

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 3, 2004 in Room 514-S of the Capitol.

All members were present except:

- Representative Dean Newton- excused
- Representative Larry Campbell- excused

Committee staff present:

- J. G. Scott, Legislative Research
- Amy VanHouse, Legislative Research
- Leah Robinson, Legislative Research
- Michele Alishahi, Legislative Research
- Nicoletta Buonasera, Legislative Research
- Julian Efird, Legislative Research
- Jim Wilson, Revisor of Statutes
- Mike Corrigan, Revisor of Statutes
- Nikki Feuerborn, Administrative Analyst
- Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See Attached List.

- Attachment 1 Budget Committee Report on Board of Tax Appeals
- Attachment 2 Budget Committee Report on Department of Revenue (DOR)
- Attachment 3 Budget Committee Report on Juvenile Justice Authority, Atchison Juvenile Correctional Facility, Beloit Juvenile Correctional Facility, Larned Juvenile Correctional Facility, Kansas Juvenile Correctional Complex, Topeka Juvenile Correctional Facility
- Attachment 4 Response from Social and Rehabilitation Services (SRS) to Committee questions with regard to Federal Block Grants

Chairman Neufeld recognized a group of Farm Bureau program students and teachers who were visiting the Committee meeting today.

Representative Klein, member of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Tax Appeals for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). Motion was seconded by Representative McCreary. Motion carried.

Representative Klein, member of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Tax Appeals for FY 2005 with adjustments and notations and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). Motion was seconded by Representative McCreary.

Representative Shriver moved to delete Item No. 1, relating to the Budget Efficiency Savings Teams (BEST) reductions, from the Budget Committee Report on the Board of Tax Appeals for FY 2005. The motion was seconded by Representative Howell. Motion carried. Representative Howell requested to be recorded as voting "no" on the motion.

Representative Klein renewed the motion to adopt the Budget Committee recommendation for the Board of Tax Appeals for FY 2005 as amended. The motion was seconded by Representative McCreary. Motion carried.

Representative McCreary, Chair of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 3, 2004 in Room 514-S of the Capitol.

Department of Revenue for FY 2004 and moved for the adoption of the Budget Committee recommendation with comments for FY 2004 (Attachment 2). Motion was seconded by Representative Klein.

The Committee voiced concern regarding the \$560,000 budget item for developing software in support of the Streamlined Sales and Use Tax Agreement.

Representative Merrick moved to amend the Budget Committee report by deleting the \$560,000 expense for developing software in support of the Streamlined Sales and Use Tax Agreement from the Department of Revenue budget. The motion was seconded by Representative Landwehr. With approval of the second, the motion was withdrawn.

Representative Landwehr moved to amend the Budget Committee report by directing the Department of Revenue to assist Kansas businesses with obtaining software in order to collect and comply with the Streamlined Sales and Use Tax Agreement and provide this assistance at no charge to the business. The motion was seconded by Representative Merrick. Motion carried.

Representative McCreary moved to adopt the Budget Committee report on the Department of Revenue for FY 2004 as amended. The motion was seconded by Representative Landwehr. Motion carried.

Representative McCreary, Chair of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Revenue for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 with comments (Attachment 2). Motion was seconded by Representative Klein.

The Committee requested information on the status of the seventy-five positions that were added to the Department of Revenue's staff by the Legislature in FY 2003 to assist in the collection of delinquent taxes, now that the project is in the completion stage.

Representative McLeland moved to amend the Budget Committee's report by disallowing all new additional funds to the Department of Revenue for the implementation of the Streamlined Sales and Use Tax Agreement until it has been approved by the federal government. The motion was seconded by Representative Huebert. Motion failed.

The Committee requested information from the Legislative Post Audit on the amount of delinquent vehicle sales tax.

Representative McCreary renewed the motion to adopt the Budget Committee report on the FY 2005 Department of Revenue recommendation. The motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Juvenile Justice Authority for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 3). The motion was seconded by Representative Minor. Motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Juvenile Justice Authority for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 with notations (Attachment 3). The motion was seconded by Representative Sharp.

Representative Landwehr moved to amend the Budget Committee report to request that the Public Safety Budget Committee review and report to the Committee before Omnibus, on the potential delay of mental health services for juvenile offenders. The motion was seconded by Representative Pottorff. Motion carried.

Representative Landwehr moved to amend the Budget Committee report to request that the Public Safety Budget Committee review and report to the Committee before Omnibus, on the issue of whether judges are assigning juveniles as Children in Need of Care (CINC) as opposed to juvenile offenders in order to access

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 3, 2004 in Room 514-S of the Capitol.

the higher reimbursement rate paid for CINC. The motion was seconded by Representative Light. Motion carried.

Representative Light renewed the motion to adopt the Budget Committee report on the Juvenile Justice Authority for FY 2005 as amended. The motion was seconded by Representative Minor. The motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Atchison Juvenile Correctional Facility for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 3). The motion was seconded by Representative Minor. Motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Beloit Juvenile Correctional Facility for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 3). The motion was seconded by Representative Minor. Motion carried

Responding to a question from the Committee, Nicoletta Buonasera, Legislative Research Department, indicated that the new matrix has contributed to a more stable female population at Beloit Juvenile Correctional Facility.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Larned Juvenile Correctional Facility for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 3). The motion was seconded by Representative Minor. Motion carried.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Juvenile Correctional Complex for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 with notations (Attachment 3). The motion was seconded by Representative Minor. Motion carried.

Responding to a question from the Committee concerning the number of FTE staff being moved from the Topeka Juvenile Correctional to the Kansas Juvenile Correctional Complex, Denise Everhart, JJA Commissioner, indicated that all food service and medical staff will be moved with a total of 170 FTE to operate the facility. The reported cost of opening the new facility is approximately \$7.2 million.

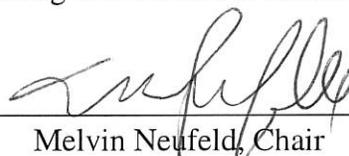
It was noted that Budget Committee Report recommendation for the Kansas Juvenile Correctional Complex for FY 2005 contains a typing error on Page 2, Item No. 1, in that February 15, 2004 should read February 15, 2005.

Representative Light, Chair of the House Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Topeka Juvenile Correctional Facility for FY 2004 and FY 2005 and moved for the adoption of the Budget Committee recommendations for FY 2004 and FY 2005 (Attachment 3). The motion was seconded by Representative Minor. Motion carried.

Representative Landwehr moved to approve the minutes as written of February 16, February 17, February 18, February 19, and February 20, 2004. The motion was seconded by Representative Feuerborn. Motion carried.

A response from Social and Rehabilitation Services (SRS) to Committee questions regarding the Federal Block Grants, was distributed to the Committee (Attachment 4).

The meeting was adjourned at 10:55 a.m. The next meeting will be held at 9:00 a.m. on March 4, 2004.



Melvin Neufeld, Chair

House Tax, Judicial, Transportation, and Retirement
Budget Committee

Board of Tax Appeals

FY 2004 and FY 2005



Representative Bill McCreary, Chair



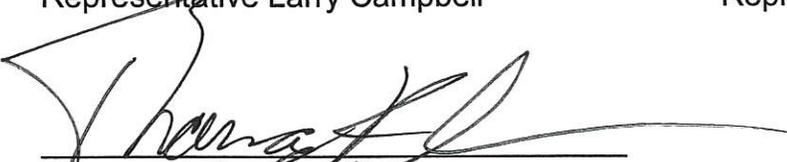
Representative Michael O'Neal



Representative Larry Campbell



Representative Tom Sawyer



Representative Tom Klein

HOUSE APPROPRIATIONS

DATE 3-03-2004
ATTACHMENT 1

Senate Subcommittee Report

Agency: State Board of Tax Appeals **Bill No.** SB 536 **Bill Sec.** 27
Analyst: Alishahi **Analysis Pg. No.** Vol. 1, p. 624 **Budget Page No.** 69

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,524,630	\$ 1,524,630	\$ 0
Other Funds	130,058	130,058	0
TOTAL	\$ 1,654,688	\$ 1,654,688	\$ 0
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$1,654,688 is an increase of \$61,156 (3.8 percent) from the approved budget. The State General Fund estimate of \$1,524,630 is an increase of \$285,938 (23.1 percent) from the approved amount. The agency's estimate includes a supplemental request totaling \$200,000 from the State General Fund.

The **Governor's** recommendation for FY 2004 operating expenditures of \$1,654,688 is an increase of \$61,156 (3.8 percent) from the approved budget. The State General Fund recommendation of \$1,524,630 is an increase of \$285,938 (23.1 percent) from the approved amount. The Governor's recommendation includes the supplemental request totaling \$200,000 from the State General Fund; and is consistent with the agency's FY 2004 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following notations:

1. The Subcommittee understands that the newly established Board of Tax Appeals Filing Fee Fund is not projected to generate the \$300,000 in revenue for FY 2004 set forth by the 2003 Legislature. It was brought to the attention of the Subcommittee that year to date the agency has collected approximately \$44,835 in fees. The agency estimates that an additional \$44,835 in fees will also be collected in the remaining five months of FY 2004. The Subcommittee understands that the Filing Fee Fund will generate approximately \$89,670 for the current fiscal year, which is \$210,330 less than the anticipated target of \$300,000 approved by the 2003 Legislature. The Subcommittee was informed that HB 2005 gave the Board the authority to administer, through rules and regulations, filing fees for certain types of cases filed with the agency's Regular Division, and exempted single family residential property from filing fees and limited the fee for

not-for-profit organizations to \$10 or less for property with a valuation of \$100,000 or less. In addition, it was brought to the attention of the Subcommittee that, although it is not included in the statute, the Board exempted agricultural lands from filing fees as well. The Subcommittee understands that it is difficult to estimate the amount of filing fees that may be generated because of the number of cases filed each year vary. The Subcommittee also appreciates the agency's concern that raising fees too high will prevent people from appealing their cases. However, the Subcommittee recommends that the agency increase its filing fees and add fees to properties that it chose not to charge a filing fee, such as for agricultural lands, with the intention that such efforts will assist the agency in generating more revenue for the Filing Fee Fund.

The Subcommittee also notes that the Legislature and the Governor expects the agency to raise approximately \$300,000 or 20.0 percent of the funds necessary to finance its operations through special revenue funds. The Subcommittee feels that the filing fees should be based on the costs of the agency and set at a level that will generate the required amount. The Subcommittee therefore recommends that legislation be introduced to change the exemptions placed on the filing fees schedule in order to enable the Filing Fee Fund to generate the \$300,000 in revenue anticipated by the Legislature and the Governor.

In addition, the Subcommittee was informed that there have been instances when individuals have refused to pay fees once their cases have been filed or have filed a protest in response for having to pay fees. The Subcommittee strongly expresses the opinion that when legislators and the general public object to the idea that there should be any fee at all for an appealing evaluation, to the point where some people have protested a small \$2.00 fee for their evaluation, they affect the agency's ability to raise revenue and is part of the reason why it is necessary to increase the fee schedule. The Subcommittee feels that the filing fees are reasonable for all people and that charging fees is a prudent and appropriate means of raising revenue for the agency.

2. The Subcommittee notes that, although the Filing Fee Fund has not generated the \$300,000 expected for FY 2004, the agency will have enough revenue for operating expenditures as long as it receives the \$200,000 State General Fund supplemental request recommended by the Governor. The Subcommittee was given a breakdown of the \$200,000 supplemental request. The agency intends to utilize \$145,000 for salaries, \$35,000 for Small Claims hearing officers, and \$20,000 for rent.
3. The Subcommittee acknowledges the agency's office space dilemma. The Subcommittee was informed that the agency vacated 1,800 square feet of office space in the Docking State Office Building with the understanding that the Department of Revenue, Division of Property Valuation would take over the unoccupied area. However, currently, the agency continues to have control over the area and is paying rent on it, even though it does not utilize the office space. The Subcommittee feels that it is not right for the agency to pay \$20,300 per year in rent for 1,800 square feet of office space that it is not currently occupying, especially when the agency is struggling to raise funds through its filing fees. The Subcommittee strongly recommends the agency get a written commitment from the Division of Property Valuation to take over the office space. The Subcommittee also recommends the agency send a letter to the Department of Administration to inform them that the agency does not need the office space, that it has been vacated, and that it is ready for the Division of Property Valuation to take over the space. Finally, the Subcommittee recommends the agency request a response from the Department of Administration as soon as possible.

4. The Subcommittee notes that even though the agency's workload has remained fairly constant, its number of FTE positions has decreased from 37.0 in FY 1999 to 26.0 in FY 2004. In addition, the agency had four vacant FTE positions in FY 2003 and has five vacant FTE positions in FY 2004 that have not been filled due to a lack of funding. The Subcommittee was informed that recently the agency learned that two additional employees will be leaving the agency. The Subcommittee understands that the agency will have 19.0 FTE positions filled and 7.0 FTE positions vacant in the near future; and that the agency has decided to wait and see how its budget hearings progress before it decides whether to fill the two vacant positions.

The Subcommittee notes that the agency has cross-trained its staff members to work in the Regular and the Small Claims Divisions; and that the agency has changed several of its internal processes to make better use of its staff and resources. The Subcommittee recognizes the agency's effort to operate more efficiently and its ability to handle a steady workload with a reduced staff. However, the Subcommittee also realizes that the agency is at a point where some of its processes have slowed down due to a decrease in staff. The Subcommittee was made aware that the agency is not reviewing tax exemption applications as quickly as it had in the past. The agency also foresees problems keeping pace with docketing and scheduling of small claims during the small claims busy season of May, June, July, and early August.

5. The Subcommittee understands that the agency's files from 1997 to 1999 have been closed and are ready to be microfilmed. The Subcommittee was informed that in the past the agency contracted with Norton Correctional Facility for microfilming. Norton Correctional Facility estimates that it will cost approximately \$115,000 to microfilm the files from 1997 to 1999. The Subcommittee notes that the Department of Revenue estimates that it can do the microfilming for \$38,000 to \$50,000. The Subcommittee realizes that the agency does not have the funds to microfilm the files at this time, but will do so at the end of the fiscal year if it has the revenue. The Subcommittee recommends the agency utilize the less expensive services offered by the Department of Revenue in microfilming the closed files.
6. The Subcommittee recognizes that the 2003 Legislature lapsed \$100,000 from the agency's FY 2003 budget in anticipation that two board members would be eliminated in January 2003. The Subcommittee was made aware that the two board members were not eliminated until May 22, 2003 and that no funds were reinstated to cover the salaries of the two board members from January to May 22, 2003. The Subcommittee understands that the agency paid the two board members a total of \$112,938, and consequently had to defer until FY 2004 payment of \$43,584 rent owed to the Department of Administration for FY 2003.

Senate Committee Recommendation

The Senate Committee concurs with Senate Subcommittee recommendation.

House Budget Committee Report

Agency: State Board of Tax Appeals **Bill No.** HB 2899

Bill Sec. 27

Analyst: Alishahi

Analysis Pg. No. Vol.1, p. 624

Budget Page No. 69

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,524,630	\$ 1,524,630	\$ 0
Other Funds	130,058	130,058	0
TOTAL	\$ 1,654,688	\$ 1,654,688	\$ 0
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2004 operating expenditures of \$1,654,688 is an increase of \$61,156 (3.8 percent) from the approved budget. The State General Fund estimate of \$1,524,630 is an increase of \$285,938 (23.1 percent) from the approved amount. The agency's estimate includes a supplemental request totaling \$200,000 from the State General Fund.

The **Governor's** recommendation for FY 2004 operating expenditures of \$1,654,688 is an increase of \$61,156 (3.8 percent) from the approved budget. The State General Fund recommendation of \$1,524,630 is an increase of \$285,938 (23.1 percent) from the approved amount. The Governor's recommendation includes the supplemental request totaling \$200,000 from the State General Fund; and is consistent with the agency's FY 2004 estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: State Board of Tax Appeals

Bill No. SB 538

Bill Sec. 20

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 624

Budget Page No. 69

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 1,262,779	\$ 1,294,199	\$ (31,694)
Other Funds	300,628	293,214	0
TOTAL	\$ 1,563,407	\$ 1,587,413	\$ (31,694)
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

* The adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$1,563,407 is a decrease of \$91,281 (5.5 percent) from the FY 2004 estimate. The State General Fund request of \$1,262,779 is a decrease of \$261,851 (17.2 percent) from the FY 2004 estimate.

The **Governor's** recommendation for FY 2005 operating expenditures of \$1,587,413 is a decrease of \$67,275 (4.1 percent) from the FY 2004 recommendation. The State General Fund recommendation of \$1,294,199 is a decrease of \$230,431 (15.1 percent) from the FY 2004 recommendation. The Governor recommends a 3.0 percent base salary increase of \$31,694 from the State General Fund, and a BEST reduction of \$7,688 in contractual services, commodities, and capital outlay. The Governor's recommendation is \$24,006 (1.5 percent) more than the agency's FY 2005 request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$191,673 State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments and notations:

1. **Pay Plan Adjustment** - Delete \$31,694 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.

2. The Subcommittee notes that the Governor's recommendation reflects the 2003 Legislature's original estimate that the Filing Fee Fund will generate approximately \$300,000 for the budget year. It was brought to the attention of the Subcommittee that the agency anticipates the filing fees to generate approximately \$125,000 for FY 2005. The Subcommittee understands that the agency's rent increased by \$36,000 beginning in FY 2004; and that the agency may not have the necessary funds in FY 2005 to cover the additional \$36,000 in rent. The Subcommittee was made aware that if the Filing Fee Fund does not generate the anticipated amount for FY 2005, the agency will need a supplemental request for \$200,000 from the State General Fund. However, the Subcommittee hopes that the introduction and possible passage of legislation that will enable the agency to change its filing fee schedule will allow the agency to collect enough revenue in the Filing Fee Fund to meet FY 2005 operating expenditures without a supplemental request.
3. The Subcommittee understands that Sedgwick County is considering abolishing its Hearing Officer Panel. The Subcommittee was made aware that the elimination of the Hearing Officer Panel will increase the number of appeals in the agency's Small Claims Division by approximately 1,500 to 2,000 and possibly even more. The Subcommittee realizes that if the Hearing Officer Panel is abolished in Sedgwick County, it will result in an added expense for the agency.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

House Budget Committee Report

Agency: State Board of Tax Appeals **Bill No.** HB 2900

Bill Sec. 20

Analyst: Alishahi

Analysis Pg. No. Vol. 1, p. 264

Budget Page No. 69

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,262,779	\$ 1,294,199	\$ 274
Other Funds	300,628	293,214	7,414
TOTAL	\$ 1,563,407	\$ 1,587,413	\$ 7,688
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2005 operating expenditures of \$1,563,407 is a decrease of \$91,281 (5.5 percent) from the FY 2004 estimate. The State General Fund request of \$1,262,779 is a decrease of \$261,851 (17.2 percent) from the FY 2004 estimate.

The **Governor's** recommendation for FY 2005 operating expenditures of \$1,587,413 is a decrease of \$67,275 (4.1 percent) from the FY 2004 recommendation. The State General Fund recommendation of \$1,294,199 is a decrease of \$230,431 (15.1 percent) from the FY 2004 recommendation. The Governor recommends a 3.0 percent base salary increase of \$31,694 from the State General Fund, and a BEST reduction of \$7,688 in contractual services, commodities, and capital outlay. The Governor's recommendation is \$24,006 (1.5 percent) more than the agency's FY 2005 request.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for the agency's budget would have to be reduced by an additional \$191,673 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **BEST Reduction** – The Budget Committee does not recommend the \$7,688 BEST reduction for this agency. The Budget Committee understands that \$6,908 of the BEST reduction is coming from the Board of Tax Appeals Filing Fee Fund,

which is struggling to generate revenue for the current year. The 2003 Legislature projected that the newly established fee fund would raise \$300,000 or approximately 20.0 percent of the funds necessary to finance the agency's operations for each fiscal year. Since its implementation on September 1, 2003, the agency estimates the filing fees will generate approximately \$89,670 for FY 2004, which is \$210,330 less than the projected amount; and \$125,000 for FY 2005, which is \$175,000 less than the anticipated amount. The Budget Committee realizes the Board of Tax Appeals is already facing many challenges in collecting revenue for operating expenditures for the current year and possibly the budget year as well; and appreciates that the BEST reduction would have an adverse affect on the agency's budget for FY 2005.

The Budget Committee also disagrees philosophically with the intentions behind the BEST reductions; and feels they should not be applied to this particular agency. The Board of Tax Appeals Filing Fee Fund generates fees for specific purposes, and the fees should not be transferred to the State General Fund.

2. The Budget Committee recommends that, if the Filing Fee Fund does not generate the projected \$300,000 for FY 2005, the Board of Tax Appeals be considered for a supplemental request of \$200,000 from the State General Fund to meet operating expenditures.
3. The Budget Committee was informed that HB 2005 gave the Board the authority to administer, through rules and regulations, filing fees for certain types of cases filed with the agency's Regular Division, and exempted single family residential property from filing fees and limited the fee for not-for-profit organizations to \$10 or less for property with a valuation of \$100,000 or less. Although it is not included in the statute, the Board exempted agricultural lands from filling fees as well. The Budget Committee feels that the exemption of fees for certain types of cases filed with the agency has limited the Board of Tax Appeals ability to generate revenue; and recommends that the issue of filing fee exemptions be revisited in the future. The removal of the exemptions would likely help the agency raise the necessary revenue in the Filing Fee Fund to assist in financing its operations.

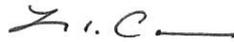
TAX, JUDICIAL, TRANSPORTATION AND RETIREMENT BUDGET COMMITTEE

Department of Revenue

FY 2004 and FY 2005



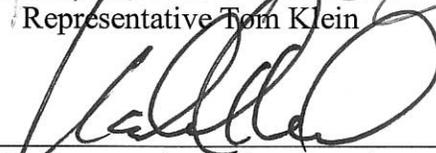
Representative Bill McCreary, Chairperson



Representative Larry Campbell



Representative Tom Klein



Representative Mike O'Neal



Representation Tom Sawyer

HOUSE APPROPRIATIONS

DATE 3-03-2004
ATTACHMENT 2

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** 2899

Bill Sec. --

Analyst: Efird

Analysis Pg. No. 606

Budget Page No. 347

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 21,976,275	\$ 21,976,275	\$ 0
Other Funds	62,981,280	61,548,614	0
TOTAL	\$ 84,957,555	\$ 83,524,889	\$ 0
FTE Positions			
Reportable Budget	1,196.0	1,196.0	0.0
Non FTE Perm. Uncl. Pos.	3.0	3.0	0.0
TOTAL	1,199.0	1,199.0	0.0

Agency Estimate/Governor's Recommendation

The **agency** requests operating expenditures totaling \$84,957,555. The 2003 Legislature approved the Governor's recommended FY 2004 shrinkage rate of 11.2 percent. The agency's revised FY 2004 request includes a shrinkage rate of 6.1 percent which saves \$3,167,830. Net increased financing of \$1,432,666 for salaries and benefits is added from Electronic Databases Fee Fund, the VIPS/CAMA Technology Hardware Fund and the Photo Fee Fund in order to reduce the shrinkage rate. The **agency's** requested \$2.9 million increase in revised FY 2004 expenditures is partially attributed to adjustments in state aid payments increasing \$1,474,509, with the change primarily due to higher Special County Mineral Production Fund payments. In addition, the agency's revised FY 2004 request includes a state operations increase adding \$1,432,666 for salaries and benefits to reduce shrinkage.

The **Governor** recommends operating expenditures totaling \$83,524,889. The Governor's FY 2004 recommendations reduce \$1,432,666 from the agency's revised request for additional funds for state operations. All of the reduction is from the DOV Operating Fund. The Governor's recommended shrinkage rate is 8.9 percent in FY 2004. The **Governor's** FY 2004 recommendations include a net increase of \$1,474,509 which is attributed to a state aid adjustment for mineral tax payments.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, and makes the following additional adjustments and comments:

1. Reduce the ending fee funds balances and transfer the funds to the State General Fund on or before June 30, 2004, as follows:
 - **Division of Vehicles Operating Fund, \$1,000,000; and**
 - **Electronic Databases Fee Fund, \$1,200,000**

The cashflow analysis shown in the following tables indicates significant ending balances through FY 2005 absent these adjustments recommended by the Subcommittee.

Div. of Vehicles Op. Fund		Agency		Agency	
Resource Estimate	Actual FY 2003	Estimate FY 2004	Gov. Rec. FY 2004	Request FY 2005	Gov. Rec. FY 2005
Beginning Balance	\$ 5,983	\$ 1,731,170	\$ 1,731,170	\$ 1,363,511	\$ 1,392,951
Net Receipts	33,237,184	39,850,666	38,447,440	47,057,907	39,716,731
Total Funds Available	\$ 33,243,167	\$ 41,581,836	\$ 40,178,610	\$ 48,421,418	\$ 41,109,682
Less: Expenditures	31,511,997	40,218,511	38,785,659	48,421,418	39,711,990
Ending Balance	<u>\$ 1,731,170</u>	<u>\$ 1,363,325</u>	<u>\$ 1,392,951</u>	<u>\$ 0</u>	<u>\$ 1,397,692</u>
Ending Balance as Percent of Expenditures	5.5%	3.4%	3.6%	0.0%	3.5%

Elec. Databases Fee Fund		Agency		Agency	
Resource Estimate	Actual FY 2003	Estimate FY 2004	Gov. Rec. FY 2004	Request FY 2005	Gov. Rec. FY 2005
Beginning Balance	\$ 1,856,550	\$ 4,008,278	\$ 4,008,278	\$ 3,840,618	\$ 3,840,618
Net Receipts	5,879,946	6,814,516	6,814,516	7,666,759	7,351,653
Total Funds Available	\$ 7,736,496	\$ 10,822,794	\$ 10,822,794	\$ 11,507,377	\$ 11,192,271
Less: Expenditures	3,728,218	6,982,176	6,982,176	6,900,289	9,585,183
Ending Balance	<u>\$ 4,008,278</u>	<u>\$ 3,840,618</u>	<u>\$ 3,840,618</u>	<u>\$ 4,607,088</u>	<u>\$ 1,607,088</u>
Ending Balance as Percent of Expenditures	107.5%	55.0%	55.0%	66.8%	16.8%

Senate Committee Recommendation

The Senate Committee concurs.

House Budget Committee Report

Agency: Kansas Department of Revenue

Bill No. 2899

Bill Sec. --

Analyst: Efirid

Analysis Pg. No. 606

Budget Page No. 347

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 21,976,275	\$ 21,976,275	\$ 0
Other Funds	62,981,280	61,548,614	0
TOTAL	<u>\$ 84,957,555</u>	<u>\$ 83,524,889</u>	<u>\$ 0</u>
FTE Positions			
Reportable Budget	1,196.0	1,196.0	0.0
Non FTE Perm. Uncl. Pos.	3.0	3.0	0.0
TOTAL	<u>1,199.0</u>	<u>1,199.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** requests operating expenditures totaling \$84,957,555. The 2003 Legislature approved the Governor's recommended FY 2004 shrinkage rate of 11.2 percent. The agency's revised FY 2004 request includes a shrinkage rate of 6.1 percent which saves \$3,167,830. Net increased financing of \$1,432,666 for salaries and benefits is added from Electronic Databases Fee Fund, the VIPs/CAMA Technology Hardware Fund and the Photo Fee Fund in order to reduce the shrinkage rate. The **agency's** requested \$2.9 million increase in revised FY 2004 expenditures is partially attributed to adjustments in state aid payments increasing \$1,474,509, with the change primarily due to higher Special County Mineral Production Fund payments. In addition, the agency's revised FY 2004 request includes a state operations increase adding \$1,432,666 for salaries and benefits to reduce shrinkage.

The **Governor** recommends operating expenditures totaling \$83,524,889. The Governor's FY 2004 recommendations reduce \$1,432,666 from the agency's revised request for additional funds for state operations. All of the reduction is from the DOV Operating Fund. The Governor's recommended shrinkage rate is 8.9 percent in FY 2004. The **Governor's** FY 2004 recommendations include a net increase of \$1,474,509 which is attributed to a state aid adjustment for mineral tax payments.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation, and makes the following comments:

1. Note the FY 2004 budget includes \$560,000 for developing software in support of the Streamlined Sales and Use Tax Agreement. The Streamlined Sales Tax Software Project seeks to respond to the concerns of approximately 14,000 merchants about the difficulties in dealing with different States' sales tax laws,

2-4

and to State and local government concerns about lost revenues from remote retail sales by mail order, telephone and the Internet. The Streamlined Sales Tax Software project was outsourced to a vendor, Watch Systems, to provide an Internet web-based Sales and Use Tax Address Tax Locator for use by retailers and consumers. The Request for Proposal for the Streamlined Sales Tax Software closed on September 26, 2003. The bid was awarded to Watch Systems on November 14, 2003 and work began on November 17, 2003. The public site is now available at: <http://www.ksrevenue.org/streamline.htm>

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** 2900

Bill Sec. 21

Analyst: Efird

Analysis Pg. No. 606

Budget Page No. 347

Expenditure	Agency Req. FY 05	Governor Rec. FY 05	Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 22,601,396	\$ 20,046,408	\$ (403,667)
Other Funds	71,123,551	64,730,736	(829,563)
TOTAL	\$ 93,724,947	\$ 84,777,144	\$ (1,233,230)
FTE Positions			
Reportable Budget	1,196.0	1,196.0	0.0
Non FTE Perm. Uncl. Pos.	3.0	3.0	0.0
TOTAL	1,199.0	1,199.0	0.0

* The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests operating expenditures totaling \$93,724,947. The agency's request includes a shrinkage rate of 5.6 percent that allows salary turnover savings of slightly less than \$3.0 million. The agency requests funding for three enhancements: \$270,000 for reclassifications, \$2,858,838 to reduce the shrinkage rate to 5.6 percent, and \$5.6 million for replacement license plates. The **agency** requests an FY 2005 budget increase of almost \$8.8 million, with most funding of \$5.6 million for reissuance of license plates. SGF financing is requested to increase 2.8 percent, or \$625,121 for expenditures in FY 2005.

The **Governor** recommends operating expenditures totaling \$84,777,144. The Governor recommends a shrinkage rate of 10.2 percent that allows salary turnover savings of slightly more than \$5.6 million. The Governor's recommendations provide no additional funding for any of the three enhancements, although the Governor recommends that the reclassifications be absorbed within \$270,000 available funds. The **Governor** recommends a net increase of \$1,252,255 in FY 2005 expenditures, primarily to finance the salary plan adjustments of \$1,223,230. No funding for reissuance of license plates is recommended in FY 2005, with a delay recommended by the Governor until FY 2006. The Governor recommends a net reduction in SGF financing for FY 2005, with \$1,929,867 less than the FY 2004 recommendation, for a decrease of 8.8 percent. The Governor's recommendations in FY 2005 provide additional financing from the Electronic Databases Fee Fund, adding \$2.0 million to replace \$2.0 million SGF financing and adding \$1.0 million to replace \$1.0 million of DOV Operating Fund financing. As a result of BEST adjustments in FY 2005, the **Governor** recommends transfer of \$888,839 to the State General Fund (SGF). Also recommended are lapses of SGF financing, with \$90,188 reduced as a result of BEST adjustments for agency operations and \$57 for official hospitality.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$2,968,913 State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, and makes the following additional adjustments and comments:

1. Delete \$1,233,230, including \$403,667 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. Commend the agency for improvements in customer service, especially under the conditions of having to maintain 140 to 165 vacant positions in order to achieve a shrinkage rate of 10.2 percent. The focus on enhancing customer service is best represented by answering over 503,000 telephone calls in FY 2003 and assisting over 21,000 walk-in customers. With the new telephone system, the agency was able to achieve a 95 percent answer rate with less than a one minute wait time for customers who did not hang up. Computer-based self-service options provided another 300,000 plus customers with on-line assistance in FY 2003.
3. Note that the net accounts receivable in taxes owed the state has decreased to an estimated \$258 million as of January 2004. This amount represents all tax types that the agency believes may be collected through various methods. Concurrent to determining net accounts receivable, the agency has collected through January 31, 2004, a total of \$29,349,605 through the amnesty program. The Subcommittee recognizes that collections remain an important task for the agency to fulfill as its employees strive to "collect taxes and fees fairly, cheerfully, accurately and efficiently" in keeping with the new agency philosophy.
4. Note the significant FY 2005 ending balance for the VIPS/CAMA Fund is intended to be used in FY 2006 for providing computer hardware and software to 95 counties as a new reappraisal system is implement beyond the 10 pilot counties scheduled in FY 2005. Further review of the cashflow for this fund should be conducted during Omnibus, with the agency to supply details about revised projects costs in FY 2004, FY 2005 and FY 2006 based on contracting with a new vendor since the original budget was submitted in September 2003. The Subcommittee notes that a \$1.8 million encumbrance was cancelled in FY 2003, and that action significantly increases the carryover balance to FY 2004 (which should be reflected in the revised cashflow table for this fund to be reviewed during Omnibus).

VIPS/CAMA Fund			Agency		Agency	
Resource Estimate	Actual FY 2003	Agency Estimate FY 2004	Gov. Rec. FY 2004	Request FY 2005	Gov. Rec. FY 2005	
Beginning Balance	\$ 1,174,796	\$ 319,141	\$ 319,141	\$ 1,081,126	\$ 1,081,126	
Net Receipts	944,345	2,841,573	2,841,573	2,841,573	2,814,101	
Total Funds Available	<u>\$ 2,119,141</u>	<u>\$ 3,160,714</u>	<u>\$ 3,160,714</u>	<u>\$ 3,922,699</u>	<u>\$ 3,895,227</u>	
Less: Expenditures	1,800,000	2,079,588	2,079,588	1,913,642	1,886,170	
Ending Balance	<u>\$ 319,141</u>	<u>\$ 1,081,126</u>	<u>\$ 1,081,126</u>	<u>\$ 2,009,057</u>	<u>\$ 2,009,057</u>	
Ending Balance as Percent of Expenditures	17.7%	52.0%	52.0%	105.0%	106.5%	

Senate Committee Recommendation

The Senate Committee concurs.

House Budget Committee Report

Agency: Kansas Department of Revenue

Bill No. 2900

Bill Sec. 21

Analyst: Efird

Analysis Pg. No. 606

Budget Page No. 347

Expenditure	Agency Req. FY 05	Governor Rec. FY 05	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 22,601,396	\$ 20,046,408	\$ 0
Other Funds	71,123,551	64,730,736	0
TOTAL	\$ 93,724,947	\$ 84,777,144	\$ 0
FTE Positions			
Reportable Budget	1,196.0	1,196.0	0.0
Non FTE Perm. Uncl. Pos.	3.0	3.0	0.0
TOTAL	1,199.0	1,199.0	0.0

Agency Request/Governor's Recommendation

The **agency** requests operating expenditures totaling \$93,724,947. The agency's request includes a shrinkage rate of 5.6 percent that allows salary turnover savings of slightly less than \$3.0 million. The agency requests funding for three enhancements: \$270,000 for reclassifications, \$2,858,838 to reduce the shrinkage rate to 5.6 percent, and \$5.6 million for replacement license plates. The **agency** requests an FY 2005 budget increase of almost \$8.8 million, with most funding of \$5.6 million for reissuance of license plates. SGF financing is requested to increase 2.8 percent, or \$625,121 for expenditures in FY 2005.

The **Governor** recommends operating expenditures totaling \$84,777,144. The Governor recommends a shrinkage rate of 10.2 percent that allows salary turnover savings of slightly more than \$5.6 million. The Governor's recommendations provide no additional funding for any of the three enhancements, although the Governor recommends that the reclassifications be absorbed within \$270,000 available funds. The **Governor** recommends a net increase of \$1,252,255 in FY 2005 expenditures, primarily to finance the salary plan adjustments of \$1,223,230. No funding for reissuance of license plates is recommended in FY 2005, with a delay recommended by the Governor until FY 2006. The Governor recommends a net reduction in SGF financing for FY 2005, with \$1,929,867 less than the FY 2004 recommendation, for a decrease of 8.8 percent. The Governor's recommendations in FY 2005 provide additional financing from the Electronic Databases Fee Fund, adding \$2.0 million to replace \$2.0 million SGF financing and adding \$1.0 million to replace \$1.0 million of DOV Operating Fund financing. As a result of BEST adjustments in FY 2005, the **Governor** recommends transfer of \$888,839 to the State General Fund (SGF). Also

recommended are lapses of SGF financing, with \$90,188 reduced as a result of BEST adjustments for agency operations and \$57 for official hospitality.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$2,968,913 State General Fund.

House Budget Committee Recommendation

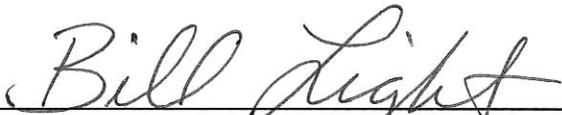
The Budget Committee concurs with the Governor's recommendation, and makes the following comments:

1. Request an update from the agency at Omnibus concerning the FY 2003, FY 2004 and FY 2005 Computer Assisted Mass Appraisal (CAMA) project's finances and expenditures, including details about the FY 2006 estimates for both CAMA and Vehicle Information Processing System (VIPS) relative to fee funds anticipated to provide support for each one.
2. Note SB 414 and HB 2680 (neither of which has passed the Senate or House yet) is recommended by the Budget Committee in order to assist the Secretary of Revenue in determining whether liquor licensees are current on sales and withholding tax liability before a license can be issued or renewed.
3. Express regret about the problem of shrinkage at 10.2 percent in FY 2005 as recommended by the Governor and note that the agency continues close management of the shrinkage rate. The primary risk is processing backlogs that were eliminate during FY 2002. The agency attempts to use targeted overtime and some temporary workers in order to manage backlogs. The agency reported its current vacancies at 166 FTE positions, and that the Governor's proposed budget would allow filling approximately 15.0 of the vacant FTE positions.
4. Protect two of the fee fund balances, namely the VIPS/CAMA Fee Fund and the Electronic Databases Fee Fund (EDFF) for use in FY 2006 for financing expenditures associated with CAMA and VIPS, and note a potential cashflow problem revealed by the agency in describing revenue shortfalls in three fee funds so far in FY 2004 that result in approximately \$681,000 less revenue than anticipated. The update requested in item 1 will help define this area more accurately during Omnibus.

House Public Safety Budget Committee Report

FY 2004-FY 2005

Juvenile Justice Authority
Atchison Juvenile Correctional Facility
Beloit Juvenile Correctional Facility
Kansas Juvenile Correctional Complex
Larned Juvenile Correctional Facility
Topeka Juvenile Correctional Facility



Representative Bill Light, Chairperson



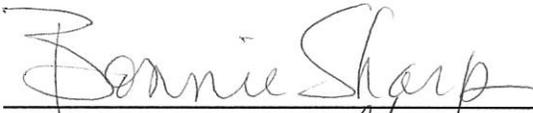
Representative Rob Boyer



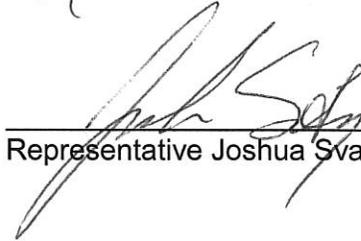
Representative Ray Merrick



Representative Melvin Minor



Representative Bonnie Sharp



Representative Joshua Svaty



Representative Lee Tafenelli

HOUSE APPROPRIATIONS

DATE 3-03-2004
ATTACHMENT 3

House Budget Committee Report

Agency: Juvenile Justice Authority

Bill No. --

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol.2-261 **Budget Page No.** 865

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 29,585,265	\$ 28,491,940	\$ 0
Other Funds	23,498,208	23,645,712	0
Subtotal - Operating	<u>\$ 53,083,473</u>	<u>\$ 52,137,652</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	3,092,134	3,092,540	0
Subtotal - Capital Improvements	<u>\$ 3,092,134</u>	<u>\$ 3,092,540</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 56,175,607</u></u>	<u><u>\$ 55,230,192</u></u>	<u><u>\$ 0</u></u>
FTE Positions	42.0	41.0	0.0
Non FTE Uncl. Perm. Positions	15.8	15.8	0.0
TOTAL	<u><u>57.8</u></u>	<u><u>56.8</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The Juvenile Justice Authority estimates operating expenditures of \$53,083,473, a net reduction of \$3,746,604 from the approved budget. The agency estimates FY 2004 State General Fund expenditures of \$29,585,265, an increase of \$177,908 from the amount approved by the 2003 Legislature. The differences between the approved and the agency's revised estimate are:

State General Fund:

- There was a transfer of \$163,000 from the Beloit Juvenile Correctional Facility to JJA. The additional funding was for the Juvenile Corrections Officer Training Academy, certain central office operating expenses, a training director position and programming consultant position. The additional funds are necessary because of the declining Juvenile Accountability and Incentive Block Grant (JAIBG) awards and that the above functions are permanent and central JJA operations.
- Additional funding of \$14,908 under the Kansas Savings Incentive Program.

All Other Funds:

- Several funds adjustments have been made based on decreased estimates for Title XIX (Medicaid) and Title IV-E (Foster Care) claims, reduction in JAIBG funds, and other federal fund revisions.

FTE Positions:

- 3.0 FTE positions were transferred from the Beloit Juvenile Correctional Facility to JJA's central office for an application program analyst and two auditors. According to the agency, the additional funding for these positions were acquired through the agency's reorganization process.

The Governor recommends a current year budget of \$52,137,652 with \$28,491,940 from the State General Fund. The Governor recommends the following adjustments to the agency's estimate:

- **Eliminate the Human Resource Director Position - Reduce SGF by \$63,066.** The duties of this classified position has been assigned to a newly hired unclassified assistant commissioner for human resources. This will reduce the agency's FTE count to 41.0.
- **Adjust Salary and Wages Shrinkage Rate - Add \$61,722 (SGF).** In order to meet a 5.0 percent salary and wages shrinkage rate, the agency has held several positions open, including a deputy commissioner position. This position has been filled and the agency had planned to use the vacant HR position for shrinkage. The shrinkage rate of 3.0 percent is to compensate for the elimination of the HR position.
- **Reduce Medicaid State Match - Reduce SGF by \$944,527.** The Federal Medical Assistance Percentage (FMAP) rate was reduced for one fiscal year to 36.42 percent for FY 2004. The FMAP rate will convert to the original rate in FY 2005. This reduction adjusts the agency's estimate to reflect the lower FMAP rate.
- **Shift Children's Initiatives Fund (CIF) Prevention Reappropriation to Graduated Sanctions and reduce Graduate Sanctions Funding - Reduce SGF by \$147,504.** The Governor recommends that \$147,504 in reappropriated CIF funds be transferred to the CIF Graduated Sanction account, and the Graduated Sanctions SGF budget be reduced to \$147,504.
- **Transfer Out Community Planning Fund Balance - \$25,235.** The recommendation would transfer \$25,235 from the agency's Community Planning Fund to the State General Fund. There have been no expenditures from this account in several years.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Juvenile Justice Authority

Bill No. 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol.2-261

Budget Page No. 865

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,413,489	\$ 28,628,511	\$ 0
Other Funds	21,938,989	21,365,550	0
Subtotal - Operating	<u>\$ 57,352,478</u>	<u>\$ 49,994,061</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	4,057,783	3,324,908	0
Subtotal - Capital Improvements	<u>\$ 4,057,783</u>	<u>\$ 3,324,908</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 61,410,261</u></u>	<u><u>\$ 53,318,969</u></u>	<u><u>\$ 0</u></u>
FTE Positions	43.0	41.0	0.0
Non FTE Uncl. Perm. Positions	15.8	15.8	0.0
TOTAL	<u><u>58.8</u></u>	<u><u>56.8</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The Juvenile Justice Authority requests an FY 2005 operating budget of \$57,352,478, an increase of \$4,269,005 (8.0 percent) from the revised current year request. The following are highlights of the request:

- The request includes an enhancement package of \$6,362,194 (5,776,681 from the SGF) and 1.0 FTE position detailed below. **Absent that enhancement**, the agency's request would be a decrease \$2,067,189 (3.6 percent) from the current year estimate.
- The agency is requesting \$1,000,000 from the Juvenile Detention Facilities Fee Fund (JDFF) to finance Purchase of Service Payments and will require the inclusion of permissive proviso language in the appropriations bill to use JDFF monies for this purpose.
- The agency states that the reduction in contractual services is primarily the result of a reduction in fees for professional services for the maintenance of the Juvenile Justice Information System (JJIS). The maintenance responsibilities are

being transferred to in-house staff over the course of FY 2004 and should be completed by FY 2005.

- According to the agency, the increase in capital outlay expenditures is the result of increases in information technology spending. The agency increased IT expenditures in FY 2005 to a level comparable to FY 2003. The agency states that the funds will go toward hardware and software purchases that are being delayed during FY 2004 for the JJIS.

The Governor recommends an FY 2005 budget of \$49,994,061 with \$28,628,511 from the State General Fund. The recommendation includes the following adjustments:

- **Eliminate Human Resource Director Position - Reduce SGF by \$64,443.** This reduction is also included in the FY 2004 recommendation.
- **Adjust Salary and Wages Shrinkage Rate - Add \$64,308 SGF.** This will reduce the shrinkage rate from 5.0 percent to 3.0 percent.
- **Reduce Graduated Sanctions Funding - Reduce SGF by \$1.0 million.** There have been some counties that have been saving graduated sanctions funding for the last two years in anticipation of further budget cuts. However, the Governor believes that those counties were able to save funds and still deliver services needed suggests that they have been receiving more funding than needed.
- **Transfer from Juvenile Detention Facilities Fund to SGF - \$300,000.** This transfer will reduce the ending balance and will not require an adjustment to agency's expenditure request.
- **Pay Plan.** There was an increase of \$78,831, with \$66,757 from the State General Fund for the 3.0 percent pay plan.
- **BEST Team Operating Reduction -- \$74,419 SGF.** These reductions were made in other operating expenditures as recommended by the Budget Efficiency Savings Teams (BEST).

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$4,239,939 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations.

1. The House Budget Committee recognizes the low reimbursement rates for Level V residential community placements. JJA reimbursement rate is \$106 per day for a juvenile offender while Social Rehabilitation Services (SRS) reimbursement rate is \$160 per day for a child in need of care. This impacts the state's access to level V community placements because few qualified Level V providers are willing to expand their services to

include juvenile offenders. The impact includes longer stays in juvenile detention facilities which is costly to the state and local counties and in some parts of the state to avoid the expense the juvenile offender is sent back home to wait for the next available bed. The Budget Committee acknowledges this is a serious problem and is a risk to public safety and recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review this topic during the 2004 interim.

2. The House Budget Committee encourages JJA to find more providers within the State of Kansas for level 5 and level 6 residential community placements. Currently, JJA contracts with two providers in Kansas City, Missouri to place juveniles when there are no level 5 or level 6 beds available within the state. Presently, there are 22 juveniles placed with these two providers, Marillac and Ozanam. It should be noted that Marillac is in the process of relocating to Overland Park, Kansas. The House Budget Committee commends JJA for placing juveniles with Kansas providers when beds are available.

House Budget Committee Report

Agency: Atchison Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol. 2-61 **Budget Page No.** 884

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,988,759	\$ 5,988,759	\$ 0
Other Funds	210,419	210,419	0
Subtotal - Operating	\$ 6,199,178	\$ 6,199,178	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	79,405	79,405	0
Subtotal - Capital Improvements	\$ 79,405	\$ 79,405	\$ 0
TOTAL	\$ 6,278,583	\$ 6,278,583	\$ 0
FTE Positions	119.0	119.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	119.0	119.0	0.0

Agency Request/Governor's Recommendation

Atchison Juvenile Correctional Facility estimates operating expenditures of \$6,199,178, an increase of \$62,381 (1.0 percent) from the approved amount. The agency estimates FY 2004 State General Fund expenditures of \$5,988,759, an increase of \$100,060 (1.7 percent) from the amount approved by the 2003 Legislature. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- There was a transfer of \$100,000 by the Juvenile Justice Authority from the Beloit Juvenile Correctional Facility budget. The additional funds are to fill vacant Juvenile Correctional Officer positions at AJCF.
- Additional funding of \$60 under the **Kansas Savings Incentive Program**.

All Other Funds

- There was a decrease in the AJCF's Fee fund expenditures and the elimination of Federal Byrne Grant funding. The agency intended to use the Byrne Grant for information technology upgrades accordance with the agency's IT plan. However, the agency states it was forced to use the money originally dedicated to a required 25.0 percent match to meet other funding priorities.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Atchison Juvenile Correctional Facility **Bill No.** 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2-61 **Budget Page No.** 884

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,583,313	\$ 5,855,242	\$ 0
Other Funds	203,525	203,409	0
TOTAL - Operating	\$ 6,786,838	\$ 6,058,651	\$ 0
FTE Positions	119.0	119.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	119.0	119.0	0.0

Agency Request/Governor's Recommendation

Atchison Juvenile Correctional Facility requests an FY 2005 operating budget of \$6,786,838, an increase of \$587,660 (9.5 percent) from the revised current year estimate. The agency states that the population projections for FY 2005 indicate an increase in juvenile offenders that will require the Redwood Living Unit to re-open. Included in the request is an enhancement package of \$450,527 from the State General Fund. Absent that **enhancement**, the agency's request is an increase of \$137,133 (0.2 percent) from the current year estimate. In addition, there was an increase of \$41,768 (SGF) in the school contract from FY 2004. The increase is due to the contracting school district's decision to increase school staff salaries by 5.0 percent.

The Governor recommends an FY 2005 operating budget of \$6,058,651 with \$5,855,242 from the State General Fund. The recommendation is a decrease of \$140,527 (2.3 percent) from the current year recommendation. The Governor recommends that one of the two 17-bed living units (Sycamore or Cottonwood) be closed as a result of the continued decrease in the facility's population. The Juvenile Justice Authority Central Office estimates that the facility's average population will be 80, rather than the 100 AJCF has estimated. The closed beds would eliminate funding for 9.0 FTE positions for a savings of \$309,459, all from the State General Fund. The recommendation also includes adjustments for a 3.0 percent pay plan increase of \$86,495 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$23,686. Also included in the recommendation is a reduction of \$19,710 as part of the moratorium on motor vehicle purchases. The Governor does not recommend the enhancement package.

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Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$867,173 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Beloit Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 81 **Budget Page No.** 899

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,755,986	\$ 4,755,986	\$ 0
Other Funds	212,196	212,196	0
TOTAL - Operating	<u>\$ 4,968,182</u>	<u>\$ 4,968,182</u>	<u>\$ 0</u>
FTE Positions	100.0	100.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>100.0</u>	<u>100.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

Beloit Juvenile Correctional Facility estimates FY 2004 expenditures of \$4,968,182 which is a decrease of \$167,838 (3.3 percent) from the amount approved by the 2003 Legislature. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- The request includes an unlimited reappropriation of FY 2003 State General Fund savings which exceeded the anticipated reappropriation by \$280,133.
- There was a transfer of \$420,000 from the State General Fund to Atchison Juvenile Correctional Facility, Topeka Juvenile Correctional Facility and the Juvenile Justice Authority's Central Office.

All Other Funds

- The decrease in all other funds is attributed to an increase of \$109,755 in federal funds and a decrease of \$138,926 in the Beloit Juvenile Facility Fee Fund.

FTE Positions

- 3.0 FTE positions were transferred to the Juvenile Justice Authority's Central Office, reducing the facility's FTE count to 100.0.

(Staff note: The Commissioner of the Juvenile Justice Authority has the authority to shift funds between the juvenile correctional facilities at her discretion as long as the total appropriation is not exceeded. In addition, the Commissioner also has the discretion to transfer FTE positions between the facilities.)

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Beloit Juvenile Correctional Facility **Bill No.** 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 81 **Budget Page No.** 899

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,735,503	\$ 4,688,537	\$ 0
Other Funds	207,587	208,753	0
TOTAL - Operating	\$ 4,943,090	\$ 4,897,270	\$ 0
FTE Positions	100.0	100.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	100.0	100.0	0.0

Agency Request/Governor's Recommendation

Beloit Juvenile Correctional Facility requests an FY 2005 operating budget of \$4,943,090, a decrease of \$25,092 (0.5 percent) from the revised current year request. As part of the Juvenile Justice Authority systemwide reduction package, this agency did not submit a reduction package. The agency expects an increase in staff vacancies compared to FY 2004 which will cause a decline in salaries and wages of \$124,292. The increase in vacancies is necessary for the facility to meet the assigned shrinkage rate of 3.0 percent. The request includes an enhancement package totaling \$90,623 from the State General Fund. **Absent that enhancement**, the agency's request would be a decrease of \$115,715 or 2.3 percent from the current year estimate. The request includes a capital outlay request of \$16,000 compared to \$56,450 in FY 2004 and \$41,500 in FY 2003. The request is a decline of \$40,450 (71.7 percent) in capital outlay from the FY 2004 revised request.

The Governor recommends a FY 2005 operating budget of \$4,897,270 with \$4,688,537 from the State General Fund. The recommendation is a decrease of \$70,912 (1.4 percent) from the current year recommendation. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$79,383 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$34,534.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$694,382 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Larned Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol. 2-305 **Budget Page No.** 922

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 7,262,224	\$ 7,227,634	\$ 0
Other Funds	488,175	488,175	0
TOTAL - Operating	\$ 7,750,399	\$ 7,715,809	\$ 0
FTE Positions	148.0	148.0	0.0
Non FTE Uncl. Perm. Positions	15.0	15.0	0.0
TOTAL	163.0	163.0	0.0

Agency Request/Governor's Recommendation

Larned Juvenile Correctional Facility estimates expenditures of \$7,750,399, an increase of \$18,775 (0.2 percent) from the approved amount. The increase is due to additional funds allocated to LJCF from the Juvenile Justice Federal Fund. The federal funds are for their independent Living Skills program and the Addiction and Preventive Services program. The request includes partial funding for 17.0 FTE positions and 2.0 non-FTE positions. These positions will staff the final 30-bed pod that opened in January 2004, the pod was delayed as part of the facility's FY 2004 budget reduction.

The Governor recommends an FY 2004 operating budget of \$7,715,809 with \$7,227,634 from the State General Fund. The recommendation is a reduction of \$34,590 (0.5 percent) from the agency's request. The reduction is in the school contract to reflect the revised estimate provided by the school after the facility submitted its budget. The Governor's FY 2004 recommendation is a reduction of \$15,815 or 0.2 percent below the approved amount.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Larned Juvenile Correctional Facility **Bill No.** 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2-305 **Budget Page No.** 922

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 8,053,842	\$ 7,870,781	\$ 0
Other Funds	471,135	482,623	0
TOTAL - Operating	\$ 8,254,977	\$ 8,353,404	\$ 0
FTE Positions	155.0	148.0	0.0
Non FTE Uncl. Perm. Positions	15.0	15.0	0.0
TOTAL	170.0	163.0	0.0

Agency Request/Governor's Recommendation

Larned Juvenile Correctional Facility requests an FY 2005 operating budget of \$8,524,977, an increase of \$774,578 (10.0 percent) from the revised current year estimate. This is the first full fiscal year that all 152 beds of the new facility are opened and operational. The request includes an entire year of funding for 17.0 FTE positions added during FY2003. There was a delay in hiring these FTE positions for the first 13 pay periods (one-half of the fiscal year) of FY 2004. These positions will staff the final 30-bed pod that opened in January 2004, the pod was delayed as part of the facility's FY 2004 budget reduction. The positions included in the request are one Juvenile Correctional Supervisor, nine Juvenile Correction Officers I, three Correction Officers III, three Registered Nurses III, and one Ground Maintenance Repair. Also, included in the request is an enhancement package of \$292,759 from the State General Fund and 7.0 FTE positions summarized in a table below. **Absent that enhancement**, the agency's request would be an increase of \$481,819 or 6.2 percent from the current year estimate.

The Governor recommends an FY 2005 operating budget of \$8,353,404 with \$7,870,781 from the State General Fund. The recommendation is an increase of \$643,147 (8.9 percent) from the current year recommendation. The Governor recommends a reduction of \$22,994 as part of the moratorium on motor vehicle purchases. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$155,376 and reductions in other operating expenditures as recommended by the Budget Efficiency Teams (BEST) of \$11,196. The Governor does not recommend that enhancement package.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,165,678 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Juvenile Correctional Complex **Bill No.** 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol. 2 - 259 **Budget Page No.** 912

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 12,204,342	\$ 430,000	\$ 0
Other Funds	300,000	0	0
TOTAL - Operating	\$ 12,504,342	\$ 430,000	\$ 0
FTE Positions	223.0	0.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	223.0	0.0	0.0

FY 2004 Information

KJCC was listed as a program under the TJCF FY 2004 budget with funding of \$1,325,000. The opening of the facility was delayed from April 2004 to July 2004 to generate a savings of \$2.0 million in the State General Fund. This was the first budget submission for KJCC. Since the Governor recommended that KJCC not be opened in FY 2005, \$1,178,375 was reduced from the TJCF FY 2004 budget for the start-up costs associated with KJCC. The recommendation for the current year operating budget is \$155,000 for utilities, all within the TJCF budget.

Agency Request/Governor's Recommendation

Kansas Juvenile Correctional Complex requests an FY 2005 operating budget of \$12,504,342. The request includes an enhancement package of \$293,503 from the State General Fund to open the Maximum Security Transition Unit. Also included in the request, is a reduced resource package totaling \$3,030,936 that would delay the opening of the KJCC for four months, until November 1, 2004.

The Governor recommends that KJCC not be opened in FY 2005. Delaying the facility will generate a savings of \$11,780,839, with \$11,480,839 from the State General Fund. The recommendation for FY 2005 operating budget is \$430,000 for utilities.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$63,684 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notation:

1. After reviewing several options presented by JJA, the House Budget Committee encourages the Governor to review the option of phasing in 40 Reception and Diagnostics Unit (RDU) Beds and 90 Maximum Security beds (detailed below). The estimated cost of this option is \$7,190,066.

Option to phase in Reception and Diagnostic Unit (RDU) and Maximum Security beds

- Open 40 out of 60 beds in the RDU Unit
 - August 15, 2004 - open 20 RDU Unit beds
 - November 15, 2004 - open 20 RDU unit beds
- Open 90 maximum Security beds
 - August 15, 2004 - open 30 Maximum Security beds
 - November 15, 2004 - open 30 Maximum Security beds
 - February 15, 2004 - open 30 Maximum Security beds
- Open Infirmary beds (Health Services)
- Open Education Services
- Administration, security, maintenance, and other staff to support the opening of beds

The House Budget Committee encourages this option for several reasons:

- a. The House Budget Committee has concerns regarding the overcrowding at the Topeka Juvenile Correctional Facility (TJCF). JJA and Juvenile Correctional Officers from TJCF testified that under staffing and excessive overtime have been a issue for some time at the facility. The overtime budget at TJCF was expended by October 2003, forcing the facility to begin awarding compensatory time in lieu of overtime pay. The under staffing issue has lowered morale among juvenile correctional officers, thus contributing to excessive turnover. JJA also testified that TJCF is projecting an average population of 239 offenders in the facility for FY 2004. The Juvenile Correctional Services Department has 143 Juvenile Correctional Officers to cover 12 living units , as well as perimeter security and control access to the facility and transport offenders. Eight living units which are continuously full are hardened with concrete pads for beds so they have no flexibility for adding additional beds. Three living units are the older, large dormitory-style buildings designed to house 18-24 offenders. JJA stated currently these units are housing from 30-45 depending on the population of the facility. There is a staff of 2 or 3 Juvenile Correctional Officers to control 30 to 45 offenders. JJA stated this is a security concern for the safety of the officers and juvenile offenders.

- b. In addition, JJA testified that warranties on security equipment expires December 2004 and since the facility is not scheduled to open in FY 2005, JJA will not be able to fully test all equipment. JJA commented that when the new Larned Juvenile Correctional Facility opened in July 2003, there were numerous problems concerning the security equipment that were not realized until Juvenile Offenders were moved into the facility. For example, regarding the security system and camera system, there were 12 times when the technician from Amarillo Texas had to report to the facility for warranty work. LJCF noted that these problems did not occur until the building was occupied. In addition, LJCF had numerous lock failures in the first 6 months of operation. JJA estimated that it would cost \$4.0 million to purchase extended warranties on equipment in KJCC.
- c. The American Correctional Association (ACA) conducted an audit of TJCF on October 6-8, 2003. At the time of the audit the population was 265 juvenile offenders with a rated bed capacity of 219. A standard of ACA states that the number of juveniles should not exceed the facility's rated bed capacity. In addition, the audit noted that TJCF was out of compliance in regards to living units with some of the standards set by ACA. ACA states that multiple occupancy sleeping rooms should not exceed 20 percent of the bed capacity of the facility, at TJCF multiple occupancy beds make up 48.4 percent of the bed capacity at the facility. ACA states that the following minimums per person should be provided: bed, plumbing fixtures (if inside the cell/room), locker and chair or stool. The facility does not have the required furnishings, i.e. chairs, and desks, and lockers in the room. Another standard of ACA is that each sleeping room should have access to a wash basin with hot and cold running water 24-hours a day without staff assistance, currently each sleeping room does have a wash basin with hot and cold running water. The audit did note that the opening of the new maximum facility would alleviate the concerns mentioned above.
- d. JJA is required by State regulations to have a reception and diagnostic system in the juvenile justice system. The Reception and Diagnostic Unit in the Kansas Juvenile Correctional Complex would satisfy this requirement. However, JJA will continue to be out of compliance with State regulations with the delayed opening of KJCC. The diagnostics and classification center program in KJCC will house all juvenile offenders entering the State Juvenile Corrections System for thier first 21 days. During this period, each offender will undergo extensive assessment, evaluation, counseling, and testing. Upon completion of this 21-day process, a complete evaluation report and program will be generated for each juvenile offender. This report will provide a profile of each juvenile in terms of; type of housing required; educational, vocational, and recreational needs; medical needs, and other special needs, such as: specific programming for drug and alcohol abusers, sexual victims/offenders, emotionally disturbed, and/or mentally retarded persons. Currently the classification of juvenile offenders entering the system is based on age, sex and the nature of the crime (violent vs. nonviolent).

House Budget Committee Report

Agency: Topeka Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Buonasera

Analysis Pg. No. Vol.2-407

Budget Page No. 936

Expenditure Summary	Agency Estimate FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,387,574	\$ 12,209,199	\$ 0
Other Funds	689,720	689,720	0
Subtotal - Operating	<u>\$ 14,077,294</u>	<u>\$ 12,898,919</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	81,221	81,221	0
Subtotal - Capital Improvements	<u>\$ 81,221</u>	<u>\$ 81,221</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 14,158,515</u></u>	<u><u>\$ 12,980,140</u></u>	<u><u>\$ 0</u></u>
FTE Positions	367.0	227.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	<u><u>367.0</u></u>	<u><u>227.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

Topeka Juvenile Correctional Facility estimates operating expenditures of \$14,077,294, an increase of \$173,404 from the approved budget. The agency estimates FY 2004 State General Fund expenditures of \$13,387,574, or \$158,728 (1.2 percent) above the amount approved by the 2003 Legislature. A 4.9 percent salary and wage shrinkage rate has been included in the estimate. The estimate includes \$1,333,375 million for the operation of the new KJCC facility to be completed in April 2004. Even though KJCC is a separate Juvenile Justice Authority agency it was listed as a program under the TJCF in FY 2004. KJCC is expected to open in July 2004. The FY 2005 request is included in a separate budget analysis for KJCC. The difference between the approved amount and the agency's revised estimates are:

State General Fund:

- The estimate includes a \$157,000 transfer by the Juvenile Justice Authority Act from the Beloit Juvenile Correctional Facility to fund an unclassified attorney position for TJCF, to fill the vacant Psychologist II position, and to purchase offender drug test materials. The FTE position for the attorney was transferred to TJCF from KJCC.

- Additional funds of \$1,728 under the **Kansas Savings Incentive Program**.

All Other Funds:

- There was an increase of \$14,676 from a combination of the Elementary and Secondary Education Federal Fund and the Juvenile Justice Federal Fund.

FTE Positions:

- The 2003 Legislature concurred with the Governor to delay the opening of KJCC from April 2004 to July 2004 to generate \$2.0 million in the State General Fund, therefore the agency did not include 27.0 additional FTE positions approved by the 2003 Legislature in the revised FY 2004 request.

The Governor recommends a current year operating budget of \$12,898,919 with \$12,209,199 from the State General Fund. The Governor's all funds recommendation is a decrease of \$1,004,971 (7.2 percent) from the amount approved by the 2003 Legislature. The Governor recommends that KJCC not open in FY 2005, therefore, \$1,178,375 from the State General Fund was reduced from TJCF's revised FY 2004 request for start-up costs and a reduction of 167.0 FTE positions associated with KJCC.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Topeka Juvenile Correctional Facility **Bill No.** 2900

Bill Sec. 51

Analyst: Buonasera

Analysis Pg. No. Vol.2-407

Budget Page No. 936

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,026,453	\$ 12,506,462	\$ 0
Other Funds	170,044	170,044	0
TOTAL - Operating	\$ 13,196,497	\$ 12,676,506	\$ 0
FTE Positions	244.0	228.0	0.0
Non FTE Uncl. Perm. Positions	0.0	0.0	0.0
TOTAL	244.0	228.0	0.0

Agency Request/Governor's Recommendation

Topeka Juvenile Correctional Facility requests an FY 2005 operating budget of \$13,196,497, a decrease of \$880,797 (6.3 percent) from the revised current year request. The request includes an enhancement package of \$582,800 from the State General Fund and 15.0 FTE Juvenile Correctional Officer positions detailed below. **Absent that enhancement**, the agency's request would be a decrease of \$1,463,597 (11.0 percent) from the current year estimate. Staff occupying positions that will provide shared services for TJCF and KJCC will be reclassified to accurately reflect actual duties performed. Medical service positions for TJCF will be reclassified to Juvenile Corrections Officer positions, providing program support for the facility. The TJCF Business Administrator, Human Resource Director, Employee Relations Director, and Maintenance Division Chief will provide shared services in their roles for the TJCF and KJCC. The request does not include federal funding for the School Lunch Program. The opening of the Kansas Juvenile Correctional Complex (KJCC) will impact TJCF's receipt of these funds. KJCC will provide food service to TJCF in FY 2005, if the new facility is opened as scheduled.

The Governor recommends an FY 2005 operating budget of \$12,676,506 with \$12,506,462 from the State General Fund. The recommendation is a decrease of \$222,413 (1.7 percent) from the current year recommendation. The Governor recommends that KJCC not open in FY 2005. The decision to delay the opening of KJCC will shift responsibility for the food, medical, and drug contracts back to TJCF. No additional funding was included in the recommendation, as the contract funding was included in the agency's FY 2005 allocation and shifted to other expenditures categories within the request. The Governor does not recommend the enhancement package. The recommendation includes adjustments for a 3.0 percent pay plan increase of \$220,105 and reductions in other operating expenditures as recommended by the Budget Efficiency Savings Teams (BEST) of \$94,262. The Governor recommends a reduction of \$8,912 as part of the moratorium on motor vehicle purchases.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,852,232 State General Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.



KANSAS

JANET SCHALANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

SOCIAL AND REHABILITATION SERVICES

March 1, 2004

The Honorable Melvin Neufeld, Chair
House Appropriations Committee
Statehouse, Room 517-S
Topeka, KS 66612

Dear Representative Neufeld:

On February 19, 2004, SRS provided testimony before the House Appropriations Committee regarding the federal block grant funds allocated to the agency. Committee members asked for additional information about the Social Services Block Grant, the Community Mental Health Block Grant and the Projects for Assistance in Transition from Homelessness. Following is the information requested.

1. Whom are the Social Services Block Grant and the Community Mental Health Block Grant funds granted out to, and how much is granted to each organization?

The **Social Services Block Grant (SSBG)** is granted out to community mental health centers and community developmental disability organizations. The Community Mental Health Centers (CMHC) funding is a portion of what is called the mental health reform and Topeka State Hospital closure grants. Total CMHC funding for FY 2004 is \$2,934,316, and total FY 2005 is \$3,179,237. The following table lists the funding granted to each CMHC for FY 2004:

Community Mental Health Centers	FY 2004 Awards
Area Mental Health Center	\$167,820
Bert Nash Community Mental Health Center	98,312
Center for Counseling & Consultation	80,290
Central Kansas Mental Health Center	52,935
Comcare of Sedgwick County	462,639
Cowley County Mental Health & Counseling Center	34,882
Crawford County Mental Health Center	41,733
Family Life Center	31,044
Four County Mental Health Center	87,127
Franklin County Mental Health Clinic	28,342
High Plains Mental Health Center	191,911
Horizons Mental Health Center	114,105

HOUSE APPROPRIATIONS

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DATE 3-03-2004
ATTACHMENT 4

Iroquois Center for Human Development	32,812
Johnson County Mental Health Center	276,371
Kanza Mental Health and Guidance Center	41,590
Labette Center for Mental Health Services	35,439
Mental Health Center of East Central Kansas	54,424
Miami County Mental Health Center	36,265
Northeast Kansas Mental Health and Guidance Center	74,578
Pawnee Mental Health Services	152,452
Prairie View Inc	63,239
South Central Mental Health Counseling Center	25,665
Southeast Kansas Mental Health Center	71,470
Southwest Guidance Center	56,524
Sumner Mental Health Center	35,456
Valeo Behavioral Health Care	287,494
Wyandot Mental Health Center Inc	299,397
Total FY 2004 Awards	2,934,316
Additional SSBG Funds Available for FY 2005	244,921
TOTAL SSBG FUNDING - FY 2005	\$3,179,237

The amount of SSBG granted to each Community Developmental Disability Organization (CDDO) is based on the prior year's number of persons who were provided Day and Residential Services. The total grant that is available is then allocated to the CDDOs on a pro-rata basis using the Day and Residential Services as a base. Some SSBG is moved between CDDOs if sufficient SGF and local funds, needed to provide the match for Targeted Case Management, are not available. Total CDDO funding for FY 2004 is \$7,563,615. The total funding for FY 2005 will be the same as FY 2004 except each CDDO may receive a different amount of SSBG based on the number of persons served. The following table lists the funding granted to each CDDO for FY 2004:

Community Developmental Disability Orgs	FY 2004
Achievement Services for Northeast Kansas	\$129,913
Arrowhead West, Inc	384,914
Big Lakes Developmental Center, Inc	207,175
Brown County Developmental Services, Inc	42,162
CLASS, LTD	197,768
COF Training Services	429,946
Sedgwick County Developmental Disability Organization (COMCARE)	1,589,146
Cottonwood, Inc	405,718
Cowley County Development Services, Inc	0
Disability Planning Organization of Kansas, Inc	335,588
Developmental Services of Northwest Kansas, Inc	421,033
Flinthills Services Inc	183,468
Futures Unlimited, Inc	46,062
Hetlinger Developmental Services, Inc	69,366
Johnson County Developmental Supports	522,383
Multi Community Diversified Services, Inc	20,915

Nemaha County Training Center	153,870
New Beginnings Enterprises, Inc	0
Northview Developmental Services, Inc	140,663
Riverside Resources, Inc	101,837
Southwest Developmental Services, Inc	378,392
Sunflower Diversified Services, Inc	9,492
Topeka Association for Retarded Citizens, Inc (TARC)	487,262
Training & Evaluation Center of Hutchinson, Inc (TECH)	248,229
TRI-Ko, Inc	508,392
Tri-Valley Developmental Services, Inc	0
Twin Valley Developmental Services, Inc	154,029
Wyandotte County Developmental Disabilities Organization	395,892
TOTAL SSBG FUNDING for FY 2004 and FY 2005	\$7,563,615

Also included in the SSBG is funding for Child Care (\$493,912), Adoption Services (\$7,379,614), and Adult Protective Services (\$182,829). These funds are used for direct assistance to clients. No SSBG funds are granted to organizations.

SSBG funds are also used in the area offices for staff to provide Child and Adult Protective Services (\$4,455,437).

The **Community Mental Health Block Grant (CMHBG)** is granted out to community mental health centers, consumer run organizations, and area offices for administrative costs. The majority of the CMHBG funds are "historical" funds and are distributed to each of the Community Mental Health Centers through a formula to provide community-based services to the target populations. Increases in funding (received in recent years) are distributed through the RFP process to consumer-run organizations, pilot projects to serve the target populations, and special projects determined through the work of the Governor's Mental Health Services Planning Council. Total CMHC funding for FY 2004 and FY 2005 is \$2,982,630. The following table lists the funding granted to each CMHC for FY 2004:

Community Mental Health Centers	FY 2004 Awards
Area Mental Health Center	\$239,306
Bert Nash Community Mental Health Center	123,646
Center for Counseling and Consultation	34,706
Central Kansas Mental Health Center	22,359
Comcare of Sedgwick County	368,727
Cowley County Mental Health and Counseling Center	19,279
Crawford County Mental Health Center	47,656
Family Life Center	58,139
Four County Mental Health Center	214,006
Franklin County Mental Health Clinic	12,790
High Plains Mental Health Center	58,885
Horizons Mental Health Center	48,661
Iroquois Center for Human Development	9,474
Johnson County Mental Health Center	287,100

Kanza Mental Health and Guidance Center	87,244
Labette Center for Mental Health Services	27,328
Mental Health Center of East Central Kansas	32,090
Miami County Mental Health Center	21,317
Northeast Kansas Mental Health and Guidance Center	74,389
Pawnee Mental Health Services	105,664
Prairie View Inc	122,426
South Central Mental Health Counseling Center	14,804
Southeast Kansas Mental Health Center	32,842
Southwest Guidance Center	9,474
Sumner Mental Health Center	16,580
Valeo Behavioral Health Care	424,593
Wyandot Mental Health Center Inc	338,222
Total FY 2004 Awards	2,851,707
Additional CMHBG Funds Available - FY 2004 & FY 2005	130,923
TOTAL CMHBG FUNDING - FY 2004 and FY 2005	\$2,982,630

Total Consumer Run Organizations (CRO) funding for FY 2004 and FY 2005 is \$288,347. The following table lists the funding granted to each CRO for FY 2004:

Consumer Run Organizations	FY 2004 Awards
S.I.D.E. Inc	\$33,570
Caring Place	28,000
CRO's Nest	11,514
Bright Horizons	28,500
Crystal Palace	4,845
High Plains Independence	2,000
The Open Door	25,000
Sunshine Connection, Inc	10,000
Reno County Angels	25,126
Shepherd House	30,090
Wings Upon the Prairie	25,000
Clear Skies, Inc	17,711
Living Inc., LINC	7,989
Project Independence, Inc	877
Nuts & Bolts, Inc	1,529
Monarch House	3,500
Oakleaf, Inc	13,576
Morning Star	10,000
Bridge to Freedom	9,520
TOTAL CMHBG FUNDING - FY 2004 and FY 2005	\$288,347

Total funding for Administration for FY 2004 and FY 2005 is \$114,411.

2. In the block grant testimony for the Projects for Assistance in Transition from Homelessness (PATH) grant, Kansas is stated as a minimum allotment state. How is that determined? What are the states surrounding Kansas?

The PATH block grant is allocated based on a formula. The Catalog of Federal Domestic Assistance states "The formula allots funds on the basis of the population living in urbanized areas of the state, compared to the population living in urbanized areas of the entire United States except that no state receives less than \$300,000 (\$50,000 for Territories)." The minimum allotment is the least amount of funds a state can receive. There is no maximum allotment.

Surrounding State's PATH Block Grant Allotments

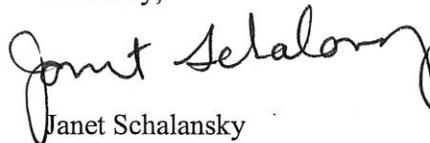
Colorado	\$612,000
Kansas	\$300,000
Missouri	\$589,000
Nebraska	\$300,000
Oklahoma	\$300,000

3. Is there an administrative spending limit on the SSBG?

The federal government does not place a limit on the amount that can be spent on administration. SRS does not use this funding source for administration. SRS spends some of the block grant funding in the area offices which pays for staff to deliver child and adult protective services.

I appreciate the opportunity to provide this information to you and the Committee. If you have any additional questions, please contact Rae Anne Davis, Deputy Secretary, or me.

Sincerely,


Janet Schalansky
Secretary