



PERFORMANCE AUDIT REPORT

Federal Funds: Evaluating State Spending Required by Federally Funded Programs

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
December 2015**

Legislative Division of Post Audit

The **Legislative Division of Post Audit** is the audit arm of the Kansas Legislature. Created in 1971, the division's mission is to conduct audits that provide the Legislature with accurate, unbiased information on the performance of state and local government. The division's audits typically examine whether agencies and programs are effective in carrying out their duties, efficient with their resources, or in compliance with relevant laws, regulations and other requirements.

The division's audits are performed at the direction of the **Legislative Post Audit Committee**, a bipartisan committee comprising five senators and five representatives. By law, individual legislators, legislative committees, or the Governor may request a performance audit, but the Legislative Post Audit Committee determines which audits will be conducted.

Although the Legislative Post Audit Committee determines the areas of government that will be audited, the audits themselves are conducted independently by the division's professional staff. The division's reports are issued without any input from the committee or other legislators. As a result, the findings, conclusions, and recommendations included in the division's audits do not necessarily reflect the views of the Legislative Post Audit Committee or any of its members.

The division conducts its audit work in accordance with applicable government auditing standards set forth by the U.S. Government Accountability Office. These standards pertain to the auditor's

professional qualifications, the quality of the audit, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants (AICPA) and adopted by the Legislative Post Audit Committee.

LEGISLATIVE POST AUDIT COMMITTEE

Representative John Barker, Chair
Representative Tom Burroughs
Representative Peggy Mast
Representative Virgil Peck, Jr.
Representative Ed Trimmer

Senator Michael O'Donnell, Vice-Chair
Senator Anthony Hensley
Senator Laura Kelly
Senator Jeff Longbine
Senator Julia Lynn

LEGISLATIVE DIVISION OF POST AUDIT

800 SW Jackson
Suite 1200
Topeka, Kansas 66612-2212
Telephone: (785) 296-3792
Fax: (785) 296-4482
Website: <http://www.kslpa.org>

Scott Frank, Legislative Post Auditor

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

The Legislative Division of Post Audit supports full access to the services of state government for all citizens. Upon request, the division can provide its audit reports in an appropriate alternative format to accommodate persons with visual impairments. Persons with hearing or speech disabilities may reach the division through the Kansas Relay Center at 1-800-766-3777. The division's office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.



LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

800 SOUTHWEST JACKSON STREET, SUITE 1200
TOPEKA, KANSAS 66612-2212
TELEPHONE (785) 296-3792
FAX (785) 296-4482
WWW.KSLPA.ORG

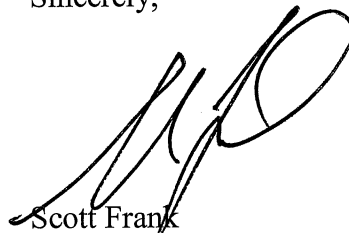
December 10, 2015

To: Members, Legislative Post Audit Committee

Representative John Barker, Chair	Senator Michael O'Donnell, Vice-Chair
Representative Tom Burroughs	Senator Anthony Hensley
Representative Peggy Mast	Senator Laura Kelly
Representative Virgil Peck, Jr.	Senator Jeff Longbine
Representative Ed Trimmer	Senator Julia Lynn

This report contains the findings and conclusions from our completed performance audit, *Federal Funds: Evaluating State Spending Required by Federally Funded Programs*. The report does not contain any recommendations. The audit was requested by Senator Pilcher-Cook. We would be happy to discuss the findings or any other items presented in this report with any legislative committees, individual legislators, or other state officials.

Sincerely,



Scott Frank
Legislative Post Auditor

This audit was conducted by Kristen Rottinghaus, Lynn Retz, Michael Shelton, Leyton Gunn, and Daria Milakhina. Chris Clarke was the audit manager. If you need any additional information about the audit's findings, please contact Kristen Rottinghaus at the Division's offices.

Legislative Division of Post Audit
800 SW Jackson Street, Suite 1200
Topeka, Kansas 66612

(785) 296-3792
Website: www.kslpa.org

Table of Contents

Introduction	1
Question 1: Does Kansas' Participation in Federally Funded Programs Create Significant Unfunded Obligations for State Agencies?	
<i>In Recent Years, Kansas Agencies Spent About \$5 Billion Annually in Monetary and Nonmonetary Support from the Federal Government</i>	<i>3</i>
<i>Federally Funded Programs Will Require Kansas Agencies to Spend an Estimated \$2 Billion on Cost-Sharing Obligations in Fiscal Year 2016</i>	<i>4</i>
<i>Federally Funded Programs Typically Impose Administrative Requirements on State Agencies, Although Most of These Can Be Paid for With Program Funds</i>	<i>6</i>
<i>Federally Funded Programs Often Include Conditions on How State Agencies Can Spend Federal Funds</i>	<i>10</i>
<i>Most Programs Have Penalty or Repayment Clauses If State Agencies Fail to Meet Program Requirements</i>	<i>11</i>
<i>The Federal Government Has Tied Some National Policy Objectives to Federal Funds, and States' Efforts to Challenge Those Policies Have Had Mixed Results</i>	<i>13</i>
Conclusion	17

List of Figures

Figure 1-1: Federally Funded Programs and Federal Expenditures FY 2013-2015.....	3
Figure 1-2: Estimated Cost-Sharing Obligations by Program FY 2016	6
Figure 1-3: Estimated Federal Expenditures and Cost-Sharing Obligations for Sample Programs FY 2016.....	7
Figure 1-4: The State of Kansas is Required to Undergo a "Single Audit" as a Condition of Receiving Federal Funds	8
Figure 1-5: Examples of Major Penalties and Repayments Incurred by Kansas Agencies.....	12
Figure 1-6: Kansas Joined Two Federal Lawsuits that Challenge National Policy Requirements in October 2015.....	14

List of Appendices

Appendix A: Scope Statement.....	19
Appendix B: Fiscal Year 2016 Cost-Sharing Data from the Kansas Legislative Research Department ..	21
Appendix C: Agency Response	35

Federal Funds: Evaluating State Spending Required by Federally Funded Programs

In fiscal year 2015, the state spent more than \$5 billion in federal funds for numerous programs including Medicaid, Unemployment Insurance, and Child Support Enforcement for Kansans. To receive federal funding, those programs often require the state to match federal funds and to satisfy certain additional conditions. For example, the Affordable Care Act originally required states to expand their Medicaid programs or lose federal funding. However, in *NFIB v. Sebelius* (2012), the U.S. Supreme Court determined the federal government could not coerce states to expand their Medicaid programs through the threat of eliminating federal Medicaid funds.

Legislators have expressed concern that Kansas' federally funded programs might contain provisions that require additional state spending, which could potentially be challenged given the Supreme Court's ruling.

This performance audit answers the following question:

1. Does Kansas' participation in federally funded programs create significant unfunded obligations for state agencies?

A copy of the scope statement for this audit approved by the Legislative Post Audit Committee is included in **Appendix A**. For reporting purposes, we modified the original question to focus only on state agencies.

Our work included a variety of steps to identify the significant obligations federal funds impose on state agencies and to determine whether those obligations were unfunded. First, we selected nine programs for our review from the state's Schedule of Expenditures of Federal Awards (SEFA). These nine programs had some of the largest federal expenditures in fiscal year 2014. The sample was not selected in a way that it can be projected to all federally funded programs in Kansas. Next, we reviewed the federal Office of Management and Budget's (OMB) compliance guidelines to identify major requirements created by those programs. We also reviewed federal regulations and state plans to identify additional obligations. Finally, we interviewed state and federal officials about the funding associated with the major requirements and reviewed OMB's cost guidelines regarding allowable uses of federal funds. Note, our work focused on identifying unfunded obligations attached to state-operated programs. We did not review federal policies that were not tied to specific program funding.

Our work also included steps to identify cost-sharing obligations such as state-match and maintenance-of-effort requirements. We analyzed state-wide fiscal year 2016 cost-sharing data compiled by the Kansas Legislative Research Department (KLRD). Two important caveats to this information include:

- State-match and maintenance-of-effort obligations are estimated amounts from agency budgets or KLRD calculations based on the expected level of federal support for the fiscal year.
- The data exclude certain funds including those with less than \$100,000 in federal expenditures, quasi-governmental agencies such as the Kansas Housing Resource Corporation, and nonmonetary awards such as vaccines for preventable diseases.

As a result, the data should only be viewed as an indicator of the size and scope of cost-sharing obligations. We included it in this report to give readers a general sense for the kinds of state-match and maintenance-of-effort requirements.

Finally, our work included steps to identify court cases that challenge conditions attached to federally funded programs. We interviewed officials from the Kansas Attorney General's Office to determine the relevance of *NFIB v. Sebelius* to programs in Kansas. We also asked them about other recent court cases that challenge federal mandates and read associated newspaper articles and court documents.

We did not perform any work on internal controls because such work was not necessary to answer the audit question.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Question 1: Does Kansas' Participation in Federally Funded Programs Create Significant Unfunded Obligations for State Agencies?

In recent years, Kansas agencies spent about \$5 billion annually in monetary and nonmonetary support from federally funded programs (p. 3). Federally funded programs will require Kansas agencies to spend an estimated \$2 billion on cost-sharing obligations in fiscal year 2016 (p. 4). Beyond that, we did not identify any significant unfunded mandates, although there are restrictions tied to the use of federal funds. Federally funded programs typically impose administrative requirements on state agencies, though most of these costs can be paid for with program funds (p. 6). They also often include conditions on how state agencies can spend federal funds (p. 10). Most programs have penalty or repayment clauses if state agencies fail to meet these conditions or program requirements (p. 11). In addition, we found examples where the federal government has tied some national policy objectives to federal funds and states' efforts to challenge those policies have had mixed results (p. 13).

In Recent Years, Kansas Agencies Spent About \$5 Billion Annually in Monetary and Nonmonetary Support from the Federal Government

Kansas agencies spent about \$5 billion in federal funding for more than 500 programs in each of the last three fiscal years. The federal government provides grants that support state programs in a number of areas, such as education, transportation, health care, and social services. Each year, the federal government requires states to compile a list of federal expenditures for all federal programs called the Schedule of Expenditures of Federal Awards (SEFA). **Figure 1-1** below summarizes the federal expenditures and programs reported in Kansas' schedule for fiscal years 2013 to 2015. As the figure shows, federal expenditures and programs have decreased slightly in recent years, from \$5.25 billion in 2013 to \$5.02 billion in 2015.

Figure 1-1 Federally Funded Programs and Federal Expenditures in Kansas FY 2013-2015		
Fiscal Year	Number of Programs	Total Federal Expenditures
2013	569	\$5.25 billion
2014	531	\$5.07 billion
2015	513	\$5.02 billion
Source: Fiscal year 2013, 2014, and 2015 Schedule of Expenditures of Federal Awards (SEFA).		

The federal government provides both monetary and nonmonetary support to states. Monetary grants distribute federal funds to state agencies for certain activities that can have broad or narrow purposes. The amount of a monetary grant can be set by law or administrative regulation—called a formula grant—or can be for a specific project over a fixed amount of time—called a project grant. Conversely, nonmonetary grants provide goods or services to state agencies rather than funds.

Nonmonetary grants include training services and the donation of land, equipment, food, or drugs. For example, the Immunization Cooperative Agreements program is a nonmonetary grant that provides vaccines for preventable diseases to high-risk individuals including children.

Agencies can pass monetary and nonmonetary grants through to other state agencies or local governments that expend the funds. For these pass-through grants, the primary agency may keep a portion of the grant for administrative purposes, but pass on the remaining funds. The Community Development Block Grant is an example of a pass-through monetary grant. The federal government awards the grant directly to the Department of Commerce, which then passes the funds on to local units of government to support economic and housing development of viable communities.

Federally Funded Programs Will Require Kansas Agencies to Spend an Estimated \$2 Billion on Cost-Sharing Obligations in Fiscal Year 2016

Many federally funded programs require one of two types of cost-sharing obligations: state-match requirements and maintenance-of-effort requirements. Matching requirements compel the state to pay for a certain percentage of a program's costs. For example, the federal government contributes 75% of the funding for the Medicaid Fraud Control Unit and the state contributes the remaining 25% of program costs—known as the “state match.” This helps ensure the state participates financially in programs that directly benefit Kansans and helps increase program efficiencies.

Maintenance-of-effort requirements compel the state to maintain a certain level of non-federal funding or services. For example, the federal government provides funding for Special Education in elementary and secondary schools. However, as a condition of the funding, it also requires the state's contribution to be equal to or greater than the state's contribution the previous year—known as the “maintenance of effort.” This helps ensure federal funds are used to augment, rather than replace, state funding.

Cost-sharing obligations vary depending on the federal program. Some programs include a matching requirement, while others require maintenance of effort. Some programs require both, while others require neither one.

For matching requirements, the size of the state match differs across programs. For example, in fiscal year 2016, the estimated state match for the Medical Assistance Program (Medicaid) is about 44%. By contrast, the estimated state match for some aging programs is only 15%.

For maintenance-of-effort requirements, the base year can vary. For example, grants for HIV care require the state to maintain expenditures at the previous year's level. On the other hand, the substance abuse grants require the state to maintain its expenditures for services to pregnant women and women with children at the fiscal year 1994 level.

State agencies can use a variety of funding sources to satisfy cost-sharing obligations, including state general funds and fee funds. We reviewed nine federally funded programs. One program did not include any state cost-sharing requirements. Of the remaining programs, two met their entire cost-sharing obligation using only state general funds and six met at least a portion of those obligations through other sources such as fee funds or income tax credits. For example, the Highway Planning and Construction program (highway funds) used money from the State Highway Fund to meet state-matching requirements. Similarly, the state's maintenance-of-effort requirement for the Temporary Assistance for Needy Families (TANF) program was met primarily through state expenditures for the Kansas Earned Income Tax Credit.

Information compiled by the Kansas Legislative Research Department (KLRD) shows Kansas' portion of cost sharing will be about \$2 billion in fiscal year 2016. KLRD gathered information from the state's budgeting system for most programs that plan to spend at least \$100,000 in federal funds during fiscal year 2016. For each program, KLRD consulted agency staff and reviewed budget documents to estimate the size of the cost-sharing obligations. In some cases, KLRD calculated the cost-sharing amount based on the expected level of federal support for the fiscal year and their interpretation of program requirements. The full results are shown in **Appendix B** and the results for the largest programs (in terms of their cost-sharing obligations) are summarized in **Figure 1-2** on the next page.

- **KLRD's results show 45% of the programs have some form of cost-sharing obligation.** Because the data exclude certain programs and reflect only budgeted amounts, it is likely more programs will require state spending by the end of the year.
- **KLRD estimates Kansas will spend about \$2 billion on cost-sharing obligations in fiscal year 2016.** As **Figure 1-2** shows, almost 90% of this total is in four large programs—Medicaid, Special Education, the Mental Health Block Grant, and federal highway funds.

Figure 1-2 Estimated Cost-Sharing Obligations by Program FY 2016		
Program	State Obligation	
	Amount	% of Total
Medical Assistance Program (Medicaid)	\$1,141 million	57%
Special Education	\$440 million	22%
Mental Health Block Grant	\$112 million	6%
Highway Planning & Construction Program (Highway Funds)	\$73 million	4%
All Other Programs	\$249 million	12%
Total (a)	\$2,016 million	100%
(a) Data do not add to total due to rounding. Source: Kansas Legislative Research Department data (unaudited).		

The actual cost-sharing obligations in fiscal year 2016 will be different for two main reasons. First, the data KLRD compiled is an estimate of the size and scope of cost-sharing obligations, but is not a precise measure of state spending. Second, the data do not include information for all federally funded programs in Kansas. The information excludes quasi-governmental agencies like the Kansas Housing Resource Corporation. Because KLRD relied on budget data, the information also excludes data for agencies that wait until the federal grant is awarded before budgeting expenses. Finally, KLRD focused on cost-sharing obligations that agencies paid for with state funds. As a result, the information excludes nonmonetary awards such as vaccines for preventable diseases.

Federally Funded Programs Typically Impose Administrative Requirements on State Agencies, Although Most of These Can Be Paid for With Program Funds

To determine whether Kansas' participation in federally funded programs creates significant unfunded obligations, we selected nine programs with large federal expenditures and compiled a list of their requirements. **Figure 1-3** on the next page shows the nine programs' purposes, federal expenditures, and cost-sharing obligations. As the figure shows, the state expects to spend more than \$4.9 billion in federal and state funds on these programs in fiscal year 2016. Although we chose some of the largest federal programs for our analysis, our results are not projectable across all programs.

The federally funded programs we reviewed create numerous administrative obligations for state agencies. For each program in our sample, we assembled a list of the significant obligations state agencies have to meet to draw down federal funds. We found state agencies are required to engage in administrative activities and dedicate time and staffing resources to provide program services. Such requirements ensure agencies use federal funds and state cost-sharing funds to establish processes for operating and monitoring the program. Some examples are described on page 8.

Figure 1-3
Estimated Federal Expenditures and Cost-Sharing Obligations for Sample Programs
FY 2016

Program	Description	Federal Expenditures	Maintenance of Effort	State Match
Medical Assistance Program (Medicaid)	Provides financial assistance to states for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women, and the elderly who meet income and resource requirements.	\$2,000 million	N/A	\$1,141 million
Supplemental Nutrition Assistance Program (SNAP) (a)	Provides access to nutritious, healthy diets to low-income families through the provision of nutrition education and nutrition assistance. That assistance is provided through the issuance of monthly benefits for the purchase of food at authorized retailers.	\$396 million	N/A	\$26 million
Highway Planning & Construction Program (Highway Funds)	Helps state departments of transportation to plan, construct, and preserve the National Highway System.	\$365 million	N/A	\$73 million
Special Education (b)	Provides grants to states to assist them in providing special education and related services to children with disabilities.	\$110 million	\$440 million	N/A
Title I Grants to Local Educational Agencies (Title I)	Provides grants to improve the education of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.	\$104 million	N/A	N/A
Temporary Assistance for Needy Families (TANF)	Provides temporary financial assistance to needy families with children so that the children can be cared for in their own homes. Also intended to help end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce out-of-wedlock pregnancies; and encourage the formation and maintenance of two parent families.	\$84 million	\$66 million	N/A
Child Care Development Block Grant (Child Care Funds) (c)	Provides funds to increase the availability, affordability, and quality of child care services. Funds are used to subsidize child care for low-income families where the parents are working or attending training or educational programs, as well as for activities to promote overall child care quality for all children.	\$52 million	\$7 million	\$9 million
Child Support Enforcement (Child Support Funds)	Provides funds to enforce support obligations by non-custodial parents, locate absent parents, establish paternity, and obtain child and spousal support.	\$29 million	N/A	\$13 million
Medicaid Fraud Control Unit	As part of their Medicaid state plans, states are required to maintain a fraud control unit that investigates and prosecutes fraud by Medicaid providers.	\$1 million	N/A	\$404,000
Total (d)		\$3,140 million	\$513 million	\$1,263 million

(a) Includes SNAP (CFDA# 10.551) and State Administrative Matching Grants for SNAP (CFDA# 10.561).
(b) Includes Special Education, Grants to States (CFDA# 84.027) and Special Education, Preschool Grants (CFDA# 84.173).
(c) Includes CCDBG (CFDA# 93.575) and Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA# 93.596).
(d) Data do not add to total due to rounding.
Source: LPA summary of Kansas Legislative Research Department data (unaudited) and information from state agencies in our sample (unaudited); Federal Office of Management & Budget Compliance Supplement, June 2015(unaudited).

- **State agencies are required to file numerous reports with federal agencies.** Agencies have to provide information to a federal oversight agency to help ensure the programs meet requirements. This information includes periodic reports that summarize key financial and program results. For example, the Child Care Development Block Grant (child care funds) requires quarterly financial reports. Further, TANF requires performance data on the rate at which families receiving assistance are engaged in certain work activities.
- **State agencies are required to monitor program performance.** Agencies are often required to monitor service quality, oversee the performance of other grant recipients, and take steps to identify fraud. For example, Medicaid requires agencies to have procedures for evaluating the necessity, quality, and timeliness of services. State agencies also must agree to periodic, independent financial audits. The largest of these is the annual single audit, which provides a financial review of the major federally funded programs in Kansas and their compliance with federal requirements. The single audit is described in more detail in **Figure 1-4** below.
- **State agencies are required to develop program policies and a state plan.** This written documentation outlines the purpose, goals, administration, and operation of the program. It also describes how the state will meet federal program requirements. For example, agencies are required to submit a state plan, which ensures assistance is provided to the necessary individuals and which provides assurances the program will conform to state laws and regulations.

Figure 1-4

The State of Kansas is Required to Undergo a “Single Audit” as a Condition of Receiving Federal Funds

In accordance with the federal Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, all non-federal entities that spend at least \$750,000 in federal awards are required to undergo a “single audit.” The single audit combines the audit of the state's financial statements with an organization-wide audit of the state's compliance with federal requirements. The single audit has three primary objectives:

- evaluate state agencies' compliance with federal laws, regulations, contracts, and other requirements
- evaluate agencies' system of internal controls to ensure compliance with those requirements
- identify and quantify any questioned costs associated with instances of non-compliance

The Legislative Division of Post Audit contracts with a private CPA firm to conduct Kansas' annual single audit. The audit firm is selected through a competitive bidding process, with the final decision made by the statutorily created Contract Audit Committee (a five-member committee consisting of three legislators, the Secretary of Administration, and the Legislative Post Auditor). The current audit firm, CliftonLarsonAllen, was awarded a four-year contract in 2013 to conduct the state's single audit.

- **State agencies are required to maintain accounting systems and other records necessary to operate the state plan.** This includes processes to ensure funds are expended and accounted for properly and that adequate records are maintained related to applications, fees, fiscal records, and employee time. It also includes information technology systems to automate claims processing and program applications. For example, Child Support Enforcement requires agencies to maintain an accounting system that ensures claims for federal funds meet requirements. Further, SNAP requires agencies to automate their operations for obtaining, maintaining, and transmitting program information.

The federal Office of Management and Budget (OMB) has established guidelines that generally permit state agencies to use federal funds to pay for these administrative obligations. OMB cost guidelines identify allowable and unallowable uses of federal funds. It also issues compliance guidelines which identify requirements that could have a direct and material effect on programs that receive federal funding. Based on these OMB guidelines, we found federal funds generally can be used to pay for reasonable administrative program costs, as described below.

- **State agencies can use federal funds to pay for the direct costs of administering the programs.** Federal cost guidelines identify direct costs that can be covered with federal funds. Direct costs are specifically related to a particular program and can be easily identified as expenditures. These include costs associated with personnel, travel, and materials and supplies necessary to provide and support program services.
- **State agencies can also use federal funds to pay for indirect costs, as long as the agencies follow a valid cost allocation plan.** Indirect costs are not easily assignable to a specific program because they benefit multiple programs in the same agency (such as fiscal services) or multiple agencies (such as central accounting and data processing services). Federal guidelines require the state to develop a cost allocation plan and indirect cost rate that provide a method for assigning indirect costs to individual federal awards. These plans are meant to ensure federal funds are not used to subsidize non-program costs.
- **When administrative expenses exceed the amount of available federal funding, agencies can typically count those expenses toward their cost-sharing obligations.** Typically, OMB's guidelines for allowable expenditures also apply to the use of state-match or maintenance-of-effort funds. Therefore, any allowable administrative expenditures that exceed the federal funding can be counted toward the state cost-sharing obligation. For example, the Kansas Attorney General can spend federal Medicaid Fraud Control Unit funds on costs associated with investigating and prosecuting Medicaid fraud in Kansas. It also can count state expenditures for those same activities toward its state-match requirement.

State and federal officials told us the significant administrative obligations we identified were either paid for with federal funds or counted toward the state’s cost-sharing obligations.

As previously discussed, we reviewed OMB compliance guidelines, state plans, and federal regulations as appropriate to identify major obligations the nine sample programs created for state agencies. We asked state officials to identify the funding source for the requirements and also spoke with federal officials about the potential for unfunded obligations. State and federal officials with all nine programs told us federal funds or state-match or maintenance-of-effort funds paid for the significant obligations we identified. Because of time constraints, we did not verify what state and federal officials told us as part of this audit.

Federally Funded Programs Often Include Conditions on How State Agencies Can Spend Federal Funds

The federal government prohibits states from using federal funds for certain costs. OMB cost guidelines provide universal guidance for complying with federal rules for determining allowable costs. OMB also issues compliance guidelines that identify specific cost exceptions for individual programs. Based on those documents, we found:

- **Some types of costs are prohibited for all federally funded programs.** Cost guidelines prohibit states from using federal funds to pay for certain costs that are considered unnecessary or not directly related to the program. These include costs for alcoholic beverages, tickets to sports or other entertainment events, lobbying, contingency reserves, fines, penalties, or damages, and similar items.
- **In addition, other types of costs may be prohibited for specific programs.** Some costs may be allowable expenses for one program, but not for another. For example, costs to identify fraudulent activities are an allowable expense for the Medical Assistance Program, but are not an allowable expense for the Medicaid Fraud Control Unit. Specifically, a component of the Medical Assistance Program is responsible for identifying fraudulent Medicaid activity. However, this is considered a prohibited expense for the Medicaid Fraud Control Unit because it focuses on investigating and prosecuting Medicaid fraud.

Many federally funded programs limit the amount of federal funds agencies can spend on administrative activities. For example, child care funds, TANF, and Title I include a cap on the amount of federal funds that can be reserved and spent for administrative activities. The cap ranges from 1% of grant funds for Title I to 15% of grant funds for TANF. Special Education puts a cap on the dollar amount the state can reserve for administrative and other state-level activities—like technical assistance and professional development.

Some federally funded programs require agencies to use a portion of the federal funds for a particular purpose, a practice known as “earmarking.” For example, child care funds currently require agencies to spend at least 7% of federal funds on activities designed to improve the quality of and access to child care services. It also requires the state to spend at least 3% of federal funds on similar activities for infants and toddlers. Title I includes an earmarking requirement that obligates the state to reserve 4% of federal funds for school improvement activities, of which at least 95% must be passed to local districts.

Most Programs Have Penalty or Repayment Clauses If State Agencies Fail to Meet Program Requirements

Many federally funded programs include penalty or repayment clauses, although the terms vary depending on the program. Penalty clauses can allow federal agencies to withhold a certain amount of future funding or can require state agencies to pay the federal government for failure to meet program requirements. For example, if the state falls short of the maintenance-of-effort requirement for Special Education, the following year’s federal funding is reduced by the amount of the shortfall. Conversely, if the state fails to meet requirements of child care funds, it is assessed a penalty equal to a certain percentage of the grant.

Federal agencies can also require state agencies to repay the federal government for questionable costs such as inaccurate rate calculations or the inappropriate use of federal or state matching funds. In these cases, the state has already spent the funds, but is required to repay them. A repayment can also take the form of reduced federal funding in future years.

In recent years, Kansas has been assessed penalties or required to repay funds for failing to meet federal requirements. We asked Department of Administration officials and agency staff with the nine programs we reviewed to identify penalties recently enforced against Kansas. **Figure 1-5** on the next page summarizes the penalties and repayments officials identified. As the figure shows, Kansas agencies have been penalized for failing to meet cost-sharing obligations and work participation requirements. It also shows that agencies have had to repay the federal government because of inaccurate accounting adjustments and inappropriate or excessive use of federal or state matching funds.

Note, this listing provides examples of penalties and repayments that Kansas agencies have incurred, but there may be more. We do not know how this list compares to other states or whether the amount of penalties and repayments is significant or minor.

Figure 1-5 Examples of Major Penalties and Repayments Incurred by Kansas Agencies (a)			
Program or Agency	Description	Year Assessed	Amount
Penalty for Failure to Meet Program Requirements			
Temporary Assistance for Needy Families (TANF)	The state failed to meet the federal FY 2012 two-parent work participation requirement. As a result, a percentage of grant funds were withheld and maintenance of effort was increased. The federal FY 2016 block grant funds were reduced by about \$303,000 and the federal FY 2017 state MOE was increased by about \$303,000.	2016 - 2017	\$606,186
Special Education	The state failed to maintain 2010 and 2011 levels of state funding for Special Education. The penalty would have permanently reduced federal funds in all future years. Because of the national economic recession, federal officials waived the permanent reduction of federal funds and only withheld funds equal to a portion of the shortfall for one year.	2012	\$2.2 million
Repayment for Questionable Costs			
KDHE / KDoA	The state did not pay the interest earned on federal dollars in three state reserve funds (the state health care benefits fund, state workers compensation fund, and the leave reserve fund) from FY 1997 - 2011. As a result, the state is required to repay an amount equal to the error plus interest over several years.	2014 - 2019	\$19.5 million
Medicaid	The state did not provide documented assurance that the amount of federal funds it drew down for the Targeted Case Management service from FY 2001 - 2003 was within the allowable limit. As a result, the federal government withheld a portion of funds equal to the error.	2014	\$7.6 million
Office of Information Technology Services (OITS)	OITS made inaccurate accounting adjustments for IT services it provided to state agencies from FY 2009 - 2012 and had to make a one-time repayment equal to these unallowable costs.	2014	\$2.5 million
Medicaid	The state did not provide documented assurance that the amount of federal funds it drew down for Child Welfare Services from FY 2001 - 2003 was within the allowable limit. As a result, the federal government withheld a portion of funds equal to the error.	2013	\$1.9 million
Medicaid	The state did not provide documented assurance that the amount of federal funds it drew down for the Family Preservation Program from FY 2001 - 2003 was within the allowable limit. As a result, the federal government withheld a portion of funds equal to the error.	2013	\$103,967
DOA, Printing Division	In FY 2009, the state overestimated the amount of federal funds it was allowed to draw down for the printing division and therefore had an excess cash balance. The state repaid an amount equal to the error plus interest.	2010	\$194,394
DOA, Purchases Division	The state overestimated the amount of federal funds it was allowed to draw down for the purchasing division from FY 2000 - 2001 and therefore had an excess cash balance. As a result, the state repaid an amount equal to the error plus interest.	2001	\$36,100
Source: LPA summary of data provided by Kansas Department of Administration officials and agency program staff (unaudited).			

The Federal Government Has Tied Some National Policy Objectives to Federal Funds, and States' Efforts to Challenge Those Policies Have Had Mixed Results

At times, the federal government has attached national policies to federally funded programs to promote outcomes it has identified as improving the country's general welfare. It appears states have easily adopted some national policies, but have challenged others as being coercive or outside congressional authority. Several examples of these types of policies are described below.

We identified several national policies tied to state-operated programs for education, health care, and transportation, but they do not appear to have resulted in significant costs to the state. The major national policy initiatives we identified as being attached to federal funding are summarized below. This is not meant to be an exhaustive list of all policies tied to federally funded programs, but is intended to provide examples of the federal policy priorities that can be passed down to states.

- **The federal No Child Left Behind Act (NCLB) has attached education funding to increased student performance and school accountability.** NCLB was first passed in 2001 under the Bush Administration, and required states to meet performance targets for student assessments and teacher qualifications or risk federal funds. In 2011, the U.S. Department of Education under the Obama Administration offered a waiver to promote its policy initiatives by providing states and schools with an alternate way to meet some of the NCLB performance targets. Those alternatives required states to implement college and career-ready standards and to develop new ways of measuring student, teacher, and school performance. In 2012, Kansas received a NCLB waiver that currently remains in place.
- **Three national initiatives coupled transportation funding with policies meant to increase citizens' safety.** The first initiative, passed in 1974, required states to pass a maximum speed limit of 55 miles per hour (this requirement was finally lifted in 1995). The second initiative, passed in 1984, required states to prohibit persons less than 21 years of age from purchasing or publicly consuming alcohol. The third initiative was passed in 2000 and required states to pass a .08 blood alcohol content law. Failure to adopt any of these initiatives would have put at least a percentage of a state's federal highway funds at risk.
- **The Patient Protection and Affordable Care Act (ACA) attached Medicaid funding to federal policy objectives to increase health insurance coverage.** In 2010, Congress passed the ACA with two key provisions. One provision required most Americans to maintain minimum health insurance coverage and another required states to expand the scope of Medicaid and increase the number of individuals covered. If states failed to expand coverage, the act would have allowed the federal government to withhold all federal Medicaid funds, not just those tied to the new expansion requirement.

While many of these policy initiatives have been controversial, they do not appear to have created significant additional costs for the state. According to Kansas State Department of Education officials, the state was able to meet the requirements of NCLB and the NCLB waiver through the regular funding sources. They told us NCLB required them to shift program priorities, but did not require a shift in funding sources. With regard to the federal transportation initiatives, Kansas adjusted its maximum speed limit without issue and Kansas passed a .08 blood alcohol content law before the federal initiative was imposed. Finally, although the Medicaid expansion provision of the ACA would have created direct costs for the state, it was disallowed before going into effect, as described in the following section.

States efforts to challenge national policies have had mixed results. In 2012, states successfully challenged the Medicaid expansion provision of the ACA in the U.S. Supreme Court case *NFIB v. Sebelius*. Specifically, the Court determined the Medicaid expansion provision was unconstitutionally coercive because it provided states inadequate notice to voluntarily consent to the change and placed all existing federal Medicaid funds at risk.

On the other hand, states were unsuccessful in challenging the NCLB and federal drinking age requirements. Several states challenged NCLB as being underfunded, but the U.S. Supreme Court declined to hear the case after it was dismissed by a U.S. Court of Appeals in 2010. The drinking age requirement was challenged as violating states' rights and limits on the federal government's spending power, but the Court upheld Congress' right to tie such conditions to a national interest.

Figure 1-6
Kansas Joined Two Federal Lawsuits that Challenge National Policy Requirements in October 2015

Kansas joined Texas and Louisiana in challenging the constitutionality and lawfulness of a provision of the Affordable Care Act (ACA) called the Health Insurance Providers Fee. This is a national fee on all covered health insurance providers to subsidize health insurance for low-income individuals and families. Managed-care organizations pay the fee, which the Internal Revenue Service collects and considers a tax. New actuarial standards issued in March 2015 require states to include managed-care organizations' taxes (and therefore this fee) in the capitation rate they pay managed-care organizations. If states refuse, the managed-care-organization agreement would not be eligible for federal reimbursement and the state would lose its federal Medicaid funds. The premise of the lawsuit is that the ACA did not provide clear notice to states that they must pay the fee and its associated costs to the managed-care organization, or risk losing federal funding. State officials involved with the lawsuit also argue the federal government does not have the authority to assess the fee or tax against the states. The lawsuit is still in process.

Kansas has also joined several states in a second lawsuit, which seeks judicial review of new Environmental Protection Agency (EPA) rules involving the Clean Air Act. The new rules would require states to reduce carbon emissions at least 30% by 2030. The premise of the litigation is that the final rule exceeds the EPA's statutory and constitutional authority. State officials involved with the lawsuit claim the rules will require them to immediately commit resources to design a new energy plan and that the costs of those efforts will be unfunded. The petition for review is currently pending.

Officials with the Kansas Attorney General told us about two additional lawsuits that challenge federal mandates they think are coercive or outside legal authority. **Figure 1-6** on the previous page describes those lawsuits—one challenging a component of the ACA called the Health Insurance Providers Fee and one challenging Environmental Protection Agency rules on clean air emissions. As the figure explains, Kansas joined the two cases in October 2015, so the final outcomes were unknown at the time we completed our review.

Conclusion and Recommendations

Conclusion

Federal funds and the programs they support represent a significant piece of the state's budget—more than \$5 billion in each of the past three years. These programs support a number of important functions, including the state's highway system, social service programs, health care, and education. However, federal funding is not “free money” and typically comes with a number of obligations. Those obligations are an ongoing source of concern for many policymakers, and were the reason for this audit. By far the most significant obligations that come with federal funding are the variety of cost-sharing obligations. Whether they come in the form of matching requirements or maintenance-of-effort requirements, the state will have a total of approximately \$2 billion in cost-sharing obligations for fiscal year 2016. Although cost sharing is not the only type of obligation that comes with accepting federal funds, the other obligations are primarily administrative and more importantly, can be paid for with the federal funds themselves. Ultimately, it is up to the state's policymakers to determine whether the benefits of the federally funded programs outweigh the cost-sharing obligations they impose on the state.

Recommendations

None

APPENDIX A

Scope Statement

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on April 28, 2015. The audit was requested by Senator Pilcher-Cook.

Federal Funds: Evaluating State Spending Required by Federally Funded Programs

In fiscal year 2013, the state spent more than \$5.3 billion in federal funds for numerous programs including Medicaid, the Supplemental Nutrition Assistance Program, Unemployment Insurance, and Child Support Enforcement for Kansans. Many of those programs, such as Medicaid, require the state to match federal funds to help subsidize the program.

In addition to requiring state fund matches, some federal programs place additional conditions on federally accepted funds. For example, in order to receive federal funding, the Child Support Enforcement program requires the state to provide services to locate absent parents, establish paternity, and enforce support obligations.

Some policy analysts suggest that the U.S. Supreme Court's recent ruling on the Affordable Care Act in *NFIB v. Sebelius*—in which the Court ruled that the federal government could not coerce states to expand their Medicaid programs through the threat of eliminating federal Medicaid funds—might be relevant to other federally funded programs.

Legislators have expressed concern that Kansas' federally funded programs might contain provisions that require additional state spending—which could potentially be challenged given the Supreme Court's recent ruling.

A performance audit in this area would address the following question:

1. **Does Kansas' participation in federally funding programs create significant unfunded obligations for state and local agencies?** To answer this question, we would review the state's Schedule of Expenditures of Federal Awards (SEFA) to identify all federally funded programs in Kansas. We would also review academic literature to identify federal programs that require the state or local governments to provide additional programs or services to maintain federal funding levels. Further, we would select a sample of programs based on our literature review and on program size in terms of total expenditures. For that sample, we would work with state and federal agency staff to better understand any conditions attached to federal funds. Specifically, we would estimate the cost of meeting those conditions and how much federal funding is at risk if they are not met. We would also consider maintenance of effort requirements associated with ARRA funds (e.g. states had to maintain funding for elementary and secondary education to receive ARRA funding). Finally, we would interview officials from both the Kansas Attorney General's Office and the U.S. Attorney General's Office to determine whether they think the Supreme Court's recent ruling is relevant to any of the federal programs we evaluated. We would perform additional work in this area as necessary.

Estimated Resources: 3 LPA staff
Estimated Time: 3 months (a)

(a) *From the audit start date to our best estimate of when it would be ready for the committee.*

APPENDIX B
Fiscal Year 2016 Cost-Sharing Data
From the Kansas Legislative Research Department

This appendix contains information the Kansas Legislative Research Department (KLRD) compiled to estimate federal expenditures and state cost-sharing obligations in fiscal year 2016. In general, the data is a snapshot from August 2015 and should be interpreted only as an indicator of the size and scope of expenditures and cost-sharing obligations. As discussed in more detail on page 6, the data are estimates from a variety of sources and do not include information for all federally funded programs in Kansas. Actual federal expenditures and state spending for cost-sharing obligations will change based on program performance during the remainder of the year.

KLRD indicated it plans to revise this data as new information becomes available. Any such updated information would be available from KLRD.

Appendix B Estimated Federal Expenditures and Cost-Sharing Obligations by Fund from the Kansas Legislative Research Department FY 2016				
Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Adjutant General	12.401-NATL GUARD MIL OPS/MNT	\$21,133,493	\$2,444,201	Match can range from 75% Federal/25% SGF, 50% Federal/50% SGF, or 100% federal depending on the type and use of the facility. The federal appropriation is always greater than what we have in state dollars to match. Therefore, we lose federal dollars every year. However, there are additional federal dollars available if we had more SGF to match the federal dollars.
Adjutant General	20.703-INTRAGY HZRD MAT TRN/PL	\$368,982	\$0	20% soft-match from locals, currently no SGF dollars are spent. However, if the locals didn't provide the soft-match then the State would have to pay the match in order for the projects to be completed or the project and federal dollars would be lost.
Adjutant General	97.036-DISASTER GRNTS-PUB ASST	\$2,911,531	\$388,204	75% federal funds, 15% locals, & 10% State (SGF)
Adjutant General	97.039-HAZARD MIT GRNT	\$633,568	\$0	75% federal & 25% county soft match. If the county match were to be zero, then the State would have to pick up the cost or the projects could not be completed and federal dollars would be lost.
Adjutant General	97.042-EMER MGMT PRFORM GRNTS	\$4,699,568	\$866,198	50% SGF/soft-match & 50% EMPG. If the counties and the nuclear plants decrease their soft-match, the State portion will have to increase. The State relies heavily on the soft-match, which is a risk.
Adjutant General	97.073-ST HOMELAND SEC PRG	\$391,947	\$0	None
Adjutant General	NATL GRD CILVN YTH OPRT	\$1,300,000	\$0	None
Adjutant General	State and Local Implementation Grant Pro	\$185,839	\$37,168	20% Soft-match provided by salaries paid by this agency.
Attorney General	16.576-CRIME VICTIM COMP	\$1,300,000	\$0	60% Federal Reimbursement for State Expenditures from Previous FY
Attorney General	16.588-VIOLNC AGNST WOMEN-ARRA (a)	\$132,191	\$44,064	Match is 25% on average
Attorney General	93.775-ST MEDICD FRAUD CTL UNT (a)	\$1,034,234	\$404,105	75% federal match to the state's required 25% contribution
Attorney General	99.012-MEDICAID INDIRECT COST	\$364,299	\$0	None
Attorney General	99.013-FEDERAL FORFEITURE FD	\$215,396	\$0	None
Attorney General	ALCH IMPRD DRVG CNTRMSR	\$217,841	\$0	None
Board of Regents	84.002-ADULT EDU-BASIC GRT (a)	\$3,607,710	\$1,801,151	33.3% state dollars
Board of Regents	84.048-CAREER/TECH EDU-BSC GRT	\$4,886,203	\$256,135	100% state dollars, Match - \$256,135 (KBOR); MOE - \$90,567,924 state dollars for total grant award
Board of Regents	99.014-USAC E-RATE PRG	\$732,035	\$0	None
Board of Regents	TEMP ASST FOR NEEDY FAMILIES	\$515,000	\$0	Funds from DCF, matching requirement would be in that agency
Commission on Veterans Affairs	COMMISN ON VET AFFAIRS FDF	\$183,498	\$0	None
Commission on Veterans Affairs	SOLDIERS HOME FDF	\$6,840,838	\$0	None
Commission on Veterans Affairs	SOLDIERS HOME MEDICARE FD	\$322,283	\$0	Funds from KDADS, matching requirement would be in that agency
Commission on Veterans Affairs	VA BURIAL REIMB FDF	\$146,020	\$0	None
Commission on Veterans Affairs	VETERANS HOME FDF	\$1,493,981	\$0	None
Commission on Veterans Affairs	VETERANS HOME MEDICARE FUND	\$47,296	\$0	Funds from KDADS, matching requirement would be in that agency
Department for Aging & Disability Services	93.558-TEMP ASST-NEEDY FAMILIES	\$1,408,000	\$0	State MOE is met by the Department for Children and Families
Department for Aging & Disability Services	93.667-SOC SVC BLOCK GRNT	\$4,500,000	\$104,097	Maintenance of Effort
Department for Aging & Disability Services	93.777-ST SRVY/CRT-HLTH CR PRO	\$6,561,887	\$2,251,628	15% state requirement, 0% on Medicare, 25% Medicaid
Department for Aging & Disability Services	93.778-MEDICAL ASSISTANCE PRG	\$788,835,268	\$258,775,333	50% admin, Projected FY 16 43.93% assistance, Estimated FY 17 43.93% assistance
Department for Aging & Disability Services	93.779-CTR MEDCR/MEDCD SVC RSC	\$529,014	\$0	None

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Department for Aging & Disability Services	93.791-MONEY FLWS PERSON GRT	\$7,361,757	\$1,558,484	21.17% transition & Managed Care 43.12% Transition coordination
Department for Aging & Disability Services	93.958-MENTAL HLTH BLK GRNT	\$3,173,493	\$111,855,210	MOE - State maintained expenditures for community mental health services at a level that is not less than the average level of such expenditures maintained by the state for the 2 year period preceding the fiscal year for which the state is applying. SET-ASIDE #1 - State shall expend not less than \$2,843,496 to provide systems of integrated services for children with serious emotional disturbances (SED). SET -ASIDE #2 - 5% of the MHBG to support "Evidence-based programs that address the needs of individuals with early serious mental illness, including psychotic disorders"
Department for Aging & Disability Services	ASST N TRNSTN FOR HMLSS	\$339,700	\$114,000	25%
Department for Aging & Disability Services	MEDCR ENRLMT ASST PRG	\$127,129	\$0	None
Department for Aging & Disability Services	NTL FMY CRGVR SPRT IIIE	\$1,389,793	\$459,598	33% percent state, 15% local match
Department for Aging & Disability Services	NUTR SVCS INCTV PRG	\$1,992,209	\$0	None
Department for Aging & Disability Services	Prevention Treatmt Subst Abuse Blo	\$12,197,651	\$20,916,806	MOE - State maintains expenditures for authorized activities at a level that is not less than the average level of such expenditures maintained by the state for the 2 year period preceding the fiscal year for which the state is applying. MOE for Pregnant Women and women with dependent children - States shall expend no less than an amount equal to the amount expended by the State for FY1994 (\$2,616,806). Set-Aside - States must spend no less than 20% of their SABG allotment on substance abuse primary prevention strategies.
Department for Aging & Disability Services	SPCL PRG 4 AGNG IIIB	\$3,432,908	\$0	0%, 15% local match
Department for Aging & Disability Services	SPCL PRG 4 AGNG IIIC	\$6,501,940	\$292,587	4.5% state match, 15% local agency match
Department for Aging & Disability Services	SPCL PRG 4 AGNG IIID	\$191,313	\$0	None, 15% local match
Department for Aging & Disability Services	SPCL PRG 4 AGNG IV & II	\$404,473	\$0	None
Department for Aging & Disability Services	SUB ABS/MNTL HLTH SVC	\$1,684,028	\$0	None
Department for Children & Families	10.561-SUPP NUTR ASST PRG (a)	\$24,690,164	\$25,635,161	SNAP funds consist of five sources: Nutrition Education, SNAP Administration Matching Funds, SNAP Employment and Training 100% Grant, SNAP Employment and Training 50% Matching, and State Exchange. Nutrition Education requires a 50% state match; however, the state match is both in-kind and spent by Kansas State University. These matching funds are not shown in the DCF budget. SNAP Administration Matching Funds require a 50% state match plus an annual \$1,602,000 cost allocation adjustment related to the design of the TANF Block grant. The SNAP Employment and Training 50% state match source requires a 50% state match. The other sources are 100% federal.

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Department for Children & Families	84.126A-REHAB SVCS-VOC REHAB (a)	\$23,605,345	\$6,388,740	78.7 percent Federal and 21.3 percent Non-Federal (State) funds; The MOE level is based on the amount of State expenditures for the Federal fiscal year two years earlier.
Department for Children & Families	93.556-PROMOTNG SAFE/STBL FMLY (a)	\$2,067,478	\$689,159	Funds are distributed to states by the US Department of Health and Human Services based on the state's share of children in all states receiving Supplemental Nutrition Assistance Program (SNAP) benefits. The required state match is 25% of total expenditures.
Department for Children & Families	93.558-TEMP ASST-NEEDY FAMILIES (a)	\$82,240,972	\$0	Funds are distributed by the US Department of Health and Human Services based on Federal Fiscal Year 1994 expenditures. States achieving the federal work requirements must meet a 75.0 percent maintenance of effort requirement (\$61,749,591 for Kansas), otherwise states must meet an 80.0 percent requirement (\$65,866,230). A maximum of 30.0 percent of the block grant may be transferred to the Child Care and Development Fund and the Social Services Block Grant. At the State's option, up to 1/3 of the 30.0 percent transfer (or, 10.0 percent of the total block grant) may be transferred to the Social Services Block Grant. Maintenance of effort is currently met through allowable expenditures at the Dept. of Revenue and the Dept. of Education.
Department for Children & Families	93.563-CHILD SPRT ENFRMNT (a)	\$28,703,666	\$13,497,150	Matching requirement is 66.0 percent Federal and 34.0 percent Non-Federal (State) funds. This program has a maintenance of effort (MOE) requirement. The MOE level is based on the amount of State expenditures for the Federal fiscal year 1998 which is \$13,497,150
Department for Children & Families	93.566-REFUGEE/ENTRANT ASST (a)	\$934,911	\$0	100% federal funds. No state matching or maintenance of effort required.
Department for Children & Families	93.568-LOW-INCOME HM ENGY ASST (a)	\$37,386,586	\$0	100% federal funds. No state matching or maintenance of effort required.
Department for Children & Families	93.575-CHLD CARE/DEVLPR BLK GRT (a)	\$26,392,939	\$0	100% federal funds. No state matching or maintenance of effort required.
Department for Children & Families	93.590-COMM BSD CHLD ABS PRVTN (a)	\$692,546	\$173,137	Funds are distributed by the US Department of Health and Human Services. There is a 20.0 percent State match requirement. This program has no maintenance of effort (MOE) requirement.
Department for Children & Families	93.596-CHLD CARE/DEV-MAND MTCH (a)	\$22,746,408	\$16,161,428	CCDF matching funds, a state maintenance of effort of \$6,673,024 must be met if CCDF matching funds are used. The state matching funds rate is determined by the Federal Medical Assistance Percentage (FMAP). A total of \$9,488,404 is available to be matched with CCDF matching funds in FY 2016 and \$8,790,514 in FY 2017.
Department for Children & Families	93.599-CHAFEE EDU/TRN VCHR PRG (a)	\$676,114	\$169,029	Funds are distributed by the US Department of Health and Human Services in the same ratio as the number of children in foster care in the state to the total number in foster care in all states. The required state match is 20% of total expenditures.
Department for Children & Families	93.600-HEAD START (a)	\$135,847	\$45,282	A 25% state match is required.

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Department for Children & Families	93.630-DEVLP DSBLTS/BSIC SPRT (a)	\$665,455	\$0	None
Department for Children & Families	93.643-CHILDRENS JUSTICE GRNT (a)	\$197,823	\$0	Funds are distributed by the US Department of Health and Human Services based on a statutory formula. There is no matching requirement nor MOE.
Department for Children & Families	93.645-CHLD WELFARE SVC ST GRT (a)	\$2,649,953	\$883,318	Funds are distributed by the US Department of Health and Human Services based on a formula whereby each state receives a base amount. The balance is allocated based on a formula dependent on child population and per capita income. The required state match is 25% of total expenditures.
Department for Children & Families	93.658-TTL IVE-FOSTER CARE (a)	\$9,068,979	\$8,394,765	Title IV-E Foster Care is an entitlement grant managed by the US Department of Health and Human Services. As an entitlement grant, the amount of the grant awards are based on allowable expenditures. Qualifying administrative expenses require a 50% state match. The required match for maintenance expenses (Room & Board) is based on the state's Federal Medical Assistance Percentage (FMAP). That percentage is 55.96% for FFY 16 resulting in a 44.04% required match.
Department for Children & Families	93.659-ADOPTION ASSISTANCE (a)	\$17,102,267	\$13,684,590	Title IV-E Adoption is an entitlement grant managed by the US Department of Health and Human Services. As an entitlement grant, the amount of the grant awards are based on allowable expenditures. Qualifying administrative expenses require a 50% state match. The required match for qualified subsidy payments is based on the state's Federal Medical Assistance Percentage (FMAP). That percentage is 55.96% for FFY 16 resulting in a 44.04% required match.
Department for Children & Families	93.667-SOC SVC BLOCK GRNT (a)	\$19,826,874	\$0	None
Department for Children & Families	93.669-CHILD ABUSE/NEGLECT (a)	\$361,634	\$0	Funds are distributed by the US Department of Health and Human Services based on the population of children under age 18 in each state. There is no matching requirement nor MOE.
Department for Children & Families	93.674-CHAFEE FSTR CARE INDPNC (a)	\$1,892,389	\$473,097	Funds are distributed by the US Department of Health and Human Services in the same ratio as the number of children in foster care in the state to the total number in foster care in all states. The required state match is 20% of total expenditures.
Department for Children & Families	93.778-MEDICAL ASSISTANCE PRG (a)	\$4,657,260	\$4,657,260	Administration is matched at 50/50 and assistance at 60/40. This fund is all administrative expenses.
Department for Children & Families	96.001-SOC SEC-DISABLT INS (a)	\$15,385,751	\$0	None
Department for Children & Families	COMMODITY SUPP FOOD PRG (a)	\$306,850	\$0	100% federal funds. No state matching or maintenance of effort required.
Department for Children & Families	EMERGENCY FOOD ASST PRG (a)	\$550,805	\$63,691	A 50.0% state match is required for administrative expenditures. Shipping, storage and distribution costs are 100% federal-funded.
Department for Children & Families	INDEPENDENT LIVING (a)	\$1,717,548	\$24,485	90.0 percent Federal and 10.0 percent Non-Federal (State) funds. Match only applies to the Independent Living federal grant, not to the portion funded by Social Security Reimbursement funds provided by the Social Security Administration. No maintenance of effort (MOE) requirement.

Appendix B Estimated Federal Expenditures and Cost-Sharing Obligations by Fund from the Kansas Legislative Research Department FY 2016				
Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Department for Children & Families	INDPDNT LVNG-OLDR BLND (a)	\$350,000	\$38,889	90.0 percent Federal and 10.0 percent Non-Federal (State) funds. No maintenance of effort (MOE) requirement.
Department for Children & Families	SPRT EMPMT SVC-DSBLTS	\$300,000	\$16,667	90.0 percent Federal and 10.0 percent Non-Federal (State) funds. Match only applies to 50% of the federal grant. No maintenance of effort (MOE) requirement. No matching requirement existed prior to FFY 2015.
Department of Administration	12.106-FLOOD CONTROL PRJ (a)	\$325,000	\$325,000	50%, cash, land, easement rights
Department of Administration	93.778-MEDICAL ASSISTANCE PRG (a)	\$177,588	\$177,588	50%, cash, In-Kind
Department of Administration	SPCL PRG 4 AGNG IIIB (a)	\$184,153	\$91,938	15%, MOE, cash
Department of Administration	SPCL PRG 4 AGNG VII-2	\$139,604	\$0	None
Department of Administration	State and Local Implementation Grant (a)	\$521,409	\$130,352	20%, cash, in-kind
Department of Agriculture	10.025-PLNT/AMNL DIS & PST CTL (a)	\$502,596	\$502,596	In-Kind, Obligation varies from 5% to 50% based on project.
Department of Agriculture	10.477-MEAT/POLT/EGG PROD INSP (a)	\$1,424,246	\$1,424,246	50%
Department of Agriculture	10.912 NRSC CONTB AGREEMENT (a)	\$210,378	\$70,126	25%, Limited resource producers, social disadvantaged producers and beginning farmers and ranchers may be eligible for payments up to 90 percent of the approved practice cost.
Department of Agriculture	66.605-PERFORM PRTNRSH PRG (a)	\$502,137	\$88,612	15% for the grant, except certification and training is 50%
Department of Agriculture	97.023-COM AST-ST SPRT SVC ELM (a)	\$152,763	\$50,921	25%
Department of Agriculture	97.041-NATL DAM SAFETY PRG	\$168,028	\$0	None
Department of Agriculture	97.067-HOMELAND SEC GRNT	\$113,210	\$0	None
Department of Agriculture	97.070-COOPERATING TECH PRTNRS	\$1,400,370	\$0	Without FEMA Flood Plain grant and associated match, we would be ineligible for this funding. No other match requirement for this specific funding.
Department of Agriculture	FARM TO SCHOOL GRANT	\$100,000	\$0	47%, In-Kind
Department of Agriculture	FOOD SFTY/SEC MONTRG	\$207,502	\$0	None
Department of Agriculture	FOOD/DRUG ADMIN/RSCH	\$556,667	\$0	None
Department of Agriculture	SPEC CROP BLK GRT PRG (a)	\$304,000	\$33,778	10%
Department of Commerce	14.228-COMM DEV BLK GRNTS	\$16,602,326	\$0	First \$100,00 of each years CDBG allocation is no match. A local match is needed on 1:1.
Department of Commerce	17.225-UNEMPLOYMENT INSURANCE	\$1,469,330	\$0	None
Department of Commerce	17.259-WIA YOUTH ACTIVITIES	\$5,038,911	\$0	None
Department of Commerce	CHLD CARE/DEVLPR BLK GRT	\$215,881	\$0	None
Department of Commerce	JOB TRAINING GRNT-H-1B	\$809,479	\$0	None
Department of Commerce	LOC VET EMPMT REP PRG	\$414,069	\$0	None
Department of Commerce	SR COMM SVC EMPMT PRG	\$839,036	\$4,000	Match varies from year to year and is outlined in the award agreement each year.
Department of Commerce	State Small Business Credit Initiative	\$2,220,564	\$0	Each program augments private capital by providing 9% matching funds to small business projects that may never be realized without these funds.
Department of Commerce	TEMP LBR CERT-FRGN WRK	\$115,589	\$0	None
Department of Commerce	TRADE ADJ ASST	\$4,610,248	\$0	None
Department of Commerce	VETERANS ASST PRG	\$1,042,189	\$0	None
Department of Commerce	WAGNER/PEYSER EMPMT SVC	\$5,436,781	\$0	None
Department of Commerce	WIA ADULT	\$5,474,887	\$0	None
Department of Commerce	WIA DISLOCATED WORKERS	\$4,914,636	\$0	None
Department of Commerce	WRKR OPP TAX CREDIT PRG	\$144,239	\$0	Federal income tax credits
Department of Corrections	16.593-RES SUB ABS TRRMT-PRSNR	\$112,500	\$37,500	25%
Department of Corrections	16.738-ED BYRNE MEM JSCT ASST	\$177,838	\$0	None
Department of Corrections	16.812-SECOND CHANCE ACT	\$259,067	\$0	None
Department of Corrections	JJDP-FDF-TITLE II	\$572,249	\$63,583	10%

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Department of Corrections	JUV ACTBLT INCTV BK GRT	\$181,526	\$20,170	10%
Department of Corrections	MEDICAL ASSTANCE PROGRAM	\$2,933,000	\$2,112,632	41.87% FY 16; 43.39% FY 17
Department of Corrections	PROT INMTS/SFGRD COMM	\$142,448	\$47,483	25%
Department of Corrections	TITLE IV-E	\$313,839	\$627,678	Reimbursed 50% for administration and at the Medicaid rate for maintenance; the non-federal share of the program cost is considered the agency's maintenance of effort.
Department of Corrections	USMS REIMBURSEMENT	\$163,898	\$0	None
Department of Education	10.553-SCHOOL BREAKFAST PRG	\$29,236,025	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	10.555-NATL SCHL LNCH PRG-ARRA	\$119,100,795	\$2,510,000	The minimum match has been \$2.510 million since at least FY 2000 and remains at that amount through FY 2017.
Department of Education	21ST CEN COMM LEARNING CTR-FDF	\$7,598,255	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	84.027-SPECIAL EDU ST GRNTS (a)	\$101,197,241	\$440,425,732	MOE - State must maintain its level of financial support for providing special education services from one year to the next. This MOE involves counting moneys from a variety of sources from various agencies. State's MOE for FY16 is \$440.4 million; FY 17 - \$440.8 million.
Department of Education	84.048-CAREER/TECH EDU-BSC GRT	\$4,195,000	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	84.173-SPECIAL EDU-PRESCHL GRT (a)	\$3,767,986	\$0	State must maintain its level of financial support for providing special education services from one year to the next. This MOE involves counting moneys from a variety of sources from various agencies. State's MOE for FY16 is \$440.4 million; FY 17 - \$440.8 million.
Department of Education	84.367-IMPV TCHR QUALITY GRT	\$17,220,877	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	DRUG ABUSE FDF-STATE OPS	\$201,036	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	ED OF HNDICPD CLD-PSCHL-ST OP (a)	\$233,771	\$0	State must maintain its level of financial support for providing special education services from one year to the next. This MOE involves counting moneys from a variety of sources from various agencies. State's MOE for FY16 is \$440.4 million; FY 17 - \$440.8 million.
Department of Education	EDU DEPRIVED GRANTS PRG FDF	\$1,372,791	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	EDU OF HNDICPD CHLD ST OP FDF (a)	\$2,288,151	\$0	State must maintain its level of financial support for providing special education services from one year to the next. This MOE involves counting moneys from a variety of sources from various agencies. State's MOE for FY16 is \$440.4 million; FY 17 - \$440.8 million.
Department of Education	EDU RSCH GRNTS & PRJ FDF	\$2,843,178	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	EL/SC SCH AID-ED DPRV CHLD-LEA	\$101,302,343	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	EL/SEC SCHL AID-MGRNT ED-ST OP	\$227,928	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	ELEM/SEC SCHL AID-MIG EDU FDF	\$11,263,531	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	ELEM/SECNDRY SCHOOL AID FDF	\$10,055,575	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	FOOD ASSISTANCE FDF	\$8,587,974	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	FOOD AST-CHLD/ADLT CR FOOD PRG	\$34,737,840	\$0	Grant funds may not be used to replace state or local funds.

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Department of Education	LANGUAGE ASST ST GRNTS FDF	\$3,774,000	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	RURAL/LOW INCOME SCHLS PRG FDF	\$472,561	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	ST GRT-IMPR TCH QUAL FDF-ST OP	\$468,000	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	STATE ASSESSMENTS FDF	\$4,499,921	\$0	Grant funds may not be used to replace state or local funds.
Department of Education	VOC EDU TITLE II FDF-ST OPS	\$771,924	\$0	Grant funds may not be used to replace state or local funds.
Department of Labor	17.225-UNEMPLOYMENT INSURANCE	\$20,827,712	\$0	None
Department of Labor	17.504-CONSULTATION AGREEMENT	\$644,580	\$64,458	10%
Department of Labor	LABOR FORCE STATS	\$648,547	\$0	None
Department of Labor	WAGNER/PEYSER EMPMT SVC	\$516,361	\$0	None
Department of Labor	WIA PILOT/DEMO/RSCH PRJ	\$126,661	\$0	None
Department of Wildlife, Parks & Tourism	15.634-ST WILDLIFE GRNTS	\$202,146	\$109,159	Planning grants require 25% matching; federal share not to exceed 75% of total costs. Implementation grants require 35% matching; federal share not to exceed 65% of total costs. SWG-Competitive: Grants require 25% matching; federal share not to exceed 75% of total costs.
Department of Wildlife, Parks & Tourism	15.916-OUTDR REC ACQU/DEV/PLNG	\$525,000	\$262,500	The Land and Water Conservation Fund Act requires that the share of federal funds not exceed 50 percent of the total project cost.
Department of Wildlife, Parks & Tourism	94.006-AMERICORPS	\$468,097	\$234,049	Matching requirements vary from 0 to 50 percent based on duration that the program has been funded; see program regulations and application instructions. This program has MOE requirements.
Department of Wildlife, Parks & Tourism	97.012-BOATING SFTY FINCL ASST	\$1,197,840	\$1,197,840	1-1 Match Requirement - One-third of the funds available to the States shall be divided equally among eligible States; one-third shall be divided among eligible States based on the ratio of vessels numbered under approved State numbering systems; the remaining one-third shall be divided among eligible States based on the ratio of State funds spent for State boating safety programs in the previous fiscal year. The Federal share of funds expended on boating safety may not exceed 50 percent of total cost of a State Program. Funds remain available for obligation by the State for 3 years following date of allocation.
Department of Wildlife, Parks & Tourism	RECREATIONAL TRAILS PRG (a)	\$1,337,000	\$334,250	Percentage
Department of Wildlife, Parks & Tourism	SPORT FISH RESTORTN PRG (a)	\$4,645,517	\$2,319,276	Percentage
Department of Wildlife, Parks & Tourism	WILDLIFE RESTORATION (a)	\$8,140,672	\$4,064,234	Percentage
Emporia State University	BASIC OPPORTUNITY GRANTS FDF	\$6,360,000	\$0	None
Emporia State University	ECON OPRTNTY ACT-WORK STDY FDF	\$401,969	\$133,731	25% cash; tuition and restricted fee funds used for match
Emporia State University	EDU OPPORTUNITY GRANTS FDF (3)	\$199,365	\$53,958	21.3% cash; tuition and restricted fee funds used for match
Emporia State University	UNIVERSITY FDF (3)	\$183,895	\$45,700	Cash and in-kind - majority being in-kind; \$2,500 cash from tuition funds
Emporia State University	UNIVERSITY FDF (3)	\$85,637	\$38,319	Cash and in-kind - majority being in-kind; \$4,748 cash from tuition and restricted fee funds
Emporia State University	UNIVERSITY FDF (3)	\$284,753	\$23,172	Cash and in-kind; match from restricted fees and federal work/study funds
Emporia State University	UNIVERSITY FDF (3)	\$19,654	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$1,058	\$0	None

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Emporia State University	UNIVERSITY FDF (3)	\$6,335	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$9,282	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$22,979	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$22,690	\$15,270	Cash and in-kind; tuition and restricted fees
Emporia State University	UNIVERSITY FDF (3)	\$23,474	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$75,888	\$182,545	Cash and in-kind; restricted fees and other
Emporia State University	UNIVERSITY FDF (3)	\$141,673	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$6,221	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$48,966	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$218,468	\$7,600	Cash; restricted fees
Emporia State University	UNIVERSITY FDF (3)	\$5,792	\$0	None
Emporia State University	UNIVERSITY FDF (3)	\$24,000	\$0	None
Fort Hays State University	ECONOMIC OPPORTUNITY ACT FDF	\$471,814	\$157,271	25%, cash
Fort Hays State University	EDUCATION OPPORTUNITY ACT FDF	\$13,959,037	\$0	None
Fort Hays State University	UNIVERSITY FDF	\$832,390	\$94,702	Approximately 12%
Health & Environment--Environment	12.133-ST MEMO AGMT-REIMB TECH	\$456,889	\$0	None
Health & Environment--Environment	15.252-ABND MINE LAND RECLAM	\$2,663,314	\$0	None
Health & Environment--Environment	66.605-PERFORM PRTNRSHP GRTS	\$3,293,918	\$749,403	% of total project costs
Health & Environment--Environment	66.801-HZRD WST MGMT PRG SPRT	\$1,007,861	\$391,375	% of total project costs
Health & Environment--Environment	66.802-POL SBDV/IND TRB ST COP	\$727,854	\$9,053	% of total project costs
Health & Environment--Environment	66.804-UNDGRD STGTK PRV/DT/COM	\$350,201	\$137,057	% of total project costs
Health & Environment--Environment	66.805-LKNG UNDGRD STGTK CORR	\$605,774	\$76,304	% of total project costs
Health & Environment--Environment	66.817-ST/TRBL RESP PRG	\$705,772	\$0	None
Health & Environment--Environment	66.818-BRNFLDS ASST/CLNUP COOP	\$147,965	\$0	None
Health & Environment--Environment	93.283-DIS CTL/PVTN-INV/TCH AS	\$114,451	\$0	None
Health & Environment--Environment	93.521-AFFORDABLE CARE ACT	\$177,435	\$0	None
Health & Environment--Environment	93.777-ST SRVY/CRT-HLTH CR PRO	\$207,605	\$0	None
Health & Environment--Environment	93.778-MEDICAL ASSISTANCE PRG (a)	\$355,237	\$355,237	50% to 83%
Health & Environment--Environment	AIR POLL CTL PRG SPRT	\$1,402,297	\$1,245,298	% of total project costs
Health & Environment--Environment	CLN AIR ACT-SPC PRP ACT	\$309,540	\$0	None
Health & Environment--Environment	NONPNT SOURCE IMPL GRT	\$2,851,723	\$2,501,983	% of total project costs
Health & Environment--Environment	PUB HLTH EMER PREP	\$880,204	\$636,756	percentage
Health & Environment--Environment	WTR POLL CTL-INRST/TRBL	\$155,551	\$0	None
Health & Environment--Environment	WTR QUALITY MGMT PLNG	\$102,756	\$0	None
Health & Environment--Health	10.557-SPC SUP NUTR-WM/INF/CHD	\$64,658,655	\$0	None
Health & Environment--Health	10.576-SR FARMR MRKT NUTR PRG	\$171,311	\$0	None
Health & Environment--Health	66.032-ST INDOOR RADON GRTS	\$172,500	\$119,951	% of total project costs
Health & Environment--Health	93.217-FAMILY PLANNING SVC	\$2,235,126	\$1,188,095	percentage
Health & Environment--Health	93.268-IMMUNIZATION GRNT	\$3,148,668	\$0	None
Health & Environment--Health	93.283-DIS CTL/PVTN-INV/TCH AS	\$6,744,224	\$1,741,584	% of total project costs

Appendix B Estimated Federal Expenditures and Cost-Sharing Obligations by Fund from the Kansas Legislative Research Department FY 2016				
Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Health & Environment--Health	93.505-ACA-HOME VISITING PRG	\$982,676	\$0	None
Health & Environment--Health	93.521-AFFORDABLE CARE ACT	\$713,265	\$0	None
Health & Environment--Health	93.566-REFUGEE/ENTRANT ASST	\$374,436	\$0	None
Health & Environment--Health	93.575-CHLD CARE/DEVLPR BLK GRT	\$2,735,961	\$289,598	percentage
Health & Environment--Health	93.767-CHILDRENS HLTH INS PRG	\$81,645,342	\$17,293,612	CHIP is under Title XXI, and the federal government provides approximately 70 percent of the cost, up to a maximum allotment. The State provides the remaining 30 percent and any excess spent above the Federal allotment.
Health & Environment--Health	93.777-ST SRVY/CRT-HLTH CR PRO	\$1,347,060	\$391,259	percentage
Health & Environment--Health	93.778-MEDICAL ASSISTANCE PRG	\$1,203,157,453	\$875,395,155	Federal Medical Assistance Percentage (FMAP) determines the state and federal share of funding for Medicaid, adoption assistance, foster care, and child care; is determined yearly by the Secretary of Health and Human Services; and is based on a state's per capita personal income compared to the average of other states. For FY 2016, Kansas FMAP rate is 56.13 and For FY 2017 55.96.
Health & Environment--Health	93.889-NATL BIOTRSM HOSP PREP	\$2,071,612	\$207,161	percentage
Health & Environment--Health	93.913-RURAL HEALTH OFFICE OPS	\$170,120	\$510,360	% of total project costs
Health & Environment--Health	93.917-HIV CARE FORMULA GRANT	\$3,745,977	\$11,012,654	MOE
Health & Environment--Health	93.940-HIV PRVTN ACT-HLTH DEPT	\$1,132,498	\$0	None
Health & Environment--Health	93.941-HIV DEMO/RSCH/EDU PRJ	\$231,988	\$0	None
Health & Environment--Health	93.945-CHRNA DIS PRVNT/CTL AST	\$1,937,503	\$0	None
Health & Environment--Health	93.977-PRVNT HLT-SXLY TRNS DIS	\$671,607	\$0	None
Health & Environment--Health	93.991-PRVNT HLTH/HLTH SVC BLK	\$744,194	\$0	None
Health & Environment--Health	93.994-MATRNL/CHLD HLTH SVC	\$4,505,211	\$3,398,668	% of total project costs
Health & Environment--Health	99.007-NATL CTR FOR HLTH STAT	\$295,405	\$0	None
Health & Environment--Health	99.008-MAMGRPHY QLTY STNDR ACT	\$199,769	\$0	None
Health & Environment--Health	CONSOLIDATED HLTH CTRS	\$910,951	\$272,102	% of total project costs
Health & Environment--Health	COOR/DEV PRMY CR OFC-CO	\$189,770	\$0	None
Health & Environment--Health	EMER MED SVC- CHLDRN	\$127,108	\$0	None
Health & Environment--Health	INJY PRVTN/CTL RSCH-COM	\$637,926	\$0	None
Health & Environment--Health	LN REPLYMT PRG ST GRTS	\$150,000	\$150,000	percentage
Health & Environment--Health	MATRNL/CHLD HLTH CONSLD	\$140,000	\$0	None
Health & Environment--Health	PERS RESP EDUC PROG	\$179,352	\$0	None
Health & Environment--Health	PUB HLTH EMER PREP	\$6,367,561	\$636,756	percentage
Health & Environment--Health	QUITLINE CAPACITY	\$152,820	\$0	None

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
Health & Environment--Health	SECP EDU-INF/FMLYS	\$3,991,041	\$18,947,506	MOE
Health & Environment--Health	SML RURAL HOSP IMPV GRT	\$854,550	\$0	None
Health & Environment--Health	ST RURAL HOSP FLEX PRG	\$566,172	\$0	None
Health & Environment--Health	93.946-VR QUALITY IMPROVEMENT	\$116,573	\$0	None
Health & Environment--Health	TUBRC CTL GRT/COOP AGR	\$410,549	\$0	None
Health & Environment--Health	UNI NEWBORN HRNG SCRNG	\$246,156	\$0	None
Highway Patrol	97.073-ST HOMELAND SEC PRG	\$3,223,302	\$0	None
Highway Patrol	99.022-KHP FED FORFEITURE FD	\$213,019	\$0	None
Highway Patrol	HIGHWAY PLANNING/CONST	\$827,450	\$0	None
Highway Patrol	HIGHWAY PLANNING/CONST	\$1,055,768	\$263,942	20% State Match
Highway Patrol	NATL MTR CARRIER SFTY ASST PGM	\$265,542	\$0	None
Highway Patrol	NATL MTR CARRIER SFTY ASST PGM	\$441,881	\$0	None
Highway Patrol	NATL MTR CARRIER SFTY ASST PGM	\$3,155,136	\$1,130,784	20% State Match and \$342,000 MOE
Highway Patrol	ST/COMM HIGHWAY SAFETY	\$192,699	\$0	None
Historical Society	15.904-HIST PRESRV-GRNT-IN-AID	\$585,821	\$234,328	40% State Match
Judiciary	93.586-ST COURT IMPV PRG (a)	\$446,954	\$148,985	25%, cash
Kansas Bureau of Investigation	16.738-ED BYRNE MEM JSCT ASST	\$218,093	\$0	None
Kansas Bureau of Investigation	7.000-HGH INTNS DRUG TRFC AREA	\$3,446,827	\$0	None
Kansas Bureau of Investigation	FORENSIC DNA BCKLG RDCT	\$151,064	\$0	None
Kansas Bureau of Investigation	NATL CRIM HST IMPRV PRG	\$219,871	\$0	None
Kansas Corporation Commission	20.700-PUB SFTY PRG BASE GRNT	\$376,277	\$0	None
Kansas Corporation Commission	66.433-ST UNDRD WTR SRC PROT	\$346,336	\$86,584	25%
Kansas Corporation Commission	81.041-ST ENGY PRG (a)	\$372,840	\$93,210	20% of salaries
Kansas Corporation Commission	CMCRL VEH INFO SYS/NTWK	\$460,598	\$1,000,000 for life of project; match has been met	In-kind
Kansas Department of Transportation	SHF - Federal Highway Administration (a)	\$339,398,250	\$84,849,563	Reimbursement of state expenditures, 0% - 20%, with majority being 20%
Kansas Department of Transportation	Other Federal Grants - Federal Aviation Administration	\$350,000	\$0	Reimbursement of state expenditures
Kansas Department of Transportation	SHF - Federal Transit Administration (a)	\$16,552,840	\$4,138,210	Reimbursement of state expenditures, 20% - 50% local match, KDOT will provide 20% to locals on some projects
Kansas Department of Transportation	SHF - National Highway Traffic Safety Administration (a)	\$5,792,704	\$1,448,176	Reimbursement of state expenditures, 20% - 50% local match, KDOT will provide 20% to locals on some projects
Kansas Department of Transportation	Other Federal Grants - National Highway Traffic Safety Administration (a)	\$2,472,543	\$618,136	Reimbursement of state expenditures, 20% - 50% local match, KDOT will provide 20% to locals on some projects
Kansas Human Rights Commission	30.002-ST/LOC FAIR EMLMT PRCT	\$337,980	\$0	None
Kansas Juvenile Correctional Complex	10.555-NATL SCHL LNCH PRG-ARRA	\$185,000	\$0	None
Kansas Juvenile Correctional Complex	84.013-TTL I-NEGL/DELQ CHLDRN	\$185,000	\$0	None
Kansas Neurological Institute	94.011-FOSTER GRANDPARENT PRG (a)	\$381,271	\$42,363	Required to provide a 10.0 percent in-kind match of federal program expenditures. This is accomplished by providing use of KNI's facilities and other resources.
Kansas State University	University FDF - FED AWRD ADV PYMT USDOE AWRD F	\$2,081,546	\$3,855	None

Appendix B Estimated Federal Expenditures and Cost-Sharing Obligations by Fund from the Kansas Legislative Research Department FY 2016				
Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (%, cash, In-Kind, State, Private Funds, Other)
Kansas State University	University FDF - Sponsored Project Federal Fund	\$54,927,396	\$2,746,370	Various but average of 5% of grant award
Kansas State University	University FDF - Supplemental Educational Opportunity Grants (a)	\$11,250,000	\$3,750,000	25% for Supplemental Educational Opportunity Grants
Kansas State University	UNIVERSITY FDF - Pell Grants	\$10,500,000	\$0	None
Kansas State University--ESARP	FED EXPERIMENTAL STATION FD	\$4,261,203	\$4,261,203	100%
Kansas State University--ESARP	FEDERAL EXTENSION FD	\$5,256,300	\$5,256,300	100%
Kansas State University--ESARP	SMITH-LEVER SPEC PRG GRNT FDF	\$980,234	\$0	None
Kansas State University--ESARP	UNIVERSITY FDF	\$31,487,636	\$1,574,382	Various but average of 5% of grant award
Kansas Water Office	REG WETLAND PRG DEV GRT	\$132,336	\$33,084	25%, In-Kind
KSU--Veterinary Medical Center	UNIVERSITY FDF	\$614,006	\$73,681	12%
Larned State Hospital	10.555-NATL SCHL LNCH PRG-ARRA	\$209,682	\$0	MOE only, no match requirement.
Office of the Governor	16.575-CRIME VICTIM ASST	\$3,908,651	\$0	None
Office of the Governor	16.588-VIOLNC AGNST WOMEN-ARRA (a)	\$1,190,559	\$396,853	Cash, In-Kind, 25%
Office of the Governor	16.590-COM DEF SOL-VIL AGST WM	\$128,536	\$0	None
Office of the Governor	16.738-ED BYRNE MEM JSCT ASST	\$1,478,399	\$0	None
Office of the Governor	93.671-BTRD WMN/FAM VIOL PRVTN (a)	\$1,222,767	\$305,692	20%, cash, In-Kind
Office of the Governor	SEXL ASSLT SVC FRML PRG	\$295,925	\$0	Maintenance of Effort - SASP funds cannot be used to supplant existing funding sources.
Pittsburg State University	COLLEGE WORK STUDY FDF	\$426,043	\$86,101	25%
Pittsburg State University	UNIVERSITY FDF (a)	\$13,914,498	\$1,897,432	Approximately 12%
School for the Blind	84.027-SPECIAL EDU ST GRNTS	\$280,832	\$0	State must maintain its level of financial support for providing special education services from one year to the next. This MOE involves counting moneys from a variety of sources from various agencies.
School for the Blind	SPED_TECH ASSIST IMPROV SERV	\$121,088	\$0	Reimbursement of expenditures
School for the Blind	TEACHER PREP/MENTORING FDF	\$119,395	\$0	Reimbursement of expenditures
School for the Deaf	84.027-SPECIAL EDU ST GRNTS	\$116,193	\$0	State must maintain its level of financial support for providing special education services from one year to the next. This MOE involves counting moneys from a variety of sources from various agencies.
Secretary of State	HAVA TTL I	\$1,088,511	\$0	None
State Library	GRANTS TO STATES (a)	\$2,083,774	\$2,083,774	50%, federal: state; MOE required
Topeka Correctional Facility	14.228-COMM DEV BLK GRNTS	\$152,598	\$0	None
University of Kansas	EDU OPPORTUNITY ACT FDF (a)	\$325,000	\$108,333	25%, cash
University of Kansas	UNIVERSITY FDF	\$18,789,178	\$503,849	SGF/Other
University of Kansas	UNIVERSITY FDF	\$18,097,791	\$213,866	SGF/Other
University of Kansas	UNIVERSITY FDF	\$9,739,517	\$344,940	SGF/Other
University of Kansas	UNIVERSITY FDF	\$3,425,985	\$2,832,952	SGF/Other
University of Kansas	UNIVERSITY FDF	\$2,617,795	\$398,621	SGF/Other
University of Kansas	UNIVERSITY FDF	\$2,534,559	\$484,732	SGF/Other
University of Kansas	UNIVERSITY FDF	\$1,442,507	\$20,875	SGF/Other
University of Kansas	UNIVERSITY FDF	\$7,696,379	\$718,780	SGF/Other
University of Kansas	UNIVERSITY FDF	\$19,491,810	\$0	None
University of Kansas	UNIVERSITY FDF	\$930,000	\$328,600	SGF/Other
University of Kansas Medical Center	FEDERAL PELL GRANT FD	\$500,000	\$0	None
University of Kansas Medical Center	UNIVERSITY FDF	\$56,435,125		SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$190,856	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$163,350	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$105,755	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$506,490	SGF/Other

Appendix B
Estimated Federal Expenditures and Cost-Sharing Obligations by Fund
from the Kansas Legislative Research Department
FY 2016

Agency	Federal Funds	Federal Expenditures	State Match or Maintenance of Effort	Federal Match Requirements (% cash, In-Kind, State, Private Funds, Other)
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$34,662	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$404,594	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$19,286	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$15,041	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$37,595	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$19,654	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$16,020	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$79,823	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$21,835	SGF/Other
University of Kansas Medical Center	UNIVERSITY FDF	\$0	\$11,297	SGF/Other
Wichita State University	ECONOMIC OPPORTUNITY ACT FDF	\$420,103	\$105,000	25%
Wichita State University	MATCHING EDU OPRTNTY GRNT FDF	\$435,259	\$144,330	33%
Wichita State University	PELL GRANTS FDF	\$19,025,500	\$0	none
Wichita State University	UNIVERSITY FDF (a)	\$22,942,919	\$3,128,580	12% (approx.)
Total (a)		\$3,938,979,275	\$2,015,786,435	
(a) LPA changed these amounts from those originally provided by KLRD officials based on updated information. Source: Kansas Legislative Research Department data, as of August 2015 (unaudited)				

APPENDIX C

Agency Response

On November 9, 2015 we provided copies of the draft audit report to the Attorney General's Office, Department of Administration, Department of Education, Department of Health and Environment, Department of Transportation, and Department for Children and Families. Those agencies' responses were optional because the report did not include any recommendations. None of the agencies chose to submit a formal response.