0453	LEAVENWORTH	LEAVENWORTH	114,908
D0454	BURLINGAME	OSAGE	29,369
D0456	MARAIS DES CYGN	OSAGE	29,045
D0457	GARDEN CITY	FINNEY	0
D0458	BASEHOR-LINWOOD	LEAVENWORTH	10,000
D0459	BUCKLIN	FORD	4,621
D0460	HESSTON	HARVEY	14,391
D0461	NEODESHA	WILSON	4,332
D0462	CENTRAL	COWLEY	7,645
D0463	UDALL	COWLEY	7,474
D0464	TONGANOXIE	LEAVENWORTH	62,464
D0465	WINFIELD	COWLEY	5,940
D0466	SCOTT COUNTY	SCOTT	7,119
D0467	LEOTI	WICHITA	0
D0468	HEALY PUBLIC SC	LANE	0
D0469	LANSING	LEAVENWORTH	0
D0470	ARKANSAS CITY	COWLEY	27,666
D0471	DEXTER	COWLEY	4,326
D0473	CHAPMAN	DICKINSON	39,203
D0474	HAVILAND	KIOWA	0
D0475	JUNCTION CITY	GEARY	34,350
D0476	COPELAND	GRAY	0
D0477	INGALLS	GRAY	3,286
D0479	CREST	ANDERSON	10,812
D0480	LIBERAL	SEWARD	55,749
D0481	RURAL VISTA	DICKINSON	11,542
D0482	DIGHTON	LANE	655
D0483	KISMET-PLAINS	SEWARD	31,434
D0484	FREDONIA	WILSON	12,324
D0486	ELWOOD	DONIPHAN	366
D0487	HERINGTON	DICKINSON	2,158
D0488	AXTELL	MARSHALL	19,879
D0489	HAYS	ELLIS	0
D0490	EL DORADO	BUTLER	13,450
D0491	EUDORA	DOUGLAS	0
D0492	FLINTHILLS	BUTLER	0
D0493	COLUMBUS	CHEROKEE	27,243
D0494	SYRACUSE	HAMILTON	0
D0495	FT LARNED	PAWNEE	19,223
D0496	PAWNEE HEIGHTS	PAWNEE	0

School District	School District Name	County	6/30/2010 Est. Cash Bal.
D0497	LAWRENCE	DOUGLAS	46,125
D0498	VALLEY HEIGHTS	MARSHALL	1,904
D0499	GALENA	CHEROKEE	21,071
D0500	KANSAS CITY	WYANDOTTE	52,696
D0501	Topeka Public Schools	Shawnee	0
D0502	LEWIS	EDWARDS	0
D0503	PARSONS	LABETTE	5,000
D0504	OSWEGO	LABETTE	7,333
D0505	CHETOPA-ST.PAUL	LABETTE	28,962
D0506	LABETTE COUNTY	LABETTE	28,389
D0507	SATANTA	HASKELL	6,887
D0508	BAXTER SPRINGS	CHEROKEE	15,679
D0509	SOUTH HAVEN	SUMNER	9,602
D0511	ATTICA	HARPER	3,808
D0512	SHAWNEE MISSION	JOHNSON	80,742
TOTALS			$ 5,095,299

*Revenue in this fund is received from student fees, Driver Education State Aid and transfers from the General Fund. According to the Department of Education, any carryover funds will be used to reduce the succeeding year's budget.

KANSAS
DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Mark Parkinson, Governor
Don Jordan, Secretary

www.srskansas.org

Re: Kansas Legal Services proviso

During the 2009 Session, the Kansas Health Policy Authority indicated that they planned to cancel the contract with Kansas Legal Services for providing legal representation for Kansans in disability determination cases effective FY '10. On May 5, 2009, the Senate Committee of the Whole adopted the following proviso as a floor amendment to S Sub for HB 2373 that transferred the contract to the Department of Social and Rehabilitation Services with the understanding that the contract would continue with the current provider.

"(u) In addition to the other purposes for which expenditures may be made by the above agency from the state operations account of the state general fund for fiscal year 2010, as authorized by 2009 Senate Substitute for House Bill No. 2354, expenditures shall be made by the above agency from the state operations account of the state general fund for fiscal year 2010 to make expenditures to contract with Kansas legal services for the purpose of providing legal representation and disability determination case management for adult cash assistance recipients."

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 38

STATE OF KANSAS
OFFICE OF THE ATTORNEY GENERAL

STEVE SIX
ATTORNEY GENERAL

120 SW 10TH AVE., 2ND FLOOR
TOPEKA, KS 66612-1597
(785) 296-2215 • FAX (785) 296-6296
WWW.KSAG.ORG

April 15, 2010

Senator Jay Emler
Chairman, Ways & Means
Kansas State Capitol, Room 545-S
Topeka, KS 66612

Dear Senator Emler:

I am requesting the Legislature's immediate attention to a very serious public safety issue. As a result of budget cuts to the Department of Corrections (DOC), certain state contracts for services, including the services of forensic psychologists, have been terminated effective April 1. The work of these forensic psychologists is vital to the process of determining which violent offenders must be committed indefinitely to the Sexually Violent Predator treatment program. The failure to act to restore funding for these psychologists will increase the likelihood of sexually violent predators reentering society.

The DOC contracts with Correct Care Solutions to assess a sexual offender's likelihood to reoffend and diagnose whether the inmate has a mental abnormality or personality disorder. Correct Care Solutions, a private entity, provides the State of Kansas three forensic psychologists to perform evaluations on inmates under consideration for parole or under consideration for a sexually violent predator classification. The psychologists perform a thorough records review, clinical interview of the inmate, diagnosis under the DSM, risk assessment of future dangerousness and make other recommendations for parole or SVP classification.

I cannot overemphasize the importance of these psychologists to the sexually violent predator commitment process. My office uses the psychologists' assessments when determining whether or not the offender should be classified as a sexually violent predator. The Kansas Parole Board uses these assessments of risk to generate actuarial measures of reoffending risk. For this reason, the Parole Board is the natural place to restore this funding. If these psychologists are not available to perform risk assessments of these violent offenders, then neither our office nor the Parole Board will have the most recent information as to whether we should be pursuing commitment. My prosecutors will be forced to rely on outdated and incomplete psychological assessments that may not accurately assess the offenders' risk to society.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 39

Enclosed is a budgetary analysis of the $270,000 that is required to continue Kansas' contract with these forensic psychologists. The Governor's Office, the Department of Corrections and the Kansas Parole Board all concur with my analysis of the public safety consequences of not employing these psychologists. Going forward, the consensus is that the Kansas Parole Board should be the agency responsible for contracting with the psychologists.

Over the course of the past two legislative sessions, the Legislature has inflicted dramatic budget cuts to public safety agencies in Kansas. These cuts have gone too far. I urge legislators that voted in favor of these budget cuts to reflect on what is truly important to Kansans. Restore the funding cuts referenced above and discontinue any plans for further cuts to public safety agencies. Public safety is not a political bargaining chip.

Sincerely,

Steve Six
Attorney General

SNS:sh

Enclosure
cc: Mark Parkinson, Governor
Kansas Department of Corrections
Kansas Parole Board

KANSAS
PAROLE BOARD

Mark Parkinson, Governor

Robert Sanders, Chairperson
Patricia Biggs, Member
Tom Sawyer, Member

MEMORANDUM

SUMMARY OF REQUEST

Additional budget funds for the parole board to administer all Clinical Services Reports (i.e., forensic psychology examinations and reports). The Clinical Service Reports would be used by both the Parole Board in making parole suitability determinations and by the Attorney General's Office in making decisions regarding civil commitment of sexually violent predators. The Parole Board would function as the single entity sub-contracting for the full range of services purchased currently by the Department of Corrections and consumed between the Parole Board and the Attorney General's Office.

Request:

- **Budget Supplemental Funding: FY 2010 ... $ 67,500**
- **Budget Enhancement Funding: FY 2011 ... $270,000**

*NOTE: This situation also has resulted in a necessary fiscal note amendment for HB 2508 as passed by HCW. Based on this updated situation, HB 2508(now contained in **SB 434**) has a revised fiscal note necessitating a KPB budget increase of an additional $52,022 over two years ($26,011 in FY 2010 and $26,011 in FY 2011).*

Situation Description: K.S.A. 22-3717 requires that the board consider, among other factors, risk assessments. Assessment of risk includes, but is not limited to, consideration of information presented to the board by forensic psychologists. These clinical assessments of risk include various actuarial measures of reoffending risk. ***Until very recently, forensic psychologist services have been provided to the board by the Department of Corrections under their medical/mental health contract and at no cost to the Parole Board.*** However, due to budget cuts, the Department of Corrections has eliminated these services. The Parole Board, therefore, submits this request for additional budget funds to accommodate payment for forensic psychological services and assessments.

Findings:

- As reported by the Department of Corrections, for the time period July 1, 2009 through February 28, 2010, there were:
  - 174 (76.3%) clinical forensic reports completed for the review of sexually violent predator evaluations and
  - 54 (23.6%) completed on request of the parole board to aid in determination of parole suitability.
- Annualized, this figure is estimated at
  - Approximately 298 (76.2%) clinical forensic reports for sexually violent predator evaluation and
  - Approximately 93 (23.8%) for information to aid the parole board in considering risk to the community or the offender in terms of parole release.
- The Department of Corrections indicates that annual expenditure for these services totals $270,000.

Impact on Public Safety vs. Impact on State Resources: Absent actuarial risk assessments, current psychological diagnoses, and other assessments completed by a trained and certified forensic psychologist, the Parole Board would have one of two choices when considering the release of the most serious, violent, and dangerous offenders from the Kansas Department of Corrections:

(a) absent information which can better inform our decision making, retain the offender in prison or

(b) absent information which can better inform our decision making, release to the community without all potential information regarding reoffending risk being obtained.

Considerations:

- Retention in prison can be supported by Court ruling which states clearly that in Kansas, parole release is a privilege, not a right.
- When a reasoned, logical release strategy which integrates multiple dimensions of risk to the safety and well being of the citizens is not available to the Board for use in deliberation, protection of the safety of the citizens is best preserved by retaining potentially dangerous offenders in a prison setting.
- Retaining offenders in prison is costly – this cost is accumulated through the Department of Corrections in bed space usage, as well as other "marginal costs" associated with the care and well being of those confined (e.g., medical, food, and related per-head expenditures).
- The Board is sensitive to considering the limits of a person's life and recognizes that a day spent unnecessarily in a confined setting is a day lost of a person's potential liberty.

Assumptions

- That the forensic psych services could be purchased as a sub-contract through the Department of Corrections medical/mental health contract at the current rate of $270,000 per year.
- That four months of additional services during FY 2010 (March 1 through June 30) are still accumulating and would need to be provided in about a three month time frame (April 1 through June 30).
- This would generate the cost figures given above and would result in a slight "backlog" which would be assumed to reduce over time.
- That the number of demanded forensic psych exams and reports will be constant year-to-year and reflective of the number experienced in the first eight months of FY 2010.
- That the Parole Board would become the single sub-contractor with the Department of Corrections for these services under the medical/mental health contract.
- Distinct purposes and usages would remain with both the Parole Board and with the Attorney General's Office as is the present case.

Results:

- **All cases would be paid through the parole board and could be purchased at the same rate experienced by the Department of Corrections.**
- **This totals $270,000 in FY 2011.**
- **For the remainder of FY 2010 (three months), this amounts to $67,500.**

Expansion of the Engineering Programs in Kansas

The Kansas Board of Regents working in conjunction with the three engineering degree granting institutions, shall develop and provide a multi-year plan for accomplishing the necessary expansion in the engineering programs to alleviate the severe shortage of engineering graduates. The plan shall be submitted to the governor's office and legislative leadership by September 1, 2010.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 40

Authority to Issue & Sell Bonds for Capital Restoration

Sec. 58.
DEPARTMENT OF ADMINISTRATION
(q) In addition to the other purposes for which expenditures may be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2011 by this or other appropriation act of the 2010 regular session of the legislature, expenditures shall be made by the department of administration from moneys appropriated from the state general fund or from any special revenue fund for fiscal year 2011 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, to provide additional financing for the capital improvement project to construct, equip, furnish, renovate, reconstruct and repair the state capitol: *Provided*, That such capital improvement project is hereby approved for the department of administration for the purposes of subsection (b) of K.S.A. 74-8905, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *Provided further*, That the department of administration may make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project: *Provided, however*, That expenditures from the moneys received from the issuance of any such bonds for such capital improvement project shall not exceed $36,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project and any required reserves for the payment of principal and interest on the bonds: *And provided further,* That all moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants: *And provided further*, That debt service for any such bonds for such capital improvement project shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds: *And provided further*, That no such bonds shall be issued by the Kansas development finance authority unless the director of the budget has certified to the department of administration and to the Kansas development finance authority that sufficient moneys will be available to make debt service payments for such bonds.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 41

Total Capitol Restoration Bond Authorized

(in millions)

Year	Authorized	Description	Bonds Issued
FY 2001	$ 40.0	Phase I	$ 40.0
FY 2002	$ 15.0	Parking Garage	$ 15.0
FY 2005	$ 19.8	Phase II - East Wing	$ 19.8
FY 2006	$ 26.9	Phase III - West Wing	$ 26.9
FY 2007	$ 16.2	Cost Increases	$ 16.2
FY 2008	$ 55.0	Phase IV - South Wing	$ 55.0
FY 2009	$ 38.8	Exterior Masonry	$ 38.8
FY 2010	$ 38.0	Phase V (Part 1) North Wing, Rotunda, Visitor Center*	$ -
	$ 249.7	Total Authorized and Issued	$ 211.7

Total Proposed Capitol Restoration Bonds

FY 2010	$ 36.0	Phase V - (Part 2) North Wing, Rotunda, Visitor Center	$ -
Total Estimate	$ 285.6	*From the Capitol Restoration Commission Report*	

Staff Note: Total Estimate does not add due to rounding.

Bond Issuance Timeline

September 2010* The bonds for the Part 1 of Phase V would be issued September 2010, and the first debt service payment will be included in the FY 2012 budget.

41-2

Geographic **Solutions**
YOUR VIRTUAL WORKFORCE CONNECTION

Testimony

Ways and Means Subcommittee on the Department of Commerce
Re: American Job Link Alliance, Dept. of Commerce
March 3, 2010

Prepared by: Dodie Wellshear and Bob Vancrum

Issue:

The Kansas Department of Commerce (KDOC), through the American Job Link Alliance (AJLA), is spending workforce development dollars in delivering services to other states—including job search, labor exchange, and case management software—in competition with private enterprise, including Geographic Solutions, Inc.

Request to Agriculture & Natural Resources Budget Committee:

To prevent KDOC/AJLA from any future bidding against private vendors in other states, Geographic Solutions, Inc. is requesting the following proviso be added to the KDOC budget:

> *Provided that no state funds, federal funds, or other contract funds may be expended by the Department of Commerce to respond to Requests for Proposal or bids for contract work for the purpose of providing job search and/or labor exchange and/or case management software or any related work for state workforce agencies, or to otherwise attempt to obtain further contracts or subcontracts for services with state agencies of any state agency other than (1) the Kansas Department of Commerce and (2) any other state agency in other states with which the Department has executed contracts as of February 2010.*

Rationale:

1. Unfair competition with private enterprise (e.g., don't have to pay taxes);
2. Using state-supported facilities and overhead to perform those services contracted with NASWA and/or directly, for other states;
3. They are providing services to other states for less than they are charging Kansas and are using some of the state's workforce development funds to do so; and,
4. Exposes the state to liability not shielded by the Tort Claims Act.

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Date 4-19-2010
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April 20, 2010 (6:56pm)

Sec.

( ) There is appropriated for the above agency from the children's initiatives fund for the fiscal year ending June 30, 2011, the following:

XXX account $4,350,000

Provided, That, on July 1, 2010, if the estimated tax revenue increase to the state general fund for the fiscal year ending June 30, 2011, as determined pursuant to the following provisos, resulting from legislation passed by the legislature during the 2010 regular session and enacted into law, is less than $X, then, of the $4,350,000 appropriated for the above agency for the fiscal year ending June 30, 2011, by this subsection from the children's initiatives fund in the XXX account, the sum of $X is hereby lapsed: *Provided, further*, That, on or before July 1, 2010, the attorney general shall determine and certify to the governor whether any kind of tax revenue increase legislation, that is estimated to result in increased state general fund revenue, was enacted into law and, after receiving such certification, the governor, shall consult with the director of legislative research and the director of the budget and shall determine and certify to the director of accounts and reports the estimated increase of state general fund revenue during fiscal year 2011 that is attributable to the tax revenue increase legislation enacted into law: *And provided further*, That such certifications by the attorney general and governor shall be transmitted to the director of accounts and reports on July 1, 2010: *And provided further*, That, on July 1, 2010 the director of accounts and reports shall notify the director of legislative research and the director of the budget of each lapse taking effect pursuant to this subsection: *And provided further*, That, if the appropriation of $X in the XXX account is lapsed pursuant to the preceding provisos, then, on July 1, 2010, notwithstanding the provisions of K.S.A. 38-2102, and amendments thereto, or any other statute, the director of accounts and reports shall transfer $X from the children's initiatives fund to the state general fund: *And provided further,* That the transfer of such amount shall be in addition to any other transfer from the children's initiatives fund to the state general fund as prescribed by law.

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Date 4-19-2010
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Senate Committee Items Contingent Upon Tax Increase Legislation

State General Fund

Item	FY 2011
Health Policy Authority	
F. Hospice Services Funding.	$ 1,458,188
Social and Rehabilitation Services	
B. Centers for Independent Living Funding.	750,000
C. General Assistance Program Funding.	2,183,204
E. Home and Community Based Services Waivers Funding.	3,100,000
G. Mental Health Consolidated Grants.	5,890,993
H. Mental Health State Aid.	2,616,648
Department on Aging	
A. Review Fundign for the Nutrition Program, Home and Communty Based Services/Frail Elderaly Program, and the Senior Care Act.	2,700,000
B. Add the Telehealth Service to the HCBS/FE Waiver Program	382,900
Restore Senior Care Act at 50%	562,878
Restore PACE at 50%	175,000
Kansas Parole Board	
Forensic Psychologist Contract	270,000
Kansas Department of Health and Environment	
H. Senate Committee Reductions - CP Posture Seating	52,769
Pregnancy Maintenance Initiative	162,500
Teen Pregnancy Prevention	162,500
TOTAL - State General Fund	$ 20,467,580

Other Appropriated Funds

Item	FY 2011
Children's Initiative Fund	$ 12,000,000
GRAND TOTAL	$ 32,467,580

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 44

DRAFT

April 21, 2010 (2:53pm)

Sec. . (a) On July 1, 2010, if the estimated revenue increase to the state general fund, as determined pursuant to this section, above the most recent state general fund revenue estimate conducted during fiscal year 2010 pursuant to K.S.A. 75-6701, and amendments thereto, for the fiscal year ending June 30, 2011, resulting from all factors, including legislation passed by the legislature during the 2010 regular session and enacted into law, is less than $486,000,000, then, the amount of each appropriation or reappropriation for a state agency for the fiscal year ending June 30, 2011, made by this or other appropriation act of the 2010 regular session of the legislature from the state general fund, children's initiatives fund, economic development initiatives fund or the state water plan fund, shall be reduced by a percentage amount equal to that percentage amount which is required to reduce authorized expenditures from the state general fund, children's initiatives fund, economic development initiatives fund or the state water plan fund, applied equally on all such items of appropriation without exception, subject to subsection (b), to lapse an aggregate amount equal to the amount of the shortfall in the estimated state general fund revenue determined pursuant to this section.

(b) The following are exempt from and shall not be reduced by such reducing provision: (1) Any item of appropriation or reappropriation from the state general fund for fiscal year 2011 for the department of education, (2) any item of appropriation or reappropriation from the state general fund for fiscal year 2011 for the state board of regents or for any state educational institution under the control and supervision of the state board of regents, (3) any item of appropriation or reappropriation from the state general fund for fiscal year 2011 for the department of corrections, (4) any item of appropriation or reappropriation from the state general fund for fiscal year 2011 juvenile justice authority, (5) any item of appropriation or reappropriation from the state general fund for fiscal year 2011 for the Kansas highway patrol, (6) any item of appropriation or reappropriation from the state general fund for fiscal year 2011 for the Kansas bureau of investigation, (7) any item of appropriation or reappropriation from the state general fund for fiscal year 2011 for the department of social and rehabilitation services, Kansas health policy authority, juvenile justice authority or the department on aging which are

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Date 4-19-2010
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required to meet caseload obligations under the state medicaid plan including nursing facilities, purchase of service, general medical, targeted case management, mental health, community supports and services, or addiction and prevention services or for the department of social and rehabilitation services to meet caseload obligations for nursing facilities for mental health, general assistance, temporary assistance for families, foster care and reintegration services contracts or adoption services contracts, as certified by the director of the budget to the director of accounts and reports for the purposes of this subsection.

(c) On or before July 1, 2010, the director of the budget shall consult with the director of legislative research and shall determine and certify to the governor whether there is a shortfall in the estimated state general fund revenue and the aggregate amount of such shortfall for fiscal year 2011, as determined pursuant to this section, resulting from all factors, including legislation passed by the legislature during the 2010 regular session and enacted into law. The governor shall determine the percentage amount equal to that percentage amount which is required to reduce authorized expenditures from the state general fund, children's initiatives fund, economic development initiatives fund or the state water plan fund, applied equally on all such items of appropriation without exception, subject to subsection (b), to be equal to the amount of the shortfall in the estimated state general fund revenue. The governor shall certify to the director of accounts and reports on July 1, 2010, all such determinations. Upon receipt of such certification the director of accounts and report shall lapse each appropriation or reappropriation for a state agency for the fiscal year ending June 30, 2011, made by this or other appropriation act of the 2010 regular session of the legislature from the state general fund, children's initiatives fund, economic development initiatives fund or the state water plan fund, by the percentage certified by the governor for this purpose. On July 1, 2010, the director of accounts and reports shall notify the director of legislative research and the director of the budget of each reduction taking effect pursuant to this subsection.

(d) If the appropriations are reduced pursuant to the preceding subsections, then, on July 1, 2010, notwithstanding the provisions of K.S.A. 38-2102, and amendments thereto, or any other statute, the director of accounts and reports shall transfer the aggregate of such amounts from the children's initiatives fund to the state general fund. The transfer of such amount shall

be in addition to any other transfer from the children's initiatives fund to the state general fund as prescribed by law.

(e) If the appropriations are reduced pursuant to the preceding subsections, then, on July 1, 2010, notwithstanding the provisions of any other statute, the director of accounts and reports shall transfer the aggregate of such amounts from the economic development initiatives fund to the state general fund. The transfer of such amount shall be in addition to any other transfer from the economic development initiatives fund to the state general fund as prescribed by law.

(f) If the appropriations are reduced pursuant to the preceding subsections, then, on July 1, 2010, notwithstanding the provisions of any other statute, the director of accounts and reports shall transfer the aggregate of such amounts from the state water plan fund to the state general fund. The transfer of such amount shall be in addition to any other transfer from the state water plan fund to the state general fund as prescribed by law.

Legislative Coordinating Council

Any unencumbered balance in the legislative reserve account of the legislative coordinating council in excess of $100 as of June 30, 2010, is hereby reappropriated to the operations (including official hospitality) account of the legislature for fiscal year 2011.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 46

Office of Revisor of Statutes

300 S.W. 10th Avenue
Suite 024-E, Statehouse
Topeka, Kansas 66612-1592
Telephone (785) 296-2321 FAX (785) 296-6668

MEMORANDUM

To: Senate Committee on Ways and Means

From: Scott Wells, Assistant Revisor

Date: April 20, 2010

Subject: SB 516

Senate bill 516 increases the rate of taxation under the state sales and use tax as well as also increasing the rate of taxation on cigarettes and other tobacco products. In addition, the bill amends K.S.A. 79-3301 to define the term "little cigar." Little cigars would be included in the definition of "cigarette" and would be taxed as such.

Under the provisions of the bill, the state sales and use tax rate would increase from 5.3% to 6.3% beginning July 1, 2010. On July 1, 2013, the rate would then drop to 5.5%. Tax on cigarettes would increase by $.55 up $1.34 per pack. The tobacco products tax would increase from 10% to 40% of wholesale price. The bill also includes an inventory tax for all cigarettes and tobacco products on hand as of July 1, 2010.

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Date 4-19-2010
Attachment 47

Office of Revisor of Statutes

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Topeka, Kansas 66612-1592
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MEMORANDUM

To: Senate Committee on Ways and Means

From: Scott Wells, Assistant Revisor

Date: April 20, 2010

Subject: SB 567

Senate bill 567 would create the sweetened beverage tax. The legislation would impose a $.01 per teaspoon of sugar placed into sweetened beverages or equivalent amount of concentrate. The tax would be imposed on the beverage manufacturer, concentrate manufacturer or other person making first sale of the sweetened beverage or concentrate in this state. The term "sweetened beverage" is defined in the bill as:

> "any sweetened nonalcoholic beverage sold for human consumption, including, but not limited to, the follwing: Soday water, ginger ale, root beer, all beverages commonly referred to as cola, lime, lemon, lemon-lime, and other flavored beverages, including any fruit or vegetable beverage containing 10% or less natural fruit juice or natural vegetable juice, and all other drinks and beverages referred to as "soda," "soda pop," and "soft drinks."

Sweetened beverages would not include nonalcoholic beverages sweetened with artificial sweeteners which do not add calories to the beverage, products sold as "infant formula," products sold for use for weight reduction, water, to which no natural sweeteners have been added, or any product containing milk or milk products.

The tax would be collected at the same time and in the same manner as the state retailers' sales tax. The bill also imposes an inventory tax on the manufacturer or other person who makes first sale in this state of the beverage or concentrate owed on July 1, 2010.

Senate Bill 567 was heard in the Senate Committee on Assessment and Taxation on March 17, 2010. At that time, the Department of Revenue proposed a list administrative amendments which would be necessary in order for the department to carry out the provisions of the bill. The Revisor's Office has reviewed the proposal and believes the amendments are technical and purely administrative in nature. In addition, the department also suggested amending K.S.A. 79-3606 to exempt the sugary beverages from sales tax. Traditionally, this has been done in other circumstances where an excise tax has been levied (for example, cigarettes, cereal malt beverages, tires, drycleaning and laundry services and gross receipts from regulated sports contests). Should the committee decide to move forward with the legislation, a new draft of the bill with these amendments has been prepared.

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 48

Office of Revisor of Statutes

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MEMORANDUM

To: Senate Committee on Ways and Means

From: Scott Wells, Assistant Revisor

Date: April 20, 2010

Subject: SB 569

Senate bill 569, as introduced, would increase the rate of taxation imposed under K.S.A. 41-501 (liquor gallonage) and K.S.A. 79-4101 (liquor enforcement). Section 2 of the bill also imposes an inventory tax on the manufacture, use, sale, storage or purchase of specified alcoholic liquors owned at 12:01a.m. on July 1, 2010 by a licensed distributor or retail dealer who is subject to the tax under K.S.A. 41-501.

Under the provisions of the bill, the rates of taxation imposed by K.S.A. 41-501 would be as follows:

- $.36 per gallon on beer and cereal malt beverage.
- $.40 per gallon on all wort of liquid malt.
- $.20 per pound on all malt syrup or malt extract.
- $.60 per gallon on wine containing 14% or less alcohol by volume.
- $2.50 per gallon on alcohol and spirits.

This tax is to be paid by the person in this state who first manufactures, uses, sells, stores, purchases or receives alcoholic liquor or cereal malt beverage. If the alcoholic liquor or cereal malt beverage is manufactured and sold in Kansas or a federal area, the tax is paid by the entity producing it. If the alcoholic liquor or cereal malt beverage is imported into Kansas by a distributor for the purpose of sale at wholesale in this state or a federal area, the tax is then paid by the distributor.

The liquor enforcement tax levied under K.S.A. 79-4101 is levied upon the gross receipts received from the sale of alcoholic liquor by retailers, microbreweries or farm wineries to consumers within Kansas and also the sale of alcoholic liquor or cereal malt beverage by distributors to clubs, drinking establishments or caterers in Kansas. Under the provisions of Senate bill 569, the tax upon these gross receipts would increase from 8% to 16%.

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Date 4-19-2010
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Attachment 50

cted Revenue Enhancement Options

($ in millions)

	(to 5.8%) sales/use incr 7/1/10 0.5%	(to 6.05%) sales/use incr 7/1/10 0.75%	inc tax decouple domestic production deduction	indiv inc tax 5.0% surtax	corp inc 5.0% surtax	indiv inc top bracket of 7.50 % inc above 100k sing 200k marr	prop tax one mill on full tax base	prop tax each one mill usd levy incr	prop tax 4 mill usd levy increase	prop tax repeal 20k resd'l exempt	
FY 2011	$189.247	$270.968	$17.000	$134.500	$10.500	$80.400	$30.177	$27.989	$111.956	$43.747	
FY 2012	$213.677	$305.947	$17.000	$106.500	$10.500	$63.800	$31.769	$29.507	$118.028	$45.231	
FY 2013	$221.156	$316.655	$17.000	$112.500	$10.500	$66.600	$33.001	$30.710	$122.840	$45.825	
FY 2014	$228.896	$327.738	$17.000	$119.500	$10.500	$70.200	$34.239	$31.918	$127.672	$46.419	
FY 2015	$236.908	$339.209	$17.000	$124.000	$10.500	$74.100	$35.476	$33.126	$132.504	$47.013	
5-yr total	$1,089.883	$1,560.517	$85.000	$597.000	$52.500	$355.100	$164.662	$153.250	$613.000	$228.235	$392.897

	freeze franchise tax rate at ty 08 0.9375% level	freeze estate tax at tax year 2008 level	Restore Priv Tax Rates to 1998 Level	Reduce Soc Sec Tax Exclusion	Phase Down Inc Tax Credit for Prop Tax Paid M and E	cigarette increase $1.00 per pack (to $1.79) 7/1/2010	cigarette increase 30 cents per pack (to $1.09) 7/1/2010	liquor enforce tax incr from 8% to 12% 7/1/2010	liquor drink tax incr from 10% to 14% 7/1/2010	dbl liq gal rates (beer 18c to 36c; wine 30c to 60c; hard $2.50 to $5)	sugary drink tax of 1.0 cent/tsp 7/1/2010
FY 2011	$26.800	$13.900	$11.600	$5.300	$7.500	$74.000	$29.710	$23.010	$11.376	$21.835	$90.000
FY 2012	$35.700	$19.800	$11.700	$5.600	$14.900	$62.208	$24.864	$24.772	$12.005	$19.888	$93.150
FY 2013	$41.700	$20.800	$11.800	$5.900	$22.400	$59.720	$23.869	$26.259	$12.473	$20.172	$96.410
FY 2014	$43.800	$21.800	$11.900	$6.200	$22.400	$57.331	$22.915	$27.834	$12.959	$20.459	$99.785
FY 2015	$45.900	$22.900	$12.000	$6.500	$22.400	$55.038	$21.998	$29.504	$13.465	$20.751	$103.277
5-yr total	$193.900	$99.200	$59.000	$29.500	$89.600	$308.297	$123.356	$131.379	$62.278	$103.105	$482.622

Governor's Package (Revised April Fiscal Impact)

Sales Tax to 6.3 Percent for 3 Years with SHF Sharing; then to 5.5 Percent with SHF getting all in excess of 5.3 Percent

	SGF	SHF	Sales Tax Total	cigarette increase 55 cents per pack (to 1.34) 7/1/2010	tob prod tax incr from 10% to 40% wholesale 7/1/2010	SGF Total	All Funds Total	KACIR Sales Tax Exemption Repeals	sales tax exemptions religious; and YMCA/ YWCAs only	indiv inc top bracket of 7.50 % inc above 150k sing 300k marr	indiv inc 3.5 - 3.75; 6.25 - 6.85; 6.45 - 7.25; 7.75 above 150k sing 300k marr
FY 2011	$301.887	$42.199	$344.086	$49.424	$13.710	$365.021	$407.220	$182.307	$18.957	$61.700	$376.600
FY 2012	$340.857	$47.647	$388.504	$41.568	$15.610	$398.035	$445.682	$205.841	$21.400	$48.900	$299.300
FY 2013	$352.788	$49.314	$402.102	$39.905	$16.130	$408.823	$458.137	$213.045	$22.149	$51.100	$312.600
FY 2014	$30.428	$88.182	$118.610	$38.309	$16.660	$85.397	$173.579	$220.502	$22.924	$53.900	$329.800
2015	$0.000	$94.763	$94.763	$36.777	$17.210	$53.987	$148.750	$228.219	$23.727	$56.900	$347.900
otal	$1,025.960	$322.105	$1,348.065	$205.983	$79.320	$1,311.263	$1,633.368	$1,049.914	$109.156	$272.500	$1,666.200

Kansas Department of Revenue
Individual Income Tax Proposals

(dollars are in millions)

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 5

Proposal: new rates **Simulation 021**

Standard Deduction:

	Current Law	Proposed
Married	$ 6,000	$ -
Single	$ 3,000	$ -
Head of Household	$ 4,500	$ -
Married Filing Separate	$ 3,000	$ -

Additional Standard Deduction:

Married	$ 700
Single	$ 850

Personal Exemption:	$ 2,250
Personal Exemption: Dependent	$ 2,250

Tax Liability

Tax Year Impacts:		
	2010	$ 42.9
	2011	$ 44.1
	2012	$ 45.8
	2013	$ 48.3
	2014	$ 51.0
	2015	$ 53.8

SGF

Fiscal Year Impacts:		
	2011	$ 56.1
	2012	$ 44.6
	2013	$ 46.6
	2014	$ 49.1
	2015	$ 51.8

Proposed Change:

Taxable Income Brackets

Single

$ -	$ 15,000			3.40%
$ 15,000	$ 30,000	$ 510.00		6.15%
$ 30,000	$ 50,000	$ 1,432.50		6.35%
$ 50,000	$ 100,000	$ 2,702.50		6.75%
$ 100,000	$ 150,000	$ 6,077.50		7.25%
$ 150,000	Over	$ 9,702.50		7.75%

Married

$ -	$ 30,000			3.40%
$ 30,000	$ 60,000	$ 1,020.00		6.15%
$ 60,000	$ 100,000	$ 2,865.00		6.35%
$ 100,000	$ 200,000	$ 5,405.00		6.75%
$ 200,000	$ 300,000	$ 12,155.00		7.25%
$ 300,000	Over	$ 19,405.00		7.75%

Current Law

Taxable Income Brackets

Single

$ -	$ 15,000			3.50%
$ 15,000	$ 30,000	$ 525		6.25%
$ 30,000	Over	1,462.50		6.45%

Married

$ -	$ 30,000			3.50%
$ 30,000	$ 60,000	$ 1,050		6.25%
$ 60,000	Over	2,925		6.45%

Simulation 021

Changes: New Tax Rate

Kansas Department of Revenue
Individual Income Tax
Tax Year 2010

Dollars are in Thousands

KAGI Brackets		Returns	Tax Liability Current Law	Tax Liability Proposed Change	Dollar Change	Percent Change	Average Dollar Change
$ -	$ 10,000	275,100	$ 15,670	$ 15,240	$ (430)	-2.7%	$ (1.56)
$ 10,000	$ 20,000	245,700	$ 63,996	$ 62,435	$ (1,561)	-2.4%	$ (6.35)
$ 20,000	$ 30,000	132,100	$ 70,783	$ 69,345	$ (1,438)	-2.0%	$ (10.89)
$ 30,000	$ 50,000	254,000	$ 334,301	$ 327,582	$ (6,719)	-2.0%	$ (26.45)
$ 50,000	$ 75,000	188,900	$ 508,423	$ 499,747	$ (8,676)	-1.7%	$ (45.93)
$ 75,000	$ 100,000	105,700	$ 515,462	$ 506,891	$ (8,571)	-1.7%	$ (81.09)
$ 100,000	$ 200,000	100,200	$ 537,594	$ 535,618	$ (1,976)	-0.4%	$ (19.72)
$ 200,000	Over	22,400	$ 579,157	$ 651,200	$ 72,043	12.4%	$ 3,216.21
		1,324,100	$ 2,625,386	$ 2,668,058	$ 42,672	1.6%	$ 32.23

Proposed Change:

Taxable Income Brackets

Single			
$ -	$ 15,000		3.40%
$ 15,000	$ 30,000	$ 510	6.15%
$ 30,000	$ 50,000	$ 1,432.50	6.35%
$ 50,000	$ 100,000	$ 2,702.50	6.75%
$ 100,000	$ 150,000	$ 4,052.50	7.25%
$ 150,000	Over	$ 5,502.50	7.75%
Married			
$ -	$ 30,000		3.40%
$ 30,000	$ 60,000	$ 1,020	6.15%
$ 60,000	$ 100,000	$ 2,865	6.35%
$ 100,000	$ 200,000	$ 5,405	6.75%
$ 200,000	$ 300,000	$ 8,105	7.25%
$ 300,000	Over	$ 11,005	7.75%

Current Law

Taxable Income Brackets

Single			
$ -	$ 15,000		3.50%
$ 15,000	$ 30,000	$ 525	6.25%
$ 30,000	Over	$ 1,462.50	6.45%
Married			
$ -	$ 30,000		3.50%
$ 30,000	$ 60,000	$ 1,050	6.25%
$ 60,000	Over	$ 2,925	6.45%

Senate Ways & Means Cmte
Date 4-19-2010
Attachment 52

Proposal for Ways and Means Committee Consideration

($ in millions)

	Sales/Use Tax Increase to 6.3% on 7/1/10; 11.403% of all receipts SHF, balance SGF; Rate Falls to 5.6% on 7/1/13 with SHF Getting All of Additional 0.3% above 5.3%			liquor enforce tax incr from 8% to 12%	liq drink tax to 15% assuming enf tax increase, too	cigarette increase 55 cents per pack (to 1.34)	tob prod tax incr from 10% to 40% wholesale	total package	total package	
	sgf	shf	total	7/1/2010	7/1/2010	sgf	sgf	sgf	shf	
FY 2011	$322.290	$21.796	$344.086	$23.010	$12.450	$49.424	$13.710	$420.884	$21.796	
FY 2012	$365.667	$22.837	$388.504	$24.772	$13.300	$41.568	$15.610	$460.917	$22.837	$483.754
FY 2013	$378.466	$23.636	$402.102	$26.259	$13.820	$39.905	$16.130	$474.580	$23.636	$498.216
FY 2014	$30.428	$132.985	$163.413	$27.834	$14.350	$38.309	$16.660	$127.581	$132.985	$260.566
FY 2015	0	$142.145	$142.145	$29.504	$14.910	$36.777	$17.210	$98.401	$142.145	$240.546
5-yr total	$1,096.851	$343.399	$1,440.250	$131.379	$68.830	$205.983	$79.320	$1,582.363	$343.399	$1,925.762

Other Issues Added to SB 516

* Moist snuff provisions from SB 413 with rate at $0.34 per ounce.

* Requirement that stamps and meter imprints be affixed in manner "reasonably intended" to preserve serial number legibility.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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April 19, 2010

To: Legislative Leadership and Governor Mark Parkinson

From: Chris W. Courtwright, Principal Economist

Re: Revised Fiscal Notes Associated with Governor's Tax Proposal

As a result of the Consensus Revenue Estimating Group's revisions on Friday to the November forecast, a number of the fiscal notes associated with various tax proposals have been modified. Decreases in the FY 2011 estimates for sales, use and cigarette taxes in particular now mean that less new revenue would be produced from tax increases associated with those sources. For example, a one-tenth percent increase in the state sales and use tax rate (from 5.3 to 5.4 percent) now would produce $37.849 million (had been $38.638 million prior to the April revisions).

The attached table shows the estimated fiscal notes for the Governor's new proposal before and after the new estimates. A one cent increase in the sales/use tax would now raise $344.086 million, compared to $351.255 used in November. The table assumes that the Governor's intent remains unchanged with respect to placing a specific portion of the new revenues in the State Highway Fund. The cigarette tax estimate also was lowered and the cigarette tax rate increase model adjusted accordingly. The tobacco products tax model was not adjusted, as the FY 2011 estimate for this revenue source was increased slightly.

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vernor's Tax Package (November Estimates)

($ in millions)	Sales/Use Tax Increase to 6.3% on 7/1/10 SGF and SHF relative shares continue; Rate Falls to 5.5% on 7/1/13 with SHF Getting All of Additional 0.2% above 5.3%			cigarette increase 55 cents per pack (to 1.34) 7/1/2010	tob prod tax incr from 10% to 40% wholesale 7/1/2010	total package	total package	total package
	sgf	shf	total	sgf	sgf	sgf	shf	all funds
FY 2011	$308.176	$43.078	$351.255	$51.950	$13.710	$373.836	$43.078	$416.915
FY 2012	$347.960	$48.640	$396.600	$44.590	$15.610	$408.160	$48.640	$456.800
FY 2013	$360.140	$50.342	$410.482	$43.700	$16.130	$419.970	$50.342	$470.312
FY 2014	$31.062	$90.019	$121.081	$42.820	$16.660	$90.542	$90.019	$180.561
FY 2015	0	96.738	$96.738	$41.970	$17.210	$59.180	$96.738	$155.918
5-yr total	$1,047.338	$328.817	$1,376.155	$225.030	$79.320	$1,351.688	$328.817	$1,680.505

Governor's Tax Package (April Estimates)

($ in millions)	Sales/Use Tax Increase to 6.3% on 7/1/10 SGF and SHF relative shares continue; Rate Falls to 5.5% on 7/1/13 with SHF Getting All of Additional 0.2% above 5.3%			cigarette increase 55 cents per pack (to 1.34) 7/1/2010	tob prod tax incr from 10% to 40% wholesale 7/1/2010	total package	total package	total package
	sgf	shf	total	sgf	sgf	sgf	shf	all funds
FY 2011	$301.887	$42.199	$344.086	$49.424	$13.710	$365.021	$42.199	$407.220
FY 2012	$340.857	$47.647	$388.504	$41.568	$15.610	$398.035	$47.647	$445.682
FY 2013	$352.788	$49.314	$402.102	$39.905	$16.130	$408.823	$49.314	$458.137
FY 2014	$30.428	$88.182	$118.610	$38.309	$16.660	$85.397	$88.182	$173.579
FY 2015	0	94.763	$94.763	$36.777	$17.210	$53.987	$94.763	$148.750
5-yr total	$1,025.960	$322.105	$1,348.065	$205.983	$79.320	$1,311.263	$322.105	$1,633.368

Proposal for Ways and Means Committee Consideration

($ in millions)

	Sales/Use Tax Increase to 6.3% on 7/1/10; 11.403% of all receipts SHF, balance SGF; Rate Falls to 5.6% on 7/1/13 with SHF Getting All of Additional 0.3% above 5.3%			liquor enforce tax incr from 8% to 12%	liq drink tax to 15% assuming enf tax increase, too	cigarette increase 55 cents per pack (to 1.34)	tob prod tax incr from 10% to 40% wholesale	total package	total package	
	sgf	shf	total	7/1/2010	7/1/2010	sgf	sgf	sgf	shf	
FY 2011	$322.290	$21.796	$344.086	$23.010	$12.450	$49.424	$13.710	$420.884	$21.796	
FY 2012	$365.667	$22.837	$388.504	$24.772	$13.300	$41.568	$15.610	$460.917	$22.837	$483.754
FY 2013	$378.466	$23.636	$402.102	$26.259	$13.820	$39.905	$16.130	$474.580	$23.636	$498.216
FY 2014	$30.428	$132.985	$163.413	$27.834	$14.350	$38.309	$16.660	$127.581	$132.985	$260.566
FY 2015	0	$142.145	$142.145	$29.504	$14.910	$36.777	$17.210	$98.401	$142.145	$240.546
5-yr total	$1,096.851	$343.399	$1,440.250	$131.379	$68.830	$205.983	$79.320	$1,582.363	$343.399	$1,925.762

Other Issues Added to SB 516

* Moist snuff provisions from SB 413 with rate at $0.34 per ounce.

* Requirement that stamps and meter imprints be affixed in manner "reasonably intended" to preserve serial number legibility.

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M. Eligibility requirements for the Home and Community Based Services Waivers (House Committee). The Hou Committee recommended a review of the eligibility requirements for the Home and Community Based Services Waivers and the effec including any savings for FY 2011, from changing eligibility requirements.

WAIVER	AUTISM	DEVELOPMENTAL DISABILITY	PHYSICAL DISABILITY	TECHNOLOGY ASSISTED	TRAUMATI BRAIN INJUI
Point of Entry	HCBS/Autism Program Manager	Community Developmental Disability Organization (CDDO)	Case management Entities	Case management Entities	Case management Entities
General Eligibility Guidelines	Time of diagnosis through 5 years of age Diagnosis of an Autism Spectrum Disorder or PDD-NOS Eligible for State Institutional	Individuals age 5 and up Meet definition of mental retardation or developmental disability per the Developmental Disabilities Reform Act (K.S.A.39-1803) Eligible for ICF/MR level of care	Age 16-64* Determined disabled by SSA Need assistance with activities of daily living. Eligible for nursing facility care *At age 65 may choose to stay on the PD waiver or move to the FE waiver	Children under age 22 Dependent upon intensive medical technology Medically fragile Requires the level of care provided in an acute hospital	Individuals age 16-65 Have traumatic, non-degenerative brain injury resulting in residual deficits and disabilities Eligible for in-patient care in a Head Injury Rehabilitation Hospital

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WAIVER	AUTISM	DEVELOPMENTAL DISABILITY	PHYSICAL DISABILITY	TECHNOLOGY ASSISTED	TRAUMATIC BRAIN INJURY
Functional Eligibility Guidelines (Assessment)	Individuals are assessed utilizing the Vineland II Survey Interview Adaptive Behavior Scale, administered by a Functional Eligibility Specialist. One of the following scoring criteria is required for eligibility: Total score or score on at least two Adaptive Areas (Communication, Daily Living, Motor and Socialization, skills) of 70 or below; or Adaptive Areas score of 71-85, and a clinically significant v-scale score of 21-24 Maladaptive Behaviors.	Individuals are assessed utilizing the Vineland II Survey Interview Adaptive Behavior Scale, administered by a Functional Eligibility Specialist. One of the following scoring criteria is required for eligibility: Total score or score on at least two Adaptive Areas (Communication, Daily Living, Motor and Socialization, skills) of 70 or below; or Adaptive Areas score of 71-85, and a clinically significant v-scale score of 21-24 Maladaptive Behaviors.	Individuals are assessed utilizing the Uniform Assessment Instrument. Assessments are completed by case managers. A score of 26 or greater is required to be eligible for HCBS PD waiver services.	Individuals are assessed utilizing the Medical Assistive Technology Level of Care (MATLOC), administered by registered nurses. Two scores are determined; the Medical Technology Score and the Nursing Acuity Score. The following scoring criteria is required for eligibility: Age 0-21 yrs. - 50 point Medical Technology Score and supporting documentation for nursing acuity; or Age 1-5 yrs. - 25 point Medical Technology Score and 20 point Nursing Acuity Score; or Age 6-21 yrs. - 25 point Medical	Individuals are assessed utilizing the Uniform Assessment Instrument (UAI) and the TBI Assessment Addendum. Assessments are completed by cases managers. One of the following scoring criteria is required to be eligible: 24 or above on the TBI Assessment Addendum, Parts 2 & 3; or 26 or above on the UAI; or Combined score of 25 from the Addendum and UAI.

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WAIVER	AUTISM	DEVELOPMENTAL DISABILITY	PHYSICAL DISABILITY	TECHNOLOGY ASSISTED	TRAUMATIC BRAIN INJURY
Financial Eligibility Rules	Only the individual's personal income & resources are considered Parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee Income over $727 per month must be contributed towards the cost of care	Only the individual's personal income & resources are considered For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee Income over $727 per month must be contributed towards the cost of care	Only the individual's personal income & resources are considered For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee Income over $727 per month must be contributed towards the cost of care	Only the individual's personal income & resources are considered For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee Income over $727 per month must be contributed towards the cost of care	Only the individual's personal income & resources are considered For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee Income over $727 per month must be contributed towards the cost of care
Services/ Supports Additional regular Medicaid services are provided	Consultative Clinical and Therapeutic Services (Autism Specialist) Intensive Individual Supports Parent Support/and training Family Adjustment Counseling Respite Services	Assistive Services Day Services Medical Alert Rental Sleep Cycle support Personal Assistant Services Residential Supports Supported Employment Supportive Home Care Wellness Monitoring	Personal Services Assistive Services Sleep Cycle Support Personal Emergency Response Personal Emergency Response Installation	Case Management Specialized medical care (skilled nursing) Long term community care attendant Medical respite Home modifications	Personal Services Assistive Services Rehabilitation Therapies Transitional Living Skills Sleep Cycle Support Personal Emergency Response Personal Emergency Response Installation

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O. Status of all Home and Community Based Services waivers (House Committee). The House Committee recommend a review of the status of all Home and Community Based Services waivers, including funding levels and waiting lists for services for 2011.

FY 2010 Waiver Information

Waiver	FY 2010 GBR		FY 2010 Current Projection		FY 2010 Difference		FY 2010 Waiting Lis
	State Funds	All Funds	State Funds	All Funds	State Funds	All Funds	As of 2/28/2010
Developmental Disabilities Waiver	$ 93,118,263	$ 306,511,728	$ 94,027,247	$ 309,503,775	$ (908,984)	$ (2,992,047)	2236
Physical Disabilities Waiver	39,763,397	130,864,410	40,879,705	134,561,240	(1,116,308)	(3,696,830)	1,896
Traumatic Brain Injury Waiver	3,473,585	11,432,012	3,282,146	10,803,641	191,439	628,371	0
Technical Assistance Waiver	7,347,919	24,182,778	7,363,079	24,236,601	(15,160)	(53,823)	0
Autism Waiver	370,929	1,220,762	252,748	831,954	118,181	388,808	243
TOTAL	$ 144,074,093	$ 474,211,690	$ 145,804,925	$ 479,937,211	$ (1,730,832)	$ (5,725,521)	

FY 2011 Waiver Information

Waiver	FY 2011 GBR		FY 2011 Current Projection		FY 2011 Difference		FY 2011 Waiting List
	State Funds	All Funds	State Funds	All Funds	State Funds	All Funds	Projection for 06/30/2011
Developmental Disabilities Waiver	$ 108,495,440	$ 304,390,963	$ 109,039,314	$ 306,032,316	$ (543,874)	$ (1,641,353)	2,556
Physical Disabilities Waiver	40,690,575	114,193,451	41,518,675	116,527,293	(828,100)	(2,333,842)	4,264
Traumatic Brain Injury Waiver	4,154,541	11,659,566	3,538,900	9,932,361	615,641	1,727,205	0
Technical Assistance Waiver	8,750,088	24,556,415	8,644,740	24262531	105348	293,884	0
Autism Waiver	394,040	1,105,828	389,842	1,094,139	4,198	11,689	294
TOTAL	$ 162,484,684	$ 455,906,223	$ 163,131,471	$ 457,848,640	$ (646,787)	$ (1,942,417)	

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SRS Hospitals

A. Hospital Vacant FTE Report (Senate Committee). The Senate Committee requested a report regarding vacant FTE positic at the five state hospitals. SRS submitted the following information:

Vacancy Breakout as of April 5, 2010

	LSH		OSH		RMHF		PSH		KNI		Total		
	Direct Care	Non Direct Care	Direct Care	Non Direct Care	Direct Care	Non Direct Care	Direct Care	Non Direct Care	Direct Care	Non Direct Care	Direct Care	Non Direct Care	Total Positions
0 to 6 months	36.50	27.00	22.00	9.50	9.00	3.00	14.25	3.00	21.00	4.00	102.75	46.50	149.25
6 to 12 months	6.00	19.00	7.00	-	3.00	-	1.00	3.00	8.00	1.00	25.00	23.00	48.00
1 to 2 years	15.00	15.00	10.81	6.00	2.00	-	3.00	6.00	9.00	2.50	39.81	29.50	69.31
2+ years	8.90	13.50	1.00	1.00	0.80	-	-	2.00	16.50	2.50	27.20	19.00	46.20
Total Vacant Positions	66.40	74.50	40.81	16.50	14.80	3.00	18.25	14.00	54.50	10.00	194.76	118.00	312.76

2+ Year total	22.40	2.00	0.80	2.00	19.00	46.20
Number of Positions to eliminate	22.50	2.00	1.00	2.00	23.50	51.00