

Approved: 5-3-10

Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:11 a.m. on February 3, 2010, in Room 346-S of the Capitol.

All members were present except:

Representative Tom Burroughs- excused  
Representative Owen Donohoe- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes  
Nobuko Folmsbee, Office of the Revisor of Statutes  
Jason Long, Office of the Revisor of Statutes  
Alan Conroy, Kansas Legislative Research Department  
J.G. Scott, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Jonathan Tang, Kansas Legislative Research Department  
Kathy Holscher, Committee Assistant, Appropriations Committee

- Attachment 1 State General Fund Receipts for July - January, 2010
- Attachment 2 Substitute for HB 2403
- Attachment 3 Amendment to Substitute for HB 2403
- Attachment 4 Second Amendment to Substitute for HB 2403
- Attachment 5 Amendment to HB 2442
- Attachment 6 Amendment to HB 2442
- Attachment 7 Senate substitute for HB 2222

Others attending:

See attached list.

Representative Faber made a motion to introduce legislation allowing the livestock commissioner to raise fees. The motion was seconded by Representative Carlin. Motion carried.

Representative DeGraaf made a motion to introduce a resolution regarding the appropriations process and the Constitution in that the Legislature is responsible for determining how public money is distributed and used; and if an agency within the state wants to file a lawsuit they will not be able to do so. Representative Merrick seconded the motion. Motion carried.

Representative DeGraaf made a motion to introduce legislation regarding the state using taxpayer money for abortions, particularly from the health savings account. The motion was seconded by Representative Merrick. Motion carried.

Alan Conroy, Director, Kansas Legislative Research Department, reported on the State General Fund receipts (SGF) for July through January 2010, (Attachment 1). He stated this report reflects the difference between estimated and actual receipts from November 2009 through January 2010. Mr. Conroy noted that individual income tax receipts were up 5% above this time last year. The total SGF receipts were \$301 million or 9.2% below FY 2009 receipts for the same reporting period. He noted that this report does not include two deposits to the SGF of \$700 million of Certificate of Indebtedness, which will be redeemed prior to the end of this fiscal year.

Mr. Conroy responded to questions from committee members. He stated that \$58.4 million in revenue has been collected to date, which is \$2.3 million less than estimated, and approximately \$15 million in interest earnings was realized. As requested by committee members, Mr. Conroy will provide additional information on estate taxes, agency earnings from fines, forfeitures and unclaimed property.

HB 2403 - Transparency and accountability in purchasing and state spending act.

Representative Marvin Kleeb presented an overview of Substitute for HB 2403, (Attachment 2). He noted

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changes to **HB 2403**, as recommended by committee members. The recommendation to remove the Board of Regents from this bill was made by committee members.

Representative Merrick made a motion to amend **Substitute for HB 2403** into **HB 2403**. The motion was seconded by Representative Faber. Motion carried.

Representative Dillmore reviewed amendments to **Substitute for HB 2403**, (Attachment 3), regarding the misclassifications of employees.

Representative Dillmore made a motion to amend **Substitute for HB 2403**. The motion was seconded by Representative Lane.

Discussion followed by committee members regarding the definition of misclassification, and clarification on the eligibility of businesses, vendors or individuals that have been adjudicated in a criminal, civil or administrative proceeding. It was noted that the term vendor could be handled with a subsequent amendment changing the term vendor to contractor. Representative Dillmore stated the importance of setting the highest possible standards as a contractor, employer, and zero tolerance for those that do not comply with the statutes and laws.

Representative Dillmore closed and made a motion to move the amendment for **Substitute for HB 2403**. Motion failed.

Representative Dillmore made a motion to move a second amendment for **Substitute for HB 2403**, (Attachment 4). The motion was seconded by Representative Lane. Motion failed.

Representative Merrick made a motion to move **Substitute for HB 2403** favorably for passage. The motion was seconded by Representative Whitham. Motion carried.

**HB 2442 - Kansas streamlining government act.**

Representative Whitham made a motion to move **HB 2442** as favorable for passage. The motion was seconded by Representative Tapanelli.

Representative Crum made a motion to amend **HB 2442**, (Attachment 5). The motion was seconded by Representative Feuerborn.

Discussion followed by committee members regarding the amendment which eliminates fee-funded agencies, and issues for exempting fee-funded entities. It was noted that the purpose of **HB 2442** was to find ways for Legislators to do their jobs more effectively and efficiently, and reducing the cost to taxpayers. Jim Wilson, Office Revisor of Statutes, stated that the Governmental Ethics Commission was included in the fee-funded agency list in error. Representative Crum stated that in his opinion acceptance of the amendment does not inhibit the committee or Legislature from overseeing fee-funded agencies during the budgeting process.

Representative Crum renewed the motion to move the amendment for **HB 2442**. Motion carried.

Representative Lane made a motion for an amendment for **HB 2442**, changing the number members from five to four. The motion was seconded by Representative Feuerborn

Representative Lane responded to questions from committee members. He noted that this change has an impact on voting members within the same party affiliation.

Representative Lane moved the amendment. Motion carried.

Representative Feuerborn reviewed a proposed amendment, (Attachment 6) for **HB 2442**.

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Representative Feuerborn made a motion to amend **HB 2442**. The motion was seconded by Representative Tafanelli. Motion carried.

Representative Whitham made a motion to move **HB 2442** favorably for passage as amended. Representative Tafanelli seconded the motion. Motion carried.

**S Sub for H 2222** by Committee on Ways and Means—Supplemental appropriations for FY 2010 and 2011 for various state agencies.

Chairman Yoder stated that Senate Substitute Bill for **HB 2222**, (Attachment 7) is similar to **HB 2416** concerning the Governor's Supplemental Appropriations Act.

J.G. Scott, Chief Fiscal Analyst, Legislative Research Department, reviewed the modifications made by the Senate regarding the Governor's Supplemental Appropriations Act. He stated that language was added to the Health Policy Authority's medicaid reporting issues in regards to additional funding and efficiencies; limiting the amount of Legislative leadership franking privileges to \$2500; the addition of \$1.1 million for a Legislative reserve account appropriated to the Legislative Coordinating Council (LCC). Mr. Scott noted that this could shift funding to any Legislative Branch in need of funding this fiscal year; and would include a 50% reduction in the Legislator and Committee Chairs' franking privileges for the current year.

Jim Wilson, Office of Revisor of Statutes, noted an amendment which directs the Health Policy Authority to develop a plan to obtain efficiencies in the State Medicaid Plan.

Representative Merrick reviewed an amendment that would delete \$247,294 from the Legislative Reserve Account created by the Senate within the LCC budget, which would be an 11.1% reduction for Legislators during this current year.

Representative Merrick made a motion to move the amendment. The motion was seconded by Representative Whitham.

Discussion followed by committee members. It was noted that the 11.1% reduction would be made in the Legislators salary, which includes a 5% salary reduction, elimination of the \$7 per day subsistence, reduction in Legislative Leadership franking privileges and three furlough days. Committee members requested a copy of the fiscal note for **HB 2442**.

Representative Merrick moved the motion. Motion carried.

Representative DeGraaf made a motion to remove all state dollars from Planned Parenthood and move this money to the State General Fund. The motion was seconded by Representative Mast.

Discussion followed by committee members. Members stated concern for the impact on medicaid funding through federal dollars with this amendment.

Amy Deckard, Senior Fiscal Analyst, Kansas Legislative Research Department, stated that currently Planned Parenthood is a medicaid provider under Title XIX federal funds. She noted in order to remove a provider from a provider list, there would have to be just cause. If the federal guidelines were not followed, all federal dollars for medicaid funding for the State would be in jeopardy.

Representative DeGraaf moved the motion. Motion failed.

Representative McLeland made a motion for an amendment that would transfer \$5 million to the Judicial Branch from the Education Supplemental State Aid Budget. The motion was seconded by Representative Merrick.

Discussion by committee members followed regarding capital outlay. Reagan Cussimano, Senior Fiscal Analyst, Kansas Legislative Research Department, stated there is no money available in capital outlay, as

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those funds were part of the November 2009 allotment. She added that the transfer of \$5 million would have an impact on the local option budget LOB, and that higher wealth districts would be less impacted on then the lower-wealth districts. As requested by committee members, Ms. Cussimano stated she would provide information regarding the cost of the lawsuits from the over 70 schools. It was noted that there is a balance of \$296 million in supplemental state aid. Ms Cussimano stated that education funding experienced a 2.4% reduction where other areas have experienced a 3.2% reduction.

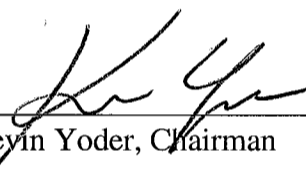
Chairman Yoder referred to state law regarding litigation against the state and noted that school districts are required to use supplemental state aid and not general state aid. He stated that this is just the beginning of what will be a continuing challenge for this committee when addressing priorities and determining how to solve the budget crises. Chairman Yoder stated that **HB 2222** will be continued upon adjournment of the House of Representatives.

Representative McLeland moved the motion. Motion failed.

Some committee members requested that their votes on Representative DeGraaf's amendment be recorded in the minutes. The following Representatives asked to be recorded as having voted in favor of the amendment: Representative Faber, Representative DeGraaf, Representative Kelley, Representative Crum and Representative Mast.

The next meeting is scheduled for February 4, 2010.

The meeting was adjourned at 10:55 a.m.

  
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Keyin Yoder, Chairman

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: February 3, 2010

NAME	REPRESENTING
Vickilyn Held	Budget
Dick Kelly	Kansas Inc.
Steve Ambrose	KDA
Bernd Koops	Hein La Firm
Juni Rose	KCSU
MARK BORANYAK	CAPITOL STRATEGIES
Hannah Sanders	KHPA
KOBLETZ	KEMMER & ASSOC.
RJ Wilson	KCSIE
Kim Fowler	Judicial
Ron Wiford	KUDE
Mark Tallman	KAB
Ethan Erickson	KDOT
Lois Weeks	SRS
Jen Bruning	OP Chamber
Jerry Sloan	Judicial Branch
Paul Johnson	Ks Catholic Conf.
Dodie Weishear	USA/Ks.
Robin Clements	Youthworld



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February 3, 2010

To: Legislative Budget Committee

**DRAFT**

## STATE GENERAL FUND (SGF) RECEIPTS July through January, FY 2010

This is the third month of experience under the revised estimate of SGF receipts in FY 2010 made by the Consensus Estimating Group on November 5, 2009. The figures in both the "Estimate" and "Actual" columns under FY 2010 on the following table include actual amounts received in July-October. That means that this report deals mainly with the difference between estimated and actual receipts in November through January.

**Total receipts through January of FY 2010 were \$39.1 million or 1.3 percent below the estimate. The component of SGF receipts from taxes only was \$36.5 million or 1.2 percent below the estimate. Total SGF taxes only, at the end of December, were \$17.6 million or 0.7 percent below the estimate. Total receipts at the end of December were \$16.8 million or 0.7 percent below the estimate.**

Only one tax source **exceeded** the estimate by more than \$1.0 million and that was corporation income (\$9.9 million or 7.7 percent).

The tax sources that **fell below** the estimate by more than \$1.0 million were individual income (\$24.9 million or 1.7 percent), compensating use (\$5.3 million or 4.1 percent), severance (\$5.0 million or 11.3 percent), estate (\$3.5 million or 47.0 percent), cigarette (\$2.3 million or 3.7 percent), retail sales (\$2.2 million or 0.2 percent), insurance premiums (\$2.2 million or 4.8 percent), and financial institutions (\$1.6 million or 16.8 percent).

Interest earnings exceeded the estimate by \$2.7 million. Net transfers were \$6.0 million more than expected and agency earnings were \$3.4 million more than expected

**Total SGF receipts through January of FY 2010 were \$301.0 million or 9.2 percent below FY 2009 receipts for the same period. Tax receipts only for the same period were below FY 2009 by \$252.2 million or 7.9 percent.**

This report excludes two deposits to the SGF of \$700 million, pursuant to issuance of a Certificate of Indebtedness. This certificate will be discharged prior to the end of the fiscal year.

Appropriations Committee

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Attachment 1-1

**July - January, FY 2010**  
(dollar amounts in thousands)

	Actual FY 2009	FY 2010		Percent increase relative to:		
		Estimate*	Actual	Difference	FY 2009	Estimate
<b>Property Tax:</b>						
Motor Carriers	\$ 19,912	\$ 16,300	\$ 16,183	\$ (117)	(18.7)%	(0.7)%
<b>Income Taxes:</b>						
Individual	\$ 1,584,080	\$ 1,481,700	\$ 1,456,824	\$ (24,876)	(8.0)%	(1.7)%
Corporation	139,638	127,500	137,358	9,858	(1.6)	7.7
Financial Inst.	13,589	9,750	8,116	(1,634)	(40.3)	(16.8)
Total	\$ 1,737,306	\$ 1,618,950	\$ 1,602,298	\$ (16,652)	(7.8)%	(1.0)%
Estate Tax	\$ 15,954	\$ 7,450	\$ 3,952	\$ (3,498)	(75.2)%	(47.0)%
<b>Excise Taxes:</b>						
Retail Sales	\$ 1,024,576	\$ 1,003,000	\$ 1,000,784	\$ (2,216)	(2.3)%	(0.2)%
Comp. Use	139,211	130,000	124,708	(5,292)	(10.4)	(4.1)
Cigarette	64,838	60,700	58,425	(2,275)	(9.9)	(3.7)
Tobacco Prod.	3,352	3,500	3,797	297	13.3	8.5
Cereal Malt Bev.	1,230	1,225	1,185	(40)	(3.6)	(3.2)
Liquor Gallonage	10,827	10,800	10,863	63	0.3	0.6
Liquor Enforce.	32,534	32,700	33,017	317	1.5	1.0
Liquor Drink	5,403	5,400	5,139	(261)	(4.9)	(4.8)
Corp. Franchise	10,033	11,385	11,858	473	18.2	4.2
Severance	95,382	44,100	39,126	(4,974)	(59.0)	(11.3)
Gas	54,447	20,100	18,244	(1,856)	(66.5)	(9.2)
Oil	40,935	24,000	20,883	(3,117)	(49.0)	(13.0)
Total	\$ 1,387,387	\$ 1,302,810	\$ 1,288,903	\$ (13,907)	(7.1)%	(1.1)%
<b>Other Taxes:</b>						
Insurance Prem.	\$ 45,687	\$ 45,000	\$ 42,834	\$ (2,166)	(6.2)%	(4.8)%
Miscellaneous	732	800	626	(174)	(14.5)	(21.8)
Total	\$ 46,420	\$ 45,800	\$ 43,460	\$ (2,340)	(6.4)%	(5.1)%
<b>Total Taxes</b>	<b>\$ 3,206,978</b>	<b>\$ 2,991,310</b>	<b>\$ 2,954,796</b>	<b>\$ (36,514)</b>	<b>(7.9)%</b>	<b>(1.2)%</b>
<b>Other Revenue:</b>						
Interest	\$ 34,750	\$ 12,275	\$ 14,961	\$ 2,686	(56.9)%	21.9%
Transfers (net)	\$ (35,775)	\$ (31,960)	\$ (35,405)	\$ (3,445)	(1.0)	-
Agency Earnings and Misc.	\$ 65,329	\$ 37,750	\$ 35,907	\$ (1,843)	(45.0)	(4.9)
Total	\$ 64,304	\$ 18,065	\$ 15,463	\$ (2,602)	(76.0)%	(14.4)%
<b>TOTAL RECEIPTS</b>	<b>\$ 3,271,281</b>	<b>\$ 3,009,375</b>	<b>\$ 2,970,259</b>	<b>\$ (39,116)</b>	<b>(9.2)%</b>	<b>(1.3)%</b>

\* Consensus estimate as of November 5, 2009.

NOTES: (1) Details may not add to totals due to rounding.  
(2) Excludes \$700 million to the State General Fund due to issuance of a Certificate of Indebtedness.  
(3) Remember that \$31.0 million in FY 2009 refunds were decelerated to FY 2010 for cash-flow purposes



## Substitute for HOUSE BILL NO. 2403

By

AN ACT creating the council on efficient government.

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

Section 1. Sections 1 through 13, and amendments thereto, shall be known and may be cited as the council on efficient government act.

Sec. 2. (a) It is the public policy of this state to provide the highest quality services at the lowest possible cost to taxpayers. Efficiency can only be achieved, however, if decisions about how government services are provided is governed by the following fundamental principles:

(1) The state government should not compete with private businesses that provide the same goods and services;

(2) the state government should not replicate, duplicate or compete with not-for-profit organizations that provide the same goods and services;

(3) the state government should not replicate, duplicate or compete with the federal government or local units of government that provide the same goods and services;

(4) there are certain functions and operations of state government that are inherently governmental and cannot be outsourced, and these activities are intimately related to the public interest; and

(5) when activities are clearly not governmental functions and operations, the state government should conduct a rigorous comparison of private business or not-for-profit organizational costs with the costs of the state government providing those functions and operations.

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(b) The purpose of the council on efficient government is:

(1) To ensure that each state agency focuses on its core mission, and delivers goods and services effectively and efficiently by leveraging resources and contracting with private business suppliers or not-for-profit organizations if those entities can more effectively and efficiently provide such goods and services thereby reducing the cost of government while expanding those services to the greatest number of citizens;

(2) to develop a comprehensive and detailed process to analyze opportunities to improve the efficiency, cost-effectiveness and quality of state governmental services, operations, functions and activities; and

(3) to evaluate for feasibility, cost-effectiveness and efficiency, business cases that potentially could be outsourced and make recommendations to state agencies prior to the outsourcing of goods or services.

Sec. 3. As used in sections 1 through 13, and amendments thereto:

(a) "Activity" means the provision of goods or services or the performance of any function or operation by a state agency.

(b) "Affiliated" means a person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a specified entity.

(c) "Business case" means any proposal to outsource a state agency activity or eliminate replication or duplication of a state agency activity and operations carried out by a private business, not-for-profit organization or other government agency.

(d) "Contractor" means any private business or not-for-profit organization that contracts with a state agency to perform an activity previously performed by such state agency.

(e) "State agency" means any department, authority, office or other governmental agency of this state. The term shall not include any political subdivision of the state, municipality or other unit of local government.

Sec. 4. (a) There is hereby created a body politic and corporate to be known as the council on efficient government. The council on efficient government is hereby constituted a public instrumentality and the exercise of the authority and powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

(b) The council shall consists of 11 members as follows:

(1) One member, who shall be either the lieutenant governor or the chief executive of a state agency, who shall be appointed by the governor;

(2) two members, who shall be engaged in private business and are not members of the legislature, appointed by the governor;

(3) ~~four~~ *three* members, who shall be engaged in private business and only one of whom may be a member of the legislature, appointed by the president of the senate; and

(4) ~~four~~ *three* members, who shall be engaged in private business and only one of whom may be a member of the legislature, appointed by the speaker of the house of representatives;

(5) *one member, who shall be engaged in private business and who shall not be a member of the legislature, appointed by the minority leader of the senate; and*

(6) *one member, who shall be engaged in private business and who shall not be a member of the legislature, appointed by the minority leader of the house of representatives.*

(c) Members shall be subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto. Except as provided by K.S.A. 46-2601, and amendments thereto, no person

appointed to the council shall exercise any power, duty or function as a member of the council until confirmed by the senate.

(d) Members shall serve for a term of two years. Terms of members appointed pursuant to this section shall expire on March 15. In the case of the member who is a state official, such member shall serve for a term of two years, or until such member ceases to hold public office, whichever occurs first. Members shall serve until a successor is appointed and confirmed.

(e) After the expiration of a member's term, or whenever a vacancy occurs a member shall be appointed as described in subsection (a). In the event of a vacancy the appointment shall be for the remainder of the unexpired portion of the term. Any member is eligible for reappointment for successive two-year terms.

(f) No member shall appoint a designee to serve in such member's place on the council.

(g) The council shall annually elect a member as chairperson. The member appointed pursuant to paragraph (a)(1) and any member who is a member of the legislature is not eligible to serve as chairperson.

(h) The council shall meet at least four times a year at the call of the chairperson. A quorum shall consist of a majority of the members of the council.

(i) Members attending council meetings shall be entitled to compensation and expenses as provided in K.S.A. 75-3223, and amendments thereto.

Sec. 5. (a) In order to achieve its purpose as provided in this act, the council on efficient government shall:

(1) Review and evaluate the possibility of outsourcing goods or services provided by a state agency to a private business or not-for-profit organization that is able to provide the same type of

good or service and whether such action would result in cost savings to the state;

(2) review and evaluate the possibility of outsourcing operations or functions of a state agency to a private business or not-for-profit organization that is able to more efficiently and cost-effectively perform such operation or function;

(3) review and evaluate instances where a state agency is providing goods or services in competition with one or more private businesses to determine ways to eliminate such competition;

(4) review and evaluate instances where a state agency is providing goods or services that replicate, duplicate or compete with one or more not-for-profit organizations or federal or local units of government;

(5) make any requests it deems necessary to state agencies for an inventory of such agency's activities that may be outsourced, or that compete with, replicate or duplicate activities provided by private entities or federal or local units of government;

(6) develop and implement a standard process for reviewing business cases pursuant to this act;

(7) make recommendations to state agencies regarding the outsourcing of operations, functions and the provision of goods and services based on the council's review and evaluation of business cases pursuant to this act; and

(8) identify and distribute information regarding the best practices in outsourcing efforts to state agencies.

(b) The council may appoint advisory groups, provided, at least one member of the council is appointed to each such group. ~~The council is hereby authorized to negotiate and enter into contracts for professional consulting and research services.~~

(c) The council shall annually prepare and submit a report to the governor, the committee on ways and means of the senate and the committee on appropriations of the house of representatives. The report shall be submitted no later than January 15, and shall contain details of the council's activities for the immediately preceding year and include the following:

(1) Recommendations on methods of delivering government services that would improve the efficiency, effectiveness and delivery of government services;

(2) outsourcing efforts of state agencies, including the number of business cases reviewed, those recommended for outsourcing and the state agency action on the business case; and

(3) information on all outsourcing contracts entered into the preceding year, including, the dollar value of each outsourcing contract, descriptions of performance results, any breach of contract or inadequate performance, and the status of extensions, renewals and amendments of outsourcing contracts.

Sec. 6. The staff of the legislative research department shall provide such assistance as may be requested by the council on efficient government.

Sec. 7. (a) A business case may be submitted by the governor, any member of the legislature, any state agency, a private business, a not-for-profit organization or any government entity that is not a state agency. A business case shall be submitted in the manner and form prescribed by the council.

(b) A business case shall include the following:

(1) A description of the state agency activity the council is to review and evaluate;

(2) a description of the private market for such activity; and

(3) a proposal as to the price to be paid by the state agency if such activity were outsourced.

(c) If the business case is submitted by a state agency, the following shall also be included in the business case:

(1) A description and analysis of the agency's performance with respect to such activity;

(2) an analysis comparing the potential costs and savings to the agency between outsourcing the activity and continuing to perform such activity;

(3) a citation to existing legal authority for outsourcing such activity;

(4) a transition plan that addresses changes in personnel, equipment, office location and communication with clients and the general public should such activity be outsourced;

(5) a description of any legislative action necessary to accomplish the outsourcing of such activity; and

(6) a description of specific performance standards that a contractor must meet in performing such activity, including:

(A) Specific and measurable goals to be met by the contractor;

(B) a plan to ensure compliance by the contractor with all applicable laws and regulations;

and

(C) a contingency plan addressing the contractor's nonperformance or inadequate performance of such activity.

(d) If the business case is submitted by an entity other than a state agency, the council shall send a copy of the submitted business case to the state agency currently performing the activity in question. The state agency shall have 30 days from receipt of the business case to submit a response to the council. The response shall include those items set forth in subsection (c).

(e) The council may review and evaluate any business case that is submitted to the council

to determine: (1) If there is competition, replication or duplication of an activity by a state agency with a private business, not-for-profit organization or other government entity; (2) whether such activity may be outsourced such state agency; and (3) the costs and savings that will likely result from such outsourcing.

(f) In conducting its review and evaluation of a business case the council shall consider the state agency's response submitted pursuant to subsection (d), if applicable, and determine whether the activity in question is an inherent governmental function that cannot be outsourced, or a commercial activity which may be performed by an entity other than the state agency. The council may hold public hearings, seek advice from advisory groups, ~~commission additional research and analysis from professional consultants~~ and request additional information from the state agency.

(g) Any member of the council that is either employed by the state agency which is performing the activity that is the subject of a business case under review, or is affiliated with a private business or not-for-profit organization that could perform such activity shall not participate in the review and evaluation of that particular business case.

(h) Upon completion of its review and evaluation the council shall prepare a report on its findings and recommendations. Copies of the council's final report on a business case shall be sent to the entity that initially submitted the business case, and the state agency which performs the activity that is the subject of the business case.

(i) Any state agency receiving a report pursuant to subsection (h) shall submit a response to the council within 45 days after receipt of the report. The response shall include the agency decision with respect to outsourcing or eliminating the activity, the reasons supporting the decision and the implementation date, if any.



Sec. 8. Any contract entered into by a state agency with a private business or not-for-profit organization which is an agreement for the private business or not-for-profit organization to perform an activity previously performed by the state agency shall include the following:

(a) A specific scope of work statement clearly identifying the activity to be performed by the contractor;

(b) if services are being provided, an agreement as to what constitutes adequate provision of such services, and the ability of the state agency to resume provision of such services if not adequately provided by the contractor;

(c) a specific transition plan providing for the transfer of the activities in question to the contractor;

(d) specific and measurable performance standards that must be met by the contractor;

(e) a provision granting the state agency access to all relevant documents and records of the contractor necessary for the purposes of verifying the contractor is meeting all performance standards and auditing the contractor's performance;

(f) a provision requiring the contractor to interview and consider for employment any state employee previously employed by the state agency who expresses an interest in such employment;  
and

(g) a contingency plan for transferring such activity back to the state agency in the event the contractor does not meet the required performance standards.

Sec. 9. (a) When any contract for the purchase of goods or services by any state agency, as that term is defined in K.S.A. 75-3701, and amendments thereto, is not awarded to a vendor after such vendor has submitted the lowest bid for such contract, the director of the division of state

purchasing shall prepare a written explanation detailing the reasons why such vendor was not awarded the contract and why the deficiencies in such vendor's bid could not be remedied to the satisfaction of the director. In the event the contract is awarded by a state agency other than the department of administration, such state agency shall prepare a written explanation detailing the reasons why such vendor was not awarded the contract and why the deficiencies in such vendor's bid could not be remedied to the satisfaction of the head of such state agency, and submit such written explanation to the director of the division of state purchasing.

(b) On or before January 12, the director of the division of state purchasing shall transmit to the standing committee on appropriations of the house of representatives, the standing committee on ways and means of the senate and the council on efficient government a report that shall include all written explanations prepared in accordance with this section during the immediately preceding year.

(c) The provisions of this section shall not apply to contracts that are subject to the provisions of K.S.A. 75-5801 et seq., and amendments thereto, or K.S.A. 75-1250 et seq., and amendments thereto, *or to contracts in support of the planning, development or implementation of a road, bridge or public transportation construction program of the department of transportation.*

Sec. 10. (a) When any contract for the purchase of goods or services by any state agency, as that term is defined in K.S.A. 75-3701, and amendments thereto, is not awarded to a vendor that is: (1) Domiciled in this state; (2) proposing to have the work which is the subject matter of the contract performed by employees subject to Kansas income withholding taxes; and (3) subject to Kansas income taxes, the director of the division of state purchasing shall prepare a written explanation detailing the reasons why such vendor was not awarded the contract and why the deficiencies in such

vendor's bid could not be remedied to the satisfaction of the director. In the event the contract is awarded by a state agency other than the department of administration, such state agency shall prepare a written explanation detailing the reasons why such vendor was not awarded the contract and why the deficiencies in such vendor's bid could not be remedied to the satisfaction of the head of such state agency, and submit such written explanation to the director of the division of state purchasing.

(b) On or before January 12, the director of the division of state purchasing shall transmit to the standing committee on appropriations of the house of representatives, the standing committee on ways and means of the senate and the council on efficient government a report that shall include all written explanations prepared in accordance with this section during the immediately preceding year.

(c) The provisions of this section shall not apply to contracts that are subject to the provisions of K.S.A. 75-5801 et seq., and amendments thereto, or K.S.A. 75-1250 et seq., and amendments thereto, *or to contracts in support of the planning, development or implementation of a road, bridge or public transportation construction program of the department of transportation.*

Sec. 11. (a) Any contract for the purchase of goods or services by any state agency, as that term is defined in K.S.A. 75-3701, and amendments thereto, which includes a provision for the automatic renewal or extension of such contract, shall be reviewed by the head of such agency to determine if such contract shall be allowed to be automatically renewed or extended. Such review shall include an evaluation of the cost savings the agency might benefit from if the agency were to terminate the contract and issue a new request for proposal. If the head of the state agency determines that it is in the agency's best interest to allow the contract to be automatically renewed or extended,

then the head of the state agency shall prepare a written explanation detailing the reasons why such contract was allowed to be automatically renewed or extended and submit such written explanation to the director of the division of state purchasing.

(b) On or before January 12, the director of the division of state purchasing shall transmit to the standing committee on appropriations of the house of representatives, the standing committee on ways and means of the senate and the council on efficient government a report that shall include all written explanations prepared in accordance with this section during the immediately preceding year.

(c) The provisions of this section shall not apply to contracts that are subject to the provisions of K.S.A. 75-5801 et seq., and amendments thereto; or K.S.A. 75-1250 et seq., and amendments thereto, *or to contracts in support of the planning, development or implementation of a road, bridge or public transportation construction program of the department of transportation.*

Sec. 12. The provisions of sections 1 through 13, and amendments thereto, shall not apply to ~~contracts in support of the planning, development or implementation of road, bridge and public transportation construction program of the Kansas department of transportation~~ *any activity conducted by or under the authority of the state board of regents, or to any contract entered into by the state board of regents or any of its postsecondary educational institutions.*

Sec. 13. If any provision of sections 1 through 13, and amendments thereto, or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or application of the act which can be given effect without the invalid provisions or application and to this end the provisions of sections 1 through 13, and amendments thereto, are declared to be severable.

3  
4  
5



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- 13 -

Sec. 14. This act shall take effect and be in force from and after its publication in the statute book.

all written explanations prepared in accordance with this section during the immediately preceding year.

(c) The provisions of this section shall not apply to contracts that are subject to the provisions of K.S.A. 75-5801 et seq., and amendments thereto, or K.S.A. 75-1250 et seq., and amendments thereto.

Sec. 12. The provisions of sections 1 through 13, and amendments thereto, shall not apply to contracts in support of the planning, development or implementation of road, bridge and public transportation construction program of the Kansas department of transportation.

*Sec. 13. (a) No state agency shall enter into a contract for goods or services with a vendor that has been adjudged in a criminal, civil or administrative proceeding to have misclassified an employee as an independent contractor. Any existing contract with such vendor shall not be renewed or extended by a state agency.*

*(b) As used in this section, "state agency" has the same meaning as provided in K.S.A. 75-3701, and amendments thereto.*

Sec. ~~13~~ 14. If any provision of sections 1 through ~~13~~ 14, and amendments thereto, or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or application of the act which can be given effect without the invalid provisions or application and to this end the provisions of sections 1 through 13, and amendments thereto, are declared to be severable.

Sec. ~~14~~ 15. This act shall take effect and be in force from and after its publication in the statute book.

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Attachment 3

all written explanations prepared in accordance with this section during the immediately preceding year.

(c) The provisions of this section shall not apply to contracts that are subject to the provisions of K.S.A. 75-5801 et seq., and amendments thereto, or K.S.A. 75-1250 et seq., and amendments thereto.

Sec. 12. The provisions of sections 1 through 13, and amendments thereto, shall not apply to contracts in support of the planning, development or implementation of road, bridge and public transportation construction program of the Kansas department of transportation.

*Sec. 13. (a) No state agency shall enter into a contract for goods or services with a vendor that has been adjudged in a criminal, civil or administrative proceeding to have employed an unauthorized alien. Any existing contract with such vendor shall not be renewed or extended by a state agency.*

*(b) As used in this section:*

*(1) "State agency" has the same meaning as provided in K.S.A. 75-3701, and amendments thereto.*

*(2) "Unauthorized alien" means an alien who does not have the legal right or authorization under federal law to work in the United States, as defined by 8 U.S.C. 1324a(h)(3).*

Sec. ~~13~~ 14. If any provision of sections 1 through ~~13~~ 14, and amendments thereto, or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or application of the act which can be given effect without the invalid provisions or application and to this end the provisions of sections 1 through 13, and amendments thereto, are declared to be severable.

Sec. ~~14~~ 15. This act shall take effect and be in force from and after its publication in the

Appropriations Committee  
Date 2-3-10  
Attachment 4

# HOUSE BILL No. 2442

By Committee on Appropriations

1-13

Proposed Amendment to HB No. 2442  
Prepared by: Jim Wilson -- Office of Revisor of Statutes

9 AN ACT establishing the Kansas streamlining government commission;  
10 providing for an independent review of state agencies of the executive  
11 branch of state government; prescribing powers, duties and functions  
12 for the commission and certain other state agencies; amending K.S.A.  
13 2009 Supp. 75-2973 and 75-4319 and repealing the existing sections.  
14

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

16 New Section 1. (a) Sections 1 through 9, and amendments thereto,  
17 shall be known and may be cited as the Kansas streamlining government  
18 act.

19 (b) The purposes of the Kansas streamlining government act are to  
20 improve the performance, streamline the operations, improve the effect-  
21 iveness and efficiency, and reduce the operating costs of the executive  
22 branch of state government by reviewing state programs, policies, proc-  
23 esses, original positions, staffing levels, agencies, boards and commissions,  
24 identifying those that should be eliminated, combined, reorganized,  
25 downsized or otherwise altered, and recommending proposed executive  
26 reorganization orders, executive orders, legislation, rules and regulations,  
27 or other actions to accomplish such changes and achieve such results.

28 New Sec. 2. As used in sections 1 through 9, and amendments  
29 thereto:

30 (a) "Act" means the Kansas streamlining government act;

31 (b) "commission" means the Kansas streamlining government com-  
32 mission established by section 3, and amendments thereto;

33 (c) "documents" means books, records, papers, accounts, transcripts,  
34 transcriptions and reports, in whatever form or medium they may be  
35 preserved;

36 (d) "state agency" means any state agency in the executive branch of  
37 state government;

38 (e) "member" means a member of the commission; ~~and~~

39 (f) "paid public office or position" means a public office or position  
40 for which any compensation is paid for service, but "paid public office or  
41 position" does not include any public office or position for which only  
42 reimbursement is paid for travel and other expenses incurred for service  
43 in such public office or position. ]

(c) The Kansas streamlining government act shall not apply to any fee-funded state agency. The Kansas streamlining government commission shall have no authority to review or make recommendations regarding any fee-funded state agency.

; and  
(g) "Fee-funded state agency" means the abstracters' board of examiners, behavioral sciences regulatory board, board of accountancy, board of examiners in optometry, board of nursing, consumer credit commissioner, Kansas board of barbering, Kansas board of examiners in fitting and dispensing of hearing aids, Kansas dental board, Kansas real estate commission, Kansas state board of cosmetology, office of the securities commissioner of Kansas, real estate appraisal board, state bank commissioner, state board of healing arts, state board mortuary arts, state board of pharmacy, state board of technical professions, state board of veterinary examiners, governmental ethics commission, state department of credit unions and Kansas home inspectors registration board.

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1 New Sec. 3. (a) There is hereby established the Kansas streamlining  
2 government commission within the legislative branch of state govern-  
3 ment. The commission shall be composed of seven members, appointed  
4 as follows:

- 5 (1) One person appointed by the president of the senate;
- 6 (2) one person appointed by the majority leader of the senate;
- 7 (3) one person appointed by the minority leader of the senate;
- 8 (4) one person appointed by the speaker of the house of  
9 representatives;
- 10 (5) one person appointed by the majority leader of the house of  
11 representatives;
- 12 (6) one person appointed by the minority leader of the house of rep-  
13 resentatives; and
- 14 (7) one person appointed by the governor.

15 (b) Of the members appointed under subsection (a):  
16 (1) Each member shall be a citizen of the United States of America  
17 and shall reside in the state of Kansas;

18 (2) not more than five members shall be affiliated with the same  
19 political party;

20 (3) a member may not: (A) Currently hold or have held within the  
21 preceding three years any paid office or position with any state agency or  
22 local governmental entity in Kansas; or (B) hold any paid public office or  
23 position with any state or federal governmental entity at the time of ap-  
24 pointment or during the member's tenure as a member of the  
25 commission;

26 (4) a member may not be a party to an ongoing and continuing con-  
27 tract with any state agency or local governmental entity in Kansas, or be  
28 an employee of an entity that is a party to any such contract; and

29 (5) a member may not be a lobbyist or be engaged in lobbying, as  
30 defined by either K.S.A. 46-225, and amendments thereto, or under any  
31 federal law, at the time of the appointment of the member or during the  
32 member's tenure as a member of the commission.

33 (c) The commission shall initially convene and organize on call of the  
34 member appointed by the governor. At such meeting the commission  
35 shall select one member to serve as chairperson of the commission.

36 (d) Four members shall constitute a quorum for meetings of the com-  
37 mission. A lesser number of members may conduct hearings, but no ac-  
38 tion shall be taken at meetings at which such hearings are conducted. All  
39 actions of the commission shall be by affirmative vote of a majority of all  
40 members of the commission.

41 (e) In the event that a member accepts a position as a lobbyist or as  
42 an officer or employee of any state agency or local governmental entity  
43 in Kansas, the member shall resign from the commission ~~within 10 days~~

shall be disqualified to serve as a member  
of the commission and

1. ~~from~~ the date the member accepts such position.

effective on

2 (f) A vacancy in the commission shall be filled in the manner in which  
3 the original appointment was made. The appointment of the replacement  
4 member shall be made not later than 30 days after the date on which the  
5 vacancy occurs.

6 (g) Members shall serve without compensation, but members attend-  
7 ing meetings of the commission, or meetings of a subcommittee author-  
8 ized by the commission, shall receive subsistence allowances, mileage and  
9 other expenses as provided in K.S.A. 75-3212, and amendments thereto,  
10 for members of the legislature.

11 New Sec. 4. (a) The commission may:

12 (1) Meet at any time and at any place within the state, upon the call  
13 of the chairperson, subject to the provisions of appropriation acts; and

14 (2) recess in closed or executive meetings in accordance with K.S.A.  
15 75-4319, and amendments thereto, to conduct discussions and delibera-  
16 tions and to receive testimony in the discharge of the duties imposed  
17 under this act, but all votes shall be made in open meeting and no binding  
18 action shall be taken during closed or executive recesses.

19 (b) In the discharge of the duties imposed under this act, the com-  
20 mission and officers and employees of the commission may require state  
21 agencies to preserve and make available their accounts, records, docu-  
22 ments, vouchers, requisitions, payrolls, canceled checks or vouchers and  
23 coupons, and other evidence of financial transactions.

24 (c) The commission shall report immediately to the appropriate au-  
25 thority whenever it appears in the opinion of the commission that there  
26 may have occurred any violation of penal statutes or any instances of  
27 misfeasance, malfeasance or nonfeasance by a public officer or employee  
28 of the executive branch of state government that is disclosed by any in-  
29 vestigation or review conducted under authority of this act.

30 New Sec. 5. (a) The staff of the legislative research department, the  
31 office of revisor of statutes and the division of legislative administrative  
32 services shall provide such assistance as may be requested by the com-  
33 mission, to the extent authorized by the legislative coordinating council.

34 (b) Upon approval by the legislative post audit committee, the divi-  
35 sion of post audit shall conduct government effectiveness and efficiency  
36 audits, financial and compliance audits, performance audits and other  
37 audit work with respect to state agencies in the manner provided by the  
38 legislative post audit act pursuant to request by the commission.

39 New Sec. 6. (a) The commission shall have authority to review any  
40 agency, board, commission or program of the executive branch of state  
41 government. In determining which aspects of the executive branch of  
42 state government are to be reviewed, the commission shall consider any  
43 recommendations made to it by the governor, by any legislator, by any

**SENATE SUBSTITUTE FOR HOUSE BILL No. 2222**  
**Supplemental Appropriations for FY 2010**  
**As Amended by Senate Committee**

Senate Substitute for House Bill No. 2222 contains current year adjustments for FY 2010 for selected state agencies, as recommended by the Governor, and as amended by the Senate Committee on Ways and Means. An overview of the Governor's recommended budget for FY 2010 is provided below. **Not all of the supplemental expenditure and receipt adjustments recommended by the Governor and amended by the Committee are reflected in this bill.** For example, expenditure changes recommended to special revenue funds with "no limit" expenditure limitations would not require any adjustment in the bill. In addition, some recommendations may not require any action in an appropriations bill, but may impact the amount of funding available for carryforward to FY 2011. *In making State General Fund allotments in July 2009 and November 2009, the Governor included recommendations for further adjustments that require legislative authorization. Governor's allotments, by statute, reduce approved budgets of agencies without any approval required by the Legislature. Most of the items in this bill are related to those recommendations that do require legislative action.*

**Governor's Recommended Changes to Estimated FY 2010 Expenditures**

Based on actions of the 2009 Legislature, it was estimated by the Research Department that FY 2010 expenditures from all funds would total \$13.514 billion. The *Governor's Budget Report* revises the all funds FY 2010 budget to \$14.497 billion, an increase of \$1.4 billion above the earlier estimate. Major differences from the session-end estimates and the current Governor's recommendation include:

- An increase of \$1.1 billion, all from special revenue (mainly federal) funds, in the budget of the **Department of Labor**, primarily for increases to estimated unemployment benefits.
- An increase of \$110.6 million from all funding sources in the budget of the **Kansas Department of Transportation**, largely for adjustments to capital improvement projects.
- An increase of \$91.9 million from all funding sources in the budgets of the **Department of Social and Rehabilitation Services and the state hospitals**, primarily reflecting additional federal funds expenditures and caseload increases. **State General Fund expenditures for SRS and the hospitals decrease by \$19.2 million.**
- An increase of \$61.3 million from all funding sources in the budgets of the **Kansas Board of Regents and the Regents institutions**, primarily reflecting additional special revenue fund expenditures. **State General Fund expenditures for the Board and the institutions decrease by \$17.7 million.**
- The Governor also recommends \$5.0 million, all from the State General Fund, in FY 2010, as a supplemental expenditure for operations of the **Judicial Branch**.

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- The Governor's November 2009 State General Fund allotment included the expenditure of approximately \$92.5 million more in federal **American Recovery and Reinvestment Act (ARRA)** funding in FY 2010 than approved by the 2009 Legislature, to offset State General Fund expenditures.

At the close of the 2009 Session, FY 2010 expenditures from the State General Fund were estimated to be \$5.613 billion. The *Governor's Budget Report* revises the FY 2010 State General Fund budget to \$5.451 billion, a decrease of \$161.7 million below the earlier estimate.

- A number of the FY 2010 recommended State General Fund adjustments were included in the **Governor's July and November 2009 State General Fund allotments**. These allotments, through a series of recommended revenue adjustments and expenditure reductions, are intended to increase the FY 2010 State General ending balance by \$391.6 million. Approximately \$95.0 million of the recommended adjustments require legislative authorization. **Most of the recommendations in this bill are to address the recommended adjustments that require legislative authorization.**
- As noted above, the Governor's 2009 State General Fund allotment included the expenditure of approximately \$92.5 million more in federal ARRA funding in FY 2010 than approved by the 2009 Legislature, to offset State General Fund expenditures of the same amount in the budgets of the **Department of Education** and the **State Hospitals**.
- State General Fund expenditures in the budget of the **Department of Education** decrease \$94.0 million, although the decrease is partially offset by \$85.9 million in additional ARRA funding.

The following table summarizes the changes to FY 2010 expenditures by major category as recommended by the Governor.

<b>FY 2010 Expenditures as Recommended by the Governor</b>		
	Millions	
	State General Fund	All Funds
Original FY 2010 Estimates	\$ 5,612.9	\$ 13,056.7
Revisions:		
State Operations	(33.8)	142.5
Aid to Local Units	(107.5)	78.0
Other Assistance	(19.9)	1,082.7
Capital Improvements	(0.5)	137.4
Total Revisions	\$ (161.7)	\$ 1,440.6
Revised FY 2010 Estimates	\$ 5,451.2	\$ 14,497.3

### Senate Committee Recommendation

The Senate Committee recommendations for FY 2010 increase the Governor's recommended expenditures by \$1.1 million, all from the State General Fund. Among the Committee's recommendations:

- The Committee recommends the addition of \$1.1 million, all from the State General Fund, in FY 2010, to be appropriated to the **Legislative Coordinating Council**. The funding would decrease the overall reduction for all legislative branch agencies contained in this bill from \$2.75 million, to \$1.65 million. The funding may be distributed among legislative branch agencies at the discretion of the Legislative Coordinating Council.
- The Committee recommends that the **postage allowance** for each member of the Legislature be reduced by 50.0 percent below the amount authorized by Legislative Coordinating Council policy for calendar year 2010. The Committee also recommends the addition of language providing that if any member's postage allowance already exceeds 50 percent of the authorized amount, no further expenditures may be made by that member in calendar year 2010.

The recommendations contained in this bill - Senate Substitute for House Bill No. 2222 - reflect increased State General Fund expenditures of \$3.3 million, and increased funding of \$2.1 million from all funding sources above the FY 2010 approved budget. In addition, receipts to the State General Fund increase by \$92.8 million in FY 2010.

The sections that follow detail **only the FY 2010 expenditure adjustments that are reflected in this appropriations bill.**

**Senate Substitute for House Bill No. 2222**  
**As Amended by Senate Committee on Ways and Means**

Section	Agency/Program	Expenditures		Revenue Transfers to State General Fund
		State General Fund	All Funds	
2	Legislative Coordinating Council	\$ 1,013,115	\$ 1,013,115	\$ -
	Legislative Research Department	(426,615)	(426,615)	-
	Revisor of Statutes	(649,379)	(649,379)	-
3	Legislature	(1,366,648)	(1,366,648)	-
4	Division of Post Audit	(225,457)	(225,457)	-
5	Judicial Branch	5,000,000	5,000,000	-
6	Department of Transportation	-	-	80,000,000
7	Office of the Securities Commissioner	-	-	5,000,000
8	Department of Commerce	-	(800,000)	-
9	Kansas, Inc.	-	(10,000)	-
10	Kansas Technology Enterprise Corporation	-	(390,000)	-
11	Economic Development Initiatives Fund	-	-	5,800,000
12	State Housing Trust Fund	-	-	2,000,000
	<b>Total</b>	<u>\$ 3,345,016</u>	<u>\$ 2,145,016</u>	<u>\$ 92,800,000</u>

**FY 2010 Supplemental Appropriations  
Bill Explanation for 2010 Senate  
Substitute for House Bill 2222 as  
Amended by Senate Committee**

**Sec. 2 -- Legislative Coordinating Council**

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$86,885, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Add \$1.1 million, all from the State General Fund, in FY 2010, to be appropriated to the Legislative Coordinating Council. The funding would decrease the overall reduction for all Legislative Branch agencies contained in this bill from \$2.75 million, to \$1.65 million. The funding may be distributed among legislative branch agencies at the discretion of the Legislative Coordinating Council.
2. Add language for FY 2010 and FY 2011 to reduce the postage allowance for each member of the Legislature by 50.0 percent below the amount authorized by Legislative Coordinating Council policy for calendar year 2010. Include language to provide that if a member's postage allowance already exceeds 50.0 percent of the authorized amount, no further expenditures may be made by that member.

**Sec. 2 -- Legislative Research Department**

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$426,615, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 2 -- Revisor of Statutes**

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$649,379, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 3 -- Legislature**

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$1,366,648, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 4 -- Division of Post Audit**

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$225,457, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 5 -- Judicial Branch**

GOVERNOR'S RECOMMENDATION. The Governor recommends adding \$5.0 million, all from the State General Fund, to Judiciary Operations in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 6 -- Kansas Department of Transportation**

GOVERNOR'S RECOMMENDATION. The Governor recommends two transfers from the State Highway Fund to the State General Fund which total \$80.0 million in FY 2010 (one transfer of \$40.0 million in February, and the remaining \$40.0 million in May).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 7 -- Securities Commissioner**

GOVERNOR'S RECOMMENDATION. The Governor recommends transferring \$5,000,000 from the Investor Education Fund of the Office of the Securities Commissioner of Kansas to the State General Fund, in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 8 -- Department of Commerce**

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the agency's Economic Development Initiatives Fund (EDIF) appropriation by \$800,000 from \$16,714,779 to \$16,252,308 for FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 9 -- Kansas Inc.**

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the agency's Economic Development Initiatives Fund (EDIF) appropriation by \$10,000 from \$365,162 to \$355,162 for FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 10 -- Kansas Technology Enterprise Corp.**

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the agency's Economic Development Initiatives Fund (EDIF) appropriation by \$390,000 for FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

**Sec. 11 -- Economic Development Initiatives Fund**

GOVERNOR'S RECOMMENDATION. For FY 2010, the Governor recommends transferring \$5,800,000 from the Economic Development Initiatives Fund to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.



**Sec. 12 -- Kansas Housing Resources Corporation**

**GOVERNOR'S RECOMMENDATION.** The Governor recommends transferring \$2.0 million from the State Housing Trust Fund to the State General Fund. The 2009 Legislature had approved a transfer of \$2.0 million from the Economic Development Initiative Fund (EDIF) to the State Housing Trust Fund. The recommendation would transfer the same amount as the approved, back into the State General Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Senate Appropriations Bill**  
 (Reflects Senate Adjustments for FY 2008, FY 2009, FY 2010, FY 2011, and FY 2012)

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<b>FY 2010</b>				
<u>Legislative Coordinating Council</u>				
1. Add \$1.1 million, all from the State General Fund, in FY 2010 with language allowing the LCC to distribute up to that amount to any Legislative Branch agency upon certification to the Director of Accounts and Reports.	1,100,000	0	1,100,000	0.0
2. Add language for FY 2010 and FY 2011 to reduce the postage allotment for each member of the Legislature by 50.0 percent below the amount authorized by Legislative Coordinating Council policy for calendar year 2010.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$1,100,000</i>	<i>\$0</i>	<i>\$1,100,000</i>	<i>0.0</i>
<u>Health Policy Authority</u>				
1. Add language requiring the agency to report on or before March 1, 2010 regarding short-term options, intermediate-term, adjustments and improvements to the state Medicaid plan to various Legislative Committees (Floor amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<b>TOTAL</b>	<b>\$1,100,000</b>	<b>\$0</b>	<b>\$1,100,000</b>	<b>0.0</b>