

January 24, 2011

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Landwehr:

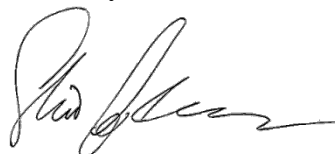
SUBJECT: Fiscal Note for HB 2040 by House Committee on Health & Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2040 is respectfully submitted to your committee.

HB 2040 would amend KSA 65-242 that includes the formula grant used by the Kansas Department of Health and Environment to distribute state funds to local health departments. In order to avoid penalties, counties are required to contribute local tax revenues equal to or greater than the amount of the formula grant award. According to HB 2040, should there be a reduction in maintenance of effort at the local level, the amount of the formula grant award would be reduced by the "percentage" of the reduction rather than the total "dollar" amount.

The Kansas Department of Health and Environment indicates that passage of HB 2040 would have no fiscal effect on the agency. For local governments that did not meet their maintenance of effort requirement, passage of the bill would result in smaller penalties. In FY 2010, there was a total of \$137,000 not distributed in grant awards because of reductions in local maintenance of effort. The Department estimates that the amount not awarded to local health departments would be less than \$137,000 if the bill passes. Any fiscal effect resulting from enactment of HB 2040 is not accounted for in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Pat Kuester, KDHE
Steve Neske, Revenue