Approved: Sen Dwayne Umbarger
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 9:15 A.M. on April 23, 2008 Omnibus in Room 123-S of the Capitol.

(The Omnibus Session recessed at 6:00 p.m. the evening of April 23, the Committee reconvened at 8:10 a.m. on the morning of April 24, 2008, and adjourned at 10:30 p.m. that evening.)

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
Kristen Clarke Kellems, Assistant Revisor of Statutes
Kimbra Caywood McCarthy, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Reed Holwegner, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research
Heather O'Hara, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

Kansas Legislative Research distributed the Omnibus Memo, titled, "Items for Omnibus Consideration, dated April 18, 2008 (Attachment 1):

Bill Introduction

Senator Wysong moved, with a second by Senator Kelly, to introduce a conceptual bill concerning surface owner compensation, land to oil companies. Motion carried on a voice vote.

At the request of the Revisor, Senator V. Schmidt moved, with a second by Senator Teichman, to introduce a conflict resolution bill. Motion carried on a voice vote.

The following sets of minutes were distributed to the Committee for review and approval by May 7, 2008. (Attachment 2):

January 30, 2008
January 31, 2008
February 1, 2008
February 5, 2008
February 6, 2008
February 7, 2008
February 11, 2008
February 12, 2008
February 13, 2008
February 14, 2008
February 15, 2008
February 19, 2008
February 20, 2008
February 21, 2008
February 26, 2008
February 27, 2008
February 28, 2008
March 4, 2008
March 5, 2008
March 6, 2008
March 7, 2008
March 10, 2008
March 11, 2008
March 13, 2008
March 18, 2008
March 19, 2008
March 20, 2008
March 25, 2008

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The Staff of the Kansas Legislative Research Department distributed, reviewed and distributed the following information to the Committee:

- Governor's Budget Amendment No. 1, dated April 18, 2008 (Attachment 3)
- Memorandum to Governor Kathleen Sebelius and the Legislative Budget Committee, from the Kansas Division of the Budget and Kansas Legislative Research Department, dated April 15, 2008, concerning Consensus Caseload Estimates for FY 2008 and FY 2009 (Attachment 4)
- Children's Initiatives Fund, FY 2007 - FY 2009 (Attachment 5)
- State Water Plan Fund, FY 2008 - FY 2009 (Attachment 6)
- Economic Development Initiatives Fund (EDIF), FY's 2007 - 2009, Legislature Approved, as of April 23, 2008 (Attachment 7)
- Expanded Lottery Act Revenues Fund (ELARF), FY 2009 (Attachment 8)
- Letter to Governor Kathleen Sebelius and the Legislative Budget Committee, from the Kansas Legislative Research Department and the Kansas Division of the Budget, dated April 18, 2008, concerning State General Fund Receipts Revisions for FY 2008 and FY 2009 (Attachment 9)
- State General Fund Receipts, Expenditures and Balances, FY 2007 - FY 2011, in Millions (Attachment 10)
- State General Fund Receipts, Expenditures and Balances, FY 2007 - FY 2011, in Millions (Attachment 11)
- State General Fund Receipts, Expenditures and Balances, FY 2007 - FY 2011, in Millions (Attachment 12)

Items for Omnibus Consideration

Legislative Coordinating Council

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $207,399, all from the State General Fund, and 3.0 FTE information technology positions in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the positions. The Conference Committee on **SB 534** concurred with the Senate Committee recommendation and retained the positions and funding.

This item was resolved in Conference Committee.

Legislative Research Department

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $69,057, all from the State General Fund, and 1.0 FTE information technology position in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the position. The Conference Committee on **SB 534** concurred with the Senate Committee recommendation and retained the position and funding.

This item was resolved in Conference Committee.

Revisor of Statutes

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A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $65,759, all from the State General Fund, and 0.7 FTE information technology position in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not reduce the funding or the position. The Conference Committee on **SB 534** concurred with the Senate Committee and retained the position and funding.

This item was resolved in Conference Committee.

Legislature

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $446,392, all from the State General Fund, and 6.0 FTE information technology positions in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the positions. The Conference Committee on **SB 534** concurred with the Senate Committee and retained the positions and funding.

This item was resolved in Conference Committee.

B. Kansas Legislative Information System (House Committee). The House Committee deleted $448,000, all from the State General Fund, and 1.0 FTE in FY 2009 for the Kansas Legislative Information System. The funding included $400,000 for a "hot site" or disaster recovery center and $48,000 for 1.0 FTE Data Center Technician position for the Recovery Center and Production Data Center. Both expenditures were requested for review at Omnibus. The Senate Committee did not remove the funding or the position. The Conference Committee on **SB 534** concurred with the Senate Committee and retained the position and funding.

This item was resolved in Conference Committee.

Division of Post Audit

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $63,395, all from the State General Fund, and 1.0 FTE information technology position in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the position. The Conference Committee on **SB 534** concurred with the Senate Committee and retained the position and funding.

This item was resolved in Conference Committee.

B. Computer Support Position for FY 2009 (House Committee). The House Committee requested a review of the possible addition of $51,834, all from the State General Fund, and 1.0 FTE position for a computer support position. The Senate Committee added the position and the funding in FY 2009. The Conference Committee on **SB 534** concurred with the Senate Committee and added the position and funding.

This item was resolved in Conference Committee.

Kansas State Fair Board

A. Funding for Debt Service Principal and Debt Service Interest Payments (Senate Committee and House Committee). The Senate Committee and the House Committee requested review of the bond payment funding for debt service in FY 2009 that the Governor recommended from the Expanded Lottery Act Revenues Fund (ELARF).

The Governor recommended $1,840,821 from the ELARF for the agency's debt service principal and debt service interest payments in FY 2009. Both the Senate Committee and the House Committee deleted the funding from the ELARF and added funding from the State General Fund ($1,540,821) and the State Fair Capital Improvements Fund ($300,000). Also added was the authority to transfer up to $300,000 from the State General Fund to the State Fair Capital Improvements Fund in FY 2009.

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This item was resolved in Conference Committee.

Kansas Corporation Commission

A. Facilities Conservation Improvement Program (Senate Committee). The Senate Committee recommended review of the addition of $57,600, all from special revenue funds, and 1.0 FTE Building Energy Analyst position in FY 2009 for the Facilities Conservation Improvement Program (FCIP), as recommended by the 2007 Interim Special Committee on Energy, Natural Resources, and Environment. The 1.0 FTE position was not included in the agency's budget submission or in the Governor's budget recommendation for FY 2009.

Agencies and units of government participating in the FCIP pay for improvements with savings realized from reduced energy consumption. As part of the program, an energy service company (ESCO) guarantees a level of savings that will be realized from installation of the recommended improvements. The agency borrows money to pay for the improvements up-front and repays that loan from realized savings. If the guaranteed level of savings is not achieved, the ESCO reimburses the agency for the difference. According to the interim committee's report, the average time to install improvements is one year and the average payback ranges from 11 to 17 years.

According to the interim committee's report, a total of 40 agencies and local units of government with a combined area of approximately 29.0 million square feet have participated in FCIP. In addition to the state agencies, FCIP participants include nine unified school districts, six community colleges and technical schools, two cities and a county. The total cost of energy efficiency improvements for all of the facilities is approximately $131.0 million and the annual savings are projected to be approximately $11.0 million. The agency also indicated to the interim committee that seven projects are pending.

The Interim Committee recommended the House and Senate committees review appropriations for the agency to consider adding 1.0 FTE position to allow the FCIP to be marketed to more agencies and units of government. The position would The position would provide technical analysis and support for public sector customers of the Kansas Energy Office's FCIP; review contracts and energy conservation measures included in the performance contracts; establish on-going customer relationships; attend regular construction meetings; review contracts and invoices; and review performance and verify savings.

Senator Taddiken moved, with a second by Senator Emler, to add 2.0 FTE from special revenue funds. Motion carried on a voice vote.

B. House Substitute for Senate Bill 327 (Veto); House Substitute for Senate Bill 148 (Governor); Senate Substitute for House Bill 2919 (Conference Committee). The bills cover numerous subject topics, including: requirements for the Sunflower expansion, wind generated electricity tariff, energy efficiency and load management, greenhouse gas emission reduction, energy efficiency for state buildings and equipment, Kansas Electric Generation Science and Technology Commission, carbon dioxide capture, renewable resources standard, the Net Metering and Easy Connection Act, regulatory amendments, tax incentives for energy efficient improvements of non-owner occupied housing units, and mercury emissions reductions.

The agency estimates an increase in expenditures of $220,200, all from special revenue funds, in FY 2009 that would result from passage of any one or all of the bills. Expenditure increases include: $115,200, all from special revenue funds, and 2.0 FTE Building Energy Analyst positions for the Facilities Conservation Improvement Program (FCIP); $55,000, all from special revenue funds, for the Kansas Electric Generation Science and Technology Commission for in-state travel; $50,000, all from special revenue funds, for the Net Metering and Easy Connection Act for professional services.

Senator Emler moved, with a second by Senator Kelly, to take no action on Item B. Motion carried on a voice vote.

C. Senate Bill 570 (Conference Committee). **SB 570**, as amended by the House Committee on Energy and Utilities, would require the agency to approve or deny within 120 days mergers or acquisitions involving telecommunications companies headquartered in Kansas and to make a determination within 180 days for mergers or acquisitions involving price-cap companies when the partner is another price-cap company or a company not headquartered in Kansas. Embarq and AT&T are the only price-cap regulated telecommunications companies in Kansas. The agency estimates $350,000, all from special revenue funds, in FY 2009 would be required to contract with an outside entity to assist with collecting information.

Senator Emler moved, with a second by Senator Teichman, to take no action on Item C. Motion carried on a voice vote.

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Department of Agriculture

A. Subbasin Water Resources Management Program (House Committee and Conference Committee). The House Committee deleted $761,373, all from the State Water Plan Fund, in FY 2009 for the Subbasin Water Resources Management Program. The House Committee recommended that the program be reviewed at Omnibus, and that the agency provide further information about the program to the House Budget Committee for Omnibus. The Senate Committee did not recommend deletion of the funding. The Conference Committee on **SB 534** agreed on the Senate's position and included the Governor's recommended funding for the program in FY 2009.

The Governor recommended $761,373, all from the State Water Plan Fund, in FY 2009 for the Subbasin Water Resources Management Program. The program is charged with gathering and analyzing data and working with local stakeholders to develop long-term water resource management strategies in targeted areas. Strategies are developed to preserve the state's water resources and to avoid adverse impacts on senior water rights in these targeted areas, while allowing appropriated development of the state's water resources. The program works with stakeholders, water resource professionals, and the general public in each targeted area.

This item was resolved in Conference Committee.

B. Large Scale Test Truck (Senate Committee and Conference Committee). The Senate Committee deleted $160,000, all from the State General Fund, in FY 2009 for the purchase of one large scale test truck, with review at Omnibus. The House Committee did not recommend deletion of the funding. However, the Conference Committee on **SB 534** agreed to the Senate position and deleted the funding, with review at Omnibus.

The Governor recommended the funding for one large scale test truck in the Weights and Measures subprogram. The subprogram currently has two test trucks. The 2007 Legislature approved funding to replace one test truck and the recommendation would replace the second truck that has alignment problems, excessive tire wear, steering issues, and a hazardous cable loading system.

Senator Taddiken moved, with a second by Senator Kelly, to adopt funding of $80,000 from the State General Fund and $40,000 from special revenue funds. Motion carried on a voice vote.

C. Vehicle Replacements (Senate Committee). The Senate Committee deleted $317,900, including $264,914 from the State General Fund, in FY 2009 for the replacement of 20 agency vehicles, with review at Omnibus. The House Committee deleted $264,914, all from the State General Fund, for replacement of 12 agency vehicles, with no review at Omnibus. The Conference Committee on **SB 534** agreed to the House position and deleted the $264,914 from the State General Fund.

This item was resolved in Conference Committee.

D. Senate Bill 584 (Law). **SB 584** transfers all responsibility for the inspection and licensing of food service establishments and lodging facilities from the Department of Health and Environment to the Department of Agriculture effective October 1, 2008. During its review of the Department of Health and Environment budget, the Senate Committee deleted $2.4 million, including $246,616 from the State General Fund and 38.0 FTE positions to reflect the transfer. The deletions were based on the version of the bill at that time, which transferred the program July 1, 2008. The Department of Health and Environment indicates that it is pursuing a memorandum of understanding with the Department of Agriculture which should address this issue, but under the language of the bill, the funding and positions should have been transferred for only nine months of FY 2009. Nine months of funding for the program would total $1,811,893, including $184,962 from the State General Fund.

In order to implement the bill, the Department of Agriculture would require the funding for nine months of the program, which would be $1,811,893, including $184,962 from the State General Fund; 38.0 FTE positions; an appropriation of the two funds associated with the program, the Food Service Inspection Reimbursement Fund and the Food Inspection Fee Fund; and an accompanying proviso that provides for expenditures from the fund, revenues received by the fund, and transfers between the two funds.

Senator Taddiken moved, with a second by Senator Teichman, to add the nine months of funding and add an additional three months funding in the Kansas Department of Health and Environment. Motion carried on a voice vote.

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E. House Bill 2625 (Conference Committee). In 1978, the Kansas Legislature enacted the Kansas Groundwater Management District Act, which also contains provisions for the initiation of proceedings and the designation of Intensive Groundwater Use Control Areas (IGUCA). These statutes allow the Chief Engineer of the Division of Water Resources to implement additional corrective control provisions in areas where it is determined, through a public hearing process, that groundwater levels are declining excessively, the rate of groundwater withdrawal exceeds the rate of groundwater recharge, unreasonable deterioration of groundwater quality has occurred or may occur, or other conditions warranting additional regulation exist to protect public interest. **HB 2625**, in its current form, would require the Chief Engineer to conduct a public review hearing within seven years of the effective date of the bill to determine whether the designation of an IGUCA should be continued for each IGUCA, along with other designations made within ten years. The bill also establishes guidelines for the public review hearings.

In addition, the Chief Engineer would be required to present an annual report on any IGUCA proceeding, review, or pending IGUCA to the Legislature and the Chief Engineer also would be charged with establishing an advisory panel to include members from names submitted by affected water users and affected groundwater management districts for any public hearing under K.S.A. 82a-1037 or under the review process established by the bill.

The bill also would amend current law to provide that an area within a groundwater management district could become an IGUCA only when the groundwater management district recommends that an IGUCA be recommended or when a petition is signed by a requisite amount of people. Outside the boundary of an IGUCA, the Chief Engineer could initiative an IGUCA whenever certain condition exist, as provided by existing law.

The agency estimates there would be at least one IGUCA review per year. Based on previous IGUCA proceedings, the cost for the review of each IGUCA is estimated at $255,000, all from the State General Fund. The passage of **HB 2625** also would require an additional 2.5 FTE positions, including 1.5 FTE environmental scientist positions and 1.0 FTE attorney position.

The Committee reviewed this item, but took no action.

Animal Health Department

A. Pound and Shelter Relinquishment Fees (Senate Committee). The Senate Committee deleted $5,000, all from the State General Fund, in FY 2009 for pound and shelter relinquishment fees, with review at Omnibus. The Conference Committee on **SB 534** agreed to the House recommendation to delete the funding in FY 2009, but to add $5,000, all from the State General Fund, in FY 2008.

This item was resolved in Conference Committee.

B. Boarding and Veterinary Bills (Senate Committee). The Senate Committee deleted $5,000, all from the State General Fund, in FY 2009 for boarding and veterinary bills incurred by the agency during litigation, with review at Omnibus. The Conference Committee on **SB 534** agreed to the House position to delete the funding in FY 2009, but to add $5,000, all from the State General Fund, in FY 2008.

This item was resolved in Conference Committee.

C. Disaster Funding (Senate Committee). The Senate Committee requested review at Omnibus of expenditures by the agency in the aftermath of the Greensburg tornado. The agency has received a total of $92,470 of the requested $129,011, which has reimbursed the agency for staff overtime hours and equipment that needed to be purchased. The amount received by the agency from the Federal Emergency Management Agency (FEMA), however, has not fully reimbursed the agency's expenses and the agency is short of full reimbursement by $36,541 in FY 2008. The agency does not anticipate any further reimbursement from FEMA.

The Committee reviewed this item, but took no action.

D. Vehicle Purchase (Senate Committee). The Senate Committee deleted $17,000, all from the State General Fund, in FY 2009 for the purchase of one vehicle as recommended by the Governor, with review at Omnibus. The House Committee deleted $3,000 from the funding recommended by the Governor and added $3,000 from special revenue funds. The Conference Committee on **SB 534** agreed to the House position and deleted the $3,000 from the State General Fund and added $3,000 from special revenue funds for the purchase of one vehicle.

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This item was resolved in Conference Committee.

State Conservation Commission

A. Conservation Easements Funding (House Committee). The House Committee deleted $266,000, all from the State General Fund, in FY 2008 for conservation easements funding for the Department of Defense Army Compatible Use Buffer Program and the United States Department of Agriculture Farm and Ranchlands Protection Program, for review at Omnibus. The $266,000 deleted by the House Committee represents the total amount of funding remaining in FY 2008 for the program, out of the $311,500 approved by the 2007 Legislature. The House Budget Committee also requested the agency provide copies of signed contracts associated with the conservation easement programs. The Senate Committee concurred with the Governor's recommended funding. However, the Conference Committee on **SB 534** agreed to the House position and deleted the funding for review at Omnibus.

Copies of information from Greg Foley, State Conservation Commission, concerning support for FY 2008 State Conservation Commission budget - conservation easements were distributed to the Committee (Attachment 13).

Senator Taddiken moved, with a second by Senator Emler, to give authorization to appropriate unencumbered balances from FY 2008 to FY 2009. Motion carried on a voice vote.

B. Conservation Reserve Enhancement Program (Senate Committee). The Senate Committee requested review of the Conservation Reserve Enhancement Program (CREP) at Omnibus. The CREP is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water by providing incentives and cost-sharing to participants who enroll their land for a period of 14 to 15 years. The 2007 Legislature appropriated $1.0 million from the State Water Plan Fund for FY 2007 and $1.0 million from the State Water Plan Fund for FY 2008 for the CREP. The House Committee deleted reappropriation authority for the CREP in FY 2009. The Senate Committee concurred with the Governor's recommendation to allow the agency to reappropriate any unencumbered funds to FY 2009. The Conference Committee on **SB 534** agreed to the House Committee recommendation and deleted the reappropriation authority for the CREP in FY 2009.

Senator Kelly moved, with a second by Senator Emler, to put the money back in for CREP. Motion carried on a voice vote.

Kansas Water Office

A. Water Conservation Projects Fund (Technical Adjustment). In posting the Conference Committee report, the Governor's recommendation for FY 2009 expenditures from the Water Conservation Projects Fund and accompanying proviso was inadvertently left in the appropriations bill. The recommendation for expenditures from this fund and the accompanying proviso should have been deleted to correspond with a transfer and new provisions in the bill related to the Western Water Conservation Projects Fund.

Senator Emler moved, with a second by Senator Kelly, to remove the proviso which was inadvertently left in the appropriations bill. Motion carried on a voice vote.

Office of the Governor

A. Child Advocacy Centers (House Committee and Conference Committee). The House Committee deleted $1.0 million, all from the State General Fund, in FY 2009 to remove additional funding recommended for Child Advocacy Centers for review during Omnibus. The Senate did not delete the funding, but the Conference Committee on **SB 534** agreed to delete the funding for Omnibus review. The recommendation leaves $1.0 million currently in the budget for FY 2009, the same amount approved for FY 2008. Child Advocacy Centers are child-focused, community-oriented programs that coordinate investigation and intervention services for abused children.

The Committee reviewed this item, but took no action.

B. Additional Operating Expenditures (House Committee and Conference Committee). The House Committee deleted $67,000, all from the State General Fund, recommended by the Governor for additional operating expenditures in FY 2009, for review during Omnibus. The funding was

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recommended for the administration program ($65,000) and Cedar Crest ($2,000). The Senate Committee did not delete the funding, but the Conference Committee on **SB 534** agreed to delete the funding for Omnibus review.

The Committee reviewed this item, but took no action.

C. Domestic Violence and Sexual Assault Outreach Funding (House Committee). The House Committee deleted $2.5 million, all from the State General Fund, for domestic violence and sexual assault outreach funding in FY 2009 for review during Omnibus. The funding, recommended to enhance and expand domestic violence and sexual assault outreach services to underserved areas of the state and underserved populations, and to expand programs already in place, was intended to be transferred to the Office of the Governor from the Kansas Department of Health and Environment (KDHE). Through an oversight, the funding was left in both budgets. The Senate Committee deleted the funding from the KDHE budget, leaving the funding in the budget of the Office of the Governor, and the Conference Committee on **SB 534** agreed with the Senate position.

This item was resolved in Conference Committee.

D. Additional Domestic Violence and Sexual Assault Outreach Funding (House and Senate Committee). During budget hearings on the budget of the Office of the Governor, a representative of the Kansas Coalition Against Sexual and Domestic Violence asked for additional funding for the program. The representative noted that Kansas will lose $991,000 in federal Victims of Crime Act (VOCA) funds in FY 2009 and asked for additional funding of $500,000, all from the State General Fund, to help mitigate the loss of this funding and the impact this reduction would have on core services performed by programs across the state.

The Committee reviewed this item, but took no action.

Attorney General

A. Cyber Crime Unit (House and Senate Committee). The House Committee and the Senate Committee both deleted $303,091, all from the State General Fund, and 4.0 FTE positions for development of a cyber crime unit in the Attorney General's office in FY 2009. The agency requested an enhancement of $453,091, all from the State General Fund, which would expand the existing NetSmartz anti-internet predator education initiative with $150,000 in additional funding, but would also add $303,091 and 4.0 FTE positions to provide for broader education opportunities for schools, consumer groups, and seniors, with the goal of decreasing consumer fraud, identity theft, and other computer related crime. The Legislature concurred with the recommendation to expand the NetSmartz program, but recommended reviewing the remainder of the enhancement request during Omnibus. The positions requested include 1.0 FTE Trainer, to make statewide presentations, 1.0 FTE Crime Analyst, 1.0 FTE Investigator and 1.0 FTE Assistant Attorney General, all to allow for prosecution of offenders.

The Committee reviewed this item, but took no action.

B. Mortgage Fraud Program. (House and Senate Committee). The House Committee and the Senate Committee deleted $307,267, all from the State General Fund, and 4.0 FTE positions for a new mortgage fraud program, aimed at reducing mortgage fraud and foreclosures related to sub-prime loans, fraudulent marketing, and coercion by certain individuals in the real estate industry. The request for FY 2009 includes funding for 2.0 FTE Assistant Attorney General positions for prosecuting violators, and 2.0 FTE Mediator positions for cases where there is a lack of clear criminal intent.

The Committee reviewed this item, but took no action.

C. Child Support Enforcement Activities (House and Senate Committee). The House Committee and the Senate Committee deleted $191,983, all from the State General Fund, and 3.0 FTE positions in FY 2009 for child support enforcement activities within the Attorney General's office. The request includes funding for 3.0 FTE positions: 1.0 FTE Assistant Attorney General; 1.0 FTE Investigator; and 1.0 FTE Administrative Assistant. One of the recommendations of the 2007 Governor's Task Force on Hunger was that the Attorney General take an active role in child support enforcement. The program would work with court trustees and local prosecutors to refer cases of delinquent support to the Attorney General's office for prosecution.

The Committee reviewed this item, but took no action.

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D. Batterers Intervention Certification Program (House and Senate Committee). The House Committee and the Senate Committee deleted for Omnibus review $73,000, all from the State General Fund, and 1.0 FTE Program Manager position in FY 2009 for development of a Batterers Intervention Certification program, aimed at updating certification standards, implementing a training curriculum, and establishing a process for certification of intervention programs.

The Committee reviewed this item, but took no action.

E. Crime Stoppers (House and Senate Committee). The House Committee and the Senate Committee recommended review of the deletion of $109,073 all from the State General Fund, and 1.0 FTE Coordinator position to further develop the Crime Stoppers program in Kansas in FY 2009. The Coordinator would seek and support volunteers for the program and work to increase the number of programs across the state and the overall effectiveness of the programs.

The Committee reviewed this item, but took no action.

F. Drug Awareness and Resistance Education (D.A.R.E.) Program (House and Senate Committees). The House Committee and the Senate Committee recommended Omnibus review of the deletion of $50,000, all from the State General Fund, in FY 2009 for the D.A.R.E entire. program, designed to teach students methods for successfully resisting alcohol and drugs. The agency indicated that it has reallocated an existing position to serve as the full-time statewide D.A.R.E. coordinator. The funding would be utilized to provide assistance for an annual conference on school-based programs in Kansas, for four week-long D.A.R.E. officer training courses, and for travel and subsistence for the statewide coordinator.

The Committee reviewed this item, but took no action.

G. Abuse, Neglect, and Exploitation Program (House Committee). The House Committee recommended review of the deletion $120,000, all from State General Fund, and 2.0 new FTE positions in FY 2009 for the agency's Abuse, Neglect, and Exploitation Program. The funds would finance 1.0 new data entry FTE position and 1.0 new investigator FTE position. The request was not included in the agency's original budget submission, but was recommended by the Governor as an additional enhancement.

The Committee reviewed this item, but took no action.

H. Child Protective Services Oversight Committee (House Committee). The House Committee recommended review of the deletion of $150,000, all from the State General Fund, in FY 2009 for expenditures related to the Child Protective Services Oversight Committee. This recommendation includes 1.0 new FTE position. This position would work with the Child Protective Services Task Force to review SRS's Child Protective Services policies and procedures. The request was not included in the agency's original budget submission, but was recommended by the Governor as an additional enhancement.

The Committee reviewed this item, but took no action.

I. Healthy and Prepared Schools Program (House Committee). The House Committee recommended review of the deletion of $200,000, all from the State General Fund, in FY 2009 for a Healthy and Prepared Schools program, including 2.0 new FTE positions. These funds would be used to work with the Kansas State Department of Education to improve coordination between all state agencies and school districts, support school districts in the creation of comprehensive crisis management plans, and develop model training programs to be used throughout the state in schools and communities. The request was not included in the agency's original budget submission, but was recommended by the Governor as an additional enhancement.

The Committee reviewed this item, but took no action.

J. 2007 Senate Bill 52 - Technical Adjustment—Sexually Violent Predator Expense Fund. **2007 SB 52**, approved by the 2007 Legislature, created the Sexually Violent Predator Expense Fund to be administered by the Office of the Attorney General. Moneys in the fund are to be used to reimburse counties responsible for the costs of determining whether a person may be a sexually violent predator. While the fund was created in a statute, through an oversight it was never appropriated. The agency has indicated it would anticipate expenditures of about $300,000 from the fund. Another issue for consideration, however, is that the bill passed last year contains no mechanism to generate revenue to the fund, so without some kind of transfer of funds, no moneys would be appear to be available for expenditure.

The Committee concurred with this item but the expenditure is from the Kansas Endowment for Youth Fund.

K. GBA No. 1, Item 8, Page 5—Tobacco Master Settlement Agreement Compliance.

The Committee concurred with this item.

L. GBA No. 1, Item 9, Page 5—Water Litigation.

The Committee concurred with this item.

M. GBA No. 1, Item 10, Page 5—Funding Switch Correction.

The Committee concurred with this item.

Secretary of State

A. Senate Substitute for House Bill 2315 (Conference). **Senate Sub. for HB 2315** would require all individuals who conduct home inspections to register with the Secretary of State, unless they are specifically exempted by the bill. Registrations would need to be renewed every two years, and could be revoked by the Secretary of State. The bill also would create the Home Inspectors Registration Fee Fund to be administered by the Secretary of State. The Secretary of State indicates that for FY 2009, startup costs totaling $50,000, all from the State General Fund, would be required. After that, the fees collected for registration should be sufficient to fund to the program.

The Committee reviewed this item, but took no action.

Department of Health and Environment

A. Expanded Newborn Screening (Senate Committee). The Senate Committee deleted $2.2 million, all from the Children's Initiatives Fund, for expanded newborn screening activities in FY 2009 for review at Omnibus. The House Committee did not recommend deleting the funding and the Conference Committee on **SB 534** agreed with the House position and did not delete the funding.

In addition, the Senate Committee requested information on line item expenditures for the program. According to information provided by the agency, of the $2.2 million approved for the program in FY 2009, $523,638 (23.5 percent) is budgeted for the salaries and wages of 11.0 FTE positions, $108,870 (4.9 percent) is budgeted for contractual services, primarily fees for professional services, $1,417,899 (63.7 percent) is budgeted for commodities, primarily for professional and scientific supplies, and $176,170 (7.9 percent) is budgeted for capital outlay, primarily for equipment purchases.

In addition to funding in the KDHE budget for newborn screening, the April 2008 consensus caseload estimates for the Kansas Health Policy Authority include $860,000, including $344,000 from the State General Fund for expanded newborn screening for those eligible for Medicaid.

Senator Vicki Schmidt requested additional information from the Kansas Health Policy Authority regarding the $860,000 concerning where the money is being spent (Attachment 14).

The Chairman recognized Scott Brunner, Kansas Health Policy Authority, explained and clarified that $344,000 had been overstated in their budget and the actual state match for Medicaid funds is in the Kansas Department of Health and Environment budget.

Senator V. Schmidt verified with Mr. Brunner that the $344,000 would be taken out of the Kansas Health Policy Authority Budget. Senator V. Schmidt confirmed that this would include both the Health and Environment side of the Department of Health and Environment. The Committee reviewed this item, but took no action.

Following discussion, Senator Emler moved, with a second by Senator Kelly, to reduce by $860,000 All Funds out of caseloads in the Kansas Health Policy Authority budget. Motion carried on a voice vote.

B. Vehicle Purchases (Senate Committee). The Senate Committee deleted a total of $427,200, including $106,744 from the State General Fund, for the purchase of 18 vehicles for review during Omnibus. The House Committee made only one adjustment to the recommended funding for vehicle purchases, the shift of $15,744 from the State General Fund to special revenue funds in the Division of the Environment. The Conference Committee on **SB 534** concurred with the House Committee's recommendation on vehicles. As a result FY 2009 funding totaling $427,200, including $91,000 from the State General Fund, is included in **SB 534** which would authorize the agency to purchase all 18 vehicles in FY 2009.

This item was resolved earlier.

C. Primary Safety Net Clinics (House and Senate Committee). Both the House Committee and the Senate Committee recommended reviewing additional funding in FY 2009 for primary safety net clinics during Omnibus. The agency requested an enhancement of $154,350, all from the State General Fund, for increased funding for primary safety net clinics. The funding was requested to assist the clinics with the rising costs of providing services in underserved communities. The enhancement was not recommended by the Governor. In addition, during the budget hearings, both the House Budget Committee and Senate Subcommittee heard testimony from the Kansas Association for the Medically Underserved (KAMU). The organization has proposed a plan, estimated to cost between $6.1 and $8.6 million, to: accommodate a 10.0 to 20.0 percent increase in patient visits for uninsured persons; provide additional outreach efforts for enrolling eligible individuals in Medicaid and HealthWave; allow for increased recruitment of physicians and dentists; provide a capital financing grant program; and provide support for technical training and training activities.

The Committee reviewed this item, but took no action.

D. Coordinated School Health Program (House and Senate Committee). The House Committee and the Senate Committee recommended further review of an FY 2009 agency enhancement request for the Coordinated School Health Program during Omnibus. The agency requested $1.8 million, all from the State General Fund, for a statewide, comprehensive coordinated school health program. The Governor did not recommend funding for the enhancement request. In 2003, Kansas received a five-year grant from the Centers for Disease Control and Prevention to focus efforts on increased physical activity, nutrition, decreased tobacco use, and obesity prevention and reduction. The program, a joint effort between the agency and the State Department of Education, impacts 224 schools, and over 80,000 students in 39 counties. An application for a new five-year grant was made, but not received, by the agency.

Senator Kelly moved, with a second by Senator V.Schmidt, to add $550,000 from the State General Fund for the Coordinated School Health Program. Motion carried on a voice vote.

E. Part C Infant Toddler (Tiny-K) Services (House and Senate Committee). The House Committee and the Senate Committee recommended consideration of additional funding for the Tiny-K program in FY 2009 during Omnibus. The agency requested $1.0 million, all from the State General Fund, in enhancement funding for the Tiny-K program. The funding was not recommended by the Governor. This program serves children ages birth to two-years of age with disabilities and their families. Similar services are provided to children ages three to five through the State Department of Education. Based on the current count of children receiving services, the agency indicates that a funding increase of $2.1 million (from the State General Fund or the Children's Initiatives Fund) would be required to mirror the formula used for children ages three to five. The agency's request was for half that amount. Infant toddler services are funded in FY 2008 at $8.6 million, including $3.5 million from the State General Fund and $1.2 million from the Children's Initiatives Fund, and are currently funded at the same level in FY 2009.

Senator Emler moved, with a second by Senator V. Schmidt, to concur with the House action on Item E. Following committee discussion, Senator Emler withdrew his motion, with the consent of Senator V. Schmidt, the second to the motion.

The Committee took no action on this item.

F. Regional Dental Hubs (House Committee). The House Committee recommended Omnibus review of the agency's FY 2009 enhancement request for regional dental hubs. The agency requested $210,000, all from the State General Fund, for growth and development of regional dental hubs. Development of the regional dental hubs began in FY 2007 to increase oral health capacity in the safety net clinics. The requested funding would be used for completion and development of the dental hub sites identified in the first round of dental hub funding.

The Committee reviewed this item, but took no action.

G. Breast and Cervical Cancer Early Detection Works Program (House Committee). The House Committee recommended Omnibus review for the agency's FY 2009 enhancement request of $1.3 million, all from the State General Fund, for the Breast and Cervical Early Detection Works (EDW) Program. The enhancement funding was not recommended by the Governor. The EDW program helps low-income, uninsured, and underserved women gain access to early detection screening services for breast and cervical cancers. According to the agency, studies show that screening and early detection of these diseases could prevent 15.0 to 30.0 percent of breast cancer deaths and either prevent cervical cancer or detect it at an early stage when it is most curable.

The Committee reviewed this item, but took no action.

H. Updates on Division of Environment Issues (Senate Committee). The Senate Committee requested updated information on a number of Division of Environment issues for review during Omnibus. The requested information includes: the status of the Local Environmental Protection Program; the status of the City of Treece buyout; Total Maximum Daily Loads (TMDLs); Mercury Deposition Monitoring; and regional haze planning.

- *Local Environmental Protection Program (LEPP) Update.* The Department indicates that State Water Plan funding allocated to the LEPP program was distributed to 101 counties. A total of 45 single county programs and eight multi-county groups received base program funds. Distribution of the funds is done through multiplying the county population by $0.55 per person. Participating counties receive a minimum of $7,000 with a maximum of $125,000. After the base funds are distributed, any remaining funds are available as targeted grants for specific projects. In 2007, the Department indicates that $28,000 was made available to 10 LEPPs for targeted grants.

- *Treece Buyout.* The agency reports that, to date, federal funding for the Treece buyout has not been received; therefore the $680,000, all from the State General Fund, which is to provide a 10.0 percent match for federal funding, has not been expended. The funding is budgeted to reappropriate to FY 2009.

- *Total Maximum Daily Loads (TMDLs).* The Bureau of Water develops water quality standards, which designate uses of state surface waters. Corresponding to the designated use of the waters are specific criteria, which the waters are to meet. Monitoring data from stream and lake samples are reviewed and water bodies are listed as being in or out of compliance. For those waters listed as out of compliance, or impaired, the Bureau is required to prepare a total maximum daily load (TMDL), an implementation plan which describes the acceptable loadings to a stream, the desired stream conditions, and generally describes the approach to be taken to improve water quality. The agency indicates that the TMDL program is into its second round of development across the state's 12 river basins. Since completing the initial requirements of a 2006 court decree, the agency has adopted a five-year rotation for each basin in order to allow revision of TMDLs with existing information. For FY 2008, the agency reports that it is working in Southeast Kansas (Neosho, Verdigris, and Walnut basins) developing TMDLs for the federal reservoirs. In FY 2009, the agency will rotate to Northeast Kansas (Smoky, Solomon, and Upper Republican basins).

- *Mercury Deposition Monitoring.* KSA 75-5673 requires that KDHE establish a statewide mercury deposition network consisting of at least six monitoring sites. Monitoring for a period of time long enough to determine trends is also specified. The Department indicates this period of time would be five or more years. The implementation goal is to initiate sampling at three sites during the second quarter of calendar year 2008 and have all sites fully operational by the end of the third quarter. Each site requires a contract to document permission for use of the site, and the contracts also address operation of the sites by the hosting agency (probably at five of the six sites). A contract has been established with the Sac and Fox Nation of Missouri in Kansas and Nebraska for the operation of one site. Contracts have also been negotiated with the Kansas Department of Wildlife and Parks for two sites and the United States Department of Agriculture (USDA) for one site. The approved sites are: Reserve, Kansas (Sac and Fox Nation); Cimarron National Grassland in Morton County (USDA); Lake Scott State Park in Scott County (Wildlife and Parks); and Glen Elder State Park in Mitchell County

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(Wildlife and Parks). The potential sites under evaluation are: Coffey County Lake (Wolf Creek); and a site in southeastern Kansas. Equipment was installed at the Reserve site on November 13, 2007. This site is located at an existing ambient air monitoring site belonging to and operated by the Sac and Fox Nation of Missouri in Kansas and Nebraska. The Tribe's environmental department is operating the sampler. Sampling at all sites will be performed on a weekly basis. Data generated by the Kansas Mercury Deposition Network (KMDN) will be posted to the KDHE web site as available and annually to a national database. A March 24, 2008, report on the status of the project indicates costs to establish the network, through January of 2008, totaled $80,548.

- *Regional Haze Report.* The federal Environmental Protection Agency's (EPA) Regional Haze Rule went into effect on August 30, 1999, and is designed to achieve national visibility goals at certain designated federal lands by 2064. Technical analyses have shown that Kansas sources moderately contribute to visibility impairments at Federal Class 1 areas in Arkansas, Missouri, and Oklahoma. The federal Regional Haze Rule required states to submit a revision of their State Implementation Plan by December 2007. One component of the revision is to require certain types of stationary sources of air pollutants to install "best available retrofit technology" or BART. Using methodology outlined by the EPA, four facilities with a total of six units were found to be subject to the BART provisions. These facilities were: Kansas City Board of Public Utilities Nearman Unit 1; Kansas City Power and Light La Cygne Units 1 and 2; Westar Energy Gordon Evans Unit 2, and Westar Energy Jeffrey Units 1 and 2. The agency determined that the best way to implement the federal regulations would be to enter into consent agreements with the three owners of the units. Negotiations began in late 2006, and as of March 21, 2008, agreements have been signed with Kansas City Power and Light and Westar Energy. Negotiations with the Board of Public Utilities are ongoing. In the event an agreement cannot reached, a state rule has been drafted to essentially mirror the requirements of the federal rule with regard to best available retrofit technology. The draft revisions to the State Implementation Plan were submitted to designated federal land managers and the tribes in Kansas at the end of October 2007 for a 60-day review period. Comments from these entities will be incorporated prior to a KDHE internal concurrence process and public review. The revised plan will be placed on public review for 30 days once all of the consent agreements are signed or an appropriate state regulation is adopted.

The Committee reviewed this item, but took no action.

I. Senate Bill 584 (Law). **SB 584** transfers all responsibility for the inspection and licensing of food service establishments and lodging facilities from the Department of Health and Environment to the Department of Agriculture effective October 1, 2008. During its review of the agency budget, the Senate Committee deleted $2.4 million, including $246,616 from the State General Fund, and 38.0 FTE positions to reflect the transfer. The deletions were based on the version of the bill at that time, which transferred the program July 1, 2008. KDHE indicates that it is pursuing a memorandum of understanding with the Department of Agriculture which should address this issue, but under the language of the bill, the funding and positions should have been transferred for only nine months of FY 2009. Three months of funding for the program would total $603,964, including $61,654 from the State General Fund.

This item was resolved earlier.

J. Senate Substitute for House Bill 2097 (Law). **Senate Sub. for HB 2097** requires school boards to provide information on immunizations to school age children and to parents and guardians of students in grades six through 12.

KDHE would be required to provide information on immunizations to school boards. If requested by a school board, KDHE would be required to provide assistance. KDHE would not be allowed to charge for the information or assistance it provides.

The bill also would require the agency to increase influenza immunization awareness and participation among parents of children age six months to five years who are enrolled in child care facilities. The agency would be required to have information on the benefits of annual immunization against influenza for children on its official website and to cooperate with the Department of Social and Rehabilitation Services in distributing information to **parents** and child care facilities in August and September every year. KDHE also would be required to conduct a study of the feasibility of establishing a school-based influenza

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vaccination pilot program including the costs and benefits of a pilot program; barriers to implementation and strategies for removing the program barriers; and the fiscal impact of a pilot program. The agency would be required to submit a report on its findings to the Joint Committee on Health Policy Oversight prior to the 2009 Legislative Session and the Joint Committee could introduce bills or request funding for the pilot program. Also, KDHE would be authorized to seek funding for implementation of the pilot study from any public or private source. The bill also would require every maternity center and medical care facility licensed by the agency to adopt written policies and inform parents regarding their options for the disposition of fetal remains in an event of fetal death.

KDHE indicates that it would require $20,000, all from the State General Fund in FY 2009 to perform its duties under the bill.

The Committee reviewed this item, but took no action.

K. House Substitute for Senate Bill 389 (Veto). **House Sub. for SB 389** would make several amendments dealing with late-term abortions. The bill would authorize information obtained by the Secretary of the Department of Health and Environment, including identification of physicians and medical care facilities reporting to the Secretary, to be disclosed to the district and county attorneys in addition to the Board of Healing Arts and the Attorney General. Under the bill, annual public reports issued by the Secretary on abortions performed would have to contain the number of pregnancies terminated, the type of medical facility and other information required to be reported to the Secretary except for information deemed to be confidential. The fiscal note on the bill indicates the Department would require $74,950, all from the State General Fund, in FY 2009 to implement provisions of the bill. The funding would include communication and printing ($16,050), professional and office supplies ($5,900), one-time updates to the database ($52,000), and medical consultant fees ($1,000).

The Committee reviewed this item, but took no action.

L. House Substitute for Senate Bill 329 (Conference). **House Sub. for SB 329** would create the Kansas Illegal Alien Reform Act. As it relates to the Department of Health and Environment (KDHE), no unauthorized alien would be eligible to receive public benefits except those required to be offered by the federal government. No benefits would be provided until such alien's lawful presence in the United States is verified.

KDHE indicates that the bill would require it to check the citizenship status of applicants before it could issue benefits or grants. KDHE would be required to use the Systematic Alien Verification for Entitlements (SAVE) Program to verify the applicants' lawful presence and eligibility for public benefits. This system is operated by the Department of Homeland Security. The SAVE program charges between $0.20 to $0.48 cents per verification with a minimum charge of $25 per month. KDHE indicates it is unable to estimate the number of verifications that it would be required to perform and therefore cannot estimate a precise fiscal effect of this bill. KDHE does indicate that it would hire 1.0 new FTE position to provide training for KDHE staff and external partners to ensure proper and legal methods of verification of legal status and to avoid discriminatory practices that could arise. KDHE indicates the training program would cost $90,766, all from the State General Fund, in FY 2009, including $63,820 for salary and wages for the new position, and $26,946 for other operating expenses including workstation setup, travel, and training.

The Committee reviewed this item, but took no action.

M. House Substitute for Senate Bill 81 (Conference). **House Sub. for SB 81** would enact the Health Care Reform Act of 2008 and would make amendments to several health and insurance statutes. As it relates to the Department of Health and Environment, funding, subject to appropriation, involved cancer screening and primary safety net clinics.

For more information on primary safety net clinics, see item C, above.

The Committee reviewed this item, but took no action.

N. GBA No. 1, Item 16, Page 9—Transfer of Hospital Long-Term Care Survey and Certification Unit.

The Committee concurred with this item.

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Department of Education

A. Revised School Finance Estimates. The School Finance Consensus Group, consisting of representatives of the State Department of Education, Division of the Budget and Legislative Research Department, met on April 14, 2008, to review school finance estimates for FY 2008 and FY 2009. Although there were some slight changes in the estimates for both years, the Consensus Group recommended that no adjustments be made to the November 2007 estimates.

The Committee reviewed this item, but took no action.

B. Parents as Teachers (House and Senate Committee). Both the House Committee and the Senate Committee recommended consideration of additional funding for the Parents as Teachers (Parent Education) program in FY 2009. The House Committee recommended reviewing the addition of $2.6 million, all from the State General Fund, to address the waiting list in the program. The Senate Committee recommended consideration for the addition of $1.0 million, all from the State General Fund, for the program. The Parent Education Program provides aid to school districts that offer programs for expectant parents and parents of children less than three-years old. School districts are required to provide a 65.0 percent match for the state aid. The agency estimates that 15,200 families and 19,050 children will be served by the program in FY 2009. The 2008 Legislature approved FY 2009 funding of $7.5 million, all from the Children's Initiative Fund.

The Committee reviewed this item, but took no action.

C. Discretionary Grants Program (House and Senate Committee). The House Committee and the Senate Committee deleted $10,000, all from the State General Fund, in recommended FY 2009 enhancement funding for the discretionary grants program for review during Omnibus. The funding was recommended to increase the grants to the Kansas Association for Conservation and Environmental Education (KACEE) by $5,000 (from $35,000 to $40,000), and to Communities in Schools by $5,000 (also from $35,000 to $40,000). The grant money to the KACEE is used to pay approximately half of the KACEE administrative budget and to leverage approximately $200,000 in additional funding. KACEE provides workshops and environmental education resources for preservice and inservice teacher professional development. The Communities in Schools program serves more than 18,700 children in 23 school districts. The program matches children and families in need of services with existing community resources, such as tutoring, mentoring, health, social, and family services.

The Committee reviewed this item, but took no action.

D. Agriculture in the Classroom (House and Senate Committee). The House Committee and the Senate Committee deleted $5,000, all from the State General Fund, in recommended FY 2009 enhancement funding for the Kansas Foundation for Agriculture in the Classroom. State funding is provided for the Kansas Foundation for Agriculture in the Classroom, a non-profit corporation formed in 1983 to serve as a link between agriculture and education in Kansas. The Foundation collaborates with Kansas State, Wichita State, and Fort Hays State universities to offer summer courses for teachers to receive continuing education credits in education and agriculture. The Foundation pays the tuition for teachers and also sponsors a booth and mini-course during the Kansas State Fair to educate students and adults about agriculture. Funding must be matched on a 60.0 percent state, 40.0 percent private funds basis.

The Committee reviewed this item, but took no action.

E. Pre-K Pilot/Kansas Preschool Program (House, Senate, and Conference Committee). Both the House Committee and the Senate Committee made adjustments to the recommended FY 2009 funding for the Pre-K Pilot (renamed the Kansas Preschool Program in the Governor's budget recommendations) and recommended review during Omnibus. The House Committee deleted the full amount of funding for the program, $6.2 million, all from the Children's Initiatives Fund. The Senate Committee deleted the enhanced funding amount of $1.2 million, all from the Children's Initiatives Fund, leaving $5.0 million in the program. The program, currently known as the Pre-K pilot, is recommended to be transferred from the Children's Cabinet in the budget of the Department of Social and Rehabilitation Services(SRS) to the Department of Education, combined with the Four-Year-Old At-Risk program, and renamed the Kansas Preschool Program. Current year funding for the Pre-K pilot in the SRS budget totals $5.0 million, all from the Children's Initiatives Fund. The House Committee also recommended review of whether the program is best located in the budget of the Department of Education or should remain with SRS. The Conference Committee on **SB 534** concurred with the recommendation of the Senate and deleted a total of $1.2 million, all from the Children's Initiatives Fund, for Omnibus review, leaving $5.0 million in the FY 2009 recommendation.

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The Committee reviewed this item, but took no action.

F. Educational Leadership Commission (House and Senate Committee). Both the House Committee and the Senate Committee deleted $300,000, all from the State General Fund, in FY 2009 enhancement funding recommended by the Governor for review at Omnibus. The funding is recommended for the Kansas Educational Leadership Commission. The Commission is scheduled to propose recommendations during FY 2009. Until the recommendations are made, the agency has budgeted two-thirds of the additional funding to conduct leadership academies for superintendents, principals and teacher leaders. The remaining one-third would be distributed to ten regional professional learning communities to develop a statewide leadership program which would ultimately be sustained through local funding.

The Committee reviewed this item, but took no action.

G. Replace Federal Title V Funds (House Committee and Conference Committee). The House Committee deleted $119,722, all from the State General Fund, recommended by the Governor to replace the loss of federal Title V-Innovative Programs funds to pay the salaries of two existing Education Program Consultant positions in FY 2009 and recommended review of the funding during Omnibus. The Senate did not delete the funding. The Conference Committee on **SB 534** agreed with the House Committee recommendation and deleted the funding for Omnibus review. According to the agency, without the enhancement funding, the two positions will be eliminated in FY 2009. Over the last five years, the amount of Title V federal funds Kansas receives annually has decreased from $3.6 million to $886,319, and all funding from the federal program has been eliminated beginning with the 2008-2009 school year. At least 85.0 percent of the federal funds are distributed locally. The remaining 15.0 percent is used by the agency to fund the salaries of staff assigned to administer the School Improvement and Accreditation program.

See New Item - National Child Identification Program

H. Mentor Teacher Program (House Committee and Conference Committee). The House Committee deleted $1.5 million, all from the State General Fund, for the mentor teacher program in FY 2009 for review during Omnibus. The Senate did not delete the funding, but the Conference Committee on **SB 534** agreed with the House position and deleted the enhancement funding for Omnibus review. The Governor's FY 2009 recommendation includes the $1.5 million in enhancement funding to fully fund the statutory provisions of the program as enacted by the 2000 Legislature. The program calls for annual payments of $1,000 to mentor teachers to support new teachers for their entire three-year probationary period. Between enactment of the program and FY 2006, funding was only provided once, in FY 2002. In FY 2006 and FY 2007, funding was included for only one year of mentoring. The 2007 Legislature appropriated a total $1.65 million, all from the State General Fund, to provide mentor teachers $1,000 to support new teachers during their first year and $500 during their second year, and the funding level in the currently approved FY 2009 budget is the same as the current year budget.

The Committee reviewed this item, but took no action.

I. After School Programs for Middle School Students (House Committee). The House Committee deleted $400,000, all from the State General Fund, in FY 2009 for after school programs for middle school students for review during Omnibus. The Senate did not recommend deleting the funding. The funding was first added during FY 2008, and required a report from the Department of Education on the outcomes of the program. The State Department of Education provided information based on the partial year the program has been in operation. The proviso language in the FY 2008 appropriations bill limited each grant to no more than $25,000. A total of 35 school districts and organizations applied for the grant. The Department held five rounds of competition. The Department indicates that $396,611 in grant funding was ultimately awarded to 19 grantees. The grantees are listed in the table below. The Department indicates that the grant is serving approximately 300 students in after school programs and the projected number of students to be served during the summer programs is estimated at 1,300.

Grantee	Amount of Grant
USD 101 - Erie-Galesburg	$ 25,000
USD 200 - Greeley County	7,492
USD 244 - Burlington	25,000
USD 250 - Pittsburg	20,000
USD 259 - Wichita	22,578
USD 291 - Grinnell	25,000
USD 309 - Nickerson-South Hutchinson	16,040

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USD 310 - Fairfield	11,500
USD 312 - Haven	17,848
USD 313 - Buhler	25,000
USD 337 - Royal Valley	25,000
USD 408 - Marion-Florence	19,254
USD 475 - Geary County	25,000
USD 497 - Lawrence	25,000
USD 500 - Kansas City	25,000
Boys and Girls Club of Hutchinson	18,120
Boys and Girls Club of Manhattan	18,900
Boys and Girls Club of Topeka	25,000
Butler Community College Foundation	19,879
TOTAL	$ 396,611

The Conference Committee on **SB 534** ultimately concurred with the Senate Committee recommendation and left the $400,000 in funding in the FY 2009 budget.

This item was resolved in Conference Committee.

J. High Density At-Risk Funds (Senate Committee). The agency requested $2.0 million, all from the State General Fund, in FY 2009 to increase general state aid to reflect the State Board's recommendation to change the formula for distributing high density at-risk funding. Under current law, school districts that have an enrollment of at least 40.0 percent at-risk students qualify for additional weighting and school districts with at least 50.0 percent qualify for a higher weighting. The State Board has proposed that high density weighting apply to school districts with at least 35.0 percent at-risk enrollment, and the weighting would increase, based on a linear transition formula, as the enrollment of at-risk students increases. The calculation would level off at an enrollment of 50.0 percent at-risk students.

2008 SB 531, currently in Conference Committee, would modify current law to create a new weighting called the medium density at-risk pupil weighting. School districts having an enrollment of at least 40.0 percent at-risk pupils but less than 50.0 percent at-risk pupils would qualify to receive the medium density at-risk pupil weighting which would be determined by the state board by multiplying the number of at-risk pupils in the district by a factor of 0.06. School districts having an enrollment of at least 50.0 percent at-risk pupils or an enrollment of at least 35.1 percent at risk pupils and an enrollment density of at least 212.1 pupils per square mile, would continue to be eligible for the high density at-risk pupil weighting which would be determined by the state board by multiplying the number of at-risk pupils by a factor of 0.10.

Any district that becomes ineligible for the medium density at-risk pupil weighting or the high density at-risk pupil weighting because the district no longer meets the requirements specified in the bill would receive the greater of the weighting in the current school year; the weighting in the prior school year; or the average of the weighting in the current school year and the preceding two school years.

The Committee reviewed this item, but took no action.

K. Professional Development Funding (Senate Committee). The agency requested enhancement funding of $6.25 million, all from the State General Fund, to fully fund professional development state aid under current law in FY 2009. The Governor did not recommend the additional funding, and the Senate Committee recommended reviewing the request during Omnibus. Professional development state aid is limited to the lesser of half of 1.0 percent of a school district's general fund budget, or 50.0 percent of actual program costs. For FY 2009, the Department estimates statewide professional development expenditures eligible for state aid will total $16.0 million. Based on current law, the state aid amount would be $8.0 million. The currently approved budget for professional development state aid totals $1.75 million, the same as the FY 2008 approved amount.

The Committee reviewed this item, but took no action.

L. School Food Assistance Match (Senate Committee). The agency requested an FY 2009 enhancement of $904,000, all from the State General Fund, for the school food assistance state match, which allows the state to receive over $130.0 million per year in federal child nutrition funds. Under current law, school districts are to receive six cents for each meal served under an approved school lunch program. The agency notes that in past years, the amount paid for approved programs has been prorated to amounts between 4.6 and 5 cents for each meal served. The request would have fully funded the match at six cents. The Governor did not recommend the enhancement request and the Senate Committee recommended reviewing the issue during Omnibus.

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The Committee reviewed this item, but took no action.

M. Special Education Funding (House Committee). The House Education Budget Committee reviewed a December 2007 Legislative Post Audit report on Special Education funding and noted concerns with the distribution of funds for special education excess costs to certain districts. Because of changes in Medicaid rules, it was estimated that districts and cooperatives will lose a little more than two-thirds of their Medicaid funding as a result of the recent changes. Although 92.0 percent of the lost funding would be replaced with special education categorical aid, the new aid would be distributed based on current law, primarily the number of special education teachers employed by each district or cooperative, and not based on the amount of Medicaid funding districts and cooperatives actually will lose. The House Committee recommended review of this item during Omnibus. **2008 SB 531**, currently in Conference Committee, addresses this issue. The bill would entitle each school district providing special education and related services to pupils who receive Medicaid to receive Medicaid Replacement State Aid, subject to appropriation, in an amount not to exceed $9.0 million per year. The State Board of Education would compute Medicaid Replacement State Aid for each district by dividing the appropriation by the number of pupils in the state receiving Medicaid special education and related services and multiplying the quotient by the number of exceptional pupils receiving Medicaid-provided special education and related services in each school district. The product would be the amount of Medicaid Replacement State Aid the district would be entitled to receive. School districts would certify the number of exceptional pupils receiving Medicaid services as of March 1 of each year. This provision would take effect in school year 2007-2008 and end with school year 2009-2010.

The Committee reviewed this item, but took no action.

N. Kansas Career Pipeline (House Committee-Technical Adjustment and Senate Committee). The 2007 Legislature approved funding totaling $420,120, all from the State General Fund, in FY 2008 for the Kansas Career Pipeline (KCP), a non-profit organization that provides a web-based program to help students identify career choices most aligned with their personal interests and aptitude. The funding was appropriated with a requirement that it be matched on a dollar for dollar basis by business and industry. During its review of the agency's budget, the Senate Committee asked for a report on the activities of the KCP and to review the issue of additional funding for the KCP. The House Committee approved the recommendation of the House Education Budget Committee to delete language in the appropriations bill requiring the dollar-for- dollar match to come from business and industry. The Budget Committee was informed that there were other funding sources available for the match that could not currently be utilized for the matching funding. In addition, the House Committee also recommended that any unspent FY 2009 funding be allowed to reappropriate to FY 2009. Through an oversight, both of the House Committee's recommendations were omitted from the House bill and from Conference Committee consideration.

According to information provided by the KCP, the program was designed to be implemented in two phases. The first phase, which has been completed, was to introduce the program in the state's public secondary and post-secondary schools. Since September 2007, KCP reports that over two-thirds of the state's secondary and two-year post-secondary schools have registered as KCP users. As of April 2008, 26,266 Kansas students have taken the KCP assessments. The KCP is being used in districts across the state, including Blue Valley, Shawnee Mission, Arkansas City, Chanute, Wichita, McPherson, Dodge City, Liberal, Colby, and Junction City.

The second phase of the program included designing and implementing a web based workforce development system connecting Kansas companies with students and adults across the state. KCP indicates the immediate goal of making the system available by spring 2008 has been met.

The KCP indicates that of the initial funding provided by the state, $40,000 has been accessed by the KCP, and that the remainder will be expended as additional components of the program are in place after June 2008.

Copies of information regarding the Kansas Career Pipeline were distributed to the Committee (Attachment 15).

The Senate Concurred with House action to make technical adjustments.

O. Circle of Friends (Senate Committee). The Senate Committee recommended that consideration be given to the addition of $100,000, all from the State General Fund, in FY 2009, for the Circle of Friends, an organization that pairs regular education students as mentors with special education students. The program is a cooperative effort between the Arc of Sedgwick County, and school districts primarily in south-central Kansas including Wichita, Andover, Derby, El Dorado, Hutchinson, Maize, Valley Center, Burrton, Goddard, Haysville, Renwick, Rose Hill, and Wellington.

Senator Betts moved, with a second by Senator McGinn, to fund Circle of Friends at $100,000 in FY 2009 all from the State General Fund. Motion carried on a voice vote.

P. HB 2714 (Law). The bill would enact the Interstate Compact on Educational Opportunity for Military Children. This compact is intended to remove barriers to educational success imposed on children of military families caused by frequent moves and deployment of their parents. The bill would also make provisions for the Interstate Commission on Educational Opportunity for Military Children, which would be formed by the states entering into the Compact and consist of one member per state. The Commission would have the authority to assess member states for funding. The powers, duties, organization, operation, jurisdiction, and funding of the Commission are also established by the bill. The agency estimates the fiscal impact of this bill to be $25,000, all from the State General Fund.

The House added $25,000 State General Fund and the Senate concurred.

Q. Senate Bill 669 (Conference). SB 669 creates the Virtual School Act. The bill would give general supervision and regulation of all virtual schools to the Kansas Department of Education. For each school year that a school district has a virtual school, the district would be entitled to Virtual School Aid. Virtual School Aid would be calculated by multiplying the number of full-time equivalent students enrolled in a virtual school times 105.0 percent of the unweighted Base State Aid Per Pupil (BSAPP). In addition, virtual schools would receive a non-proficient weighting of 25.0 percent multiplied by the full-time equivalent enrollment of non-proficient pupils in approved at-risk programs at virtual schools. Advanced placement course funding of 8.0 percent of the BSAPP would be paid to virtual schools for each pupil enrolled in an advanced placement course with certain conditions.

Moneys received as Virtual School Aid would be required to be deposited in a Virtual School Fund. Expenses of the virtual school would be paid from this Fund.

In addition, a pupil with an Individualized Education Plan (IEP) and attending a virtual school would be counted as the proportion of one pupil (to the nearest tenth) that the pupil's attendance at the non-virtual school bears to full-time attendance. Any student enrolled in a virtual school who is not a Kansas resident would not be counted in the enrollment calculation. The bill would require school districts to provide adequate training to teachers who teach in virtual schools or virtual programs. The definition of a virtual school would require that students make academic progress toward the next grade level, demonstrate competence in subject matter for each class in which a student is enrolled, and require age appropriate students to complete state assessment tests.

The bill would establish procedures that address declining school district enrollment as a result of a qualified disaster. The bill would apply to the following school districts: USD 101, Erie; USD 257, Iola; USD 367, Osawatomie; USD 422, Greensburg; USD 445, Coffeyville; USD 446, Independence; USD 461, Neodesha; and USD 484, Fredonia. The school district would need to meet two criteria. First, a state of disaster emergency would need to be declared within the district by the Governor and the President of the United States (pursuant to the Stafford Act). Second, as a result of the disaster, destruction or damage to housing would have to have caused the district's enrollment to decline by at least 25 students or 2.0 percent of the district's enrollment. The bill would allow qualifying districts to determine their budget using the enrollment of the district in school year 2006- 2007. This calculation would be used in computing the general fund budget of a district for the second, third, and fourth years following the 2006-2007 school year.

The bill also would guarantee USD 253 Emporia, USD 251 North Lyon County, USD 252 Southern Lyon County, and USD 284 Chase County 98.0 percent of the adjusted enrollment in the 2007-2008 base school year when calculating the general fund budget of the school district for the 2008-2009 school year. This provision would be applicable for only the 2008-2009 school year.

The State Department of Education estimates the total fiscal impact of the bill at $1,305,000, all from the State General Fund, in FY 2009. Of this amount, $700,000 in additional general state aid would be needed for those areas experiencing declining school district enrollment as a result of a qualified disaster, and $600,000 in additional general state aid would be needed to address the Emporia area issue. The agency also is requesting operating expenditures of $5,000 for the implementation of provisions related to virtual schools, including establishing the new fund and modifying computer programs to compute virtual school state aid.

The Committee reviewed this item, but took no action.

New Item -- National Child Identification Program

Senator Morris explained that the American College Football Coaches Association had come

to him about a program that they sponsored called National Child Identification Program. The Program's goal is to identify every child in the country. Juvenile detention has gone down through this program and they are working in conjunction with the Federal Bureau of Investigation. The request is for $74,000 in existing Kansas Department of Education funds to be set aside to fund the annual kindergarten maintenance program for School Year 2009 (Attachment 16).

Senator Taddiken moved, with a second by Senator Emler, to authorize the $74,000 in existing funds currently in the Kansas Department of Education budget. Following committee discussion, Senator Taddiken withdrew his motion with the consent of Senator Emler, the second to the motion. The Committee concurred that they would like additional information for further consideration of this item.

Kansas State Department of Education - Highest Priority Item for Review at Omnibus (Attachment 17)

Juvenile Detention Facilities - State General Fund ($193,722)
Agency Operating Expenditures - State General Fund - Finger Print Identification Cards for Kindergarten Students $74,000
Agency Operating Expenditures - State General Fund - Replace lost Title V federal funding used to administer QPA $119,722

Senator Morris moved, with a second by Senator Schodorf, to delete the 22 FTE positions in the Juvenile Detention Facilities to save the $193,722 and fund the Finger Print Identification Cards for Kindergarten Students and Replace lost Title V federal funding used to administer QPA. Motion carried on a voice vote.

Juvenile Justice Authority

A. Information Systems Software (Senate Committee and House Committee). Both the House and Senate committees recommended Omnibus review of the addition of $380,000, all from the State General Fund, for the agency to consolidate its database system into one web-based application in FY 2009. The House and Senate committees requested the Joint Committee on Information and Technology approve the project. Currently the agency has three main database systems which include: Community Agency Supervision Information Management System (CASIMS), Juvenile Justice Intake and Assessment Management System (JJIAMS), and the Juvenile Correctional Facility System (JCFS). The agency asserts that a new web-based application would result in a stable and more accurate database and would lead to better time management and job efficiency for the staff who currently use the three databases. The information systems rewrite would be a three-year project with a total cost of $1,133,754. The agency has indicated that the database would be improved even if only one year of funding was approved.

Staff reported that the Joint Committee on Information Technology would be reviewing this item at their next meeting on Tuesday, April 29, 2008.

Senator V. Schmidt moved, with a second by Senator Emler, to fund this item depending on the consideration by the Joint Committee on Information Technology. Motion carried on a voice vote.

B. Children's Initiatives Fund (Senate Committee). The Senate Committee recommended Omnibus review of the shift of $9.0 million from the State General Fund to the Children's Initiatives Fund for Juvenile Prevention Program Grants and Juvenile Graduated Sanctions Grants in FY 2009. The Governor's budget recommendation for the Juvenile Justice Authority for FY 2009 recommended shifting $9.0 million from the Children's Initiatives Fund to the State General Fund for graduated sanctions and prevention programing. The Legislature approved $9.0 million from the Children's Initiatives Fund for Juvenile Prevention Program Grants and Juvenile Graduated Sanctions Grants for FY 2009.

The Committee reviewed this item, but took no action.

C. Replacement Vehicles (Senate Committee). The Senate Committee recommended Omnibus consideration of the addition of $30,800, all from the State General Fund, in FY 2009 to replace the agency's car and minivan. The agency has increased the amount of technical assistance provided to community supervision agencies and community placement providers. Additionally, the agency has increased the number of audits conducted. As a result of increased travel the agency projects that both vehicles will have over 120,000 miles at the end of FY 2009. The agency has only two vehicles available for staff transport. The Conference Committee in **SB 534** concurred with the House Committee's recommendation on this position and funded the request to replace the vehicles.

This item was resolved in Conference Committee.

D. GBA No. 1, Item 21, Page 12—Salary Enhancement at the JJA Correctional Facilities.

The Committee concurred with this item.

E. GBA No. 1, Item 22, Page 12—Federal Grant Match.

The Committee concurred with this item.

F. GBA No. 1, Item 23, Page 12—Juvenile Detention Facilities Fund Expenditure Increase.

The Committee concurred with this item.

New Item - In Mega bill, SB 658, Kansas Juvenile Justice Administration Center to the old Topeka Juvenile Correctional Facility Campus.

Senator Kelly moved, with a second by Senator Schodorf, to lapse this line item from the Mega bill and consider the item in an interim study. Motion carried on a voice vote.

Kansas Juvenile Correctional Complex

A. Replacement Vehicles (Senate Committee and House Committee). Both the House and Senate Committees recommended Omnibus consideration of $32,800, all from the State General Fund in FY 2009, to replace two agency vehicles. Both vehicles will have more than 100,000 miles by the end of FY 2009. One vehicle is used by the agency's delivery driver and the second vehicle is used by the facility's school industries program to pick up supplies and deliver produces produced by the industries program.

The Committee reviewed this item, but took no action.

State Bank Commissioner

A. Vehicle Replacement (Senate Committee). This enhancement added $53,100, all from special revenue funds, for replacement of three vehicles in FY 2009. The Senate deleted this funding for review at Omnibus. The Conference Committee on **SB 534** concurred with the House position on this item and did not delete the funding.

This item was resolved in Conference Committee.

Department of Corrections

A. Expansion of the Home Building Vocational Education Program at the Labette Correctional Conservation Camp (House Committee). The Department of Corrections currently utilizes a home building program as part of its vocational education programming. The House Committee requested to review the possible expansion of the home building program to other facilities within the Department of Corrections, because of the potential to provide low-cost housing to areas damaged by flooding in 2007. When the House Committee made the recommendation, no dollar amount was associated with the possible expansion. The Department of Corrections now estimates it will cost $150,000 for an instructor and materials, per facility to expand the program in FY 2008.

The Committee reviewed this item, but took no action.

B. Parole Services Other Operating Expenditures (Senate Committee). The Senate Committee included $178,000, all from the State General Fund, for Parole Services other operating expenditures in FY 2008 with review at Omnibus. Of the total amount, $100,000 was for GPS monitoring devices and the balance was for increased space needs and rent increases at parole offices in the state. The Conference Committee on **SB 534** concurred with the House Committee and reappropriated $678,000, including the $178,000 for this item, from FY 2008 into FY 2009.

The Committee reviewed this item, but took no action.

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C. Reappropriation Language for FY 2008 Supplemental Funding (Conference Committee). The House Committee reappropriated $678,000, all from the State General Fund, from FY 2008 to FY 2009. The amount of the reappropriation is the same as the supplemental funding that was including by the Governor for FY 2008. The Conference Committee on **SB 534** concurred with the House Committee and reappropriated $678,000 from FY 2008 to FY 2009, for further review at Omnibus.

The Committee reviewed this item, but took no action.

D. New Inmate Health Care Contract (Senate Committee and House Committee). The Department of Corrections requested $1,832,096, all from the State General Fund, for the new inmate health care contract in FY 2009. This level of funding would have expanded the inmate health care contract to include current and improved practices for health care services. The Governor recommended $884,000, all from the State General Fund, for the health care contract. According to the agency, this amount continues the current level of care as the previous contract, but not the improved practices. The House Committee included the $884,000, all from the State General Fund and recommended review of this item at Omnibus to assess whether the agency could find additional cost savings through the movement of inmates within in the system. The Senate Committee included the funding and recommended to review of this item at Omnibus to assess whether additional funding was necessary for the new inmate health care contract.

The Committee reviewed this item, but took no action.

E. Prison Rape Elimination Programming (Senate Committee). The Senate Committee requested consideration at Omnibus of $248,383, all from the State General Fund, to replace federal funding for the Prison Rape Elimination Act in FY 2009. The funding was not included in the Governor's recommendation. The federal funding was primarily used for funding 5.0 corrections counselor positions.

The Committee reviewed this item, but took no action.

F. Offender Treatment Programs (Senate Committee and Conference Committee). The Senate Committee included $750,000, all from the State General Fund, in enhancement funding for expansion of the current offender treatment programs in FY 2009 and recommended review of this funding at Omnibus. The House Committee deleted the funding. The Conference Committee on **SB 534** concurred with the Senate Committee and included the funding with review at Omnibus. The Department of Corrections did not specify which services would be expanded.

The Committee reviewed this item, but took no action.

G. Correctional Facilities Operations Expenditures (Senate Committee). The Senate Committee included $750,000, all from the State General Fund, for facilities operations at the eight correctional facilities in FY 2009 and recommended review of this funding during Omnibus. The House Committee deleted the funding. The Conference Committee on **SB 534** concurred with the House Committee and deleted the funding. The facilities operations funding is primarily for utilities. The current approved amount in FY 2009 is $11,510,999.

The Committee reviewed this item, but took no action.

H. Wyandotte County Reentry Program (Senate Committee and House Committee). This enhancement added $219,000, all from the State General Fund, in FY 2009 for the Wyandotte County Reentry Program, which helps inmates to successfully reenter the community upon their release from prison. The Senate Committee included the $219,000 and recommended review of the funding at Omnibus. The House Committee deleted the $219,000 and recommended review of the funding at Omnibus. The Conference Committee on **SB 534** concurred with the House position and deleted the funding with review at Omnibus.

The Committee reviewed this item, but took no action.

I. Vehicle Replacement (Senate Committee). This enhancement included $931,198, all from the State General Fund, for 35 vehicles and 3 inmate transport buses in FY 2009. The Senate Committee included the $931,198 and recommended review of the funding at Omnibus. The Conference Committee on **SB 534** concurred with the House Committee and included funding of $465,599, all from the State General Fund in FY 2009, for replacement of inmate transportation vehicles and perimeter security vehicles.

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Copies of information concerning Recommended/Approved Amounts for Venicles - Kansas Department of Corrections were distributed to the Committee (Attachment 18).

Senator Taddiken moved, with a second by Senator V. Schmidt, to authorize $931,198 for vehicle replacement for the Department of Corrections. Motion carried on a voice vote.

J. Global Positioning Satellite (GPS) units (Senate Committee). This Senate Committee recommended review of the possibility of adding $125,000, all from the State General Fund, for additional GPS monitoring units for the Department of Corrections Parole Services in FY 2009. The Conference Committee on **SB 534** concurred with the House Committee and deleted $100,000, all from the State General Fund in FY 2009, for GPS units. GPS units are used for monitoring high risk sex offenders and potential absconders currently on parole. There is no funding currently approved in FY 2009.

The Committee reviewed this item, but took no action.

K. Bonding Authority Language (Conference Committee). The House included language in the appropriations bill that would have rescinded the bond authority that was approved during the 2007 Legislative session. The total of the bonds authorized was $39.5 million. The bond proceeds were to be used for bed capacity expansion projects in the Department of Corrections and would be repaid by the state. The Senate did not consider the language. The Conference Committee on **SB 534** recommended considering the issue during Omnibus.

The Department of Corrections has already received $1.7 million in bond payments to begin planning on four bed capacity expansion projects:

- a 256 medium-security bed expansion in two cell houses at El Dorado Correctional Facility;
- a 240 minimum-security treatment beds at a new facility in Yates Center;
- a 100 minimum-security bed expansion at Ellsworth Correctional Facility
- a 72 minimum-security bed expansion at Stockton Correctional Facility.

According to the Department of Corrections, none of the $1.7 million has been spent at this time and could be payed back to the Pooled Money Investment Board, which was the source of the $1.7 million.

The Committee reviewed this item, but took no action.

L. Senate Bill 524 (Governor). **SB 524** creates a new fund in the Department of Corrections, the Victim Assistance Fund, and transfers funding from the Crime Victim's Compensation Fund in the Attorney General's Office to the new fund for FY 2009.

The transfer of funds for one year is due to the loss of federal Byrne Grant funding for local crime victim programs. The funds in the new Victim Assistance Fund will be used in a similar manner to how they would have been utilized in the Crime Victim's Compensation Fund. The Attorney General's office is currently experiencing a surplus in the Crime Victim's Compensation Fund and according to the agency transferring the funds for one year will not hinder their programming. The Department of Corrections plans to utilize the funding for one year in order to allow them time to obtain alternative funding sources for the local crime victim programs currently operating. The funding will return to the Crime Victim's Compensation Fund after FY 2009.

The fiscal note indicates **SB 524** will result in a reduction of approximately $303,000 in the Crime Victim's Compensation Fund in the Attorney General's office in FY 2009 and an increase of the same amount in the Victim Assistance Fund in the Department of Corrections in FY 2009.

The Committee reviewed this item, but took no action.

M. GBA No. 1, Item 19, Page 11—Inmate Benefit Fund Expenditures.

The Committee concurred with this item.

N. GBA No. 2, Item 20, Page 11—Additional Federal Funds.

The Committee concurred with this item.

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El Dorado Correctional Facility

A. Expansion of the Home Building Vocational Education Program (House Committee). The Department of Corrections currently utilizes a home building program as part of its vocational education programming. The House Committee recommended review of the possible expansion of the home building program to other facilities within the Department of Corrections, because of the potential to provide low-cost housing to areas damaged by flooding in 2007. When the Committee made the recommendation, no dollar amount was associated with the possible expansion. The Department of Corrections estimates it will cost $150,000 per facility for materials and an instructor, to expand the program in FY 2008.

The Committee reviewed this item, but took no action.

Lansing Correctional Facility

A. Expansion of the Home Building Vocational Education Program (House Committee). The Department of Corrections currently utilizes a home building program as part of its vocational education programming. The House Committee recommended review of the possible expansion of the home building program to other facilities within the Department of Corrections, because of the potential to provide low-cost housing to areas damaged by flooding in 2007. When the Committee made the recommendation, no dollar amount was associated with the possible expansion. The Department of Corrections estimates it will cost $150,000 per facility for materials and an instructor, to expand the program in FY 2008.

The Committee reviewed this item, but took no action.

Kansas Parole Board

A. Other Operating Expenditures (Senate Committee). This enhancement included $6,729, all from the State General Fund, for in-state travel expenses and blackberry communication devices in FY 2009. The Senate Committee deleted this funding for review at Omnibus. The Conference Committee on **SB 534** concurred with the House Committee and did not delete the funding.

The Committee reviewed this item, but took no action.

Sentencing Commission

A. 1.0 FTE Data Entry Position (Senate Committee and Conference Committee). This enhancement included $42,607, all from the State General Fund, and 1.0 FTE data entry position in FY 2009 for the increased volume and complexity of journal entries handled by the Sentencing Commission. The Senate Committee deleted the funding for the FTE position and recommended review at Omnibus. The House Committee did not delete the funding. The Conference Committee on **SB 534** concurred with the Senate Committee and deleted the funding with review at Omnibus.

The Committee reviewed this item, but took no action.

B. Senate Bill 418 (Law). SB 418, as amended, would amend current law to require the Kansas Sentencing Commission (KSC) to annually produce the juvenile correctional facility population projections. The juvenile population projections would be due no later than November 1st of each year. Additionally, the KSC would be required to develop bed impact memoranda on legislative bills that may affect the juvenile correctional facility population.

The fiscal note states that according to the KSC, an additional $50,000 from the State General Fund would be needed to implement the bill. This is the amount that was paid by Juvenile Justice Authority to the Kansas Sentencing Commission in the contractual agreement. The amount finances a portion of three positions that compile and produce the juvenile facility population projections.

Copies of a request from the Sentencing Commission for additional funding for agency operations were distributed to the Committee (Attachment 19).

The Committee reviewed this item, but took no action.

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Board of Healing Arts

A. House Bill 2620 (Conference Committee). **HB 2620** concerns fingerprints and criminal record checks with the Board of Healing Arts. This bill authorizes the Kansas Board of Healing Arts to: order and obtain fingerprint and criminal history record checks for applicants, licensees, registrants or permit or certificate holders regulated by the Board; review the information obtained and act upon findings; and assess fees for the fingerprints and background checks.

According to the Board, the Kansas Bureau of Investigation (KBI) charges $54.00 for a KBI/FBI fingerprint and national record check. If the Board required a criminal background check for all applicants, it is estimated to amount to approximately 550 applications each fiscal year or approximately $29,700 in additional expenditures. The Board indicates that an increased expenditure limitation in the Board of Healing Arts Fee Fund of $29,700 would be required for FY 2009.

Senator V. Schmidt moved, with a second by Senator Emler, to add the increased expenditure limitation in the Board of Healing Arts Fee Fund at $29,700. Motion carried on a voice vote.

State Historical Society

A. Capital Improvements Enhancements (Senate Committee and House Committee). The Senate Committee and House Committee deleted $500,000, all from the Expanded Lottery Act Revenues Fund (ELARF), for capital improvements enhancements in FY 2009, to be reviewed at Omnibus.

Included as part of the Governor's recommendation was $500,000, all from the ELARF, for the following projects: $172,000 for collection shelving, $154,775 for Goodnow House rehabilitation and repair, and an additional $173,225 for historic sites rehabilitation and repair.

-- $172,000 for Collection Shelving --

The agency states that all of the collection areas at the headquarters are full, yet they continue to receive and add items to their collection every year. This enhancement would allow them to purchase mobile shelving units and rearrange current space to increase capacity by approximately 130.0 percent.

The Committee reviewed this item, but took no action.

-- $154,775 for Goodnow House Rehabilitation and Repair --

The Goodnow House was built in the 1860s by Isaac Goodnow, who was the founder of Bluemount College (now K-State), and began the Kansas State Teachers Association, of which he was the first president. The Goodnow House was eventually donated, along with many of the Goodnow's original belongings, to the Historical Society. The site and structure has fallen into significant disrepair. The agency states that after the exterior structure has been stabilized, the interior plaster and wallpaper will be replaced and new paint applied to wood trim, doors, and windows.

Senator Kelly moved, with a second by Senator Schodorf, to fund Goodnow House Rehabilitation and Repair out of the Expanded Lottery Act Revenue Fund (ELARF) contingent on availability of funding and defer other items to next year. Motion carried on a voice vote.

-- $173,225 for Historic Sites Rehabilitation and Repair --

This amount was provided under the Governor's recommendation for general historic sites rehabilitation and repair.

The Committee reviewed this item, but took no action.

B. Preservation of Electronic Records (House Committee). The House Committee deleted $149,500, all from the State General Fund, for the preservation of electronic records in FY 2009. The Senate Committee did not recommend the deletion of this funding. The Conference Committee **SB 534** concurred with the Senate and recommended the inclusion of the funding.

This funding represents the first year of a two-year $207,000 request for the creation of a strategic plan for an electronic state archive. This funding would provide for the hiring of consultants to build a strategic information management plan, and provide for the hiring of a digital archives specialist to

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research options, work with the consultants, involve other state agencies, and to aid in the communication between all involved entities.

This item was resolved earlier.

C. Kansas Humanities Council: Kansans Tell Their Stories Program (House Committee). The House Committee deleted $70,000, all from the State General Fund, for the Kansas Humanities Council's program, "Kansans Tell Their Stories," in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this funding. The Conference Committee on **SB 534** concurred with the House Committee and recommended the deletion of the funding for Omnibus review.

The agency received $70,000, all from the State General Fund, for this program in FY 2008. This program provides community history grants to community-based organizations to support oral history projects, exhibits, book discussions, forums, documentaries, and other programs.

The Committee reviewed this item, but took no action.

D. Vehicle Replacement (Senate Committee). The Senate Committee recommended the deletion of $14,400, all from special revenue funds, for the replacement of one vehicle in FY 2009, to be reviewed at Omnibus. The House Committee did not recommend the deletion of this vehicle funding. The Conference Committee on **SB 534** concurred with the House Committee and did not recommend the deletion of vehicle funding.

This item was resolved in Conference Committee.

E. Property Valuation Listing (Senate Committee). The Senate Committee recommended that the agency report back with a listing of historic sites ordered as to their possibility of being sold.

The agency indicates that in order to address this question, Historical Society staff reviewed the legislative history, historical significance, potential audience and site attendance, condition of the facilities, required cyclical maintenance, site operations and resources, and the strengths and weaknesses of each site. Specific recommendations were made for improving each site. In reviewing all sixteen historic sites, the agency recommends that no historic sites be sold.

The agency indicates that it is nearing the end of a seventeen-year program to rehabilitate the state historic sites. This process began in 1992 when extensive emergency stabilization work was begun. For five years projects were undertaken to keep historic buildings from collapsing and to eliminate the threat to public safety. Once the most endangered buildings were saved, the Historical Society began rehabilitation work to preserve and upgrade the buildings and grounds. The work put them in better physical condition, while complying with life safety codes and providing essential visitor services. Currently the Society states that thirteen of the sixteen historic sites have had major rehabilitation projects completed. One more site will be completed next month, with another to be completed in 2009. This leaves only one site, the Goodnow House, that has not had some major rehabilitation work done.

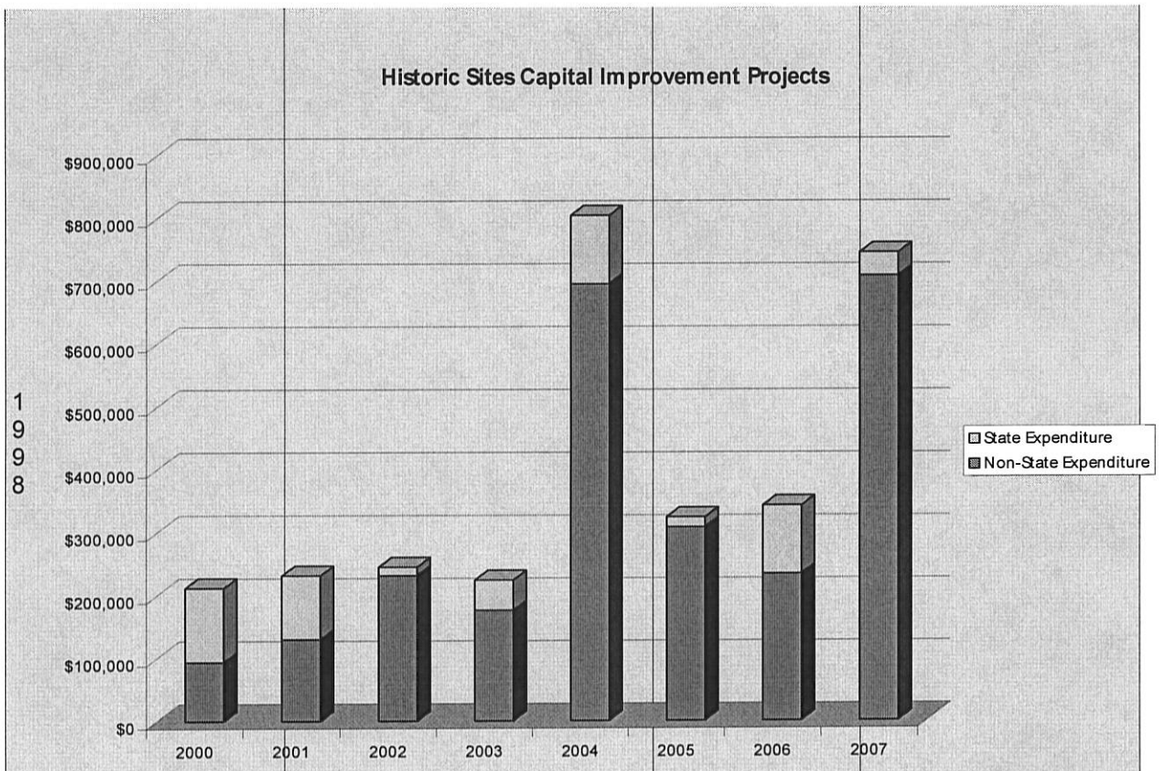
According to the agency both public and private money has been used to complete the rehabilitation process. Funds were donated to the sites based on the assumption that the state of Kansas would remain as owner of the sites. Over the last decade, the ratio between state and private dollars has shifted dramatically, with most capital improvement funds now coming from outside sources.

The agency notes that the State of Kansas will be commemorating its state sesquicentennial in 2011, and indicates that the state historic sites will become important resources during the sesquicentennial commemoration.

The agency states that if the State of Kansas decides it has no alternative but to sell or reduce the number of historic sites it administers, a task force or a blue-ribbon committee should be appointed to review the state historic sites system and make recommendations to the Legislature.

Completed Rehabilitation of State Historic Sites

Year(s)	Historic Site	Cost	Funding Source
1992 & 1994	Cottonwood Ranch	$ 279,468	Non-State
1993, 2001, 2006, & 2007	Fort Hays	$ 542,642	Non-State ($310,966) & State ($231,676)
1994 & 2000	First Territorial Capitol	$ 115,406	State
1995	Constitution Hall	$ 203,878	State



	Hollenberg Station	$ 117,644	Non-State ($94,115) & State ($23,529)
1998	John Brown Museum	$ 273,647	Non-State ($218,918) & State ($54,729)
1998	Mine Creek (Visitor Center Constructed)	$ 480,065	Non-State ($384,052) & State ($96,013)
2002 & 2004	Shawnee Indian Mission	$ 614,863	Non-State
2003	Native American Heritage Museum	$ 54,185	State ($41,505) & Non-State ($12,680)
2004, 2005, & 2006	William Allen White House	$ 475,669	Non-State
2004	Pawnee Indian Museum (Tornado Damage Repairs)	$ 108,886	State
2005	Kaw Mission	$ 155,638	Non-State ($140,074) & State ($15,564)
2007	Grinter Place	$ 194,890	Non-State

Pending Rehabilitation of State Historic Sites

Year	Site	Explanation
2008	Marais des Cygnes	Using state funds the site is currently under restoration and will be completed May 2008.
2009	Pawnee Rock	Non-state funds have been requested. The agency should know by May if the project has been funded.
Unknown	Goodnow House	Roof restoration began in 2007 using non-state funds. State funds have been requested to completed the restoration work.

The Committee reviewed this item, but took no action.

New Item -- Capital Improvements - Copies of a memorandum addressed to the Committee, and others, was distributed to the Committee from Jennie Chinn, Executive Director, Kansas State Historical Society, concerning emergency request for capital improvement project funds to protect the artifacts at the Kansas Museum of History (Attachment 20).

Senator Teichman moved, with a second by Senator Emler, to adopt Kansas Museum of History Humidification System Option 2: System replacement with single construction contract, cost estimated to be $476,370 (in memo) split over two fiscal years. Motion carried on a voice vote.

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Board of Nursing

A. House Bill 2620 (Conference Committee). HB 2620 would authorize the Board of Nursing to require applicants for an original license to practice as a professional nurse, practical nurse, or mental health technician, to be fingerprinted and submit to a state and national criminal history record check. The fingerprints would be required to be used to identify the applicant and to determine whether the applicant has a criminal history record in Kansas or other jurisdictions. Information from the criminal history check could be used by the Board in making a determination of the applicant's character and fitness for a nursing or mental health technician license.

The bill would authorize the Board of Nursing to set a fee for fingerprinting in an amount needed to reimburse the Board for the cost of fingerprinting and performing a criminal records check, and to deposit such fees to the Criminal Background and Fingerprinting Fund that would be created by the bill. The agency requests that the new fund be appropriated as a "no limit" funds as the total number of applicants cannot be determined.

Senator V. Schmidt moved, with a second by Senator Wysong, to adopt Item A. Motion carried on a voice vote.

Kansas Bureau of Investigation

A. Review of Federal Homeland Security Funding (House Committee). The House Committee recommended Omnibus review of the federal homeland security funding recommended by the Governor in FY 2008, for the Kansas Bureau of Investigation. The Committee requested information regarding how this funding and the Kansas Intelligence System tie to the Fusion Center operated by the Adjutant General. The Governor's FY 2009 recommendation, included the addition of $681,713 in federal homeland security funds. The agency testified that it intends to use a portion of this amount for the Kansas Intelligence System.

The agency provided the following information: Beginning in 2004, the Kansas Bureau of Investigation (KBI) has received Homeland Security funding to build a statewide intelligence system to replace the outdated Kansas Law Enforcement Intelligence Network. The new system would be capable of connecting to the national intelligence pipeline through the Regional Information Sharing System Network (RISSNET). The system would allow any participating agency in the state to enter either criminal intelligence or criminal information and share that information statewide and nationally.

The agency received the following funding to date through the Department of Homeland Security: FY 2004, $39,059; FY 2005, $349,600; FY 2006, $493,854; and FY 2007, $45,000. For a total of $927,513 in federal funding.

Currently the system is operational within the KBI and is in the early stages of providing access to the system to outside law enforcement. Training will continue through 2008, to enable agencies to come on line and share information.

The agency indicates that estimated costs for FY 2010 for continuation of the system after federal homeland security funds expire, will be $135,400.

The agency states that the difference between the fusion center and the intelligence project is that the intelligence project is providing a system to store criminal intelligence and criminal information for law enforcement agencies throughout Kansas. The fusion center is to pull information from divergent databases to analyze threats from intelligence gathered by accessing information contained in these databases. The fusion center will be accessing the KBI system as one of these databases. By law they must be maintained in separate systems.

The Committee reviewed this item, but took no action.

B. Methamphetamine Precursor Monitoring Program (Senate Committee). The Senate Committee recommended reviewing the addition of $200,000, all from the State General Fund, to pilot a real time methamphetamine precursor monitoring program in FY 2009. This would provide the KBI with money to pilot a program that would log and track the sale of methamphetamine precursors. Precursors, such as ephedrine or pseudoephedrine, which are used in the creation of methamphetamines.

With the later passage of **SB 491** (dealing with the same issue), the creation of a Methamphetamine Precursor Task Force, the KBI has been working with the Board of Pharmacy to create a program to track and log the sale of methamphetamine precursors. The KBI and Board of Pharmacy are in discussion with a vendor that would provide a pilot program to be located in six counties in SE Kansas.

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This program according to the KBI will have no expense to the Board of Pharmacy, KBI, or participating pharmacies.

The Committee reviewed this item, but took no action.

C. Kansas Criminal Justice Information System Enhancements (Senate Committee and House Committee). The Senate Committee and House Committee recommended the deletion of $1.4 million, all from the State General Fund, and 3.0 FTE positions for the Kansas Criminal Justice Information System in FY 2009, for review during Omnibus. This funding would provide for the following items:

-- $186,846 for 3.0 new information technology FTE positions --

These positions would administer connectivity and security for the over 8,000 KCJIS users in the 1,700 agencies that utilize the system across the state. These positions will also support the 522 Kansas law enforcement agencies with the installation and use of the KIBRS, as well as assisting the agencies with data exchange by interface or batch file transfer. The agency reports that the Federal Bureau of Investigation (FBI) recorded in a formal finding in 2001, and 2006, that Kansas was not conducting the required system audits. The KBI reports that these positions are necessary to overcome these deficiencies and to ensure that the KIBRS data is moved to the Central Repository and the FBI;

-- $500,000 for a new central messaging switch (CMS) --

The CMS is a very complex communication platform that provides connectivity to multiple criminal justice and other databases in Kansas and other states. The agency has contracted with an independent vendor for critical support and maintenance since the bankruptcy of the original vendor in 1998. According to the agency, the current system does not allow full participation with inter-state criminal justice information system initiatives, such as the inter-state sharing of driver's license photos and standardized rap sheets;

-- $250,000 to replace core hardware and software --

The Kansas Criminal Justice Coordinating Council recommended and the agency requests a five-year replacement cycle for the approximately $1.01 million in KCJIS computer equipment maintained by the KBI. This replacement cycle is consistent with industry best practices. The agency reports that this replacement is necessary to maintain a reliable, stable system for criminal justice agencies across the state and nation; and

-- $416,853 for new network interface cards and bandwidth lines --

This item includes funding to increase the bandwidth from 56 KB to 1.5 MB on the communication lines provided by the state to many county mandated sites. The agency reports that these lines no longer have sufficient capacity to carry the amount of data required to support law enforcement operations. This item was recommended by the KCJIS Committee after consultation with the Division on Information Systems and Communications (DISC).

Senator Teichman moved, with a second by Senator V. Schmidt to support and adopt Item C. Motion carried on a voice vote.

D. Debt Service Principal and Interest Payments (Senate Committee). The Senate Committee and House Committee recommended the deletion of $285,000, all from the Expanded Lottery Act Revenues Fund (ELARF), and added the same amount from the State General Fund for debt service principal payments on the headquarters in Topeka in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

The Senate Committee and House Committee recommended the deletion of $26,850, all from the Expanded Lottery Act Revenues Fund (ELARF), and added the same amount from the State General Fund for debt service interest payments on the headquarters in Topeka in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

The Committee reviewed this item, but took no action.

E. KBI Complex Site Master Plan (Senate Committee and House Committee). The Senate Committee and House Committee deleted $250,000, all from the Expanded Lottery Act Revenues Fund (ELARF), for KBI Complex enhancements in FY 2009. The Senate Committee replaced this funding with the same amount from the State General Fund, and recommended review of this shift at Omnibus.

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The House Committee only recommended the addition of $50,000, all from the State General Fund, to complete the buyout and demolition of the property on the same block as the headquarters. The Conference Committee on **SB 534** concurred with the House and recommended the addition of $50,000, all from the State General Fund, to complete the buyout and demolition of the property on the same block as the headquarters in Topeka in FY 2009.

The House Committee and Conference Committee recommended Omnibus review of the remaining $200,000 in KBI complex enhancement requests, which include: $50,000 for a site master plan to define space utilization, general appearance, traffic flow, utilities, code compliance, and phasing of the KBI Complex; and $150,000 for a needs assessment for a new forensic science laboratory.

Senator Teichman moved, with a second by Senator V. Schmidt, to fund $330,000 total for the KBI Complex Site Master Plan, Item E. Motion carried on a voice vote.

F. Senate Bill 21 (Governor). SB 21 deals with nomination procedures for appointments for office by an appointing authority prior to confirmation by the Senate. The bill would prohibit a person from being appointed unless such person: completes and submits a nomination form; consents to a background investigation by the Kansas Bureau of Investigation (KBI); and consents to the release of tax information by the Department of Revenue and the federal Internal Revenue Service.

The fiscal note indicates that the Kansas Bureau of Investigation estimates it would have to conduct an average of eight additional investigations each year. The investigations in FY 2009 would cost an additional $8,256 (eight investigations at $1,032 per investigation). The agency requests an additional State General Fund appropriation of that amount in FY 2009.

The Committee reviewed this item, but took no action.

G. House Bill 2727 (Conference Committee). HB 2727 amends current law regarding sexual assault and specifically, sexual assault kits. Under provisions of the bill, a victim could request a sexual assault examination. All sexual assault kits would be sealed and kept in Kansas Bureau of Investigation (KBI) storage units for five years. The agency anticipates needing at least two additional evidence refrigeration units, at a cost of $6,000 each, for a total of $12,000, all from the State General Fund in FY 2009.

The Committee reviewed this item, but took no action.

Highway Patrol

A. Replacement of Eight Non-Law Enforcement Vehicles (House Committee). The House Committee recommended review of an appropriate funding source for the purchase of eight non-law enforcement vehicles in FY 2009. The vehicles were recommended by the Governor, but no funding source was specified.

The agency originally requested $188,700, all from the State General Fund, to replace eight non-law enforcement vehicles. The agency has a Fleet Management Program for law enforcement vehicles, which is exempt from the state's vehicle acquisition process. The agency owns vehicles used by the Motor Carrier Safety Administration Program (MCSAP) which are not marked as law enforcement or equipped with pursuit lights. Recent interpretation of the statewide vehicle acquisition process has determined that these vehicles are not eligible for sale and purchase under the agency's Fleet Management Program, and they are not exempt from the statewide vehicle acquisition process. The agency had requested funding from the State General Fund, because the vehicles do not quality for replacement using agency Fleet Management funds, and the federal MCSAP program does not allow the use of federal funds for vehicle purchases.

The agency states that the vehicles in question have been purchased from the KHP Motor Vehicle Fund in the past. That source of funding is still appropriate, but the agency did not want to appear as though they were not following any agreed upon guidelines. The agency indicates that they could still comply with the mileage and approval portion of the process, but pay for the vehicles from the Motor Vehicle Fund.

The Committee reviewed this item, but took no action.

B. Trooper Pay Increases for FY 2008 (Senate Committee and Conference Committee).

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The Senate Committee and Conference Committee on **SB 534** recommended the deletion of FY 2008 supplemental funding of $191,854, all from special revenue funds, for additional trooper pay increases in FY 2008, for further review. This funding is the difference between the funding approved by the 2007 Legislature for the FY 2008 pay increases, and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.

In early 2007, the agency completed labor negotiations with the Kansas State Troopers Association and a new three-year labor agreement was created. The Trooper and Motor Carrier Inspector Memorandum of Agreement (MOA) (encompassing fiscal years 2008, 2009 and 2010) was signed June 5, 2007. The portion of the MOA concerning the pay increase for Fiscal Year 2008 was enacted by Executive Directive No. 07-381 on July 2, 2007.

Copies of a Compensation Study and Analysis, Base Pay Only, Kansas Highway Patrol, April 1, 2008, updated 4/17/2008, Prepared for the Kansas State Troopers Association, was distributed to the Committee (Attachment 21).

The Committee reviewed this item, but took no action.

C. Trooper Pay Increases for FY 2009 (Senate Committee and Conference Committee). The Senate Committee and Conference Committee on **SB 534** recommended the deletion of FY 2009 enhancement funding of $503,914, including $382,113 from the State General Fund, for additional trooper pay increases in FY 2009, for further review. This funding is the difference between the 2.5 percent pay increase recommended by the Governor and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.

In addition, a technical adjustment of $671,714, including $509,340 from the State General Fund, is necessary to incorporate Fiscal Year 2008 adjustments related to the MOA into the FY 2009 salary base.

The Governor's recommended enhancement funding of $503,914 including $382,113 from the State General Fund, is for a 1.5 percent salary increase for Troopers (assuming a base pay increase of 2.5 percent for all employees). This would be pursuant to the MOA, and provide funding in the budget for a 4.0 percent increase for Troopers.

Senator Emler moved, with a second by Senator V. Schmidt, to approve the expenditure regarding trooper pay increase for Items B and C, FY 2008 and FY 2009. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Teichman, to add funding to increase the Kansas Bureau of Investigation agents as is done with the Kansas Highway Patrol Troopers and leave the funding to the negotiations of the Conference Committee Conferees. Motion failed on a voice vote.

The Committee concurred to request an interim study regarding equity items in both the Kansas Highway Patrol Troopers and the Kansas Bureau of Investigation Agents.

D. GBA No. 1, Item 25, Page 13—Fuel Costs.

See Item E.

E. GBA No. 1, Item 26, Page 13—KHP Operations Fund Adjustments.

Senator V. Schmidt moved, with a second by Senator Kelly, to adopt Item D and Item E. Motion carried on a voice vote.

Adjutant General

A. Disaster Match Funding—Hazard Mitigation (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the addition of $21,691,670, including $2,591,667 from the State General Fund, for Hazard Mitigation funding in FY 2009, that was not recommended by the Governor, for the three federal disasters declared in 2007.

The Hazard Mitigation Grant Program helps state and local governments and eligible private non-profits with the cost of planning for, administering, and mitigating losses from future disasters. Federal funding for the program is determined by 15.0 percent of the total Federal Emergency Management Agency share of any given disaster. The federal government pays 75.0 percent of the cost,

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with a 25.0 percent non-federal match. This enhancement would allow the state to pay 10.0 percent with the local unit or eligible private non-profits being responsible for the remaining 15.0 percent. If the payment is made to a state agency, the receiving state agency will be responsible for the entire 25.0 percent. Hazard mitigation grant projects may include, but are not limited to, acquisition or demolition of flood prone properties, construction of tornado safe rooms, limited flood control measures, or enhanced warning systems.

The Committee reviewed this item, but took no action.

B. Grant Administrator Position (Senate Committee and House Committee). The Senate Committee and House Committee recommended the deletion of $52,935, including $26,468 from the State General Fund, and 1.0 FTE position for a grant administrator in FY 2009, for Omnibus review.

The agency reports that the grant administrator position would assist program managers and the financial officer in administering the fiscal aspects of reimbursable allowances in coordination with the State Administrative Agency, which is the Kansas Highway Patrol. This was one of six positions requested by the agency, and one of two that was recommended by the Governor as part of the agency's Kansas Division of Emergency Management (KDEM) enhancement requests.

The agency states that all 105 counties in Kansas experienced a disaster at some point during 2007. Due to the necessity of managing multiple Presidential disasters and employee resignations, the agency has been unable to meet the requirements of the U.S. Department of Homeland Security for the Kansas Division of Emergency Management's routine responsibilities. The agency reports that non-disaster programs and services cannot be provided during disaster operations, and should another disaster lasting over 36 hours occur, the Emergency Operations Center (EOC) would be manned with untrained, inexperienced staff performing critical tasks.

The Committee reviewed this item, but took no action.

C. Logistics Specialist Position (House Committee and Conference Committee). The House Committee deleted $54,013, including $40,511 from the State General Fund, and 1.0 FTE position for a Logistics Specialist in FY 2009. The Conference Committee on **SB 534** concurred with the House and recommended the deletion of the funding and position for Omnibus review.

The agency states that currently the administrative assistant to the Deputy Director of Kansas Division of Emergency Management acts as the logistics officer in response to minor incidents. The agency has also used county emergency managers, regional coordinators, and National Guard personnel to provide support. The agency reports that a separate logistics function could reduce time and money spent on an incident.

This was one of six positions requested by the agency, and one of two that was recommended by the Governor as part of the agency's Kansas Division of Emergency Management (KDEM) enhancement requests.

Senator Kelly moved, with a second by Senator Emler, to adopt Item C. Following discussion, Senator Steineger moved a substitute motion, with a second by Senator Taddiken to not fund Item C. A vote was taken and the substitute motion failed on a voice vote. A vote was taken on the original motion to adopt Item C and the motion carried on a voice vote.

D. Emergency Management Performance Grant (House Committee). The House Committee recommended the deletion of $365,000, all from the State General Fund, for funds to match the federal Emergency Management Performance Grant (EMPG) in FY 2009, to review at Omnibus. The Senate Committee did not recommend this deletion. The Conference Committee on **SB 534** concurred with the Senate Committee and did not delete the funding in FY 2009.

The agency states that the emergency management performance program is funded 50.0 percent by the federal government, with a 50.0 percent state cost-share or in-kind match requirement. The agency reports that it has not had sufficient state funds to match the grant in recent years. A portion is recovered by passing through a portion of the emergency management performance federal funding to counties with the requirement that the county provide the 50.0 percent non-federal match. The remainder is recovered through in-kind support. The agency reports that without additional match funding, it will be unable to meet the mandates set by the U.S. Department of Homeland Security or the needs of the state. It is reported that this will result in the state being unable to provide preparedness support to counties, particularly smaller counties, requiring an increased utilization of state resources if a disaster occurs in a smaller county.

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The Committee reviewed this item, but took no action.

E. Regional Homeland Security Coordinators (House Committee). The House Committee recommended the deletion of $319,452, all from the State General Fund, to replace funding from the Homeland Security Federal Fund for the seven Regional Homeland Security Coordinators in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this funding. The Conference Committee on **SB 534** concurred with the Senate and did not delete the funding. The Conference Committee on **SB 534** also recommended the inclusion of language changing the name of these positions to "Regional Emergency Management Coordinators," and the inclusion of language stating that it is not the policy of the Legislature to replace federal homeland security grant program funds with State General Fund in future fiscal years.

The agency states that the Coordinators are currently funded with 75.0 percent federal funds through the State Homeland Security Grant Program, with the remaining 25.0 percent funded through the State General Fund. Due to declining awards in the grant program, the agency requests that the Coordinators be funded entirely through the State General Fund.

This item was resolved in Conference Committee.

F. Reorganization of Comptroller's Office (House Committee). The Senate Committee and House Committee deleted $7,682, all from the State General Fund, and recommended combining the fiscal office of the Kansas Division of Emergency Management with the fiscal office for the remainder of the agency in FY 2009. The House Committee recommended Omnibus review of the deletion.

The agency reports that this action is anticipated to increase efficiency within the agency and provide better financial accountability. The management structure of the Comptroller's Office would need to be modified to combine the offices. This funding is requested to provide a 10.0 percent salary increase to the State Comptroller as compensation for these increased responsibilities.

The Committee reviewed this item, but took no action.

G. Vehicle Purchases and Replacement (House Committee and Conference Committee). The House Committee deleted $76,000, all from the State General Fund, for the replacement of one vehicle and the purchase of two new vehicles in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this vehicle funding. The Conference Committee on **SB 534** concurred with the House and deleted the funding for Omnibus review.

These three vehicles that would be purchased are: a replacement truck for $30,000; a new service vehicle for Great Plains Regional Training Center for $30,000; and a new vehicle for the Public Affairs Office for $16,000.

The Committee reviewed this item, but took no action.

H. Debt Service Principal and Interest on Armory Renovation Bonds (Senate Committee). The Senate Committee and House Committee deleted $1,235,000, all from the Expanded Lottery Act Revenues Fund (ELARF), and added the same amount from the State General Fund for the debt service principal payments on the Armory renovation bonds in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

The Senate Committee and House Committee deleted $991,807, all from the Expanded Lottery Act Revenues Fund, and added the same amount from the State General Fund, for the interest payments on the Armory renovation bonds in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

This item was resolved earlier.

I. Great Plains Regional Training Site No. 1 (Senate Committee). The Senate and House Committees deleted $4.0 million, all from the Expanded Lottery Act Revenues Fund (ELARF), for the creation of the Great Plains Regional Training Site No. 1 in FY 2009. The Senate Committee recommended further review at Omnibus, and the House Committee recommended reviewing this item during the 2009 Session, as the final site selection has not yet been made. The Conference Committee on **SB 534** recommended the deletion of the ELARF funding, but added $100,000, all from the State General Fund, for planning purposes surrounding the site selection process.

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J. Senate Substitute for House Bill 2923 (Conference Committee). Senate Substitute for HB 2923, as agreed to by the conference committee, would provide a number of National Guard and veterans-related benefits. Regarding National Guard benefits, in FY 2009 and FY 2010, the Kansas Lottery's Veterans' Benefits Game will be sold year-round, with 40.0 percent of the net profits to be used for Kansas National Guard scholarships and 30.0 percent for the Museum of the Kansas National Guard to assist with the expansion of the facility to include a 35th Infantry Division Museum and Education Center. The other 30.0 percent will be allocated to Veterans' programs. The Adjutant General's budget would require a new fund to receive and expend the funding for the museum project.

Senator Emler moved, with a second by Senator Kelly, to set up a no limit appropriations fund. Motion carried on a voice vote.

State Treasurer

A. Kansas Investment Developing Scholars (KIDS) Matching Funds (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the Governor's recommended reduction in the Kansas Investment Developing Scholars (KIDS) matching grant funding. KIDS is a matching grant program from low income Kansans created by **2006 SB 332**.

The Governor recommended a reduction in State General Fund expenditures of $390,000 in FY 2008, and $620,000 in FY 2009, for the KIDS matching grant. The agency had originally requested the restoration of this funding, but now KIDS matching grant funding is provided through a no-limit fund; regardless of the number of accounts that are opened, the State Treasurer certifies an amount to the Division of Accounts and Reports, which is then transferred from the State General Fund the State Treasurer for expenditure of the match.

This item was resolved earlier.

B. Kansas Investment Developing Scholars (KIDS) Administration and Promotional Funding (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of promotional funding requested from the State General Fund for the administration and promotion of the Kansas Investment Developing Scholars (KIDS) program.

The agency requested $100,000, all from the State General Fund, for the administration and promotion of the KIDS program in FY 2009, which the Governor did not recommend. The House Committee recommended Omnibus consideration of $100,000 for the administration and promotion of the KIDS program in FY 2009 . The Senate Committee recommended the addition of $50,000 and Omnibus consideration of an additional $50,000 for the administration and promotion of the KIDS program in FY 2009. The Conference Committee on **SB 534** did not add any funding, but recommended Omnibus review of this item.

The Committee reviewed this item, but took no action.

C. House Substitute for Senate Bill 387 (Law). House Sub. for SB 387 would authorize a pilot investment program for idle funds at the state universities and a State Housing Loan Deposit Program.

This bill would authorize the State Board of Regents to approve a pilot financial investment program at one state university. That university would designate or create a nonprofit independent investment organization for this pilot program. The Board would determine, establish and adopt the procedures, standards, and criteria that would be used in administering the investment program. The university and its independent investment organization would be required to enter into an agreement approved by the Board. The pilot investment program could not exceed $40 million in investments would end on or before June 30, 2013; however, the Board of Regents could terminate the program at any time.

The Pooled Money Investment Board (PMIB) estimates it will incur a reduction in fees of $40,000 per year based on its current fee structure of 10 basis points on balances outstanding. The reduction in fee income will reduce PMIB's FY2009 budget projections for revenue.

The bill also would establish the Kansas Housing Loan Deposit Program (HLDP), which would provide incentives for housing construction development loans. This program would: be effective until July 1, 2011; provide $60.0 million in allowable loans; authorize the PMIB to make loans to eligible lending institutions at a rate 2.0 percent below the market rate, and then be provided to borrowers at a rate no greater than 4.0 percent above that of the housing loan deposits rate; and require that 50.0 percent of

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the allowable loans be made available to developer borrowers building houses in Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha, or Osawatomie, Kansas.

The Conference Committee on the bill added language to allow banks, savings and loans, and savings banks all to participate in a housing loan deposit program.

The fiscal note estimates a loss of $1.8 million in State General Fund interest revenue. The State Treasurer estimates that the administration of the program would require $68,292 in special revenue funds to hire 1.0 FTE unclassified Housing Loan Assistant position and necessary supplies. The PMIB indicated that it would require $13,000 in special revenue funds for staff oversight and supplies.

Senator Umbarger moved, with a second by Senator Kelly, to agree to a Senate position to support the $1.8 million. Motion carried on a voice vote.

State Library

A. Interlibrary Loan Delivery Service for Library Materials (Senate Committee and House Committee). The Senate and House Committees recommended the FY 2009 deletion of $250,000, all from the State General Fund, for the establishment of a statewide delivery system for library materials, for review at Omnibus.

The agency requested $250,000, all from the State General Fund, which would then be matched by $250,000 from the library community to provide $500,000 for the establishment of this system. The agency estimates that it could serve 120 libraries and academic libraries with this amount. The agency states that there are 326 public libraries in Kansas, not including academic libraries. The House Committee also requested a cost-benefit analysis from the State Library that further detail the utilization of this $500,000 expenditure.

The agency states that interlibrary loan, the sharing of library resources, such as books, DVDs, and audio tapes, between one community and another is a major benefit to Kansans. Over 250,000 loans were recorded for both 2006 and 2007, and with returns, this accounts for over 400,000 transactions per year. The agency indicates that while that number is significant, it is not reflective of the possible demand for this service. Currently many libraries in Kansas are providing the interlibrary loan that they can afford, not the interlibrary loan that is needed. The cost of postage can limit the number of books that a library requests for its patrons. For example, a library with a set postage budget of $2,000 must be vigilant as to how many materials can be sent. A courier system eliminates the need to limit interlibrary loans because the cost of the service is annual, predictable, and, with a subsidy, affordable for the libraries.

The agency states that a courier service for Kansas library resources is a positive and service-oriented change in the way materials are shared in this state. It will get library materials to those who need it in a timely and cost-effective way and leverage the thirty million items owned by Kansas libraries. The agency states that without a state subsidy, the costs would be too great for the majority of libraries, and service would be limited to only those libraries with sufficient resources to pay for them. The agency adds that if the majority of libraries cannot afford to participate, access to library materials will be limited. A subsidy of $250,000, matched by the library community, would "postalize" a courier service and make it cost effective for the majority of libraries.

Senator Schodorf moved, with a second by Senator Teichman, to adopt Item A. Following committee discussion, Senator Schodorf withdrew her motion with the consent of Senator Teichman, the second to the motion.

Senator Teichman moved, with a second by Senator Kelly, to approve the $250,000 from the State General Fund for interlibrary loan delivery service, Item A. Motion carried on a voice vote.

B. Talking Books Service Promotional Funding (Senate Committee and House Committee). The Senate Committee and House Committee recommended consideration of $76,500, all from the State General Fund, in FY 2009, that was not recommended by the Governor for the promotion of the Talking Books Service.

The agency received this funding in FY 2008, and this would continue to provide for costs associated with outreach (brochures, radio and print ads) and staff travel to meet with individuals and groups that express an interest in the program through FY 2009. The agency is requesting that this be included in the base budget in future years to encourage use of the program as new formats such as digital books, players, and other new formats become available.

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The Committee reviewed this item, but took no action.

C. Learning Express Library Database (House Committee). The House Committee recommended considering at Omnibus the addition of $200,000, all from the State General Fund, for the Learning Express Library database in FY 2009, that the Governor did not recommend.

The agency states that the Learning Express Library is a database of practice and tutorial tests to aid Kansans in career and education test preparation. The database provides a wide variety of practice tests including the General Educational Development (GED), American College Test (ACT), Graduate Record Examination (GRE), Paramedic, Nursing, Real Estate, U.S. Citizenship, and many others.

The Committee reviewed this item, but took no action.

D. Statewide Youth Services Consultant (House Committee). The Senate Committee and House Committee deleted $60,864, all from the State General Fund, for a Statewide Youth Services Consultant in FY 2009. The House Committee recommended that the item be reviewed at Omnibus.

The agency states that there is currently no one at the state level to aid in the facilitation of children's library services in Kansas. This position would be an employee of the State Library, and the position would seek to enhance and oversee library programs that encourage reading for children and young adults. The agency is not requesting any additional FTE positions.

The Committee reviewed this item, but took no action.

Kansas Arts Commission

A. Additional Funding for Arts Grants (House Committee). The House Committee deleted $100,000, all from the State General Fund, for additional arts grants in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this funding. The Conference Committee on **SB 534** concurred with the Senate and recommended the inclusion of this funding in FY 2009. The approved amount for arts grants in FY 2009 in **SB 534** is $1,399,196.

This item was resolved in Conference Committee.

State Fire Marshal

A. Legislative Post Audit on Funding Issues (Senate Committee). The Senate Committee requested a Legislative Post Audit study, for Omnibus review, on the 1.25 percent levy on fire insurance premiums in the state, and whether or not its current apportionment adequately provides for the functions of the agencies it supports. Currently, 0.8 percent of this amount goes to the Fire Marshal, 0.25 percent goes to the Board of Emergency Medical Services, and 0.2 percent goes to the KU Fire and Rescue Training Institute. The committee noted particular interest in the functions of the KU Fire and Rescue Training Institute, how their apportionment is spent, and whether or not there is any redundancy in their function with other state agencies.

As part of this request, the Senate Committee wanted to understand the possible effects that would surround increasing the 1.25 percent levy on fire insurance premiums to 1.3 percent or more, and then providing that additional amount to the State Fire Marshal.

In 2005 the agency borrowed $225,000 from the Hazmat Emergency Fund to meet budgeted expenditures, and has not yet been able to repay that amount. The agency states that it receives the bulk of its apportionment from the insurance premiums in June and December, and continues to anticipate a shortfall in operating expenditures of $468,847 in FY 2009, and $1,079,844 in FY 2010. As part of its testimony, the agency also notes that of the three agencies supported by the levy on fire insurance premiums, the Fire Marshal is the only one required to contribute to the statutory State General Fund transfer of $200,000 per KSA 78-317a.

The Legislative Post Audit Committee has not yet met to consider this request, and plans on meeting later this April. Therefore, no action has yet been taken on this requested audit.

Senator V. Schmidt moved, with a second by Senator McGinn, to request that Legislative Post Audit move forward on this item regarding State Fire Marshal funding issues and report to the Interim Legislative Budget Committee. Motion carried on a voice vote. Senator V. Schmidt requested that Legislative Post Audit look specifically at the 50 percent issue.

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B. Vehicle Replacements (Senate Committee). The Senate Committee deleted $56,800, all from special revenue funds, for the replacement of three vehicles in FY 2009, to review at Omnibus. The House Committee did not recommend the deletion of funding for these vehicles. The Conference Committee on **SB 534** concurred with the House and did not recommend the removal of this funding for replacement vehicles.

The Committee reviewed this item, but took no action.

C. Senate Sub. for House Bill 2634 (Law). Senate Sub. for HB 2634 would create two new laws that concern non-fuel flammable or combustible liquid above ground storage tanks. Under the bill, on or before July 1, 2009, the State Fire Marshal is to conduct an on-site inspection of any facility in existence on the effective date of the bill to determine compliance with standards by the National Fire Association and rules and regulations adopted by the State Fire Marshal. If the facility is in compliance, a reinspection would be required at least once every three years. If a facility is not in compliance, any necessary changes would be required to be made as soon as practicable, but no later than July 1, 2012. The bill would require that any facility constructed after the effective date of the proposed legislation meet standards specified in the bill and applicable rules and regulations adopted by the State Fire Marshal.

The State Fire Marshal estates additional expenditures of $78,119 would be needed for the enactment of the bill. Of this amount, $61,119 would be for 1.0 Fire Prevention Inspector FTE position, $9,000 for travel and subsistence, and $8,000 for miscellaneous operating expenses. Because no revenues would be available until FY 2013, at the earliest, the agency's fee fund would have to finance these additional costs.

Senator McGinn moved, with a second by Senator V. Schmidt, to take no action on Item C and recommend that this item be brought to the attention of the interim Legislative Budget Committee. Motion carried on a voice vote.

D. Senate Bill 178 (Conference Committee). SB 178 would create "flame retardant" cigarettes under the Fire Safety Standard and Firefighter Protection Act.

The bill would require all cigarettes sold in the State of Kansas after July 1, 2009, to be tested for ignition strength by the American Society of Testing and Materials prior to sale.

Under the bill, no more than 25.0 percent of cigarettes tested could exhibit full length burn as laboratory tested, and cigarettes would be required to have lowered permeability bands in the cigarette paper to reduce the ignition strength of cigarettes. The bill would require certified cigarettes to be marked with the letters "FSC," which is defined in the bill as fire standards compliant. In addition, the State Fire Marshal would have to propose equivalent test methods for cigarettes that are not sent to the American Society for Testing and Materials to be tested. Alternate testing by another state that has enacted equivalent testing and performance standards to those standards in Kansas would be accepted.

Under the bill, manufacturers would be required to maintain copies of the test results for three years, and manufacturers could be liable for fines of $10,000 each day written test reports are not available to the State Fire Marshal or the Attorney General's Office following 60 days after the request for such reports. Manufacturers would be required to pay the State Fire Marshal a fee of $250 to defray costs of processing, testing enforcement, administration, and oversight activities. Cigarettes must be re-certified every three years, or when a change to the cigarettes is made by the manufacturers.

The fiscal note indicates that one additional staff person at a salary of $55,188 and operating expenses of $8,000 would be required by the State Fire Marshal. The revenue source in the bill would support the operation of the program.

The Committee reviewed this item, but took no action.

E. GBA No. 1, Item 24, Page 13—State General Fund Transfers.

Senator McGinn moved, with a second by Senator Schodorf, to adopt GBA No. 1, Item 24. Motion carried on a voice vote.

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Emergency Medical Services Board

A. Funding Shift (House Committee). The House Committee recommended Omnibus review of the Governor's recommended funding shift of $180,000, all from the Emergency Medical Services Operating Fund, to federal funds in FY 2009. The Senate Committee recommended shifting the funding source back to the Emergency Medical Services Operating fund. The Conference Committee on **SB 534** concurred with the Senate and recommended shifting this funding back to the Emergency Medical Services Operating Fund.

The agency states that it does not anticipate receiving any federal funding in FY 2009.

This item was resolved in Conference Committee.

New Item - Emergency Regional Council (Attachment 22) -- **New language**.

Senator V. Schmidt moved, with a second by Senator McGinn, to change wording Emergency Medical Services Regional Council Reporting Requirements and add the wording "EMS Regional Council and every county and/or EMS service" to the proviso. Motion carried on a voice vote.

Kansas Public Employees Retirement System (KPERS)

A. Post-Retirement Benefits Adjustment (House Committee and Senate Committee). Both the House Committee and Senate Committee asked to review the Governor's proposed cost-of-living adjustment (COLA) plan for retirees and their beneficiaries, as well as to review alternative COLA plans and one-time bonus payment plans. KPERS prepared a number of alternative plans at the request of the 2008 Legislature for consideration during Omnibus. Documents pertaining to the Governor's proposal and alternative plans will be provided by KPERS separately as handouts, but the individual items are summarized generally below.

1. Governor's Proposed COLA Plan. The Governor's proposed cost-of-living adjustment (COLA) for retired KPERS members was introduced as **2008 SB 661**, which remains in the Senate Ways and Means Committee. Funding for the first three years of the state's cost share also was included in the Governor's recommended House and Senate appropriations bills. The Legislature removed the Governor's proposed multiyear COLA funding, deleting the State General Fund financing from separate appropriations bills considered by each chamber during the 2008 Session. The Governor recommends a post-retirement benefit enhancement for certain KPERS retirees and their beneficiaries in the form of a 1.0 percent COLA for each of the next three years. Financing for the state-funded component is proposed from the State General Fund, with $6.4 million recommended in FY 2009 as the first-year payment. The second and third-year payments would increase the FY 2010 total amount to $13.1 million, all from the State General Fund, and the FY 2011 total amount to $20.2 million, all from the State General Fund, as the plan is fully implemented. The Governor's proposal would require substantive legislation that is included in 2008 SB 661 since the benefit increase would be permanent and the local units must pay a higher contribution rate to amortize the cost. The state's cost would be paid from the State General Fund in annual appropriations. The total actuarial cost was estimated at $238.9 million for all groups. The total 17-year cost of the state's portion of the plan was estimated to cost $303.0 million, all from the State General Fund. A local component of the plan would be implemented in conjunction with the proposed multi-year schedule, with total cost of the local payments estimated at $96.0 million over 17 years.

2. Recent COLAs and One-Time Bonus Payment Plans. The cost of any adjustment is related to the size of the group and to the formula used in determining an additional benefit. In addition, cost is related to whether the benefit is one-time or permanent. One-time payments, such as authorized in 2000 and 2007, were less expensive than permanent enhancements, such as the COLAs that were authorized in 1994 and 1998. A 2006 post-retirement benefit adjustment was relatively inexpensive because the group was small (under 15,000 retirees) and had a high mortality rate (average age older than most retirees) that were recognized in the formula.

Permanent COLA increases in 1994 and 1998 were more expensive. The cost of benefit enhancements are expressed in terms of increases in the unfunded actuarial liability when the Legislature decides to pay off the liability over time rather than paying the actuarial cost with a one-time contribution. The fiscal impact of these benefit enhancements, as reported in actuarial valuations, was $108.0 million for 1994 and $88.0 million for 1998. These amounts reflect increases in the unfunded actuarial liability since the Legislature decided to pay for the enhancements over time. In 2006, the Legislature approved a post-retirement increase in monthly benefit payments for a relatively small group of retired members and who had service in the Kansas School Retirement System. In this case, the Legislature prepaid the cost in order to avoid increasing the unfunded actuarial liability. The group was relatively small and the average age was over 90, with a resulting actuarial liability of $0.3 million that was paid from the State

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General Fund.

The 2000 one-time payment equaled one-half of one month's benefit check (average of $386) and cost $19.0 million because it covered all retirees and beneficiaries who became eligible before July 1, 1999 for retirement benefits. In 2007, the Legislature provided a one-time bonus payment for a smaller group of all retirees. For retired members, the group included those who retired or became disabled prior to July 1, 1997, and who had at least 10 years of service credit prior to retiring. A $300 one-time bonus was paid on October 1, 2007, to those eligible, including surviving beneficiaries. The fiscal note was estimated at $7.0 million for the state, $2.1 million for the local units, and $249,000 from the disability fund. The Legislature appropriated $7.0 million from the State General Fund and authorized the local units to pay their share over a 10-year period. Approximately one-half of KPERS retirees were ineligible for the one-time payment because of the restrictions on who was eligible for the $300 payment.

3. Alternative COLAs and One-Time Bonus Payment Plans. The KPERS staff prepared a number of variations for the Governor's proposed COLA and a number of alternatives for one-time bonus payments. The fiscal notes for alternative plans include a range in costs, from $9.2 million for a one-time bonus similar to last year's payment, to an estimated state actuarial cost of $57.9 million ($96.0 million over 15 years) for a permanent 1.0 percent COLA . Variations of each may be calculated depending upon the size of the group and the formula used in calculating the benefits, and whether the payment is one-time or permanent. The KPERS handouts include the details of the various alternative plans.

Copies of a letter addressed to Chairman Dwayne Umbarger from Glenn Deck, Executive Director, Kansas Public Employees Retirement System, dated April 21, 2008, concerning the Governor's COLA Proposal (**SB 661**) and Postretirement Benefit Options (Attachment 23).

The Chairman acknowledge Mr. Deck who reviewed the letter with the Committee. Committee discussion followed.

The Committee reviewed this item, but took no action.

Senator Morris suggested discussion take place in the Joint Committee on Pensions and Investments, and Benefits this coming summer. Senator Morris mentioned that he chairs the committee this year and they will try to come up with a viable commitment. He also asked Mr. Deck if KPERS could come up with a way to convey the Legislature's intent during this coming summer and how to convey it to their members. Mr. Deck responded that this could be done in the July-August Newsletter to retirees, but asked for the wording from the Committee. Staff will work on the wording.

B. GBA No. 1, Item 3, Page 3—Senior Services Trust Fund.

The Committee concurred with this item.

Kansas Racing and Gaming Commission

A. Governor's Recommended Staffing and Funding for Expanded Lottery and GBA No. 1, Item 5, Page 3- Expanded Lottery Regulation Act (House Committee and Senate Committee). Both Committees recommended review of the additional FTE positions and special revenue funds recommended by the Governor to implement the Expanded Lottery Act Division. The Governor recommends enhancements of 47.8 FTE positions and $443,019, all from special revenue funds, in FY 2008, and additional enhancements of 3.7 FTE positions and $1,456,008, all from special revenue funds, in FY 2009. The 2007 Legislature originally approved 25.0 FTE positions and $3.0 million in loan funds from the Pooled Money Investment Board to implement the Expanded Lottery Act Division in FY 2008. The 2008 Legislature deleted the Governor's FY 2008 enhancements. The Governor's cumulative two-year recommended enhancements would add 51.5 FTE positions and expenditures of $1.9 million above the approved FY 2008 budget.

The 2008 Legislature in **SB 534** approved expenditures and staff for the Expanded Lottery Act Division in FY 2008 and FY 2009. The approved budget in FY 2008 includes $4.3 million and 25.0 FTE positions. The approved budget in FY 2009 includes $3.3 million and 48.3 FTE positions.

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EXPANDED LOTTERY OPERATIONS
SUMMARY OF EXPENDITURES FY 2007-FY 2009

Item	Gov. Rec. FY 2008	Legislative Approved FY 2008	Gov. Rec. FY 2009	Legislative Approved FY 2009	Change FY 08-09
Expenditures:					
Salaries and Wages	$ 2,428,297	$ 1,985,278	$ 3,540,480	$ 2,084,472	$ 99,194
Contractual Services	1,321,090	1,321,090	1,036,090	1,036,090	(285,000)
Commodities	73,842	73,842	73,842	73,842	0
Capital Outlay	890,460	890,460	113,446	113,446	(777,014)
Subtotal - Operations	$ 4,713,689	$ 4,270,670	$ 4,763,858	$ 3,307,850	$ (962,820)
Other Assistance	0	0	0	0	0
TOTAL	$ 4,713,689	$ 4,270,670	$ 4,763,858	$ 3,307,850	$ (962,820)
Financing:					
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	4,713,689	4,270,670	4,763,858	3,307,850	(962,820)
TOTAL	$ 4,713,689	$ 4,270,670	$ 4,763,858	$ 3,307,850	$ (962,820)
FTE Positions	72.8	25.0	99.8	48.3	23.3
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	72.8	0.0	99.8	99.8	0.0

The Kansas Racing and Gaming Commission will provide detailed revisions in estimates for staffing and expenditures in FY 2009 for consideration during Omnibus. One cashflow issue has been identified as a potential problem in FY 2009, and that involves repayment of the $3.0 million loan that the Governor recommended for repayment by June 30, 2009. The repayment was approved in **2008 SB 534**. The Racing Commission's revised estimates will raise some concerns about the ability to make a $3.0 million scheduled payment by June 30, 2009, and about the possible need for an additional $2.0 million of loan authority during FY 2009 should the receipt of anticipated gaming revenues be delayed or be less than anticipated in FY 2009.

Copies of the Kansas Racing and Gaming Commission Omnibus Budget Update were distributed to the Committee and discussed by Mr. Don Cawby (Attachment 24).

The Committee concurred with this item and concurred with the Governor's GBA No. 1, Item 5.

Kansas Lottery

A. Consensus Revenue Estimating Group's Cashflow Projections for the State Gaming Revenues Fund in FY 2008 and FY 2009 (House Committee and Senate Committee). The consensus revenue estimating group on April 16, 2008, made no adjustments in the estimated FY 2008 or FY 2009 transfers to the State General Fund from the State Gaming Revenues Fund (SGRF). A statutory provision directs any amount above $50.0 million that is deposited into the SGRF shall be transferred to the State General Fund at the end of each fiscal year. The consensus revenue estimating group incorporates these amounts into the State General Fund revenue profile. The FY 2008 transfer estimate from the SGRF to the State General Fund is $22,040,000 for regular lottery and $960,000 for the Lottery's Veterans Games. The FY 2009 transfer estimate from the SGRF to the State General Fund is $23,040,000 for regular lottery and $960,000 for the Lottery's Veterans Games. The potential fiscal impact of 2008 **Senate Sub. for HB 2923**, which is in conference committee, was not addressed in either FY 2008 or FY 2009 since it has not passed the Legislature. (See Item D below for an assessment of the bill's potential impact.)

The Committee reviewed this item, but took no action.

B. Revised Cashflow Projections for the Expanded Lottery Act Revenues Fund in FY 2008 and FY 2009 (House Committee and Senate Committee). The 2008 appropriations bill (**SB 534**) passed during the regular Session contains language that transfers any new gaming revenues received by the Expanded Lottery Act Revenues Fund (ELARF) to three new reserve funds in FY 2008 and FY 2009. The language in **SB 534** provides that one-third of money in the ELARF will be transferred to each of the following funds: the State Property Tax Relief Reserve Fund, the State Infrastructure Reserve Fund,

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and the State Debt Reduction Reserve Fund. The bill's language also places a $0 limitation on the ELARF line item in the Kansas Lottery section of **SB 534**.

In addition, the bill places a $0 expenditure limitation on each reserve fund; provides that the Legislature must approve any expenditures; and further provides that the State Finance Council shall have no authority to authorize any expenditures or transfers, unless there is specific authorization by an appropriation act of the Legislature, except that the State Finance Council may approve transfers from the State Property Tax Relief Reserve Fund. **2007 SB 66** (the Expanded Lottery Act) also authorized three statutory uses for which money in the ELARF could be used: ad valorem property tax relief, infrastructure improvements, and debt relief.

The *Governor's Budget Report* for FY 2009 estimated revenues of $81.8 million in FY 2008 and FY 2009 that would be deposited in the ELARF. Because of delays in the awarding of any contracts for the racetrack gaming facilities (racinos), and in other legal issues directly affecting the lottery gaming facilities (casinos) and indirectly the racinos, the amount of money that is estimated to be received by the ELARF in FY 2008 and FY 2009 was revised as of April 7, 2008. None of the amount originally estimated in FY 2008 will be received. The revised FY 2009 estimate for revenues to the ELARF in FY 2009 is $57.9 million based on the review of April 7, 2008, and that estimate is contingent upon a favorable State Supreme Court ruling and successful completion of negotiated contracts with the racino and casino operators at each location.

SB 534 deletes the Governor's recommended expenditures of $81.4 million in FY 2009 and replaces an amount of $40.5 million recommended for bond principal and interest payments with a like amount of financing in FY 2009 from the State General Fund. In addition, three other projects recommended by the Governor received partial State General Fund financing in FY 2009 instead of from the ELARF financing. First, the Adjutant General's capital improvement project for $4.0 million recommended by the Governor from ELARF for a regional training center project was allocated $100,000 from the State General Fund in FY 2009 for planning and other logistics associated with site selection for the proposed new facility. The Kansas Bureau of Investigation's (KBI) capital improvement project for $250,000 recommended by the Governor from the ELARF related to site planning and property acquisition was allocated $50,000 from the State General Fund in FY 2009 to complete acquisition of property on the KBI block. Finally, of the $4.0 million recommended by the Governor for capital improvement projects in the Capitol Complex, including $1.0 million for planning related to the Docking State Office Building and $3.0 million for maintenance and repairs in the Capitol Complex, $3.0 million from the State General Fund was approved for the latter item.

Finally, a fourth project recommended by the Governor totaling $1.0 million in FY 2009 with the ELARF financing for the KU School of Pharmacy expansion project was approved with $6.0 million ($1.0 million for planning and $5.0 million for the project's first year funding), all from the State General Fund, in FY 2009. An additional $22.5 million from the School of Pharmacy Expansion Project Fund also was approved in FY 2010 and in FY 2011, for a grand total of $51.0 million in financing for the School of Pharmacy expansion over three fiscal years.

SB 534 provides for the transfer of $5,000,000 from the State Infrastructure Reserve Fund to the State General Fund in FY 2009 or soon as money is available after transfers from the ELARF to the reserve fund. The bill also provides for transfers of $22,500,000 from the State Infrastructure Reserve Fund to the School of Pharmacy Expansion Project Fund in both FY 2010 and FY 2011, or as soon as money is available in each fiscal year after transfers from the ELARF to the reserve fund.

Revised ELARF Estimates. The revised ELARF estimates include no receipts in FY 2008, $57.9 million in FY 2009, and $111.9 million in FY 2010. The details of the revised ELARF estimates are included in a Division of the Budget report. The receipts are contingent upon: a favorable Supreme Court ruling; contracts with two racetrack gaming facility managers (racinos) with opening dates of November 1, 2008 and April 1, 2009, that will trigger payments of privilege fees and receipt of gaming revenues; and contracts with four lottery gaming facility managers (casinos) with two completed during FY 2009 and two during FY 2010 that will trigger payments of privilege fees. (No gaming revenues from casinos are estimated in FY 2009 or FY 2010.)

Staff distributed copies of a letter addressed to the Senate of the State of Kansas from Governor Kathleen Sebelius, dated April 21, 2008, regarding her veto of some items concerning the Expanded Lottery Act Revenues Fund (Attachment 25).

Senator Schmidt moved, with a second by Senator Kelly, to give bonding authority in the amount of $50 million when available from the Expanded Lottery Act Revenue Fund (ELARF) and bonding authority in the amount of $45 million from ELARF in FY 2010 and FY 2011 and if found unconstitutional, use State General Funds. Motion carried on a voice vote.

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C. Changing Lottery Enforcement Agents from KPERS to the KP&F Retirement System (Senate Committee). **SB 681** (in the Senate Committee) would shift in FY 2009 five law enforcement positions at the Kansas Lottery from the Kansas Public Employees Retirement System (KPERS) to the Kansas Police and Firemen's (KP&F) Retirement System. Although the bill was not recommended by the Senate Subcommittee reviewing KPERS issues and bills, the Senate Committee requested review at Omnibus of this item.

KPERS estimates the bill would require an increase of $12,549, all from special revenues funds, in FY 2009 for the increased employer contributions for KP&F coverage. Current employees would be allowed an election to either retain KPERS coverage or change to KP&F. Employees that elect KP&F would have an increase from 4.0 to 7.0 percent for their employee contribution. Members of KPERS electing to not change to KP&F would continue under the KPERS plan. However, because the change in retirement plan addresses the five specific positions, the individuals subsequently hired in those positions all would have KP&F coverage, and no election would be offered to subsequent employees with law enforcement duties.

This issue of KP&F membership for KPERS members who also are law enforcement officers, corrections officers, or firefighters will be reviewed during the 2008 Interim by the Joint Committee on Pensions, Investments and Benefits, in continuation of a study that started during the 2007 Interim. A 2007 recommendation adopted by the Joint Committee requested the KPERS staff to develop alternatives to KP&F membership for law enforcement, correctional officers, and firefighters at both the state and local levels. The alternatives are to be presented to the Joint Committee during the 2008 Interim.

The Committee concurred that this item will be addressed during the next interim session in the Joint Committee on Pensions, Investments and Benefits.

D. Senate Substitute for House Bill 2923 (Conference Committee). The bill, as agreed to by the Conference Committee, would provide a number of National Guard and veterans-related benefits, one providing $60,000 to the Kansas Commission on Veterans' Affairs for operating expenditures and the other providing $75,392 to the Department of Wildlife and Parks for free fishing and hunting licenses for certain disabled veterans. The bill also would increase the one-time activation payment to $1,500, authorize distinctive license plates for active duty miliary personnel, and allow a full-time miliary service member to defer a portion or all of real property taxes if deployed outside the U.S. Finally, the bill would change the current law regarding the Veterans' Benefit Game conducted by the Kansas Lottery.

As it relates to the Kansas Lottery, **Senate Sub. for HB 2923** would allow the Kansas Lottery to sell Veterans' Benefit Game lottery tickets year-round and would change for a two-year period how net profits from the Veterans' Benefit Game would be distributed. The bill would require in FY 2009 and FY 2010 that 40.0 percent of the net profits be used for Kansas National Guard scholarships; 30.0 percent for benefit of the Kansas Veterans' Home, Kansas Soldiers' Home, and the State Veterans' Cemetery System; and 30.0 percent for the Museum of the Kansas National Guard to assist with the expansion of the facility to include a 35th Infantry Division Museum and Education Center. In FY 2011, the bill would continue to allocate 30.0 percent for Kansas National Guard Scholarships; 30.0 percent for benefit of the Kansas Veterans' Home, Kansas Soldiers' Home, and the State Veterans' Cemetery System; and the other 30.0 percent would be redirected from the museum assistance to a veterans enhanced service delivery program. The bill would be effective upon publication in the statute book (on July 1, 2008).

The fiscal note indicates the proposed full-year schedule of games would yield $1.5 million in FY 2010 net profits, compared with $960,000 estimated in FY 2009 for the current six-month schedule of games. The distribution of the annual net profits according to the fiscal note would be as follows.

	Current Law FY 2009	S. Sub. HB 2923 FY 2009 - FY 2010	S. Sub. HB 2023 FY 2011
National Guard Aid	$ 480,000	$ 1,200,000	$ 600,000
Veterans Programs	480,000	900,000	900,000
Museum Assistance	0	900,000	0
Totals	$ 960,000	$ 3,000,000	$ 1,500,000

Implementation of the new 12-month veterans game by the Kansas Lottery will require the 2008 Legislature to make certain policy choices regarding transfers and appropriations to accomplish the programmatic goals of the legislation within the two-year period prescribed by the bill for assisting the museum.

The Legislature could choose to appropriate each of the components that will receive aid and

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assistance. By appropriating funds in the Board of Regents Central Office (scholarship aid), Adjutant General's Department (museum assistance), and Veterans' Commission (Veterans' Programs Assistance), transfers may be authorized in the Omnibus bill to allocate the money in the 40:30:30 distribution ratio prescribed in the bill.

Additionally, the Legislature could choose to appropriate a new fund in the State Treasury to which the initial transfers from the Lottery Operating Fund of the veterans games' net proceeds may be deposited. Under current procedures, the transfers are made on June 15th and deposited into the State Gaming Revenues Fund (SGRF). Next, on June 20th, all money in the SGRF is subsequently transferred to the State General Fund. A problem would arise on December 15th as the new transfers are to be made since the SGRF will not have reached the $50.0 threshold after which money is transferred to the State General Fund. Current law allows transfers authorized by the Legislature to be made from the Lottery Operating Fund to the State Treasury, but statutes does not prescribed to what fund such transfers must be deposited in the State Treasure. A new fund would need to be created in order to receive the December 15th and June 15th transfers, and could be appropriated as the Veterans' Benefit Games Clearing Fund.

The next issue involves the cashflow projection for a 12-month program of veterans' games that reveals the following six-month cycles after a game concludes, during which time there is a liability period for winners to claim prizes, after which the agency will determine when transfers may be made. There will be a six-month lag time after implementing year-round games before any funds will be available for transfer on December 15th of this calendar year. Since there were no games between November 1, 2007 and May 1, 2008, there will be no transfer in the final six months of calendar year 2008. The following table illustrates this issue.

Two-Year Veterans Game Program and Distribution of Net Proceeds: FY 2008 to FY 2010

	6/15/2008 FY 2008	12/15/2008 FY 2009	6/15/2009 FY 2009	12/15/2009 FY 2010	6/15/2010 FY 2010	Two-Year Totals
National Guard Scholarships Aid	$ 480,000	$ 0	$ 400,000	$ 200,000	$ 400,000	$ 1,000,000
Veteran's Programs	480,000	0	300,000	150,000	300,000	750,000
National Guard Museum	0	0	300,000	150,000	300,000	750,000
Totals	$ 960,000	$ 0	$ 1,000,000	$ 500,000	$ 1,000,000	$ 2,500,000

There are at least two possible options that would provide the anticipated level of about $900,000 in assistance originally expected for the museum. First, the June 15, 2008 transfer reflecting games concluding on November 1, 2007, could be modified to begin the two-year assistance to the museum. Alternatively, the December 15, 2010, transfer (the first in FY 2011) could be maintained at the 40:30:30 distribution ratio in order to provide the museum with the anticipated level of funding. As a result of applying the formula to two different periods, transfers to the museum (and other entities) would yield slightly different results as shown below:

	Option 1 6/15/2008	Option 2 12/15/2010	Difference
National Guard Scholarships Aid	$ 384,000	$ 200,000	$ 184,000
Veteran's Programs	288,000	150,000	138,000
National Guard Museum	288,000	150,000	138,000
Total	$ 960,000	$ 500,000	$ 460,000

The Committee reviewed this item, but took no action.

Department of Wildlife and Parks

A. Vehicle Replacements (House Committee, Senate Committee and Conference Committee). The Conference Committee agreed to delete $168,640, all from the Parks Fee Fund, for 10 vehicles in FY 2009 and review at Omnibus. The Legislature approved the Governor's recommendation for 21 of 31 replacement vehicles, including $342,550 from the Wildlife Fee Fund and $15,810 from the Wildlife Fund – Federal, for the other 21 replacement vehicles in FY 2009. The House Committee originally deleted the $168,640 for 10 vehicles, while the Senate Committee originally deleted funding of $527,000 for all vehicles.

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The Committee concurred with the House decision to restore funding and add a proviso.

B. Governor's Recommended Staffing Enhancements (House Committee, Senate Committee and Conference Committee). The Conference Committee agreed to delete 5.0 FTE positions and $302,500, including $131,000 from the State General Fund, in FY 2009 for new staff. The Senate Committee originally deleted $131,000 and 3.0 FTE positions, while the House Committee originally deleted $542,000, including $145,350 from the State General Fund, and 9.0 FTE positions recommended by the Governor as enhancements. Both the House Committee and the Senate Committee recommended review at Omnibus of the new staffing that had been deleted. The 5.0 FTE positions that were deleted by the Conference Committee are attributed to 3.0 FTE positions for parks-related staffing ($131,000 from the State General Fund) and 2.0 FTE positions for one criminal investigator and one computer-related technical support consultant ($171,500 from special revenue funds).

Senator McGinn moved, with a second by Senator Kelly, to reinstate the 2.0 FTE federal only positions (1 criminal investigator and 1 computer related position) from special revenue funds. Motion carried on a voice vote.

C. Capital Improvements Financing and ELARF Funding of Various Projects and GBA No. 1, Item 27, Page 14—Funding Authorization for Floor Repair (Joint Committee on State Building Construction, Senate Committee and Conference Committee). The Conference Committee agreed to reduce funding of $4.5 million, all from the Expanded Lottery Act Revenues Fund (ELARF), in FY 2009 for capital improvements; add $1.5 million, all from the State General Fund, for the agency's original requested capital improvement projects at state parks; and review funding from the Expanded Lottery Act Revenues Fund (ELARF) during Omnibus for the approved $1.5 million and for the $3.0 million that was deleted. The Governor recommended expenditure of $3.0 million from the ELARF that was deleted for further review at Omnibus included $1.5 million for state parks maintenance and repair, $1.0 million for state parks flood damage repair, and $0.5 million for a grants program to help local communities with substantial natural disaster damages to create green space.

The Committee concurred with this item.

D. Cabin Program (House Committee). The House Budget Committee asked to review during Omnibus the future locations, number of cabins, costs of cabins and related site work, and sources of funding for the cabin program. The agency was requested to prepare a report for Omnibus about the program in order for the House Budget Committee to consider if a 5-year capital improvements plan should be submitted to the Joint Committee on State Building Construction. The agency indicates in its report that currently there are 59 cabins available for public use and 16 additional cabins are being constructed in 2008. The agency will provide separate lists of the existing cabins by current locations and of the new construction by future locations. The cabins being constructed are "modular" types that are built at the Hutchinson, Ellsworth and Norton correctional facilities in partnership with the Kansas Department of Corrections. The Wildscape Foundation originally provided a bank loan to fund construction costs and the loan is repaid from cabin rental fees. Revenue from the cabins generated $118,185 in FY 2007, and revenue to date is $99,525 in FY 2008. As of March 31, 2008, the Cabin Revenue Fund had a balance of $376,207.

The Committee reviewed this item, but took no action.

E. Stream Monitoring Funding (House Committee). The House Committee originally recommended deletion of $40,000, all from the State Water Plan Fund, in FY 2009 for biological monitoring of streams, with a review of the source of funding during Omnibus. The Conference Committee agreed to add the $40,000 as recommended by the Governor in FY 2009.

This was resolved in Conference Committee.

F. Senate Bill 157 (Law)—Watercraft Insurance Requirement. The bill requires the agency to purchase vessel liability insurance to cover the operation of and the persons riding in watercraft owned, operated, maintained, or controlled by the agency. The fiscal note indicates that purchasing insurance will require expenditures of $27,000 in FY 2009, with $22,950 from the Wildlife Fee Fund and $4,050 from the Boating Fee Fund.

The Committee concurred with the House action to fund this item..

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Kansas Department of Transportation (KDOT)

A. Vehicle Replacements (House Committee, Senate Committee and Conference Committee). The Conference Committee agreed with both the House Committee and Senate Committee to delete $2,258,700, all from the State Highway Fund, in FY 2009 for replacing 123 vehicles, and to review funding at Omnibus.

Copies of information from the Kansas Department of Transportation regarding Replacement Vehicles were distributed to the Committee (Attachment 26).

The Committee concurred to add $2,258,700, all from the State Highway Fund, in FY 2009.

B. Short Line Railroads, Natural Disaster Damages, and Financial Assistance from KDOT (House Committee and Senate Committee). Both the House Committee and Senate Committee asked for an Omnibus review of short line railroads in FY 2009 and for information about possible options for financial assistance, such as grants or loan forgiveness, that are being considered by KDOT to address damages from natural disasters.

The Committee reviewed this item, but took no action.

C. Troop F Headquarters Building Construction Project (House Committee and Conference Committee). The Conference Committee deleted $6,367,000, all from the State Highway Fund, in FY 2009 for construction of the Highway Patrol Troop F Headquarters in Wichita, and asked for the item to be reviewed at Omnibus.

The Committee reviewed this item, but took no action.

D. Shrinkage and vacant positions (House Committee). The Conference Committee deleted $1,870,870, all from the State Highway Fund, to increase the FY 2009 shrinkage rate to 5.1 percent, the same as in the current fiscal year. The House Committee requested KDOT to prepare a report for Omnibus detailing its vacant positions and the length of time each has been vacant. The report is to be provided on the Monday that the House Committee returns for Omnibus review and consideration of items.

The Committee reviewed this item, but took no action.

E. House Substitute for Senate Bill 359 (Law)—Air Service Support Agreement. The bill authorizes the Secretary of Transportation to participate for a period of two years in an air passenger service support agreement with the Manhattan Area Chamber of Commerce. The bill also would appropriate funding from a new fund, the North Central Kansas Air Passenger Service Support Fund in the State Treasury, for the purpose of making payments for air passenger service at the Manhattan regional airport. Payments from the new fund could be made by the Secretary of Transportation to airlines serving the Manhattan regional airport if flights are filled to less than 70.0 percent of capacity or as determined in a formula for a load factor, pursuant to a support agreement with the Manhattan Area Chamber of Commerce.

Payments up to $1,000,000 annually would be authorized from the new fund in FY 2009 and FY 2010, but only after the Manhattan Area Chamber of Commerce first made payments of $250,000 or more in each fiscal year for air passenger support. The bill would authorize transfers of up to $1,000,000 each fiscal year, to be certified by the Secretary of Transportation, from the Public Use General Aviation Airport Development Fund, for the purpose of capitalizing the North Central Kansas Air Passenger Service Support Fund. Transfers could take place only after support agreement requirements were met by the Manhattan Area Chamber of Commerce in each fiscal year. The bill would be effective upon publication in the *Kansas Register*.

State funding for the new program could total $1,000,000 each fiscal year in FY 2009 and in FY 2010, with revenue derived from the Public Use General Aviation Airport Development Fund. A local match of $250,000 would be required in each fiscal year. Expenditures from the Fund could be made to airlines serving the Manhattan regional airport after the Secretary of Transportation determined that the

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local matching funds had been expended and if either flights are filled to less than 70.0 percent of capacity or as determined in a formula for a load factor, pursuant to a support agreement with the Manhattan Area Chamber of Commerce. Any unexpended funds in the North Central Kansas Air Passenger Service Support Fund from FY 2009 would carry over to FY 2010 and would reduce the FY 2010 transfer since the bill authorizes an annual maximum of $1,000,000 in expenditures.

The bill provides that if any transfers are made from the Public Use General Aviation Airport Development Fund during FY 2009 or FY 2010, then corresponding repayments from the Economic Development Initiatives Fund (EDIF) would be authorized in each subsequent fiscal year for the purpose of reimbursing the Public Use General Aviation Airport Development Fund for any prior fiscal year transfers out.

The Committee reviewed this item, but took no action.

F. House Bill 2071 (Law) and House Bill 2659 (Law) —Memorial Highway Designations and Signs. These bills designate portions of certain highways as memorial highways and require donations to be collected in order to finance the costs of construction and maintenance of signs designating such routes. The agency indicates that two signs would need to be planned, manufactured, installed, and maintained for each of seven designated memorial highways in **HB 2071**. That bill requires that the amount of funding necessary for each set of signs and maintenance for those signs to be collected before placement of the signs could occur. The agency estimates that the total cost for the signs and for their installation related to **HB 2071** would be $15,560. The agency states that in complying with **HB 2071**, an additional 50.0 percent, or $7,780, would be needed for future maintenance, making a total of $23,340 that needs to be collected before the signs could be erected. **HB 2659** designates a portion of U.S. Highway 400 as the Atomic Veteran's Memorial Highway. The agency indicates that the cost for these two signs and their installation would be $940. The additional 50.0 percent needed for future maintenance would be $470, for a total cost of $1,410 require in donations before work may commence.

Senator Taddiken moved, with a second by Senator V. Schmidt, to authorize the expenditure in Item F and increase the expenditure limit accordingly. Motion carried on a voice vote.

G. Senate Bill 523 (Law) and House Bill 2708 (Law)—Other Highway Designations and Signs. These bills designate portions of two different highways as the Great Plains Indian Highway (K-25) and as the Patriot Guard Highway (K-53). Signs to indicate these designations may not be erected until the Secretary of Transportation receives sufficient gifts and donations to cover the cost of constructing the signs plus an additional 50.0 percent of the donated amount to cover future maintenance of the signs. The agency indicates that the costs for signs and their installation would be $1,920 for K-25 and $1,820 for K-53. The additional 50.0 percent needed for future maintenance would bring the total to $2,880 for K-25 and $2,730 for K-53 in donations before work may commence.

This item was resolved under Item F.

Kansas Development Finance Authority (KDFA)
Kansas Housing Resources Corporation (KHRC)

A. Governor's Recommended Transfer to the State Housing Trust Fund of ELARF Funding and Expenditures for Housing Assistance Grants (House Committee and Senate Committee). Both the House Committee and Senate Committee deleted $3.0 million recommended by the Governor in FY 2009 from the Expanded Lottery Act Revenues Fund (ELARF) and asked for a review of the proposed $3.0 million transfer to the State Housing Trust Fund in FY 2009, the status of the ELARF funding, and the status of any other legislation that might provide financing for housing grants. Both committees also had questions about the administration of a housing grant program by the KHRC, and asked for additional information about the relationship between KDFA and KHRC, especially regarding any statutory references to the State Housing Trust Fund and the duties delegated by the Legislature for administration of that fund. The committees also asked to review previously provided information about the expenditure of $5.0 million in FY 2008 that was authorized by the State Finance Council in 2007 for housing grants and was paid from the State Emergency Fund – Permanent Residential 2007 Disasters account, for the purpose of providing housing grants in disaster areas.

See Item B.

B. Senate Bill 417 (Law)—State Housing Assistance. The bill provides $32.0 million, with $4.0 million annually beginning in FY 2008 (this fiscal year), to be transferred from the State General

Fund, for housing grants. The bill initially targets cities and counties that suffered recent disasters, and later expands eligibility in FY 2011 to include rural cities and counties. The KHRC of the KDFA is designated to implement and administer the grant program for cities and counties. The program is incorporated into the Rural Housing Incentive District Act. The program must conform with public notice and hearing requirements prescribed in KSA 12-5245 and 12-5246 before local plans can be adopted.

The bill allows cities and counties covered by two federal disaster declarations, either FEMA-1711-DR or FEMA-1699, to designate an area as a rural housing incentive district. The bill initially limits grants to cities and counties in designated disaster areas until June 30, 2010. On and after July 1, 2010, grant funds will be available for rural cities and counties meeting a population requirement. In order for a city or county to be eligible to receive a grant, it will have to provide matching funds of at least 10.0 percent for construction or rehabilitation of infrastructure projects as defined in the bill, and at least 50.0 percent for any other type of projects. The bill limits grant awards to $25,000 for single-family residential dwellings. Cities and counties receiving grant money will be required to submit annual performance reports to the KHRC regarding their use of grant funds.

The bill is effective upon its publication in the *Kansas Register*. Initial financing will be transferred from the State General Fund to the State Housing Trust Fund during FY 2008 which ends on June 30, 2008. Beginning in FY 2009, transfers of $4.0 million annually will be made on July 1 of each year from the State General Fund until FY 2015, for total transfers of $32.0 million to the State Housing Trust Fund. The provision establishing the housing grants program will expire on July 1, 2015.

Since **SB 417** authorizes annual transfers beginning in FY 2008 from the State General Fund to the State Housing Trust Fund, the Legislature could appropriate the $4,000,000 in FY 2008 and in FY 2009, providing that the Kansas Housing Resources Corporation (KHRC) of the Kansas Development Finance Authority (KDFA) may make expenditures from the State Housing Trust Fund for housing grants authorized by **SB 417**. Under current law, the Division of Housing in the KDFA is statutorily authorized as the entity to make expenditures from the State Housing Trust Fund, and the KHRC is a more recently created entity not addressed in KSA 74-8959. That statute provides that the state housing trust fund shall be administered by the Division of Housing in the KDFA.

Senator Taddiken moved conceptually, with a second by Senator V. Schmidt, to appropriate the expenditure, appropriate a no limit fund, and to allow the Revisor to technically word the necessary information. Motion carried on a voice vote.

Kansas Department of Administration

A. Vehicle Replacement (House Committee, Senate Committee and Conference Committee). All committees recommended to review $11,600, all from the State General Fund, in FY 2009 for one replacement vehicle in the Long-Term Care Ombudsman Office.

Senator Teichman moved, with a second by Senator Steineger, to adopt Item A. Motion carried on a voice vote.

B. Financing of the Financial Management System (House and Conference committees). Review $4.2 million, all from the State General Fund, in FY 2009 for one part of the overall financing for the $40.0 million Financial Management System (FMS) project development. Although the Senate Committee did not delete the $4.2 million, the House Committee deleted the $4.2 million and the Conference Committee concurred with deleting the $4.2 million, with review at Omnibus. The Governor's FY 2009 recommendation for FMS totaled $16,053,212 from reportable and non-reportable funding, including $4,848,442 from the State General Fund. In the reportable budget, a transfer of $5.5 million from the State Highway Fund would be used as part of the financing. The Governor's recommendation in FY 2009 for expenditures of $4,848,442 from the State General Fund included a new appropriation of $4.2 million and a reappropriation of $648,442 from the current fiscal year. The 2008 Legislature approved FY 2009 reportable and non-reportable funding of $11,853,212, including $648,442 from the State General Fund.

Senator Teichman moved, with a second by Senator Kelly, to add back the $4.2 million, all from the State General Fund, for the financing of the Financial Management System. Motion carried on a voice vote.

C. Planning and Bonding Authority for the Docking State Office Building Project, and Status of ELARF Funding (Joint Committee on State Building Construction, House Committee, Senate Committee and Conference Committee). The House Committee also asked to reconsider the proposed Docking State Office Building bond authority for $96.0 million, study existing state facilities in

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Topeka and throughout the state that may be underutilized, study moving state employees out of Topeka to other state facilities, and reconsider the Expanded Lottery Act Revenues Fund (ELARF) funding source of $4.0 million for maintaining and planning for the Capitol complex. In a related matter, SCR 1620 (to be referred to the House Committee on April 30, 2008) would request the Capitol Area Plaza Authority to develop a master plan, in cooperation with the City of Topeka, for improving the appearance and security of the Capitol area and surrounding neighborhoods. Conferees in the Senate Committee presented a resolution endorsing the proposal and pledging up to $50,000 from the city for developing a plan. The Deputy Secretary of Administration estimated the fiscal note for developing a new master plan could range up to $250,000, with state funding of approximately $200,000 from the State General Fund.

Senator V. Schmidt moved, with a second by Senator Kelly, to authorize $200,000 from the State General Fund and develop the no limit fee fund for the Capitol Area Plaza Authority master plan. Motion carried on a voice vote.

The Committee concurred to take no action on the proposed Docking State Office Building bonding authority.

D. Financing for the Public Broadcasting Council's Enhancements (House Committee, Senate Committee and Conference Committee). The committees recommended to review public broadcasting assistance in FY 2009 and consider an enhancement of $500,000, all from the State General Fund, for formula grants that had been recommended by the Governor but deleted for Omnibus review. The Legislature approved $2,249,447, all from the State General Fund, in that FY 2009 was included, in **SB 534** for aid. In addition, the Senate Committee recommended review of the original Public Broadcasting Council's enhancement request in FY 2009 for $2.3 million, all from the State General Fund, for equipment grants to individual television stations that may be used to match federal funds and to upgrade public television equipment for digital conversion by 2009.

Senator Teichman moved, with a second by Senator Betts, to fund the $2.3 million in FY 2009 for the enhancement for equipment for matching federal funds and $500,000 for operating grants by February 19, 2009. Motion carried on a voice vote.

E. Financing of Long-Term Care Ombudsman Office's Enhancements (House Committee, Senate Committee and Conference Committee). The committees recommended to delete and to review a staffing increase 2.0 FTE positions in FY 2009 for field service staff and the addition of $138,640, including $94,978 from the State General Fund recommended by the Governor. The Governor originally recommended 3.0 FTE positions in FY 2008, the 2007 Legislature approved 1.0 FTE position, and the Governor recommended the other 2.0 FTE positions in FY 2009 in this year's *Governor's Budget Report* in order to provide field services in all parts of the state.

Senator Teichman moved, with a second by Senator Kelly, to add the funding for 2.0 FTE positions. Motion carried on a voice vote.

F. Pay Plan Project (Senate Substitute for House Bill 2916) and Staffing Level (House Committee, Senate Committee and Conference Committee). Both committees deleted a new staff position for the pay plan project in FY 2009 and the addition of $44,562, all from the State General Fund, and 1.0 FTE position. The 2008 Legislature approved 1.0 FTE position in FY 2008 and FY 2009 for the pay plan project, and this would be the second requested staff position to assist with the implementation of the new state employee pay plan.

Senator Goodwin moved, with a second by Senator Teichman, to authorize both FTE positions. Motion carried on a voice vote.

G. ELARF Funding for Various Capital Improvement Projects and Bond Payments (Joint Committee on State Building Construction, Senate Committee and Conference Committee). All committee recommended reviewing the sources of funding in FY 2009 for various Capitol complex miscellaneous capital improvement projects and planning for the Docking State Office Building reconstruction and Capitol complex maintenance, sources of funding for bonds payments, and the status of the Expanded Lottery Act Revenues Fund (ELARF) at Omnibus.

Senator V. Schmidt moved, with a second by Senator Kelly, to authorize $3.0 million from the State General Fund in FY 2009 for the maintenance tunnel. Motion carried on a voice vote. (This was the Department of Administration's first priority.)

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Senator Steineger moved, with a second by Senator Kelly, to reconsider action taken on the $3.0 million from the State General Fund for the maintenance tunnel. Motion carried on a voice vote.

Senator Steineger moved, with a second by Senator Kelly, to delete the $3.0 million from the State General Fund for the maintenance tunnel. Motion carried on a voice vote.

H. GBA No. 1, Item 1, Page 2—Ombudsman for Veterans and Soldiers Home.

Senator Steineger moved, with a second by Senator Taddiken to not consider GBA No. 1, Item 1. Following discussion, Senator Steineger withdrew his motion, with the consent of Senator Taddiken, the second to the motion.

Senator Teichman moved, with a second by Senator Kelly, to concur with the Governor on GBA No. 1, Item 1, Ombudsman for Veterans and Soldiers Home. Motion carried on a voice vote.

Department of Labor

A. Vehicle Replacements (Senate Committee and Conference Committee). The Senate Committee deleted $43,200, all from special revenue funds, for three replacement vehicles in FY 2009. The House did not delete the funding. The Conference Committee on **SB 534** agreed to include the funding for the replacement vehicles.

This item was resolved in Conference Committee.

B. State General Fund Enhancement for Employment Standards Program (House Committee and Conference Committee). The Governor recommended $210,644, all from the State General Fund, for the Employment Standards Program in FY 2009, one-half of the agency's request. The House Committee deleted the funding with review at Omnibus. The Senate Committee concurred with the Governor's recommendation. The Conference Committee on **SB 534** resolved the difference by deleting $105,322, all from the State General Fund, which represents one-half of the funding recommended by the Senate Committee.

The Employment Standards Program is primarily responsible for the enforcement of minimum wage, wage payment, and child labor laws, and regulates private employment agencies. The Employment Standards Section consists of the Labor Relations and Employment Standards Program and the Public Employees Relations Board (PERB).

This item was resolved in Conference Committee.

C. Increase Federal indirect cost offset fund (Technical Adjustment). The Conference Committee on **SB 534** agreed to delete $105,322 from the State General Fund and add $105,322 to the Federal Indirect Cost Offset Fund, on which a expenditure limitation has been placed. Due to a posting error, the fund's expenditure limitation should be increased by $105,322.

Senator Emler moved, with a second by Senator Kelly, to add $105,000, to make a technical correction due to a posting error. Motion carried on a voice vote.

Commission on Veterans Affairs

A. Budget Review (House Committee and Conference Committee). The House Committee deleted $21.0 million, including $9.4 million from the State General Fund, to review the agency's entire FY 2009 budget at Omnibus. The Senate Committee deleted four of the eight enhancements described below. The Conference Committee on **SB 534** restored the full amount deleted by the House Committee, including the eight enhancements, with review of the budget at Omnibus.

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The following table reflects the enhancements recommended in **SB 534** for FY 2009:

FY 2009 ENHANCEMENTS

Enhancement	Agency Request SGF	Agency Request All Funds	Agency Request FTE	SB 534 SGF	SB 534 All Funds	SB 534 FTE
Kansas Veterans Cemeteries	$ 125,598	$ 125,598	0.0	$ 125,598	$ 125,598	0.0
Veteran Services						
Emporia Position	41,700	41,700	0.0	40,000	40,000	0.0
Veteran's Claims Assistance Program (VCAP) Salary Increase	50,875	50,875	0.0	50,875	50,875	0.0
Kansas Soldiers' Home						
Salary Increases	$ 929,815	$ 929,815	0.0	$ 0	$ 250,000	(24.0)
Kansas Veterans' Home						
Salaries and Wage Increase	$ 242,684	$ 242,684	0.0	$ 100,000	$ 100,000	6.0
Electric Beds	24,000	24,000	0.0	24,000	24,000	0.0
Full sized sedan	23,700	23,700	0.0	17,700	17,700	0.0
Wheelchair Lift Van	50,000	50,000	0.0	50,000	50,000	0.0
TOTAL	$ 1,362,774	$ 1,362,774	1.0	$ 282,575	$ 532,575	(18.0)

The Senate Committee deleted the following enhancement requests:

1. Vehicles. Delete $17,700, all from the State General Fund, recommended by the Governor as part of the agency's enhancement request for the purchase of a replacement vehicle to review at Omnibus.

2. Electric Beds. Delete $24,000, all from the State General Fund, for replacement of 10.0 electric beds for review at Omnibus.

3. Wheelchair Lift Van. Delete $50,000, all from the State General Fund, for a new wheelchair lift van which would replace an older, non-specialized van. The vehicle will be reviewed at Omnibus.

4. Veteran Service Organization (VSO) salaries and benefits. Delete $50,875, all from the State General Fund, for increased salaries and benefits for VSOs. The enhancement will be reviewed at Omnibus.

The Committee reviewed this item, but took no action.

B. GBA Item No. 17 Page 10—Adjustment to Federal Fund Expenditure Limitation.

Senator Taddiken moved, with a second by Senator Teichman, to concur with Governor on GBA Item No. 17. Motion carried on a voice vote.

Department of Credit Unions

A. Vehicle Replacement (Senate Committee and Conference Committee). The Senate Committee deleted $11,600, all from special revenue funds, for a replacement vehicle for FY 2009 with review at Omnibus. The House Committee did not delete the funding. The Conference Committee on **SB 534** agreed to include funding for the replacement vehicle.

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The Committee reviewed this item, but took no action.

Board of Pharmacy

A. Vehicle Replacement (Senate Committee). The Senate Committee deleted $11,600, all from special revenue funds, for a replacement vehicle in FY 2009, with review at Omnibus. The House Committee did not delete the funding. The Conference Committee on **SB 534** agreed to include the funding.

The Committee reviewed this item, but took no action.

Securities Commissioner

A. Increase Special Investigator Pay (Senate Committee). The Senate deleted $34,639 in FY 2008, and $34,810 in FY 2009, all from special revenue funds, for increased salaries for special investigators. The investigator's pay was increased by Executive Directives No. 07-374 and 07-381. The Senate Committee requested additional information at Omnibus regarding this pay increase as it relates to the Hay Group study and the new pay plan. The House Committee did not delete the funding. The Conference Committee on **SB 534** concurred with the Senate Committee and deleted the funding with review at Omnibus.

Senator Emler moved, with a second by Senator Kelly, to revisit Item A. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Emler, to concur with $34,638 in FY 2008 and $34,810 in FY 2009 from special revenue funds. Motion carried on a voice vote.

B. Increased Examiner Pay (Senate Committee). The Senate Committee noted the agency's request of $66,451, all from special revenue funds, in FY 2009 for increased pay for Examiners (which are classified as state auditors). The Governor did not recommend funding. The agency noted the duties of examiners are comparable to investigators, and testified that an increase would maintain pay equity within the organization.

The Senate Committee requested additional information at Omnibus regarding the pay increase as it relates to the Hay Group study and the new pay plan. Additionally, the Senate Committee requested the agency seek approval of position classification change through the Division of Personnel Services before funding the increase. The Division of Personnel Services reviewed the agency's request and advised the agency to work within the existing classification system by upgrading the examiners, for example, by upgrading a State Auditor II to State Auditor III. Additionally, the Division recommended implementing the change before future adjustments are made to reflect the Hay Group study pay plan.

The agency indicated that, should the Legislature approve the increased pay, the agency would fund the increases by raising the agent fee from $50 to $55 annually in FY 2009. The agency has not raised agent fees since FY 1998. The agency notes the national average for agent fees is $63. According to the agency, the increase in fees would fully fund the increased salaries, and would result in an estimated $450,000 increased transfer to the State General Fund in FY 2009.

The Committee reviewed this item, but took no action.

C. Increase Examiner Pay (Senate Committee) and GBA Item No. 7 Page 4—Salary Increase for Investigator Supervisors and Examiners.

Senator Emler moved, with a second by Senator Kelly, to adopt the Governor's GBA No. 1, Item 7. Motion carried on a voice vote.

Department of Commerce

A. Kansas Sports Hall of Fame Grant (House Committee). The House Committee recommended for review at Omnibus the status of the $250,000 grant from the Economic Development Initiatives Fund (EDIF) in FY 2008 for the Kansas Sports Hall of Fame in Wichita. According to Sports Hall of Fame personnel, half of the grant was awarded in July 2007 and the remaining half was awarded in March 2008. The grant has been used for electronic displays within the museum and for renting

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traveling displays. Funds also have been used for an exhibit at the State Fair and for hiring additional personnel. The Sports Hall of Fame intends to use the remaining funds for renting of traveling displays and staff.

The Committee reviewed this item, but took no action.

B. Bioenergy Research Program (Senate Committee). The Senate Committee recommended to review $2,000,000, all from the Expanded Lottery Act Revenue Fund (ELARF), at Omnibus for a Bioenergy Research Program in FY 2009. This is a gubernatorial initiative that was not requested by the agency. As stated in Volume I of the Governor's Budget Report, "This program will provide grants and low interest loans to finance the commercialization of new technological breakthroughs in bioenergy research. Commercializing new technologies will require significant capital to fund the engineering, modeling, and other early stage development expenses. This funding will assist bioenergy companies and research institutes in Kansas develop and implement new technologies to produce the most cost-effective renewable fuels, including cellulosic ethanol, biodiesel, and other biofuels." The House deleted the funding while the Senate did not. The Conference Committee also recommended the funding to be deleted.

The Committee reviewed this item, but took no action.

C. Vehicle Replacement (House Committee and Conference Committee). The House Committee recommended that $21,600, all from the Economic Development Initiatives Fund (EDIF), be reviewed at Omnibus for the replacement of vehicles in FY 2009. The Governor recommended $43,200 for the replacement of three vehicles with half of the money ($21,600) coming from the EDIF and the other half financed by the Wagner-Peyser Federal Fund. The Senate deleted the EDIF portion of funding, and the House approved the entire amount of additional funding. The Conference Committee recommended the entire $43,200 be approved.

The Committee reviewed this item, but took no action.

D. Senate Substitute for House Bill 2827—Kansas Tourism Corporation (Conference Committee). Senate Sub. for HB 2827 would create the Kansas Tourism Corporation which, on January 1, 2009, would take over the duties and responsibilities of the Division of Travel and Tourism in the Department of Commerce. The Travel and Tourism Division would then be abolished. The Kansas Tourism Corporation would be funded by a newly created Travel and Tourism Development Fund that would belong exclusively to the corporation and not be a part of the state treasury. The Tourism Development Fund would receive 50.0 percent of the state sales tax revenue above the 2007 base year taxation collected from tourism companies. If the Division of Travel and Tourism were to be abolished halfway through FY 2009, approximately half of its expenditures would not be spent by the Department of Commerce. This amount would include $1,690,894, all from special revenue funds, with $916,336 from the Economic Development Initiatives Fund (EDIF).

HB 2827, as introduced and passed by the House, would require state agencies to consider the effects that proposed rules and regulations would have on small employers. The fiscal note for the introduced bill indicates that there would be no fiscal impact.

The Committee reviewed this item, but took no action.

E. EDIF Operating Grant—Vehicle Replacement (Technical Adjustment). The Conference Committee on **SB 534** agreed that $43,200, which includes $21,600 from the Economic Development Initiatives Fund and $21,600 from the Wagner-Peyser Fund, should be approved for the replacement of three vehicles in FY 2009. However, the conference committee report did not reflect the additional funds from the EDIF so a technical adjustment is needed to correct the oversight.

See decision on Item F.

F. Kansas Innovation Consortium (Technical Adjustment). The Conference Committee concurred with the House to delete $150,000, all from the Economic Development Initiatives Fund, for the Kansas Innovation Consortium in FY 2009. However, the amount of money was inadvertently deleted twice from the agency's appropriation. The Kansas Innovation Consortium is headed by the Governor and consists of leaders from business, higher education, and state and local governments to advise the Governor on research and education priorities in order to achieve an innovation based economy. The group also is to develop metrics to measure entrepreneurial success. A technical

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adjustment is necessary to reflect the appropriate amount for the Consortium in FY 2009.

Senator V. Schmidt moved, with a second by Senator Wysong, to allow technical adjustments on Items E and F. Motion carried on a voice vote.

Board of Indigents' Defense Services

A. Assigned Counsel Caseload Estimates and GBA No. 1, Item 2, Page 2—Assigned Counsel Caseload Adjustment (Senate Committee and House Committee). In November 2007, the consensus caseload estimate for FY 2008 was lowered from $10,000,000 to $9,300,000, all from the State General Fund. The initial consensus caseload estimate for FY 2009 was projected to be $9,600,000–an increase of $300,000, or 3.2 percent, from the current fiscal year. On April 15, the consensus caseload estimate for FY 2008 was revised downward to $9,000,000. The FY 2008 reduction of $300,000 may be reappropriated, and the funds would then be reflected in FY 2009. The consensus estimate for FY 2009 remained at $9,600,000.

Senator Taddiken moved, with a second by Senator Kelly, to adopt the Governor's GBA No. 1, Item 2. Motion carried on a voice vote.

B. Public Defender Salary Enhancement (House Committee). The House Committee recommended that $250,000, all from the State General Fund, for salary enhancement of public defenders be deleted in FY 2009 and then reviewed during Omnibus. The agency gave testimony that these unclassified employees are estimated to be 24.0 percent below market rates. Approximately one out of five public defenders in Kansas resigned their position in FY 2007. The agency also gave testimony that it saved $240,000 from the State General Fund in FY 2007 by negotiating the reimbursement rates in certain judicial districts. The agency estimates that it will save an amount equal to or greater than that in FY 2008. The Senate recommended $240,000 from the State General Fund for salary enhancements, and the Conference Committee recommended that same amount to be approved.

This item was resolved in Conference Committee.

C. Vehicle Replacement (House Committee and Conference Committee). The House Committee recommended the consideration at Omnibus of the addition of $11,600, all from the State General Fund, for the replacement of one vehicle in FY 2009. The Senate Committee also deleted the funding and recommended the item to be considered at Omnibus.

The Committee reviewed this item, but took no action.

Judicial Branch

A. Nonjudicial Personnel (Senate Committee). The Judicial Branch had requested $1,025,874 (including $648,837 from the State General Fund) and 27.5 FTE positions for nonjudicial personnel in FY 2009 that would include clerk of district court staff, judicial support staff, and court services officers. The several district courts had initially requested 74.5 new FTE positions, but the Judicial Branch indicated that the 27.5 positions requested positions would suffice at this time. The Senate Committee recommended an additional 10.0 nonjudicial FTE positions, and a corresponding amount for salaries and wages, be considered during Omnibus. According to Judicial Branch personnel, the Judicial Branch would request $354,679, all from the State General Fund, for 6.0 trial court staff positions ($183,840), 3.0 court service officer positions ($134,640), and 1.0 administrative assistant ($36,199).

Senator Taddiken moved, with a second by Senator Goodwin, to adopt Item A. Motion carried on a voice vote.

B. House Bill 2968—Increase in Court Docket Fees for Market Pay Adjustments for Nonjudicial Employees (Law). Both the House and Senate committees recommended this issue be considered at Omnibus. **HB 2968** would fund the salary plan adjustments for nonjudicial employees of the Judicial Branch by increasing docket fees by $9 and depositing the money into the Judicial Branch Nonjudiciary Salary Adjustment Fund. The fund is created by the bill and would be used solely for the compensation of nonjudicial employees, which would include clerk of district court staff, judicial support staff, and court services officers. The Judicial Branch estimates the docket fee increase would raise approximately $3.8 million in FY 2009. The bill also would revise the distribution percentages of the 15

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existing funds, including the State General Fund, that receive docket fee revenue so that the impact on those funds would be neutral.

The Judicial Branch had requested $10,549,639 from all funding sources, including $10,135,894 from the State General Fund, for a salary plan adjustment for nonjudicial personnel that would be equivalent to a 15.75 percent cost of living adjustment. Due to high turnover rates, the Judicial Branch instituted a pay plan in 2000 that eliminated automatic annual step movements and provided for pay raises at certain performance levels. A portion of docket fees are deposited into the statutorily created Judicial Branch Nonjudicial Salary Initiatives Fund. Currently 17.85 percent of clerk fees (an estimated $20.9 million in FY 2008 and $21.3 million in FY 2009) is deposited in the fund to be used solely for nonjudicial personnel. Initial data indicated to the Judicial Branch that the pay plan increased the retention of employees. However, the Judicial Branch contends that over time the cost of living allowances for its employees has fallen short of inflationary pressures as measured by the Employment Cost Index of the Bureau of Labor Statistics. Vacancy rates have begun to increase again.

Senator V. Schmidt moved, with a second by Senator Emler, to authorize the appropriation of the $3.8 million and a no limit expenditure. Motion carried on a voice vote.

Board of Tax Appeals

A. Contractual Hearing Officers (House Committee). The House Committee recommended this item for FY 2008 and FY 2009 be considered at Omnibus. For FY 2008, the agency has requested an additional $25,000, all from the State General Fund, that would be used to hire hearing officers on a contractual basis for the remaining portion of the fiscal year. According to the agency, additional funds would bring compensation equal to administrative law judges in the state. The agency believes this will encourage suitable applicants to apply and be retained. The agency also notes that there has been an increase in small claims filings in Sedgwick County due to the county recently abolishing its local hearing officer panel. A similar enhancement is requested for FY 2009. The agency requests $50,000, all from the State General Fund, for contractual hearing officers in FY 2009.

Senator V. Schmidt moved, with a second by Senator Schodorf, to include $50,000 from the State General Fund for contractual hearing officers in FY 2009. Motion failed on a voice vote.

The Committee concurred to take no action on this item.

B. Substitute for House Bill 2018—State Court of Tax Appeals (Law). Sub. for HB 2018 would change the name of the State Board of Tax Appeals to the State Court of Tax Appeals. The new body would be classified as an administrative law court within the executive branch. The various powers, functions, and jurisdiction held by the State Board would be transferred to the new State Court. In addition, the three board members would be renamed tax law judges and a new position of chief hearing officer would be created. Any State Board member appointed prior to July 1, 2008, would continue to serve as a tax law judge. The Board of Tax Appeals estimates that the changes would require additional spending of $165,000, all from the State General Fund, for FY 2009. This would include $140,000 for additional salary and benefits for the new position and $25,000 for the reconfiguration of workspace and furniture.

Senator V. Schmidt moved, with a second by Senator Taddiken, to fund Item B. Motion carried on a voice vote.

Department of Revenue

A. Vehicle Replacement (House Committee and Conference Committee). The House Committee recommended for review at Omnibus the addition of $36,500, all from the State General Fund, for the acquisition of vehicles in FY 2009. The Governor had recommended a total of $146,000 for the acquisition of ten vehicles, with $36,500 from the State General Fund and $109,500 from the Division of Vehicles Operating Fund. Both the Senate and the House deleted the State General Fund portion of funding. The Conference Committee on **SB 534** concurred with the House to review the addition at Omnibus. The portion from the State General Fund would provide funding for approximately three vehicles.

The Committee reviewed this item, but took no action.

B. Tax Fraud Investigators (Senate Committee). The Senate Committee recommended consideration at Omnibus of $351,572, all from the State General Fund, for the salaries and wages of

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5.0 tax fraud investigators in FY 2009. This amount was requested by the agency and recommended by the Governor. No additional FTE positions were recommended because the agency is planning on funding vacant positions. In its budget documentation, the Department of Revenue estimated that an additional $5.0 million in revenue could be collected. The Senate deleted the funding for later consideration, and the House approved the funding. The Conference Committee on **SB 534** concurred with the House and did not delete the funding.

The Committee reviewed this item, but took no action.

C. VIPS/CAMA Fund Proviso (House Committee). The House Committee requested to review the proviso that amends the use of the Vehicle Information Processing System/Computer Assisted Mass Appraisal System (VIPS/CAMA) Fund. KSA 74-2021 establishes the VIPS/CAMA Technology Hardware Fund and provides that it shall be used "for the purpose of upgrading the VIPS/CAMA hardware for the state or for the counties." For the last 5 years (2003-2007) the Legislature has annually authorized the expanded use of the money in the VIPS/CAMA Fund for FY 2003 through FY 2008. The agency estimates that approximately $2 out of every $3 in the fund is used for the general operations of the Property Valuation Division and the Department of Revenue. For FY 2009, the total expenditures from the VIPS/CAMA Fund are estimated to be $2.7 million. The proviso was again passed by the 2008 Legislature in **SB 534** for the FY 2009 budget.

The Committee reviewed this item, but took no action.

D. Senate Substitute for House Bill 2529—Income Tax Credit (Conference Committee). Senate Sub. for HB 2529 would provide a refundable income tax credit beginning in tax year 2008 that would be available to senior citizens that are 65 or older with a two-person household income of 120.0 percent or less of the federal poverty level (currently $16,800). The tax credit would be equal to 75.0 percent of property taxes paid on residential property. The Department of Revenue estimates that to implement the provisions of the bill would cost $97,215 from the State General Fund to fill 2.0 vacant FTE Customer Service positions in FY 2009. The costs would include $88,355 for salaries and $8,860 for equipment for the 2.0 FTE positions.

The Committee reviewed this item, but took no action.

E. Senate Bill 23—Photo Fee Rate Increase (Conference Committee). The Conference Committee on **SB 23** recommends that the photo fee rate that the Division of Vehicles charges for driver's licenses be raised from $4 to no more than $8. The rate increase would go into effect on January 1, 2009. At the time that the Legislature adjourned, the House had adopted the conference committee report. In addition, the bill make technical amendments clarifying the required payment of a photo fee for a picture to be placed on an identification card and allowing the Photo Fee Fund to be used for costs associated with the issuance of concealed weapon licenses. The Department of Revenue estimates the amount of additional revenue collected in calendar year 2009 would be $2,950,000. For FY 2009, the amount of additional revenue and expenditures from the Photo Fee Fund would equal to $1,475,000. The additional funds would be used by the agency for identity security management activities authorized by **2007 SB 9**. Section 87 of SB 534 appropriates the Photo Fee Fund to the Department of Revenue with a "No Limit" expenditure limitation for FY 2009.

The Committee reviewed this item, but took no action.

F. Senate Bill 679 and House Bill 2890—Vehicle Database Integration (Senate Committee and House Committee). Both the Senate and House committees recommended to review at Omnibus the status of legislation that would fund the integration and modernization of vehicle databases in the Division of Vehicles.

SB 679 would finance the integration and modernization of the Vehicle Information Processing System (VIPS), the Kansas Drivers' License System (KDLS), and the Kansas Vehicle Inventory System (KVIS) of the Division of Vehicles in the Department of Revenue. Prior to the legislative recess, the Senate Committee reported **SB 679** favorably for passage. The bill, as amended, would authorize a $5 increase on the registration of vehicles. The bill would create the Division of Vehicles Modernization Fund that would be used solely for the creation and maintenance of the new system. Revenue from the $5 increase would be initially deposited in the State Highway Fund and then transferred to the Modernization Fund for the first four calendar years, from January 1, 2009, to January 1, 2013. After that period of time, the money would be retained by the State Highway Fund. The fiscal note prepared by the Division of the Budget estimated that approximately $10.2 million in additional revenue would be raised in calendar year 2009. Half of that revenue ($5.1 million) would be realized in

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the last half of FY 2009. The agency estimated that vehicle database integration would cost $40,155,966 over 5 fiscal years. In **SB 534**, the Legislature approved $1,000,000 from the Division of Vehicles Operating Fund, as the Governor recommended, to begin the initial phase of the modernization project in FY 2009.

Similar provisions also can be found in **HB 2890** which, as amended, would temporarily create a $4 surcharge to title registrations for four calendar years (2009 – 2013) to pay for the database integration. The bill would raise the same amount of funds as **SB 679**. **HB 2890** is currently located in the House.

The Committee reviewed this item, but took no action.

G. GBA No. 1, Item 6, Page 4—Ethanol Producer Incentives.

Senator Emler moved, with a second by Senator Steineger, to not adopt the Governor's GBA No. 1., Item 6.

Senator Taddiken made a substitute motion, with a second by Senator Teichman, to adopt GBA No. 1., Item 6. Motion failed on a voice vote.

A vote was taken on the original motion by Senator Emler and carried on a voice vote to not adopt GBA No. 1, Item 6.

Senator McGinn requested an interim committee to look at ethanol producer initiatives. Staff will write a letter to the Legislative Coordinating Council.

Kansas Technology Enterprise Corp.

A. Lapsing of Funds (Senate Committee). For FY 2008, the Governor recommended that a total of $436,299 from the Economic Development Initiatives Fund (EDIF) be lapsed from the approved budget for the Kansas Technology Enterprise Corporation (KTEC). A portion of the reduction ($102,966) would allow for a 7.0 percent salary and wage shrinkage rate. The remainder ($333,333) had been tentatively planned to be used in concert with the Kansas Bioscience Authority to fund the start-up costs for Heartland BioVenture. This new entity would have created a funding source that would be used to provide business development services and attract venture capital to promising bioscience companies. After further discussion with the Bioscience Authority, KTEC decided not to pursue the initiative. The Senate Committee noted these funds could still be used by the agency, but any changes should take into account the estimated ending balances of the EDIF prior to the start of Omnibus. The House recommended that the entire amount $436,299 remain in KTEC's FY 2008 budget. The Conference Committee on **SB 534** recommended that the lapse be reduced to $102,966.

The Committee reviewed this item, but took no action.

B. Senate Bill 668—Broadband Initiative (Senate Committee). This bill, currently located in Senate Committee, was noted for further consideration during Omnibus. The bill would create a broadband initiative board within KTEC that would oversee the distribution of grants to governmental entities and nonprofit entities to be used for local broadband planning workshops. For FY 2009 the bill appropriates $600,000, all from the Economic Development Initiatives Fund (EDIF), for operations ($50,000) and grants ($550,000). The contents of the bill also can be found in HB 2884 which is located in the House Committee. Both bills have had a hearing.

The House Committee had recommended in its version of the FY 2009 budget for KTEC to include language that would have authorized the KTEC board to award grants within the agency's approved budget. The Conference Committee on **SB 534** recommended the language be removed.

The Committee reviewed this item, but took no action.

C. GBA No. 1, Item 4, Page 3—Expand Pipeline Entrepreneurship Mentoring Program.

Senator Wysong moved, with a second by Senator Kelly, to adopt the GBA No. 1, Item 4, with a no limit fund. Motion carried on a voice vote.

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Emporia State University

A. Funding for a Bioscience Summer Institute for High School Biology, Chemistry and Mathematics Teachers in FY 2009 (Senate Committee). The Senate Committee recommended Omnibus review of the addition of $200,581, all from the State General Fund, for a new Bioscience Summer Institute for High School Biology, Chemistry and Mathematics Teachers at Emporia State University (ESU) in FY 2009. The Governor and the Conference Committee on **SB 534** did not include funding for the program in their recommendations.

The institute was part of the Board of Regents enhancement request for increased investment in postsecondary education by the state. ESU proposes developing a 3-week summer institute for mathematics and science teachers. According to the university, while the institute would not produce degrees, it would promote retention in a field with a high burnout rate and where the need to continually update skills is critical. The institute would be for 54 selected high school teachers. The chosen teachers would receive face to face education during the 3-week institute and participate in online meetings throughout the subsequent year.

ESU estimates the institute would have an immediate impact on 5,400 Kansas high school students, given the typical teacher to student ratio in Kansas high schools.

The Committee reviewed this item, but took no action.

Fort Hays State University

A. Funding for a Professional Science Masters Degree program in FY 2009 (Senate Committee and House Committee). Both the House and Senate Committee recommended Omnibus review of the addition of a Professional Science Masters (PSM) Degree program at Fort Hays State University in FY 2009. The Governor, and the Conference Committee on **SB 534** did not add funding for the program in FY 2009. Implementation of the program in FY 2009 would require $330,000, all from the State General Fund.

The program is one of several initiatives that made up the Regents enhancement request for enhanced investment in postsecondary education. In its justification for the program, FHSU points to the Kansas Economic Growth Act of 2004 which identified a need for Kansas universities to educate and train scientists to support bioscience research, development, testing and product commercialization in Kansas. Currently, Kansas does not have a PSM program, and according to the university, neither do the surrounding four contiguous states.

The curriculum for the PSM Degree would contain 12 hours of core science courses, nine hours of core business courses, a professional communication course, a research methods course, three hours of statistical decision-making, a supervised internship and a professional level capstone project. FHSU estimates that 65 students will participate in the program annually, with 10 to 15 new graduates each year.

The Committee reviewed this item, but took no action.

Pittsburg State University

A. Funding for a New School of Construction in FY 2009 (Senate Committee). The Senate Committee recommended Omnibus review of the addition of funding for a new School of Construction at Pittsburg State University. The Governor and the Conference Committee on SB 534 did not include funding for this item in their budget recommendations. Implementation of the proposal would require an additional $1,393,400, all from the State General Fund, in FY 2009.

The new school would be located within the College of Technology. According to the university, funding the new program would ensure increased numbers of qualified construction professionals for the industry, create the first safety, health and environmental management program for the state, provide a location for Kansas contractors to send their employees to enhance their skills, and increase interaction and support between K-12 schools, community and technical colleges, and baccalaureate programs.

The Construction Management and Construction Engineering Technology programs are currently housed in the Engineering Technology Department within the College of Technology. According to the university, this department is the largest on campus, with more than 600 majors and 25.5 FTE faculty. Together, the two construction programs have grown steadily over the years. In the fall of 2007, the Construction Engineering Technology and Construction Management programs

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accounted for 290 of those majors.

The university cites recent studies which have brought attention to a critical shortage of qualified personnel within the construction industry. Research by the Construction Industry Institute (CII), a consortium of more than 100 leading firms, indicates that these critical shortages will likely worsen unless significant action is taken." By 2015, the CII study found, almost half of the industry's work force will be over 55.

The university estimates that funding the new school would have a significant impact on the number of graduates in various programs. It is anticipated that Construction Engineering Technology graduates would increase by 38.0 percent over five years and Construction Management graduates would increase by 34.0 percent. The newly created degree in Safety, Health and Environmental Management would grow to over 40 majors in just five years. Finally, the newly created path for two-year college students entering the construction program would likely reach 40 in that same time period.

The Committee reviewed this item, but took no action.

B. Funding for Debt Service Payments for the Readiness Center project in FY 2009 (Senate Committee and Joint Committee on State Building Construction). The Senate Committee recommended Omnibus review of the shift in funding from the Expanded Lottery Act Revenue Fund to the State General Fund for debt service payments related to the Readiness Center project totaling $326,999 in FY 2009.

Both the House and Senate Committees shifted debt service payments for the Readiness Center project from the Expanded Lottery Act Revenue Fund to the State General Fund in FY 2009. Only the Senate Committee recommended review of the shift at Omnibus.

The Committee reviewed this item, but took no action.

University of Kansas

A. Funding and Bonding Authority for the Expansion of the School of Pharmacy in FY 2009 (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the funding and bonding authority for the expansion of the School of Pharmacy at the University of Kansas in FY 2009.

The Senate Committee deleted the Governor's recommended $1.0 million, all from the Expanded Lottery Act Revenue Fund (ELARF), for expenses related to the planning for the expansion of the School of Pharmacy at the University of Kansas in FY 2009. In addition, the Senate Committee recommended Omnibus review of the addition of State General Fund in FY 2009 to address the planning costs. The House Committee deleted the funding from the ELARF for the project and replaced it with State General Fund. The Conference Committee on SB 534 subsequently took the House Committee position and deleted the funding from the ELARF and replaced it with State General Fund.

The Governor also recommended bonding authority of $50.0 million, with debt service to be paid from the State General Fund, for the expansion project in FY 2009. The House Committee deleted the bonding authority for review at Omnibus. The Senate Committee did not. The Conference Committee on **SB 534** removed the bonding authority for the project and added $5.0 million, all from the State General Fund, in FY 2009, and $22.5 million, all from the State Infrastructure Reserve Fund, in FY 2010 and FY 2011 for the project. The appropriation includes language prohibiting the university from accessing the additional funding without certifying that non-state matching funds (dollar for dollar) are available for the project. In addition, the Conference Committee added the requirement that the university development a memorandum of understanding that any additional funding for the project would come from non-state sources.

This item was resolved earlier..

University of Kansas Medical Center

A. Funding for the Wichita Center for Graduate Medical Education (House Committee, Senate Committee and Conference Committee). The House and Senate committees, as well as the Conference Committee on **SB 534**. recommended Omnibus review of funding for the Wichita Center for Graduate Medical Education (WCGME). The WCGME is a consortium that coordinates all the residencies in Wichita and Salina. The consortium is made up of the University of Kansas Medical

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Center, Wesley Medical Center, and Via Christi Regional Medical Center.

For FY 2008, the Senate and the Conference Committee recommended the deletion of $1.0 million, all from the State General Fund, for WCGME in FY 2008 to be reviewed at Omnibus.

For FY 2009, the Senate Committee recommended the deletion of $1.0 million, all from the State General Fund, for review at Omnibus. The Conference Committee subsequently concurred with the House position to leave the funding for WCGME in FY 2009.

In addition, the House Committee recommended Omnibus review of the addition of $8.6 million, all from the State General Fund, for WCGME in FY 2009. The funding request is outlined in the table below:

Wichita Center for Graduate Medical Education (WCGME)
Funding Request

Item	FY 2009 Request
New funds to meet accreditation (ACGME) requirements	$ 4,559,703
Funds for educational leave and off-site rotations	1,739,292
Current hospital net loss	3,316,657
TOTAL	$ 9,615,652

The first funding request of $4.6 million, all from the State General Fund, addresses staffing related to accreditation issues identified by the Accreditation Council for Graduate Medical Education (ACGME). The ACGME is responsible for the accreditation of post-MD medical training programs within the United States. The first issue is a change in standards requiring paid time for faculty research, teaching and administration. The second issue is research and scholarly activity. Seven of the 14 programs at the WCGME have been cited or warned for inadequate research and scholarly activity. The WCGME has indicated that this can be resolved with additional paid faculty for the program.

The second funding request, for $1.7 million, all from the State General Fund, would address replacement of recently reduced Medicare Graduate Medical Education reimbursement for off-site monthly rotations and education leave and non-clinical education experiences.

The third funding request, for $3.3 million, all from the State General Fund, would address the current shortfall experienced by WCGME between its expenses and revenue that is currently subsidized by the hospitals that are part of the WCGME.

The Committee reviewed this item, but took no action.

B. Funding for Energy Conservation Debt Service in FY 2009 (Senate Committee and Joint Committee on State Building Construction). The Senate Committee recommended Omnibus review of the shift in funding from the Expanded Lottery Act Revenue Fund (ELARF) to the State General Fund for debt service payments related to energy conservation projects totaling $908,000 in FY 2009.

Both the House and Senate committees recommended the shift of debt service payments for energy conservation projects from the ELARF to the State General Fund. Only the Senate Committee recommended Omnibus review of the shift.

The Committee reviewed this item, but took no action.

Wichita State University

A. Shift of Expenditures from the Expanded Lottery Act Revenue Fund to the State General Fund for Aviation Research Debt Service in FY 2009. (Senate Committee and Joint Committee on State Building Construction). The Senate Committee deleted $1.6 million, all from the Expanded Lottery Act Revenue Fund (ELARF), and added the same amount from the State General Fund for aviation research debt service in FY 2009. In addition, the Senate Committee recommended Omnibus review of the shift. The House Committee shifted the funding, but did not recommend review of the item at Omnibus.

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The Committee reviewed this item, but took no action.

B. Review Additional Funding for Aviation Infrastructure in FY 2009 (Senate Committee). The Senate Committee deleted $2.5 million, all from the Expanded Lottery Act Revenue Fund ELARF), for aviation infrastructure in FY 2009 and recommended review of the funding at Omnibus. The House Committee deleted the $2.5 million, all from the ELARF, and added the same amount from the Economic Development Initiatives Fund (EDIF), as well as $2.5 million, all from the State General Fund, for a total of $5.0 million for aviation infrastructure in FY 2009.

The Conference Committee on **SB 534** concurred with the House Committee recommendation and added the funding.

This item was resolved in Conference Committee.

Senator Steineger moved that no action be taken on Emporia State University, Wichita State University, Fort Hays State University, Pittsburg State University, University of Kansas as listed above under each University.

Senator V. Schmidt made a substitute motion, with a second by Senator Steineger, to take no action on the above universities which agrees with the House action and remove the University of Kansas bonding. Following discussion, Senator V. Schmidt withdrew her motion, with the consent of Senator Steineger, the second to the motion.

Board of Regents

A. Funding for the Unified Operating Grant Increase in FY 2009 (House Committee, Senate Committee and Conference Committee). The Governor recommended $35.0 million, all from the State General Fund, for the unified operating grant increase in FY 2009. Both the House and Senate committees deleted $14.9 million, all from the State General Fund, from that amount for the pay plan, which was subsequently placed in Senate Substitute for HB 2916. The Senate Committee deleted the entire remaining amount, $20.1 million, and placed it **SB 673**, which the Senate Committee of the Whole subsequently passed. The House Committee removed $19.7 million from the Board of Regents budget for review at Omnibus, leaving $400,000 in the budget for the unified operating grant increase in FY 2009.

The Conference Committee on **SB 534** deleted only $10.1 million of the funding for the unified operating grant increase, absent the pay plan, leaving $10.0 million, all from the State General Fund, in the Board of Regents budget for the unified operating grant increase in FY 2009.

See Item B.

Senator Kelly moved, with a second by Senator McGinn, to restore $10 million to block grant funding and allow the Board of Regents flexibility to make decisions. Motion carried on a voice vote.

B. Funding for the Technical Education Technology and Equipment Grant in FY 2009 (Senate Committee and House Committee). Both the House and Senate committees recommended the deletion of $2.5 million, all from the Expanded Lottery Act Revenue Fund (ELARF), for the Technical Education Technology and Equipment Grant in FY 2009. In addition, both committees recommended Omnibus review of the addition of State General Fund to replace funding from the ELARF in FY 2009.

The Technical Education Technology and Equipment Grant was created by proviso in the 2007 Omnibus appropriations bill, with $4.0 million in funding from the State General Fund. The proviso language required a 2-to-1 match from technical colleges and schools and community colleges to access the grant funds, and limited institutions to no more than 20.0 percent of the total funding available. The Board requested $4.0 million, all from the State General Fund, to continue the Technical Education Technology and Equipment Grants in FY 2009.

Senator Steineger moved to take no action on Item A and Item B. Motion died due to lack of a second.

Information was distributed to the Committee concerning the Board of Regents and Technical Education Authority Award, Technical Education Technology and Equipment Grants (Attachment 27).

Senator Taddiken moved, with a second by Senator Steineger, that the Committee take no action on Item B. Motion carried on a voice vote.

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C. Funding for the KAN-ED Program in FY 2009 (House Committee, Senate Committee and Conference Committee). The Governor recommended $10.0 million, including $2.0 million from the State General Fund, for the KAN-ED program in FY 2009. The House Committee removed all funding for KAN-ED in FY 2009 and recommended review of the funding at Omnibus. The Senate Committee deleted $2.5 million, all from the Kansas Universal Service Fund (KUSF), and removed the language increasing the transfer from the KUSF to KAN-ED from the statutory $5.5 million to $8.0 million, and added $2.5 million, all from the State General Fund.

The Conference Committee on **SB 534** deleted the additional KUSF and the language, but did not add State General Fund, leaving the total funding for KAN-ED in FY 2009 at $7.5 million, including $2.0 million from the State General Fund.

Senator Schodorf moved, with a second by Senator Teichman, to fund KAN-ED $5.5 million from the Kansas Universal Service Fund and $2.5 from the State General Fund in FY 2009. Senator Schodorf withdrew her motion, with the consent of Senator Teichman, the second to the motion.

Senator Taddiken moved, with a second by Senator Teichman, to add not withstanding language and add $2.0 from the State General Fund and $8.0 from the Kansas Universal Service Fund to fund KAN-ED in FY 2009. Motion carried on a voice vote.

D. Funding for the Comprehensive Grant Program in FY 2009 (Senate Committee and House Committee). Both the House and Senate committees deleted the Governor's recommended increase for the Comprehensive Grant Program of $3.0 million, all from the State General Fund, and recommended the review of additional funding at Omnibus.

Created by the 1998 Legislature, the Comprehensive Grant Program provides grants to financially needy students. The program provides need-based grants to full-time (12 hours) undergraduate students who are Kansas residents enrolled in accredited Kansas colleges and universities. The program is intended to provide up to half of the average tuition and fees of state educational institutions; however, it is subject to available appropriations. The maximum award is $3,000, with an average award of $1,500. The Conference Committee on SB 534 recommendation reduced the Governor's recommended funding for the program from $18.7 million to $15.7 million, all from the State General Fund.

The Committee reviewed this item, but took no action.

E. Funding for the new Science, Technology, Engineering or Math Teacher Service Program in FY 2009 (Senate Committee and House Committee). Both the House and Senate committees deleted the Governor's recommended $1.0 million, all from the State General Fund, for a new Science, Technology, Engineering or Math (STEM) Teacher Service Program in FY 2009 and recommended Omnibus review of the funding.

The new STEM scholarship would be targeted at students wishing to teach in science, technology, engineering, or mathematics. Recipients of the awards must teach in a hard-to-fill discipline or under-served geographic area for one year for each year they receive a scholarship, or repay the scholarship with interest. Students must be Kansas residents and priority goes to upperclass students, followed by high school students who demonstrate high achievement on the ACT, with high grade point averages and class rank. The Conference Committee on SB 534 recommendation eliminated all funding for the program.

The Committee reviewed this item, but took no action.

F. Funding for the Military Service Scholarship (Senate Committee). The Senate Committee deleted the Governor's recommended increase of $250,000, all from the State General Fund, for the Military Service Scholarship in FY 2009. The House Committee did not recommend the reduction.

The Conference Committee on **SB 534** concurred with the House Committee and did not delete the funding, leaving funding for the program at $500,000, all from the State General Fund, in FY 2009.

The Committee reviewed this item, but took no action.

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G. Funding for the National Guard Educational Assistance Program in FY 2009 (Senate Committee). The Senate Committee requested Omnibus review of the addition of $339,162, all from the State General Fund, for the National Guard Educational Assistance Program in FY 2009. The National Guard Educational Assistance Program provides assistance to postsecondary students who are members of the Kansas National Guard with up to 100.0 percent of tuition and fees. In exchange, the recipient agrees to complete their current service obligation plus an additional three months of service for each semester of state assistance received. Failure to meet the service requirement requires repayment of the assistance. The actual award a student receives is dependant on the number of persons enrolled in the program and the amount of state appropriations.

The Governor's recommendation for FY 2008 is $941,807, all from the State General Fund, which includes an appropriation of $925,838 and carry-forward from FY 2007 of $15,969. This level of funding will allow the Board of Regents to award funding to cover approximately 80.0 percent of the cost of tuition and fees.

The Governor's recommendation for FY 2009 is $925,383, all from the State General Fund. The National Guard Association of Kansas estimates this amount will provide awards for eligible Guard members for less than 80.0 percent of the cost for tuition and fees. The Association estimates that an additional $339,162 is necessary to fund 100.0 percent of tuition and fees for eligible Guard members in FY 2009.

The Committee reviewed this item, but took no action.

H. Funding and Language Relating to the Distribution of Postsecondary Aid for Vocational Education in FY 2009 (Conference Committee). The Senate Committee recommended Omnibus review of the addition of $1.3 million, all from the State General Fund, for Postsecondary aid for vocational education, as well as language requiring the Board of Regents to distribute postsecondary aid for vocational education so that no technical college receives less state aid in FY 2009 than it received in the previous fiscal year, which is often referred to as the technical education hold-harmless provision. The House Committee added the language, but did not add any funding.

The Conference Committee on **SB 534** added the language and recommended Omnibus review of the additional funding.

Senator V. Schmidt moved, with a second by Senator Betts, to add the $1.7 million and make a technical corrections to add "technical institutions." Motion carried on a voice vote.

I. Addition of Language to the Teacher Service Scholarship Program to Include Persons Who Provide Services to Children with Autism (Senate Committee). The Senate Committee requested the review of the addition of language to Teacher Service Scholarship Program in FY 2009 to allow individuals enrolled in a course of instruction leading to licensure as a professional who is pursuing a master's degree in an allied healthcare degree program with an emphasis in autism and who agrees to provide services to children with autism to participate in the program.

The Kansas Teacher Scholarship Program, established in 1990, provides financial assistance to students who plan to teach in a discipline or an under-served geographic area in which there is a critical shortage of teachers, as determined by the State Board of Education. Up to 80.0 percent of the scholarships are typically awarded to students majoring in special education. Recipients of the awards must teach in the hard-to-fill discipline or under-served geographic area for one year for each year they receive a scholarship, or repay the scholarship with interest. Students must be Kansas residents and priority goes to upperclass students, followed by high school students who demonstrate high achievement on the ACT, with high grade point averages and class ranks. **2007 HB 2185** consolidated the existing four teacher service scholarship programs (the Kansas Teacher Service Scholarship; the Math and Science Teacher Service Scholarship; the Special Education Teacher Service Scholarship; and the Teacher Education Scholarship) into a single program, the Teacher Service Scholarship Program.

Funding for the Teacher Service Scholarship Program is subject to appropriations.

Senator Schmidt requested consideration of adding language to the Teacher Service Scholarship Program to include persons who provide services to children with Autism in an interim committee. The Committee recommended an interim study.

J. Transfer of Funding from the Expanded Lottery Act Revenue Fund to the Educational Building Fund in FY 2009 (Senate Committee and Joint Committee on State Building

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Construction). The Governor's budget recommendation for FY 2009 included the transfer of $15.0 million from the Expanded Lottery Act Revenue Fund (ELARF) to the Educational Building Fund (EBF), and an increase in EBF expenditures of $15.0 million for total expenditures of $45.0 million in FY 2009.

Both the House and Senate committees deleted the transfer and the additional expenditures from the EBF. The Senate Committee and the Joint Building Committee recommended Omnibus review of the transfer and additional expenditures.

The current legislative approved expenditure amount from the Educational Building Fund is $30.0 million in FY 2009.

The Committee reviewed this item, but took no action.

K. Senate Bill No. 437 (Governor). SB 437 would allow the selection committee at each ROTC institution (as defined by KSA 74-3255) to award ROTC scholarships to qualified students who are enrolled at community colleges. The State Board of Regents would have to approve a memorandum of understanding between the board of trustees of the community college and the chief executive officer of the ROTC institution prior to the awarding of any scholarships. This memorandum of understanding would include requirements for student eligibility, the application process, and other relevant information.

The bill also would establish the Military Service Scholarship Program. This program would award scholarships to Kansas residents who had served in military service in Iraq, Afghanistan, or on foreign soil or in international waters in support of military operations in Iraq or Afghanistan for 90 days, or less than 90 days because of injuries received, following September 11, 2001. It also would include individuals who had received an honorable discharge or served in the military operations of Enduring Freedom, Noble Eagle, or Iraqi Freedom.

The scholarships would be awarded on a priority basis to applicants who have the greatest financial need and would be renewable for students who remain qualified. This financial need determination would take into consideration federal military educational assistance received by the student. The number and amount of scholarships awarded would be determined by the Executive Officer of the State Board of Regents but would not be allowed to exceed the cost of fees and tuition. The scholarship would be awarded annually for the equivalent of four academic years based on full-time enrollment. The scholarship would allow for part-time enrollment and would allow for fifth-year enrollment in some cases.

The bill also would designate the Salina Area Technical School as the Salina Area Technical College.

Both scholarship programs are subject to appropriations. The ROTC Service Scholarship is currently funded at $186,401, all from the State General Fund, for FY 2009 and the Military Service Scholarship is funded at $500,000, all from the State General Fund, for FY 2009. The name change for Salina Area Technical School has no fiscal impact.

The Committee reviewed this item, but took no action.

L. House Bill No. 2858 (Conference Committee). HB 2858 would change the name of the Fort Hays State University Endowment Association to the Fort Hays State University Foundation.

In addition, it would authorize the State Board of Regents, on behalf of the University of Kansas, to sell lots 7, 8, 9, 10, 11, and 12 in block 13 in Lanes' Second Addition (1043 Indiana) to the City of Lawrence in Douglas County. The proceeds from the sale would be deposited in the appropriate restricted fees account of the University of Kansas for operating expenditures.

In addition, the bill would appropriate funding to the Board of Regents to the Kansas Academy for Math and Science (KAMS) for fiscal years 2009 through 2014, as follows:

FY 2009: $295,000
FY 2010: $713,000
FY 2011: $754,000
FY 2012: $792,000
FY 2013: $835,000
FY 2014: $938,000

KAMS is an accelerated residential program for Kansas high school juniors and seniors who are academically talented in science and mathematics. The purpose of KAMS is to provide an opportunity for academically talented pupils to work in a community of peers and to earn simultaneously

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college credits and a high school diploma at a state educational institution designated by the Board of Regents. The Board designated Fort Hays State University as the site for KAMS in December of 2007. The bill would appropriate funding for the program based on estimates provided by Fort Hays State University and the Board of Regents.

The fiscal impact of the bill would be $295,000, all from the State General Fund, in FY 2009 for the Kansas Academy for Math and Science.

The Committee reviewed this item, but took no action.

M. GBA No. 1, Item 18, Page 11—Postsecondary Education Institutions Infrastructure Bonds.

Senator Emler moved, with a second by Senator Taddiken, to adopt GBA No. 1, Item 18. Motion carried on a voice vote.

Board of Barbering

A. Vehicle Replacement (Senate Committee). The Senate Committee deleted $11,600, all from the Board of Barbering Fee Fund, to purchase one replacement vehicle in FY 2009 and recommended further review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee's recommendation and did not delete the funding.

This item was resolved in Conference Committee.

Board of Cosmetology

A. Vehicle Replacements (Senate Committee). The Senate Committee deleted $15,000, all from the Cosmetology Fee Fund, to purchase one replacement vehicle in FY 2008 and recommended further review at Omnibus. The Senate Committee deleted $28,800, all from the Cosmetology Fee Fund, to purchase two replacement vehicles in FY 2009 and recommended further review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee's recommendation and did not delete the funding.

This item was resolved in Conference Committee.

SRS Hospitals

A. Teacher Salary Increases. The Department of Education estimates an average statewide salary increase for teachers of 3.5 - 4.0 percent for FY 2009. The education contracts in FY 2009 reflect no teacher salary increases for Larned State Hospital or Parsons State Hospital and Training Center. There are no education contracts at Osawatomie State Hospital, Rainbow Mental Health Facility, or Kansas Neurological Institute. The following table illustrates the State General Fund adjustment which would be necessary to provide uniform salary increases across the two institutions.

Percent Increase	Larned State Hospital	Parsons State Hospital and Training Center	Total
0.5%	$ 883	$ 1,767	$ 2,651
1.0	1,766	3,535	5,301
1.5	2,650	5,302	7,952
2.0	3,533	7,070	10,603
2.5	4,416	8,837	13,253
3.0	5,299	10,605	15,904
3.5*	**6,183**	**12,372**	**18,555**
4.0*	**7,066**	**14,139**	**21,205**
4.5	7,949	15,907	23,856
5.0	8,832	17,674	26,506
5.5	9,715	19,442	29,157
6.0%	10,599	21,209	31,808

*The estimated statewide salary increase for teachers is 3.5-4.0 percent.

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Senator Taddiken moved, with a second by Senator Kelly, to concur with a 3.5 percent increase. Motion carried on a voice vote.

B. Categorical Aid Adjustment. For FY 2008 and FY 2009, the budgeted school contracts for the institutions include categorical aid based on a rate of $26,500 for Parsons State Hospital and Training Center, and $18,000 for Larned State Hospital. There are no education contracts at Osawatomie State Hospital, Rainbow Mental Health Facility, or Kansas Neurological Institute.

The current FY 2008 categorical aid rate per eligible teaching unit is estimated to be $28,300. If this rate is maintained, the school contract for FY 2008 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required:

Institution	FY 2008
Parsons State Hospital and Training Center	$ 4,690
Larned State Hospital	36,275
TOTAL	$ 40,965

The current FY 2009 categorical aid rate per eligible teaching unit is estimated to be $29,800. If this rate is maintained, the school contract for FY 2009 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required:

Institution	FY 2009
Parsons State Hospital and Training Center	$3,186
Larned State Hospital	41,557
TOTAL	$44,743

Senator Kelly moved, with a second by Senator Goodwin, to concur with the House action in FY 2008 and FY 2009. Motion carried on a voice vote.

Larned State Hospital

A. Sexual Predator Treatment Program Expansion in FY 2008 and FY 2009 (Senate Committee and Conference Committee). The Senate Committee deleted $550,069, all from the State General Fund, and 22.0 FTE positions, in FY 2008 to expand the Sexual Predator Treatment Program (SPTP) due to a rise in a patient census and recommended further review at Omnibus. The Senate Committee deleted $1,070,589, all from the State General Fund, and 22.0 FTE positions, in FY 2009 for the same item. The Conference Committee on SB 534 concurred with the Senate Committee's recommendation and deleted the funding and FTE positions in FY 2008 and FY 2009 for review at Omnibus.

The agency indicates that the current budget is sufficient to serve up to 160 persons committed to the SPTP. Until recently, what growth there had been was moderated by persons moving to the SPTP Transition House at Osawatomie State Hospital. Recently, the SPTP experienced an influx of new persons that have been court committed to the program, and all persons scheduled to move to the SPTP Transition House have moved. As a result, the SPTP has now surpassed its budgeted capacity with more people scheduled to arrive soon. Therefore, the agency requests additional funding and staff in order to serve 170 persons.

Senator Goodwin moved, with a second by Senator V. Schmidt, to appropriate $1,070,589 all from the State General Fund to serve 170 persons. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Goodwin, to reconsider action just taken on Item A. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Emler, to authorize the FTE's, funding and give the Department of Social and Rehabilitation Services discretion on how to use the funding on Items A and B. Motion carried on a voice vote.

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B. Sexual Predator Treatment Program Transition House Expansion in FY 2008 and FY 2009 (Senate Committee and Conference Committee). The Senate Committee deleted $228,486, all from the State General Fund, and 6.0 FTE positions, in FY 2008 to expand the Sexual Predator Treatment Program (SPTP) Transition House located on the Osawatomie State Hospital campus and recommended further review at Omnibus. The Senate Committee deleted $249,269, all from the State General Fund, and 6.0 FTE positions, in FY 2009 for the same item. The Conference Committee on SB 534 concurred with the Senate Committee's recommendation and deleted the funding and FTE positions in FY 2008 and FY 2009 for review at Omnibus.

The agency notes that three new residents are being moved to the SPTP Transition House. The agency indicates that the current space is not sufficient to accommodate the new residents, and a section of the Biddle Building has been remodeled for this purpose. As a result, additional staffing and operating expenditures are needed to accommodate the new residents who require 24-hour supervision, seven days a week.

The Committee reviewed this item and took no action, but note action that was taken on Item A.

C. Long-Term Impact of the Sexual Predator Treatment Program (House Committee). The House Committee directed the agency to provide information regarding the long-term impact of the Sexual Predator Treatment Program (SPTP) in FY 2009 for review at Omnibus.

The Sexual Predator Treatment Program (SPTP) was established in 1994 by the Sexual Predator Act to provide treatment for convicted sex offenders who have finished their prison sentences, and who have been civilly committed by the courts to the SPTP inpatient treatment program at Larned State Hospital (LSH). Since October 21, 1994, 200 persons have been committed to the SPTP. On average, there were 19 new commitments per year during FY's 1999-2007. The following summarizes the status of the 200 persons committed to the SPTP.

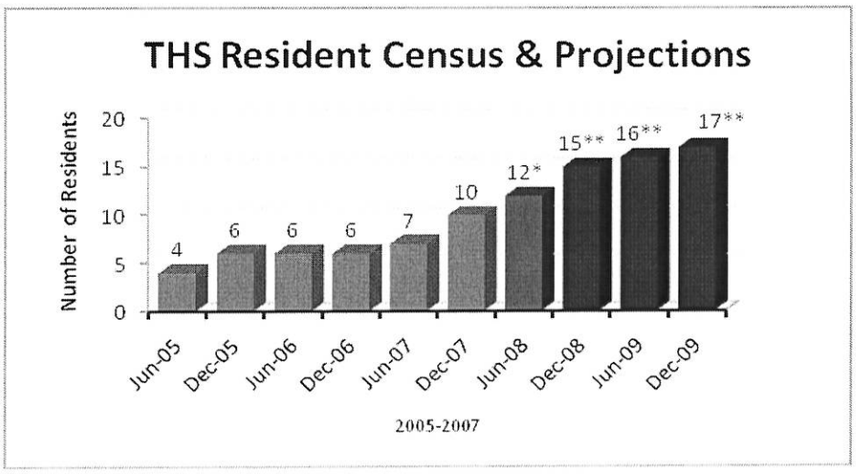
- 2 persons have completed the final conditional release stage
- 13 persons were released by the courts due to timely filing issues[1]
- 11 persons have died
- 15 new commitments have been made so far in FY 2008
- 173 persons are currently in the SPTP as of April 9, 2008:
  - 162 on the campus of Larned State Hospital
  - 11 residing at the Transition House on the campus of Osawatomie State Hospital

The agency indicates that the release process is slow in Kansas for two reasons: the burden of responsibility on the program is high to protect Kansas' citizens and the willingness of communities to accept graduates of the program remains low. The agency states that treatment does work for those residents motivated to work with the program. One index of this would be a comparison of individuals released by the courts for various technical reasons versus those individuals released by the program. Thirteen persons have been released by the courts for legal, non-program reasons. Of those, at least four are known to have reoffended. Two individuals are in federal prison, one is in state prison, and one has died after being returned to the program. By comparison, three persons, as noted, have been released by the program to date with no new arrests.

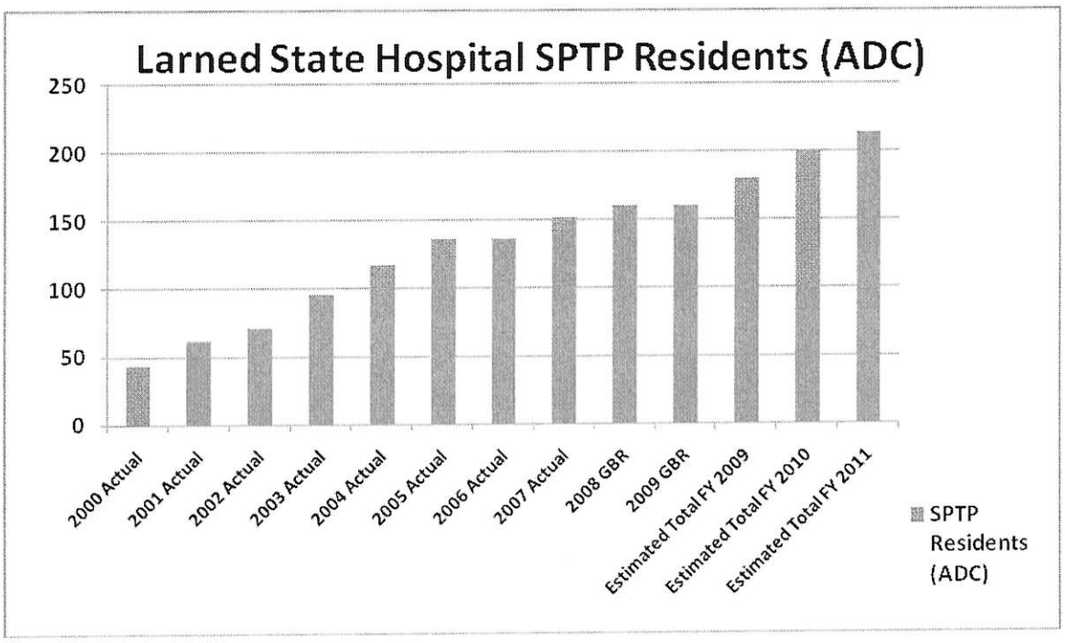
The following charts depict the growth in the Transition Program and the SPTP inpatient program, and projects the growth to when LSH will be at the maximum physical capacity of 214 residents. The projections are based on 19 sexually violent predators being committed each year. However, in the last two years, the growth in the program has been below these historical estimates.

[1] Timely filing issues were corrected by Legislation

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*Includes two SPTP residents who have been approved to move in Jan & Feb
**Predicted growth for next two years based on average growth of census 2005-2007



The following chart shows the cost of operating the SPTP program since FY 2000, and projects the future costs until the maximum capacity of 214 persons is reached at LSH.

Larned State Hospital Sexual Predator Treatment Program			
Fiscal Year	SPTP Expenditures	SPTP Staff	SPTP Residents (ADC)
2000	$ 976,897	35	43
2001	$ 1,191,741	38	61
2002	$ 1,774,882	67	71
2003	$ 2,427,619	67	95
2004	$ 4,517,045	160	117
2005	$ 6,581,130	160	136
2006	$ 7,526,609	160	136
2007	$ 11,060,770	239	151
2008 GBR	$ 12,079,666	249	160
2009 GBR	$ 11,812,827	249	160
Estimated Total FY 2009	$ 13,761,722	286	179
Estimated Total FY 2010	$ 16,689,543	345	198
Estimated Total FY 2011	$ 18,311,858	374	214

Lastly, the following is a chart taken from an August 2007 study by the Washington State Institute for Public Policy, which compares 2006 general cost information from the states which have a sexually violent predator program.

Exhibit 3
General Cost Information (2006)

State	SVP Resident Cost Per Year	Total Civil Commitment Budget (in millions)	Annual Salary and Benefits of Treatment Officer	DOC Inmate Cost Per Year
Arizona	$110,000	$11.3	$50,985	$20,564
California	$166,000	$147.3	N/A	$43,000
Florida	$41,845	$23.3	N/A	$19,000
Illinois	$88,000	$25.6	N/A	$21,700
Iowa	$71,000	$5.0	$56,356	$23,002
Kansas	$69,070	$10.9	N/A	$22,630
Massachusetts	$73,197	$30.7	N/A	$43,026
Minnesota	$141,255	$54.9	N/A	$29,240
Missouri	$75,920	$8.3	$25,358	$14,538
Nebraska	$93,325	$13.5	N/A	$26,031
New Jersey	$67,000	$21.9	N/A	$35,000
North Dakota	$94,728	$12.7	$55,600	$27,391
Pennsylvania	$150,000	$1.8	N/A	$32,304
South Carolina	$41,176	$2.9	N/A	$15,156
Texas	$17,391	$1.2	N/A	$15,527
Virginia	$140,000	$8.2	N/A	$23,123
Washington	$149,904	$40.5	$40,228	$29,055
Wisconsin	$102,500	$34.7	N/A	$27,600
AVERAGES	$94,017	$25.3		$25,994
	Total:	$454.7		

Notes:
New Hampshire is in the start-up phase.
New York is in the start-up phase.
Pennsylvania has only "aged-out" juveniles as they turn 21 years old. Their costs for DOC reflect 2004–2005, inflated by 3 percent.
Texas has outpatients only.

The Committee reviewed this item, but took no action.

D. Fee Fund Shortfall (Senate Committee). The Senate Committee deleted $500,000, all from the State General Fund, in FY 2008 to offset part of the Larned State Hospital Fee Fund shortfall and recommended review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee's recommendation and did not delete the funding. The agency notes that over the last three years, the expenditure limitation from the fee fund has increased from $2.6 million to $3.5 million, while the revenue estimate has remained relatively unchanged. As a result, the agency anticipates a revenue shortfall in FY 2008.

The Committee reviewed this item, but took no action.

E. Mobile Evaluator Positions for the State Security Program (House Committee). The House Committee recommended Omnibus review of the possible addition of $320,000, all from the State General Fund, and 2.0 FTE positions, in FY 2009 to fund mobile evaluator positions that will help alleviate the growing waiting list for forensic evaluation and treatment in the State Security Program (SSP). The agency notes that an additional 1.0 FTE position would be needed as support staff for the mobile evaluators.

The agency indicates that the waiting list for admissions to the SSP from the District Courts reached an all-time high of 67 persons in January 2008. According to the agency, this wait time has placed a strain on jails and jail staff in managing the inmates who are awaiting access to mental health services. The mobile evaluator positions would help eliminate or alleviate the waiting list for admission to the SSP. The positions would be supervised by Larned SSP staff and located in the Kansas City area and the Wichita, Hutchinson, or Larned area. The role of the evaluators would include: complete sex predator evaluations in jails; conduct at least two Competency to Stand Trial (CST) evaluator trainings a year for Community Mental Health Centers (CMHCs) and other community providers interested in reimbursement and certification from SRS; complete pre-sentence evaluations (misdemeanors) in jails and the community; complete competency evaluations unable to be done by community providers; and create and oversee a certification and ongoing education and supervisory program for community based evaluators.

The Committee reviewed this item, but took no action.

Osawatomie State Hospital

A. Direct Care and Nursing Staff (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request of $888,635, all from the State General Fund, and 25.6 FTE positions, to add direct care and nursing staff in FY 2009. The agency indicates that each hospital unit has a core staffing requirement, or a minimum number of staff, needed to provide for patient care and safety. Illness, holidays, injuries, and other leave time has caused staffing to fall below minimum core staffing levels. The agency notes that more staff is needed in order to provide for patient care and safety due to increasing patient admissions.

The Committee reviewed this item, but took no action.

B. Open a 30-Bed Unit (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request of $1,473,800, all from the State General Fund, and 49.8 FTE positions, to open a 30-bed unit for the last six months of FY 2009. The Conference Committee on **SB 534** concurred with the Senate Committee's position and added the funding and FTE positions. The agency indicates that the 2007 Legislature appropriated funds to remodel the existing 30-bed unit, and because of the current remodeling, reconstruction of the additional unit did not begin until after February 2008 and it will not be available for patient care until January 2009. The request will fund the cost of operating the newly remodeled unit starting in January 2009. The agency notes that its capacity would increase from 176 to 206 beds.

This item was resolved in Conference Committee.

C. GBA No. 1, Item 13, Page 8—Fee Fund Adjustments.

Senator Emler moved, with a second by Senator Kelly, to concur with GBA No. 1, Item 13. Motion carried on a voice vote.

Rainbow Mental Health Facility

A. Direct Care and Nursing Staff (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request of $724,753, all from the State General Fund, and 21.0 FTE positions, to add direct care and nursing staff in FY 2009. The agency indicates that each hospital unit has a core staffing requirement, or a minimum number of staff, needed to provide for patient care and safety. Illness, holidays, injuries, and other leave time has caused staffing to fall below minimum core staffing levels. The agency notes that more staff is needed in order to provide for patient care and safety due to increasing patient admissions.

The Committee reviewed this item, but took no action.

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Parsons State Hospital and Training Center

A. GBA No. 1, Item 13, Page 8—Fee Fund Adjustments

The Committee concurred with this item.

Social and Rehabilitation Services

A. Early Childhood Block Grant (House Committee and Senate Committee) and GBA No. 1, Page 14—Message on Early Childhood Block Grant. The Governor's budget recommendation included the addition of $5.0 million, all from the Children's Initiatives Fund (CIF), in FY 2008 for the new early childhood block grant to be administered by the Children's Cabinet. The block grant would be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community-based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three and four-year olds. The Governor's recommendation also included the addition of $18.0 million for this block grant in FY 2009.

The House and Senate Committees deleted the funding in both FY 2008 and FY 2009 for review at Omnibus.

The Children's Cabinet indicated that the process to distribute the block grants would be based on a request for proposal (RFP). The RFP should include programs that:

- are research based
- have accountability measures
- are high quality
- serve "at risk" children
- serve children in underserved areas

The Children's Cabinet indicated that at least 30 percent of the funding would be used for children ages 0-3.

Children's Cabinet staff as well as Cabinet members, University of Kansas and national researchers would help read and rate the proposals. The Children's Cabinet would have the final vote on funding decisions.

Senator Kelly moved, with a second by Senator Wysong, $5.0 million from the Children's Initiatives Fund in FY 2008. Senator Kelly withdrew her motion, with the consent of Senator Wysong, the second to the motion.

The Committee reviewed this item, but took no action.

B. Protected Income Level for Persons Receiving Services from Home and Community Based Service Waivers (House Committee and Senate Committee) The House Committee recommended review of raising the protected income level for individuals receiving services from home and community based service waivers to the appropriate level at Omnibus. The Senate Committee recommended a review of the addition of $384,324, including $154,037 from the State General Fund, at Omnibus to increase the protected income level an additional $11 in FY 2009 from $727 to $738 per month.

The Conference Committee on **Senate Bill 534** concurred with the Senate Committee to add $406,200, including $162,805 from the State General Fund to increase the protected income level for individuals receiving services from home and community based service waivers from $716 to $727 per month.

The protected income level for individuals receiving services from a home and community based services waiver was originally tied to the poverty level. The 2008 federal poverty level for a single person is $867 per month. The cost to increase the protected income level to $867 per month is $4,203,600, including $1,684,803 from the State General Fund.

Senator V. Schmidt moved, with a second by Senator Kelly, to fund the Protected Income Level at $738 per month. Motion carried on a voice vote.

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C. Funding for Therapeutic Preschool (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended that the addition of $1.0 million, all from the Children's Initiatives Fund, in FY 2009 to reinstate funding for therapeutic preschool be reviewed at Omnibus. This program was previously funded from the Children's Initiatives Fund. However, the Governor's budget recommendation for FY 2009 does not continue that funding. The Children's Cabinet found that the program had not accomplished performance goals nor did it fit well with the Children's Cabinet focus on early childhood development.

The Committees received testimony that therapeutic preschool facilities provide important early intervention for children who have serious emotional disturbances. The programs are designed to prevent out-of-home placements and prepare children to enter school ready to learn.

The Committee reviewed this item, but took no action.

D. Funding for the School Violence Prevention Program (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended that the addition of $228,000, all from the Children's Initiatives Fund, in FY 2009 to reinstate funding for the school violence prevention program be reviewed at Omnibus. This program was previously funded from the Children's Initiatives Fund, however, the Governor's recommendation for FY 2009 does not continue that funding. The Children's Cabinet recommended that Children's Initiatives Funding for this program be discontinued because the program had not accomplished performance goals and does not fit the focus on early childhood development.

The Committees received testimony that these programs provide children with mental health support and services in the school setting with a focus on issues related to school violence. The programs have provided a collaborative approach to providing services to children and involve the Community Mental Health Centers, schools, parents, youth and coordinating councils. The target population of these programs is school-aged youth with severe emotional disturbances or those at risk for violent behavior.

The Committee reviewed this item, but took no action.

E. Funding for the BARS program (House Committee and Senate Committee). The House Committee and Senate Committee recommended review of funding for the BARS program from the Children's Initiatives Fund in FY 2009. The House Committee recommended reviewing the addition of the entire amount requested ($1.1 million) at Omnibus. The Senate Committee added $550,000 and recommended that the remaining $550,000 be reviewed at Omnibus. The Conference Committee on SB 534 concurred with the House Committee to review all of the funding at Omnibus.

The Committee received testimony that indicated the addition of $1.1 million from the State General Fund would allow two compliance visits to be made at each tobacco retailer location, each month, for twelve months per year under the BARS program. The BARS program is currently receives $100,000 from the Department of Social and Rehabilitation Services.

The Committee reviewed this item, but took no action.

F. Funding for the Kansas Youth Empowerment Grant (House Recommendation and Conference Committee). The House Committee and the Conference Committee on SB 534 recommended review of the addition of $118,500, all from the State General Fund, in FY 2009 to replace federal funds, for the Kansas Youth Empowerment Grant. The Senate Committee concurred with the Governor's recommendation to fund this item.

The federal Rehabilitation Services Administration interprets federal regulations regarding use of Title I Vocational Rehabilitation funds. The Rehabilitation Services Administration interprets the regulations to prohibit state agencies from issuing grants funded from this source. To comply with this interpretation, the Department of Social and Rehabilitation Services requested the enhancement funds to replace the portion of this grant previously matched by federal vocational rehabilitation funds with State General Funds.

The Committees received testimony that the funding for programs provided in this grant illustrate to those who are disabled that they can get things accomplished. Testimony cited the following information:

- One out of five adults with disabilities has not graduated from high school, compared to less than one out of ten adults without disabilities.

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- Youth with severe emotional disabilities (57.6 percent) and youth with learning disabilities (36.0 percent) have the highest drop-out rates of all disability groups.
- Only 14.0 percent of youth with disabilities attend post secondary school versus 53.0 percent in the general population.
- Nationally, 70.0 percent of youth with disabilities are unemployed two years after exiting from high school.

Senator V. Schmidt moved, with a second by Senator Kelly, to add $118,500 from the State General Fund in FY 2009. Motion carried on a voice vote.

G. Funding for Home and Community Based Service Waivers to Avoid Waiting List (House Committee and Senate Committee). The Governor's recommendation included the addition of $15,100,930, including $6,052,452 from the State General Fund in FY 2009, to decrease home and community based service waivers waiting lists. This included the addition of:

- $1.0 million, including $400,800 from the State General Fund, for the home and community based services for persons with a head injury waiver;
- $2,783,382, including $1,151,652 from the State General Fund, for the home and community based services for individuals with a physical disability waiver; and
- $11,227,548, including $4,500,000 from the State General Fund for the home and community based services for individuals with a developmental disability waiver.

Both the House and Senate Committees removed this funding for review at Omnibus. The addition of this funding is anticipated to maintain no waiting lists for the home and community based services for persons with a Head Injury waiver and the home and community based services for individuals with a physical disability waiver. As of February 2008, there were 1,317 individuals on a waiting list to receive services from the home and community based services for individuals with a developmental disability waiver. In addition, 555 people who are currently receiving some services who are waiting for additional services. The additional funding for this waiver would serve an additional 228 persons. According to the agency, there are 1,345 individuals waiting for DD Waiver services that are currently receiving no waiver services. There are also 730 individuals that have requested additional services but are receiving some type of waiver service.

Senator V. Schmidt moved, with a second by Senator Kelly, to fund the Head Injury Waiver at $1.0 million, Physically Disabled Waiver at $2,783,382 and half of the money for the Developmentally Disabled Waiver all from the State General Fund in FY 2009. Motion carried on a voice vote.

H. Funding for Community Mental Health Centers (CMHCs) (House Committee and Conference Committee). The House Committee recommended that the addition of $15.8 million, all from the State General Fund, be reviewed at Omnibus. The Senate Committee added funding of $15.8 million, all from the State General Fund. The Conference Committee on **SB 534** added $7.0 million, all from the State General Fund, in FY 2009 and recommended the review of an additional $8.8 million, all from the State General Fund, at Omnibus.

The 2007 Legislature added $17.0 million, all from the State General Fund, in FY 2008 to maintain the public community mental health system after the elimination of the certified match process for Medicaid and the implementation of the Prepaid Ambulatory Health Plan (PAHP) system. The Governor's recommendation for FY 2009 included funding of $10.0 million to maintain this support. The Conference Committee addition of $7.0 million for FY 2009 brings the total amount to the FY 2008 level.

The addition of another $8.8 million would bring the CMHCs to the funding level prior to the end of certified match.

The House Committee recommended that a determination be made during Omnibus whether funding provided to the CMHCs can be used for those individuals with the greatest need, or whether there is a requirement which individuals should receive the funding. Medicaid funding is now provided on a fee-for-service basis. Once the CMHCs bill for a service, the centers are paid the allowed Medicaid rate for that service. Once the CMHCs receive that payment, it is their money to be expended. The state grant funding can be expended for any individual requiring service.

Senator Teichman moved, with a second by Senator Goodwin, to add $8.8 million to bring the CMHC's to the funding level prior to the end of certified match. Motion failed on a voice vote.

The Committee continued to review this item, but took no action.

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I. Funding for the Home and Community Based Services for Children with Autism Waiver (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended a review of the addition of $2.5 million, including $1.0 million from the State General Fund, in FY 2009 for the Autism Waiver Waiting List for review at Omnibus. The funding would allow approximately 100 additional young children with autism spectrum disorders and their families to be served on the Autism Waiver for a full year in FY 2009. As of February 2008, there were 134 children on the waiting list to receive waiver services. According to the agency the autism waiver currently has a waiting list of 141 children.

The Committee received testimony that one in 150 children is diagnosed with autism and that a new case is diagnosed approximately every 20 minutes. Additionally, testimony indicated that studies have shown that approximately half of children with autism who receive early intensive services will not need support in older childhood and adulthood.

Senator V. Schmidt moved, with a second by Senator Betts, to approve $1.0 million in State General Funds for the Autism Waiver Waiting List. Following discussion, Senator V. Schmidt withdrew her motion, with the consent of Senator Betts, the second to the motion.

The Committee continued to review this item, but took no action.

J. Funding for Assistive Technology Grant (House Committee and Senate Committee). Both the House Committee and Senate Committee deleted $375,000, all from the State General Fund, in FY 2009 for assistive technology for Kansans for review at Omnibus.

This program previously received a grant which was funded with federal vocational rehabilitation services funding. The Department was informed that the grant model was no longer allowed by the federal government. The Department has entered into a fee-for-service arrangement with the providers.

The Committee received testimony that indicated this funding would be used to support five regional access sites across the state to help provide services to Kansans that have little or no ability to secure services elsewhere.

The Committee reviewed this item, but took no action.

K. Expansion of the Home and Community Based Services for Individuals with a Traumatic Brain Injury (House Committee). The House Committee recommended a review at Omnibus of the addition of $4.2 million, including $1.7 million from the State General Fund, in FY 2009 to expand the Home and Community Based Services waiver for persons with Traumatic Brain Injury (HCBS/TBI) to serve persons with strokes.

The House Committee received testimony regarding the home and community based services waiver for persons with traumatic brain injury, including the definition of brain injury that controls eligibility for the waiver. This waiver is unique in that it is designed to be a short-term program to rehabilitate persons with traumatic brain injury to their best level of functioning, after which they will no longer need services or will transition to other programs such as the home and community based services waiver for persons with physical disabilities.

The current definition used to determine eligibility for the waiver excludes persons who have a non-traumatic brain injury. The House Committee recommended that this definition be reviewed to possibly change the waiver to include an acquired brain injury or that a separate waiver be created for this type of injury.

The Committee reviewed this item, but took no action.

L. Funding for Centers for Independent Living Grant (House and Conference Committee Recommendation). The House Committee deleted $500,000, all from the State General Fund, in FY 2009 to increase Centers for Independent Living (CIL) grants for review at Omnibus.

Funding for CIL grants also comes from Social Security Rehabilitation Incentives funds. Revenue from this funding source varies from year to year due to the Social Security Administration (SSA) review and approval process. The revenue is no longer sufficient to provide the amount of funding used for CIL grants. The Governor recommended the addition of $500,000, all from the State General Fund, to replace this dwindling source of revenue for the CILs grants.

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The Conference Committee on **SB 534** concurred with the Senate Committee recommendation and did not delete the funding.

The Committee reviewed this item, but took no action.

M. Funding for Integrated Eligibility and Enrollment System (House and Senate Committee Recommendation). The Governor recommended the addition of $7.0 million, including $4.2 million from the State General Fund, in FY 2009 for an integrated eligibility and enrollment system for Medicaid, HealthWave, Premium Assistance, and the State Employees Health Benefits Plan. The system would be web-based and completed in coordination with the Kansas Health Policy Authority. The first phase of this system is estimated to cost $22.0 million to $31.0 million over a three-year time period for development and implementation. Both the House Committee and Senate Committee deleted funding for this item for review at Omnibus.

Currently, the eligibility system maintained by the Department of Social and Rehabilitation Services (SRS) is 20-years old and is designed to manage the state's welfare programs, which no longer meets the needs of either agency.

This information technology project, which has been named the "Avenues" program, would begin the replacement of an antiquated computer system that relies on mainframe technology and requires time-consuming edits to account for changing state and federal requirements. The agency has indicated that this method is inefficient and error-prone. The new system would allow the flexibility to add new programs or requirements easily and the ability to better monitor the enrollment process. The new system will serve an estimated 388,000 individuals and families who are eligible for federal or state medical programs and uninsured in Kansas. In addition, an estimated 280,000 individuals and families who are eligible for means tested federal or state assistance programs would be served.

The Committee reviewed this item, but took no action.

N. Replacement of Federal Funds for Child Protective Services (House Committee and Conference Committee). The House Committee deleted $9.0 million, all from the State General Fund, in FY 2009 which was recommended by the Governor to replace federal funds for the child protective services program for review at Omnibus. Changes in federal regulation now only allow federal Title IV-E funding for those children that are candidates for out of home placement. This has reduced the amount of federal funding that the agency has been able to receive for administration costs.

The House Committee requested that the agency report on any other sources of revenue to pay for these services. The agency was unable to identify any other funding sources. The agency also noted that federal funds are unavailable for this purpose.

The Conference Committee on SB 534 deleted $3.0 million, all from the State General Fund, in FY 2009 with the remainder for review at Omnibus. In addition, the Conference Committee requested a report on the cost savings that occurred as a result of reduced federal regulations.

According to the agency, state funding for Child Protective Services Intake and Assessment will ensure that thorough and complete investigations are performed for every report of child abuse and neglect as set forth in Kansas Statutes and agency procedure. Federal requirements and standards for states operations of child abuse and neglect programs have remained constant as set forth in the federal Child Abuse Prevention and Treatment Act (CAPTA) and federal Child and Family Service Reviews (CFSR). However, because federal Title IV-E policy does not allow for federal foster care funding for intake and assessment activities, the demand for State General Fund dollars are increased. Again, according to the agency state funding assures Kansas statutory requirements are met, allowing the agency to respond timely to reports of abuse or neglect, assess safety and risk of children and families, conduct joint investigations with law enforcement when needed, and engage prevention-related activities to help strengthen and support Kansas families who come to the attention of the agency.

Senator Schodorf moved, with a second by Senator Betts, to add $3.0 million from the State General Fund in FY 2009 for replacement of federal funds for child protective services. Motion carried on a voice vote.

O. Funding for Child Protection Single Toll-free Line (House Committee and Senate Committee). The House Committee and Senate Committee deleted $97,008, all from the State General Fund, in FY 2009 for the child protection single toll-free line for review at Omnibus. The toll free calls regarding child abuse and neglect reports from the public would be received at the protection report

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center, and the calls would be transferred to the local regional protection report center for action.

The Committee reviewed this item, but took no action.

P. Review Location of the Pre-K Pilot Program (House Committee). The House Committee recommended review of the location for the Pre-K pilot program. The Governor's recommendation included moving the Pre-K pilot program to the Department of Education. The program, is recommended to be transferred from the Children's Cabinet in the Department of Social and Rehabilitation Services to the Department of Education, combined with the Four-year Old At-Risk program, and renamed the Kansas Preschool Program. The House Committee recommends that this review include an assessment of the Legislative Education Planning Committee's recommendation to move these programs to the Department of Education.

Information on this topic also is contained in Item E under the Department of Education.

The Committee reviewed this item, but took no action.

Q. Review Changes in Targeted Case Management Reimbursement (House Committee). The House Committee recommended a review of the targeted case management issue at Omnibus, including its impact on the consumers.

The federal Centers for Medicare and Medicaid Services (CMS) indicated that the previous method of operation used by Kansas to provide targeted case management services was not going to be allowed in the future, and failure to change methodologies might result in federal deferrals.

The Kansas Health Policy Authority (KHPA), in conjunction with Kansas Department of Health and Environment, Department of Social and Rehabilitation Services, and the Department on Aging met to address the concerns and develop a plan to move forward. A contractor conducted a rate study to develop a uniform rate methodology that was equitable, defensible, and met CMS approval. A Medicaid state plan amendment was submitted to CMS and was approved on December 7, 2007.

This topic is also included under the Department on Aging, Item F.

The Committee reviewed this item, but took no action.

R. Review merger of the Home and Community Based Services for Those Requiring Technology Assistance (HCBS/TA) Waiver with the Attendant Care for Independent Living (ACIL) Program (House Committee). The House Committee requested a report from the agency at Omnibus regarding the merger of HCBS/TA waiver and the ACIL program. The federal Centers for Medicare and Medicaid Services (CMS) has determined that Kansas may no longer administer the Attendant Care for Independent Living (ACIL) program as it has in the past. CMS indicated that because the ACIL program is only available to a specific group of medically fragile children, it is not allowable under the state Medicaid plan.

The agency also administers the Technology Assisted (TA) Children's waiver. This waiver targets medically fragile children who are not Medicaid eligible due to family income. The waiver allows the parental income to be disregarded, making the children eligible for services based on their medical conditions. The decision was made by SRS to merge the TA waiver and the ACIL program, effective July 1, 2008. Changes to the waiver will be required to make this happen, including increasing the age limit from 18 to 21, and adding services including skilled nursing services, attendant care, respite services, and home modifications.

The agency indicated that if a child is receiving services through the HCBS/DD waiver and receiving ACIL services, they will be offered the choice of the HCBS/TA waiver or the HCBS/DD waiver, so they can choose the waiver that best meets their needs.

The House Committee expressed concern that some children currently receiving services from the ACIL program will not be eligible for the HCBS/TA waiver or the HCBS/DD waiver. In addition, concern was noted by conferrees that services previously available under the ACIL program will no longer be provided. The House Committee recommended that these concerns be reviewed at Omnibus when more information regarding the impact on specific children may be available.

The agency has indicated that the process to merge the ACIL program into the HCBS/TA waiver continues to move forward. During the month of March, three meetings were held with parents and providers. On March 19th, a meeting was held to identify family needs that should be considered when

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determining the level of services to be provided to a consumer once eligibility is determined. The information taken from this meeting was utilized to develop a needs assessment tool which will be used to determine the number of hours of service needed.

On March 25th and 26th, the agency held public forums in Topeka and Wichita, where the waiver application was shared with families and providers. This included sharing the revised tool, the Individual/Family Needs Assessment, which will be utilized to determine if a child is eligible to receive services, or meets the level of care criteria. At the meetings families and providers reported that the tool had been improved and that almost all of the 316 children currently receiving services would continue to be eligible for services.

According to the agency, a plan is being developed for reassessing individuals for waiver eligibility, and for the training needed by the providers for program implementation. The trainings will take place in late April 2008 and will be completed by mid-May 2008. The reassessment for level of care determination for existing ACIL consumers is targeted for completion by May 30, 2008. The months of June and July will be reserved for transition of consumers to the new TA waiver.

The wavier application submission date to federal Centers for Medicare and Medicaid Services (CMS) is set for May 1, 2008, with revised program implementation set for August 1, 2008, pending approval of the waiver.

During the process of amending the TA waiver to include the ACIL program, a group of children that will need specific consideration are the children who are currently being served by the HCBS/DD waiver and are in a voluntary out-of-home placement. These children are not in the custody of the agency, but are living outside of their family home and are receiving funding through the HCBS/DD waiver and receiving nursing care through the ACIL program. Federal regulations do not allow a person to receive services through more than one waiver program at a time. The challenge with this small group of children is that the voluntary foster parents are receiving a daily reimbursement rate from the children's residential service through the HCBS/DD waiver. The funding is intended for the families use to meet the child's needs related to their disability. The family may be receiving up to $125 a day for children's residential services. If the family chooses to continue the needed nursing services through the new HCBS/TA waiver, they would no longer be eligible to receive residential services funding through the HCBS/DD waiver. At this time, the agency has identified five families that SRS will need to work with individually to resolve this issue. The agency has made contact with these families and they are aware of the situation. The agency is now reviewing different options on how to maintain the same level of services these families have been receiving.

The Committee reviewed this item, but took no action.

S. Review Reimbursement Rates for Attendant Care for Independent Living (ACIL) Program (House Committee and Senate Committee). The Senate Committee recommended that reimbursement rates for the Attendant Care for Independent living (ACIL) services be reviewed at Omnibus. The Senate Committee notes that these services are generally provided by nurses, which as a profession, are in great demand. The House Committee recommended a review of the current rates for the ACIL program and what rates for those services will be once the program has merged with the HCBS/TA waiver.

The agency reviewed the current ACIL reimbursement rates and the fiscal impact of a rate increase. The chart below provides a comparison of the current reimbursement rates and the proposed rates. The total fiscal impact of the rate increases would require the addition of $1,614,272, all from the State General Fund in FY 2009.

Service	Current rate per hour	Proposed rate per hour
Home Health Aide	$16	$19
LPN	$24	$29
RN	$27	$36
Case Management	$50	$70

The agency indicated that the reimbursement rates for the amended TA Waiver have not been finalized at this time. In the process of merging the ACIL program into the TA Waiver, new service definitions have been developed with changes made to the definition of attendant care, the addition of home modifications, and changes to the provider requirements for Case Management. The nursing service definition is remaining unchanged. SRS has finalized the service definitions and are now working on setting the rates. During the process of making these changes, the direction has been to remain within the current ACIL/TA waiver budgets.

The agency indicated that if additional funding is appropriated for the ACIL program, the funds would be utilized as directed by the Legislature and then when the waiver amendments are approved, the funding from the current ACIL program, including any new funding, would transfer to the amended

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TA Waiver.

When the changes are finalized, the waiver amendments will be submitted to CMS for approval. The agency is estimating an implementation date of August 1, 2008.

The Committee reviewed this item, but took no action.

T. Vehicle replacement (House Committee and Senate Committee). The House Committee and Senate Committee deleted $734,000, including $602,133 from the State General Fund, in FY 2009 for the purchase of a total of 55 replacement vehicles to be allocated between SRS and the five state hospitals for review at Omnibus. SRS and the state hospitals had requested $1,627,322, including $1,334,965 from the State General Fund, for 110 replacement vehicles.

The SRS fleet is comprised of 232 vehicles, of which the vast majority are used in regional offices. The predominant use of vehicles is for direct client services. Approximately 77.0 percent of total mileage is attributed to investigations of child and adult abuse or neglect and home visits. The balance of use is for administration, such as travel between offices for meetings, and collaboration with community organizations.

The Committee reviewed this item, but took no action.

U. Funding for Child Care Caseloads (Senate Committee). The Senate Committee deleted $2,467,680, all from the State General Fund, in FY 2009 for increases in child care caseloads recommended by the Governor for review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee and did not delete the funding.

The Senate Committee noted that this program is projected to serve 21,600 children per month in FY 2008 and requested revised caseload estimates for FY 2009 for review at Omnibus. According to the agency, the current estimate for Child Care Assistance is within 2.0 percent of the FY 2009 recommendation in *Governor's Budget Report.* Because caseload projections are not infallible, the department views the variances to be within acceptable limits. With particular regard to Child Care Assistance, the uncertainty posed by recent economic developments reinforces the need for a wider margin of error.

The Committee reviewed this item, but took no action.

V. Funding for Adoption Support Caseloads (Senate Committee and Conference Committee). The Senate Committee deleted $3,671,742, including $1,664,748 from the State General Fund, in FY 2009 for increases in adoption support caseloads for review at Omnibus. The House Committee did not deleted the funding. The Conference Committee on **SB 534** concurred with the Senate Committee recommendation and deleted the funding for review at Omnibus.

The Senate Committee noted that this program is projected to serve 929 children in FY 2008 and requested revised caseload estimates for FY 2009 for review at Omnibus. According to the agency, the current Adoption Support caseload estimate is within 0.5 percent of the FY 2009 recommendation in the *Governor's Budget Report.* Because caseload projections are not infallible, the agency views the variances to be within acceptable limits.

Senator Betts moved, with a second by Senator V. Schmidt, to authorize $1.6 million State General Fund in FY 2009 for adoption support caseloads. Motion carried on a voice vote.

W. Funding for Increased Reimbursement Rates for Home and Community Based Service Waivers (Senate Committee). The Senate Committee recommended that reimbursement rates for home and community based service waivers be reviewed at Omnibus. The Department requested a 2.0 percent rate increase for the waivers in its budget submission. The rate increase was not recommended.

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Cost of 2.0 Percent Rate Increase for Home and Community Based Service Waivers

Waiver	All Funds	State General Fund
HCBS/Developmental Disabilities	$ 5,625,000	$ 2,290,500
HCBS/Physical Disabilities	2,042,000	831,502
HCBS/Traumatic Brain Injury	137,000	55,786
HCBS/Technology Assistance	4,816	1,961
TOTAL	$ 7,808,816	$ 3,179,749

Senator Taddiken moved, with a second by Senator Kelly, to concur with the 2.0 percent rate increase. Motion carried on a voice vote.

X. Spring Consensus Caseload Estimates and GBA No. 1, Item 11, Page 6. The Division of the Budget, Legislative Research Department, Department of Social and Rehabilitation Services, Kansas Health Policy Authority, and Department on Aging met on April 15, 2008 to revise the estimates on caseload expenditures for FY 2008 and FY 2009. The consensus estimates include expenditures for Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families, General Assistance, and the Reintegration/Foster Care contracts. The estimating group used the budget as approved in **2008 Senate Bill No. 534** as the starting point for the current estimate

For FY 2008, the new estimate is an increase from all funding sources of $17.8 million, including an increase of $19.7 million from the State General Fund. This change in the funding mix is the result of changes in the populations that are served and the funding sources that are available for each population.

The increase for the Department of Social and Rehabilitation Services in FY 2008 includes an increase for the state funded General Assistance Program to reflect an increase in the number of people in the program. The estimate also includes expenditure reductions attributable to a lower than anticipated increase in the number of children in foster care and a decrease in the number of families in TAF.

	FY 2008 Adjustments	
	All Funds	State General Fund
Nursing Facilities	$ 3,000,000	$ 1,211,000
Nursing Facilities Mental Health	1,304,510	1,151,110
Temporary Assistance for Families	(2,473,690)	0
General Assistance	404,400	404,400
Regular Medical Assistance- Health Policy Authority	17,000,000	14,000,000
Reintegration/ Foster Care	(5,926,015)	(1,163,619)
Mental Health	1,625,053	3,000,000
Community Supports and Services	1,465,839	500,000
Addiction and Prevention Services	1,423,461	574,509
TOTAL	$ 17,823,557	$ 19,677,400

For FY 2009, the estimate is an increase of $11.9 million from all funding sources, including an increase of $20.1 million from the State General Fund. Increased program expenditures are included for Regular Medical, Nursing Facilities, Nursing Facilities for Mental Health, and addiction and prevention services.

The increase for the Department of Social and Rehabilitation Services in FY 2009 includes increased program expenditures for Nursing Facilities for Mental Health and addiction and prevention services. The adjustments also include decreases from all funding sources for Temporary Assistance to Families, Medicaid mental health services, and Reintegration/Foster Care.

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	FY 2009 Adjustments	
	All Funds	State General Fund
Nursing Facilities	$ 5,000,000	$ 2,004,000
Nursing Facilities Mental Health	604,510	500,000
Temporary Assistance for Families	(4,080,635)	0
General Assistance	804,000	804,000
Regular Medical Assistance- Health Policy Authority	24,721,000	7,921,000
Reintegration/ Foster Care	(4,918,256)	1,900,000
Mental Health	(2,716,104)	(1,500,000)
Community Supports and Services	0	0
Addiction and Prevention Services	660,294	264,646
TOTAL	$ 20,074,809	$ 11,893,646

Senator Steineger moved, with a second by Senator Wysong, to fund $19.7 million State General Fund in FY 2008 and $8.0 million State General Fund in FY 2009 for caseloads and take to conference.

Senator Emler moved a substitute motion, with a second by Senator Kelly, to concur with GBA No. 1, Item 11. Motion carried on a voice vote.

Y. Money Follows the Person Proviso (Technical Adjustment). Both the House and Senate Committees recommended removing the 80 person maximum from the money follows the person proviso. The entire proviso was inadvertently deleted in **SB 534**. This adjustment would add language to include the contents of the proviso, without the maximum limit.

Senator Emler moved, with a second by Senator Teichman, to add the language to include the contents of the proviso without the maximum limit. Motion carried on a voice vote.

Z. GBA No. 1, Item 12, Page 7—Grandparents as Caregivers.

Senator Wysong moved, with a second by Senator Emler, to adopt GBA No. 1, Item 12. Motion carried on a voice vote.

Department on Aging

A. Program for All Inclusive Care for the Elderly (PACE) Topeka Location Funding (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended a review of the addition of $1,152,000, including $461,722 from the State General Fund, in FY 2009 for the expansion of the Topeka location of PACE by 75 slots. The Committees noted that the Topeka program has not yet filled the current bed or funding allotment for the program and requested revised caseload projections for this location.

The Department on Aging indicated that staff members recently met with representatives from the Wichita and Topeka PACE programs. According to the agency, the base budget for program approved in SB 534 will adequately cover both Topeka and Wichita program needs in FY 2009. The agency indicates it will not require the additional funding for these locations. However, the agency requests that 75 slots be added in FY 2009 to expand the Topeka program to be funded within existing resources as needed.

The following chart includes the projected caseloads at both the Topeka and Wichita PACE locations.

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PACE Caseloads

State Fiscal Year 09		Average Monthly Caseload	Average Monthly Payment	Total Monthly Expenditure
		Via Christi		
July	08	204	1,316	$268,463
Aug	08	204	1,316	$268,463
Sept	08	204	1,316	$268,463
Oct	08	204	1,316	$268,463
Nov	08	204	1,316	$268,463
Dec	08	204	1,316	$268,463
Jan	09	204	1,316	$268,463
Feb	09	204	1,316	$268,463
Mar	09	204	1,316	$268,463
Apr	09	204	1,316	$268,463
May	09	204	1,316	$268,463
Jun	09	204	1,316	$268,463
	Average	204		$3,221,553
		Midland		
July	08	55	1,618	$88,995
Aug	08	65	1,618	$105,176
Sept	08	75	1,618	$121,357
Oct	08	85	1,618	$137,537
Nov	08	90	1,618	$145,628
Dec	08	95	1,618	$153,718
Jan	09	100	1,618	$161,809
Feb	09	105	1,618	$169,899
Mar	09	110	1,618	$177,990
Apr	09	115	1,618	$186,080
May	09	120	1,618	$194,171
Jun	09	125	1,618	$202,261
	Average	95		$1,844,620
Totals		**299**		**$5,066,174**

Senator Kelly moved, with a second by Senator Schodorf, to approve 75 slots in Topeka, PACE, and no funding. Motion carried on a voice vote .

B. Program for All Inclusive Care for the Elderly (PACE) Wyandotte County Location Funding (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended that the proposed PACE expansion into Wyandotte County be reviewed at Omnibus. The Senate Committee specifically recommended that the addition of $66,240, all from the State General Fund, for 24 slots to be located at a new PACE location in Kansas City, Kansas, be considered at Omnibus. The funding would provide for partial year funding for the slots, which would be opened in late FY 2009.

The Committees noted testimony that indicates the Kansas City PACE program could potentially have an enrollment of 240 by FY 2014. The agency indicated that during the most recent conversation with the proposed Wyandotte County PACE provider, it was concluded that the Wyandotte County PACE location may not be operational during FY 2009. Therefore, the need for any FY 2009 funding is questionable. At best, the Wyandotte County site could need funding for a portion of their slots in the last part of FY 2009.

The agency requests that the expansion proceed and be supported within existing resources in FY 2009. An update regarding the status and any revised cost estimates could be provided by the agency to the Legislature during the 2009 Session. In addition, funding needs for the Wyandotte County slots could be included in the agency's FY 2010 budget submission.

The Committee reviewed this item, but took no action.

C. Program for All Inclusive Care for the Elderly (PACE) Rate Study (House Committee). The House Committee recommended that the addition of $66,000, all from the State General Fund, in

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FY 2009 for a study of the PACE reimbursement rates be reviewed at Omnibus. The Committee noted that Kansas has one of the lowest reimbursement rates for this type of program in the country. Additionally, the Committee noted that this method of providing services creates savings for the state. However, if the rates are not adequate, the potential for bankrupting the provider organization is a potential risk.

The agency indicated that it has been five years since base rate calculations for the PACE program were adjusted. The addition of $66,000, all from the State General Fund, would provide funding to conduct the rate study. The agency indicated that it is not possible to use dollars designated for program services to conduct such a study. The information would be required to continue the proposed expansion into Wyandotte County; however, current providers will benefit from a new rate analysis.

The Committee reviewed this item, but took no action.

D. Vehicle Replacements and Purchases (House Committee and Conference Committee). The Governor recommended the addition of $174,000, all from agency fee funds, in FY 2009 for eleven replacement vehicles and four additional vehicles. The Senate Committee recommended the addition of funding, while the House Committee recommended that the funding be deleted. The Conference Committee on **SB 534** deleted funding of $174,000 from agency fee funds for review at Omnibus. These vehicles are used by Health Facility Surveyors and Supervisors in the course of their duties, including surveying and certifying the state's adult care homes.

Senator Kelly moved, with a second by Senator Teichman, to replace eleven replacement vehicles and four new vehicles in FY 2009 from the State General Fund. Motion carried on a voice vote.

E. Rate increase of the Home and Community Based Services for the Frail Elderly Waiver (House Committee). The House Committee recommended a review of the addition of $1,276,891, including $519,950 from the State General Fund, in FY 2009 for a 2.0 percent rate increase for Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver service providers. The agency requested the funding in its budget submission; however, the Governor did not recommended the funding.

Senator V. Schmidt moved, with a second by Senator Kelly, to adopt the funding for the HCBS/FE Waiver in FY 2009. Motion carried on a voice vote.

F. Area Agencies on Aging Core Funding (House Committee and Senate Committee). The House Committee and Senate Committee recommended a review of the addition of $1,569,674, all from the State General Fund, in FY 2009 to increase funding for the Area Agencies on Aging (AAAs) for services not reimbursed by either state or federal programs. The funding would be distributed to the AAAs in the following manner: each of the eleven AAAs would receive a base allocation of $60,000, for a total of $660,000; additionally, a formula based on $2 per Kansan, aged 60 years or older, will be distributed to each AAA for a total of $909,674. The agency submitted the request for the addition of $1,569,674, all from the State General Fund, in its fall 2008 budget submission. The Governor did not recommend the funding.

The Committees noted that the AAAs are experiencing other funding issues at the current time, including changes in reimbursement of targeted case management services. The Committees received testimony that the federal Centers for Medicare and Medicaid Services (CMS) indicated that the previous method of operation used by Kansas to provide targeted case management services would not be allowed in the future, and failure to change methodologies might result in federal deferrals.

Two components of this decision that directly impact the AAAs are "windshield time" and "any qualified provider". The time that employees of AAAs travel to visit elderly clients in their homes, "windshield time", is no longer allowed to be submitted for reimbursement. In addition, the state may no longer limit targeted case management services to AAAs, instead it must allow any qualified provider to perform the services. Testimony indicated that the changes to targeted case management reimbursement could potentially have a large negative impact on AAAs revenues.

The Committee reviewed this item, but took no action.

G. Senior Care Act Funding (House Committee and Senate Committee). The House Committee and Senate Committee recommended a review of the Senior Care Act waiting list at Omnibus. In addition, the House Committee recommended a review of the addition of $726,000, all from the State General Fund, in FY 2009 for the Senior Care Act.

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The agency had requested $726,000, all from the State General Fund, in FY 2009 for the Senior Care Act, to allow Senior Care Act services to be provided to an additional 660 people above the FY 2008 caseload. The Governor did not recommend funding for this request.

The Senior Care Act is a state-only funded program which provides home and community based services for those individuals over the age of 60 who have not yet exhausted their financial resources. As of January 31, 2008, there were 148 individuals waiting for services through the Senior Care Act. As of March 31, 2008, 146 persons were waiting for Senior Care Act services. The agency indicated that the waiting list for Senior Care Act services generally ranges from about 150 to 225 persons.

The Committee reviewed this item, but took no action.

H. Assistive Technology Grant (House Committee and Senate Committee). The House Committee and Senate Committee recommended a review at Omnibus of the addition of $125,000, all from the State General Fund, in FY 2009 for the United Cerebral Palsy of Kansas assistive technology initiative.

United Cerebral Palsy of Kansas/Cerebral Palsy Research Foundation of Kansas requested funding of $125,000, all from the State General Fund, from the Department on Aging. United Cerebral Palsy of Kansas indicated it would be able to leverage this funding with additional private funds. Testimony noted that these funds would allow United Cerebral Palsy of Kansas to expand its services specifically targeted for the aging population, including funding for power mobility, home modifications, lift chairs, and other technology to assist in maintaining independence.

Senator Schodorf moved, with a second by Senator V. Schmidt, to concur with $125,000 all from the State General Fund in FY 2009 for the assistive technology grant. Motion carried on voice vote.

I. Home and Community Based Services for the Frail Elderly Waiver Services (House Committee). The House Committee recommended review at Omnibus of the entire amount of funding requested by the agency for the HCBS/FE waiver to expand attendant care services and begin providing companion services. The agency's original request was for $5,929,258, including $2,414,394 from the State General Fund, in FY 2009 to expand services for the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver. This amount included $581,758, including $236,892 from the State General Fund, to increase attendant care services from eight to twelve hours of attendant care in the community, from eight hours. Additionally, the agency request included $5,347,500, including $2,177,502 from the State General Fund, to include companion services, the provision of non-medical assistance, observation, supervision, and socialization to functionally and/or cognitively impaired adults.

The Governor recommended the addition of $2,495,000, including $1.0 million from the State General Fund, in FY 2009. This recommendation included $581,758, including $236,892 from the State General Fund, to expand attendant care to twelve hours a day, and the remainder to begin providing companion services.

The Senate Committee concurred with the Governor's recommendation to include funding of $2,495,000, including $1.0 million, from the State General Fund. The Conference Committee on SB 534 included funding of $2,495,000, including funding of $750,000 from the State General Fund, in FY 2009.

The Committee reviewed this item, but took no action.

J. Funding for Health Surveyor Positions (House Committee). The Governor recommended the addition of $312,008, including $200,871 from the State Licensure Fee Fund and $111,137 from federal funds, to fund an additional 4.78 health facility surveyor positions, including salaries and travel, in FY 2009.

The Senate Committee concurred with the Governor's recommendation. The House Committee deleted the funding for review at Omnibus. The Conference Committee on SB 534 funded the positions from within existing special revenue funds.

The Committee reviewed this item, but took no action.

K. Funding to Maintain Compliance with Federal Centers for Medicare and Medicaid Services (House Committee). The Governor recommended the addition of $361,370, including $232,650 from the State General Fund, in FY 2009 to maintain the current nursing facility survey levels, in order to stay in compliance with the contract with the federal Centers for Medicare and Medicaid Services.

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The Senate Committee concurred with the Governor's recommendation to include the funding. The House Committee deleted the funding for review at Omnibus. The Conference Committee on **SB 534** deleted the State General Fund portion and allowed all the funding from special revenue funds.

The Committee reviewed this item, but took no action.

L. Grants for the Kansas Foundation for Medical Care, Inc. (House Committee and Conference Committee). The House Committee recommended a review at Omnibus of the proposal from the Kansas Foundation for Medical Care, Inc., to continue funding for two grant programs at the Department on Aging to be operated by the Foundation for a total of $391,979, all from the State General Fund, in FY 2009.

These grants would include:

- $224,640 for Community Collaboratives which would develop and facilitate community collaborative/coalitions focused on healthcare quality improvement through increased continuity and coordination of care; and
- $167,339 for an individualized nursing home technical assistance program to operate in select nursing facilities on a voluntary basis to improve the quality of care.

The 2007 Legislature funded these grants at $356,344, all from the State General Fund, for FY 2008. The current request would fund the grants for a second year with a 10.0 percent increase in funding.

The Senate Committee included the funding for this item. The Conference Committee on **SB 534** concurred with the House Committee and did not fund this item but recommended review at Omnibus.

The Committee reviewed this item, but took no action.

M. Protected Income Level (Senate Committee). The Senate Committee recommended a review the appropriate amount for the protected income level for individuals receiving services from the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver and consideration of the additional funding required to increase the protected income level to that level during Omnibus and added $326,964, including $131,047 from the State General Fund, to increase the protected income level for individuals receiving services from the Home and Community Based Services for the Frail Elderly waiver from $716 to $727 per month.

The Conference Committee on **SB 534** concurred with the Senate Committee recommendation and added the funding.

The Senate Committee recommended a review of the addition of $309,888, including $124,203 from the State General Fund, to further increase the protected income level from $727 to $738 per month.

The protected income level for individuals receiving services from a home and community based services waiver was originally tied to the poverty level. The 2008 federal poverty level for a single person is $867 per month. The cost to increase the protected income level to $867 per month is $3,454,128, including $1,384,415 from the State General Fund in FY 2009.

Senator V. Schmidt moved, with a second by Senator Goodwin, to add $131,047 from the State General Fund in FY 2009 to increase the protected income level. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Schodorf, to reconsider the action that was taken on Item M. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Goodwin, to add $124,203 from the State General Fund and $309,888 All Funds in FY 2009. Motion carried on a voice vote.

N. Spring Consensus Caseload Estimates and GBA No. 1, Item 11, Page 6. The FY 2008 Spring Consensus Caseload Estimate for nursing facilities is an increase of $3.0 million, including $1,211,000 from the State General Fund. The change reflects a higher than anticipated number of individuals being served.

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The FY 2009 Spring Consensus Caseload Estimate for nursing facilities is an increase of $5.0 million, including $2,004,000 from the State General Fund. The change reflects higher than anticipated number of individuals being served.

These items are included in the Spring Consensus Caseload Item under the Department of Social and Rehabilitation Services, Item X.

This item was taken care of earlier.

O. GBA No. 1, Item 16, Page 9—Transfer of Hospital Long-Term Care Survey and Certification Unit.

Senator Kelly moved, with a second by Senator Wysong, to remove four vehicles from the GBA No. 1, Item 16. Senator Kelly withdrew her motion, with the consent of Senator Wysong, the second to the motion.

Staff clarified that GBA No. 1, Item 16, had already been addressed under Kansas Department of Health and Environment discussion.

Nursing Facilities Re-Opening in SE Kansas - New Item (Attachment 28)

Senator Schodorf moved, with a second by Senator Teichman, to adopt the proposed wording in the attachment that was prepared by Jim Wilson, First Assistant Revisor of Statutes, regarding nursing facilities re-opening in SE Kansas. Motion carried on a voice vote.

Kansas Health Policy Authority

A. Internet Drug Discount Card (House Committee and Senate Committee). The House Committee and Senate Committee received testimony during the budget process regarding the Kansas Drug Card. The Committees requested that the agency review the value and merits of the card and requested that the agency assess the viability of distribution to Kansas health consumers for review at Omnibus.

The agency indicated that the Kansas Drug Card is a discount prescription drug card sponsored by pharmaceutical companies. The agency noted that it is not a pharmaceutical insurance plan but a discount card. The consumer is able to download a card for every family member from the Internet and presents the card to the pharmacy at the same time they present their prescription. The drug card website includes a medication look up feature which gives the consumer an estimate of the cost of the medication using the discount card. This price may not be the actual price of the medication at the participating pharmacy.

The percentage discount the consumer would receive from using the card is dependant upon the medication purchased, which complicates the use of the card. The discounts for generic drugs are usually higher than those for brand-name drugs. Even with the discount, brand-name drugs may be too expensive for uninsured or underinsured consumers to purchase. For example, a brand-name drug that costs $100 without the card may cost $90 with the 10 percent discount available through the discount card. The discounted price of $90 may still be too expensive for an uninsured person and may be a higher price than the same person could obtain through a variety of alternatives.

The website claims discounts as great as 75.0 percent. While some discounts can be significant, others may be minimal and may not rival, for example, the low-cost generics that many chains now offer consumers. Many of the larger chain pharmacies are offering generic medications at $4 or less.

Because of this practice, pharmacies throughout the state have seen a decrease in the use of discount cards. The Kansas Health Policy Authority recommends that consumers without prescription drug coverage purchase their medications through the most cost-effective method, whether that is a generic discount program, a discount card, a federal buying program available at a local health clinic, or a manufacturer pharmacy assistance program.

The agency indicated that the Kansas Drug Card link is not provided on the Kansas Health Policy Authority website, the agency has posted the link on the consumer site "Kansas Health Online" which provides multiple links to several sites.

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The Committee reviewed this item, but took no action.

B. Enhanced Care Management Pilot Program (House Committee and Conference Committee). The Governor recommended the addition of $100,000, including $50,000 from the State General Fund, to continue the enhanced care management pilot program in Sedgwick County in FY 2009. The House Committee, through a floor amendment, and the Conference Committee on **SB 534** deleted the funding for review at Omnibus.

Funding for the enhanced care management project includes the cost to fund an additional year of the Sedgwick County pilot program and the evaluation of the program for possible statewide implementation. The enhanced care management project identifies and provides enhanced administrative and health care services to HealthConnect Kansas members in Sedgwick County who suffer from multiple chronic health conditions and are likely to have high health care costs in the future. Eligible Medicaid beneficiaries are invited to receive services, but participation in the program is strictly voluntary. The pilot project began in March 2006 when the agency contracted with a non-profit community health organization to administer the program. The population served by this program is Medicaid recipients and is typically comprised of Social Security Income (SSI) recipients and excludes persons who are dually eligible for both Medicaid and Medicare, participating in a Home and Community Based Services waiver, reside in a Long Term Care facility, or are a participant in one of the two capitated managed care organizations.

Senator V. Schmidt moved, with a second by Senator McGinn, to authorize $50,000 from the State General Fund in FY 2009 for the enhanced care management pilot program in Sedgwick County. Motion carried on a voice vote.

C. Funding for the Health Information Technology Commission (House Committee and Senate Committee). The Governor recommended the addition of $450,000, all from the State General Fund, in FY 2009 to implement the recommendations of the Health Information Technology Commission. The House Committee and Senate Committee deleted the funding for review at Omnibus.

According to the agency, the $450,000 would be spent as follows: $150,000 for Health Information Technology (HIT)/Health Information Exchange (HIE) staff at the Kansas Health Policy Authority, including administrative support; $50,000 for the Community Health Record expansion of 20 sites in Sedgwick County; and $250,000 for the Resource Center contract.

On August 31, 2007, the Kansas Health Information Exchange Commission delivered a report to the Governor providing recommendations for building infrastructure in Kansas to support health information exchange. One of the key elements of the Commission's recommendations was the establishment of a Resource Center to provide financial and non-financial resources to health information exchanges across the state. Stakeholders participating in the formulation of these recommendations emphasized the importance of fostering health information exchange at the local level and noted that health information exchange development needs differed between entities that were in the planning stage and those who were actually implementing health information exchange.

According to the agency, the Resource Center would give providers beginning the planning phase of health information technology or health information exchange implementation needed tools, guidelines and subject matter expertise in the clinical, technical, financial and governance aspects of health information exchange. Those providers engaged in implementation are in need of guidance on how the system communicates and exchanges information and financial sustainability, direction on how to address privacy and security issues, contracting requirements, and education. Regardless of the providers' phase of implementation, success requires on-going resources, mechanisms to ensure coordination and communication among local HIE initiatives, and facilitation in the adoption of health information technology. In addition to the support targeted to providers, the Resource Center would provide education to consumers, providers, employers, and various other stakeholders.

The scope of work assigned to the Resource Center would be delineated by the agency's E-Health Information Advisory Council with endorsement of the Kansas Health Policy Authority Board and the Governor. An request for proposal would be issued to select the appropriate vendor to complete the Resource Center scope of work.

Senator Steineger moved, with a second by Senator Taddiken, to take no action on this item. Senator Steineger withdrew his motion, with the consent of Senator Taddiken, the second to the motion.

Senator Steineger moved, with a second by Senator Taddiken, to authorize $50,000 from the

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State General Fund in FY 2009 for the expansion of community health records in Sedgwick County. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Goodwin, to add $450,000 State General Fund in FY 2009 to implement the recommendation of the Health Information Technology Commission and report back to the House Appropriations Committee and Senate Ways and Means Committee in the 2009 Legislative Session. Motion carried on a voice vote.

D. MediKan Preferred Drug Formulary (House Committee and Senate Committee) and GBA No. 1, Item 14, Page 8. In its budget submission in the fall 2007, the agency submitted the creation of a preferred drug list for the MediKan program as a reduced resources option. The agency indicated that this creation would result in savings of $7,921,000, all from the State General Fund in FY 2009. The reduction was then recommended by the Governor. The agency indicated that upon further review, their submission was incorrect.

The Senate Committee recommended the addition of $6.6 million, all from the State General Fund, and recommended that the exclusion of mental health drugs from the preferred drug formulary be reviewed at Omnibus. In addition, the Senate Committee requested that the agency and the Community Mental Health Centers (CMHCs) work toward a compromise regarding exclusion of certain mental health drugs in the preferred drug formulary.

The House Committee concurred with the Governor's recommendation to delete funding of $7,921,000, all from the State General Fund, for review at Omnibus. The Conference Committee on **SB 534** concurred with the House to delete the funding with review at Omnibus.

The agency indicated that its revised estimate for savings from the implementation of a preferred drug list is $1.3 million, all from the State General Fund. The agency now indicates that it already utilizes the preferred drug list developed for Medicaid in the MediKan program. The agency further controls the cost of pharmaceuticals in the MediKan program by limiting the new brand-name drugs that are available through this benefit plan. In the past, the state has not actively managed mental health drugs in the MediKan program. In FY 2007, total expenditures for pharmaceuticals through the MediKan program were $7.954 million, and expenditures for mental health drugs were $4.152 million.

For calendar year 2007 in the MediKan program, the agency spent $6.95 million in total, of which $3.6 million was for mental health drugs ($2.69 million for antipsychotics and $820,000 for antidepressants). For the MediKan program, 71.0 percent of prescriptions were written for drugs in classes that have not been reviewed for the preferred drug list, 28.0 percent are for preferred (mostly brand-name) drugs, and 1.0 percent are for non-preferred drugs.

In order to realize a cost-savings in MediKan, the percentage of prescriptions written for preferred drugs would need to increase. Savings would come from the process of reviewing more classes of drugs for the preferred drug list and negotiating with pharmaceutical companies for additional supplemental rebates for MediKan drugs.

In order to decrease the budget by the projected $1.3 million, the agency indicated that it would have to actively manage the mental health as well as non-mental health medications. The agency proposes to manage these drugs with the assistance of a separate preferred drug list advisory committee and Drug Utilization Review board made up of mental health professionals. The use of an automated prior authorization system (see Item J) should provide approval for mental health drugs on prior authorization at the point of sale and significantly decrease the time it takes for beneficiaries to receive their medication. Delays in the dispensing process have been a key concern in the potential application of prior authorization to mental health medications.

The agency indicated that representatives met with concerned stakeholders regarding the proposed MediKan PDL. According to the agency, stakeholders continue to have concerns about implementing a PDL for mental health drugs. If such a policy were to be implemented, however, the KHPA indicated it would work closely with the stakeholders to ensure minimum disruption for vulnerable consumers and providers. Having both an automated PDL system as well as a mental health advisory committee to recommend which pharmaceuticals would be placed on a PDL are two possible methods that agency could use to protect consumers.

Senator V. Schmidt moved, with a second by Senator Umbarger, to restore 100 percent of the funding $7,921,000 in FY 2009 from the State General Fund but not approve a preferred drug list until a pharmacist is on-board with Kansas Health Policy Authority. Motion carried on a voice vote.

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E. Integrated Eligibility and Enrollment System (House Committee and Senate Committee). The Governor recommended the addition of $8.0 million, including $4.0 million from the State General Fund, in FY 2009 for an integrated eligibility and enrollment system for Medicaid, HealthWave, Premium Assistance, and the State Employees Health Benefits Plan. The system would be web-based and completed in coordination with the Department of Social and Rehabilitation Services. The estimate for the first phase of this system is estimated to cost $22.0 million to $31.0 million over a three-year time period for development and implementation.

Both the House Committee and Senate Committees deleted funding for this item for review at Omnibus.

Currently the Kansas Health Policy Authority uses two systems that are maintained by separate agencies, the eligibility system maintained by Social and Rehabilitation Services and the employee enrollment system maintained by the Department of Administration. The system is 20-years old, designed to manage the state's welfare programs and no longer meets the needs of either agency.

This information technology project, which has been named the "Avenues" program and would begin the replacement of an antiquated computer system that relies on mainframe technology are requires time consuming edits to account for changing state and federal requirements. The agency has indicated that this method is inefficient and error prone. The new system would allow the flexibility to add new programs or requirements easily and the ability to better monitor the enrollment process. The new system will serve an estimated 388,000 individuals and families who are eligible for federal or state medical programs and uninsured in Kansas. In addition, an estimated 280,000 individuals and families who are eligible for means tested federal or state assistance programs would be served.

The Committee reviewed this item, but took no action.

F. Funding for HealthWave and Medical Assistance from the Children's Initiatives Fund (House Committee). The Governor's recommendation for FY 2009 included the replacement of $5.0 million in total Children's Initiatives Fund, including $3.0 million in Medicaid and $2.0 million in HealthWave, with State General Fund moneys. The *Governor's Budget Report* explains the shift as part of an realignment of the priorities of the Children's Cabinet.

The House Committee concurred with the Governor's recommendation with review at Omnibus. The Senate Committee shifted the $5.0 million in expenditures back to the Children's Initiatives Fund. The Conference Committee on **SB 534** concurred with the Senate Committee recommendation and shifted $5.0 million back to the Children's Initiatives Fund.

The Committee reviewed this item, but took no action.

G. Review of Fee Fund Shift (House Committee). The Governor's recommendation for FY 2008 replaced $15.0 million in State General Fund expenditures for the Medicaid program with funds from the Medical Programs Fee Fund. The Medical Programs Fee Fund includes revenues from drug rebate payments, settlements, collections from estates, and recoveries from prior Medicaid expenditures. The revenues in the Medical Programs Fee Fund average between $34.0 million and $38.0 million annually. The Governor's recommendation utilized $15.0 million in unexpected revenue available for use in the fee fund that was not included in the FY 2008 budget approved by the 2007 Legislature. The unexpected revenue came from a settlement of expenditures that was not included in federal reports. This was a one time source of funding that was collected and will not continue in the ongoing revenue stream. The Governor's recommendation for FY 2009 returned the fee fund expenditures to the historic level.

The Committee reviewed this item, but took no action.

H. Agency Performance Measures (Senate Committee). The Senate Committee noted the agency did not include any performance measures in its budget submission. The Senate Committee requested that the agency report on the creation of relevant performance measures.

The agency submitted priorities and performance measures, including three goals and 16 associated performance measures.

Agency Goal 1: To improve consumer communication and provide data rich information in order to improve health and public policy in Kansas.

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Agency Goal 2: To strengthen and improve leadership and organizational development within the agency.

Agency Goal 3: To successfully implement new initiatives and programs, while consistently improving ongoing programs/initiatives

The Kansas Health Policy Authority provided information in regard to their Priorities and Performance Measures (Attachment 29).

The Committee reviewed this item, but took no action.

I. Premium Assistance Funding (House Committee and Senate Committee). The Governor recommended the addition of $11.0 million, including $4.5 million from the State General Fund, in FY 2009 for the implementation of premium assistance as authorized in 2007 SB 11 for low income families. Premium assistance would be available for qualified families beginning in January 2009. Implementation will require contract amendments for eligibility determination and enrollment in health plans, and funding for the assistance provided to families. The Governor's recommendation included the addition of $10.0 million, including $4.0 million from the State General Fund, for premium assistance aid for families, and $1.0 million, including $518,750 from the State General Fund, and 3.0 FTE positions for administration of the program.

The House Committee and Senate Committee deleted the funding for review at Omnibus.

Senator Wysong moved, with a second by Senator Emler, to take no action on Item I and recapture the $594,688 State General Fund dollars. Motion carried on a voice vote.

J. Automated Prior Authorization System Funding (House Committee and Senate Committee). The Governor recommended the addition of $825,000, including $206,250 from the State General Fund, for an automated Medicaid prescription drug authorization system. The current manual system requires a review by a trained health provider before the drug is authorized. Both the House Committee and Senate Committee deleted funding for this item for review at Omnibus.

The Kansas Medicaid Program currently operates a manual prior authorization system for pharmaceutical expenditures, which requires a review of certain prescription drugs by a trained health provider before the expenditure can be authorized. Currently, all prior authorization requests are submitted by mail or fax, and then simple requests are reviewed by nurses. A pharmacist reviews all other requests. There are approximately 6,000 prior authorization requests that submitted each year, and about 80.0 percent of the requests are approved.

The agency has indicated that the cost savings from an automated prior authorization system would depend upon the number of drug classes that can be reviewed and added to the preferred drug list and the speed with which those reviews occur. After the automated prior authorization system becomes operational, the prior authorization criteria would be entered into the system. The pharmacist then submits a claim through the system at the point of sale. The system would use the information from the claim to determine whether the prior authorization criteria are met. If so, the system will automatically generate a prior approval and the claim would be paid. If not, the claim is denied and the pharmacist or medical provider would need to call the prior authorization unit to provide additional clinical data to support the prior authorization, i.e., the prior authorization request reverts to the existing, non-automated procedure.

An annual savings of $5.0 million, from all funding sources, is estimated in three to four years. These savings take into account the current activity in operating the state's preferred drug list, as well as the delays in implementation due to the regulatory process for adopting prior authorization criteria. The projected savings were developed by estimating the shift that would occur in prescribing from branded drugs not on the preferred drug list to preferred brand-name drugs once the number of drug classes on the preferred drug list were increased.

Senator V. Schmidt moved, with a second by Senator Kelly, to authorize the $206,250 from the State General Fund and authorize the automated prior authorization system funding. Motion carried on a voice vote.

K. Senate Bill 412—Medicaid Eligibility Requirements (Law). SB 412 amends current law regarding eligibility criteria for medical assistance for trust beneficiaries. The fiscal note on the bill indicated that the Kansas Health Policy Authority stated that passage of the bill could increase the number of individuals who qualify for Medicaid assistance. This could increase Medical Assistance expenditures by $751,800, including $310,800 from the State General Fund in FY 2009.

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This estimate equates to approximately 15 to 20 people becoming eligible for Medicaid who would not have otherwise received Medicaid benefits.

The Committee reviewed this item, but took no action.

L. House Sub. for Senate Bill 81—Heath Reform (Conference Committee). House Sub. for SB 81 would enact the Health Care Reform Act of 2008 and would make amendments to several health and insurance statutes.

The following table summarizes items that were either recommended FY 2009 State General Fund appropriations (*subject to appropriations*) or FY 2009 funding priorities discussed as part of the Conference Committee consideration of **House Sub. for SB 81**. The Committee recommended that the items considered be forwarded to the Appropriations Committees for further discussion. As of April 4, 2008, the Conference Committee had not reached an agreement on the bill; at its last meeting, an agree to disagree was requested but the chambers have not taken action on this report.

The table represents the appropriations specified in the bills considered and other positions offered during the Conference Committee proceedings. Other provisions requiring appropriations, but not specified as a line item recommendation, are not discussed in this table and instead, are briefly discussed following the table.

**This table includes recommended FY 2009 State General Fund appropriations and funding priorities considered by the House Sub. for SB 81 conferees.*

House Position	Senate Position
From House Sub. for SB 81 (HCOW version): – The bill would make State General Fund appropriations, subject to appropriations, for the following: **KHPA:** - Providing funding for **premium assistance for families at or under 50 percent FPL** and will include access to a state procured plan, health opportunity accounts, and employer-provided insurance ($4.0 million) - Providing **dental care coverage for pregnant women** ($545,833); - Increasing **access to care program for outreach to increase enrollment of children** in Medicaid and HealthWave, with priority to work through the rural and safety net clinics ($550,000); - **Expansion of Medicaid eligibility and tobacco cessation services for pregnant women**, increase from 150 percent to 200 percent FPL ($460,000); and - Implementing the statewide **Community Health Record** ($383,600). (New Section 21) **KDHE:** - **Expanding cancer screenings** for colon, breast, cervical, and prostate cancer to be used in conjunction with, but not limited to, rural health clinics and safety net clinics ($4.0 million). (New Section 22)	From SB 541 (SCOW version): – No funding recommendations are contained in the Senate Bill.
Other offers made by the House conferees (specific to financing recommendations):	Other offers made by the Senate Conferees (specific to financing recommendations):
WCGME: Legislative Request for FY 2009: – New funds to meet ACGME requirements: $4,600,000 – Funds for educational leave, off-site rotations: $1,700,000 *Amended* House position: add $3.3 million SGF to address the total shortfall of income vs. expenses. New Request: $9.6 million SGF; or $8.6 million, assuming Appropriations process approval of $1.0 million recommended by the Governor for FY 2009.	**Sub. for SB 697 recommendations:** Appropriations for FY 2009 (specific recommendations, funding priorities): – **Safety Net Clinics** ($2.5 million), which would include: - Increased funding to clinics for provision of direct care: $1,645,000 - Workforce development: $75,000 - Capital financing: $700,000 - Non-federal clinic technical assistance: $80,000

Cancer screenings: – Remove the $4.0 million for these screenings, and instead add $2.5 million for safety net clinics. (This action is not reflected in the estimate reported below).	**Sub. for SB 697 recommendations:** Appropriations for FY 2009 (specific recommendations, funding priorities): **Web-based enrollment** for children eligible for Medicaid: $250,000 **Dental care for pregnant women**: $550,000 **Statewide community health record**: $384,000 **Outreach program for children** eligible for Medicaid: $550,000

Other Items With Known Fiscal Impact for FY 2009, **House Sub. for SB 81** and other House positions: State Employees Health Care Benefits Program (HSA contribution equal to other benefit plans); and programs transfer from Department of Commerce. The original estimate for these items totaled approximately $671,000 from the State General Fund.

If the items discussed in the table and above paragraph were recommended, the total estimated FY 2009 State General Fund impact would be $19.2 million.

Other Items With Known Fiscal Impact for FY 2009, Senate positions: State Children's Health Insurance Expansion, as presented in SB 541 (SCOW version); and the Small Business Wellness Grant Program. The original estimate for these items totaled approximately $1,315,000 from the State General.

If the items discussed in the table and above paragraph were recommended, the total estimated FY 2009 State General Fund impact would be $5.6 million.

The Committee reviewed this item, but took no action.

M. Spring Consensus Caseload Estimates and GBA No. 1, Item 11 Page 6. The FY 2008 Spring Consensus Caseload Estimate for the Regular Medical Program is an increase of $17.0 million, including $14.0 million from the State General Fund. The increase is generally tied to increased estimates of the number of beneficiaries and the cost per person. As a result of new federal citizenship verification requirements implemented July 1, 2006, an estimated 18,000 beneficiaries lost benefits. Many of these beneficiaries have met the verification requirements and are returning to the program. The increase in the required amount of State General Fund is largely due to replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures.

The FY 2009 Spring Consensus Caseload Estimate for the Regular Medical program is an increase of $24,721,000, including $7,921,000 from the State General Fund. The KHPA Regular Medical increase again is tied to increased estimates of beneficiaries. The estimate again includes replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures. Also included in FY 2009 is an increase in payments to Children's Mercy Hospital to replace lost disproportionate share payments that resulted from a change in the payment methodology. The estimate does not include replacement of the $7.9 million reduction that was included in the *Governor's Budget Report* for implementing a preferred drug list in the MediKan Program. After the Governor released her budget, the agency adjusted its estimate for savings that could be realized from that policy change. (More information on the preferred drug list is available in Item D). Increases in programs other that Regular Medical can be attributed to increases in the number of persons served and increases in the cost of services.

The estimate does not include replacement of the $7.9 million reduction that was included in the *Governor's Budget Report* for implementing a preferred drug list in the MediKan Program. After the Governor presented her budget to the Legislature, the agency changed its estimate for savings that could be realized from that policy change.

More information on the Spring Consensus Caseload Estimates is included under the Department of Social and Rehabilitation Services Item X.

This was taken care of earlier.

N. GBA No. 1, Item 15, Page 9 – Office of Inspector General.

The Committee did not concur with GBA No. 1, Item 15.

All Agencies: Disaster Assistance Funding (Senate Committee).

The Senate Committee requested additional information regarding disaster assistance funding provided by state agencies. The following chart contains funding by the agencies, and are a listing of actual and estimated expenditures and total: $81.6 million, including $10.5 million from the State General Fund, in FY 2007; $287.3 million, including $35.2 million from the State General Fund, in FY 2008; and $292.3 million, including $39.0 million from the State General Fund, in FY 2009.

	FY 2007		FY 2008		FY 2009	
Agency/Disaster	**SGF**	**All Funds**	**SGF**	**All Funds**	**SGF**	**All Funds**
KDOT						
New Years Eve Storm (Expenditures reimbursed by FEMA)	$ --	$ 333,000	$ --	$ --	$ --	$ --
Flooding Projects (Includes labor, materials, equipment, and other expenditures)	--	833,607	--	--	--	--
Greensburg Tornado (Includes labor, materials, equipment, and other expenditures)	--	1,265,194	--	524,707	--	--
December 2007 Ice Storm Activities Expenditures (The agency states that these expenditures should be fully reimbursable under the disaster declaration from Dec. 6 to 19 in 60 counties. The total amount of expenditures for this operation are not yet fully known.)	--	--	--	--	--	--
TOTAL	**$ --**	**$ 2,431,801**	**$ --**	**$ 524,707**	**$ --**	**$ --**
Animal Heath Department (State General Fund, and FEMA Reimbursement)						
Greensburg Tornado	$ --	$ --	$ 129,011	$ 129,011	$ --	$ --
TOTAL	$ --	$ --	$ 129,011	$ 129,011	$ --	$ --
Department on Aging (Federal Funds - Older Americans Act)						
December 2006 Ice Storm	$ --	$ 32,267	$ -	$ -	$ --	$ --
Greensburg Tornado	--	20,000	-	-	--	--
Southeast Kansas Flood	--	--	--	5,000	--	--
Greensburg Tornado	-	-	-	25,000	--	--
TOTAL	**$ -**	**$ 52,267**	**$ -**	**$ 30,000**	**$ --**	**$ --**
Department of Commerce						
EDIF	$ -	$ 50,000	$ --	$ --	$ --	$ --
Special Revenue Funds	--	--	--	70,000	--	--
Federal Funds						
Greensburg Tornado (National Emergency Grant)	--	44,094	--	11,955,906	--	--
Southeast Kansas Flood	--	--	--	5,000,000	--	--
Community Development Block Grant	--	--	--	4,423,918	--	--
TOTAL	**$ --**	**$ 94,094**	**$ --**	**$ 21,449,824**	**$ --**	**$ --**
Kansas Bureau of Investigation						
Greensburg Tornado (Overtime, mileage, and lodging)	$ 10,101	$ 10,101	$ --	$ --	$ --	$ --
TOTAL	**$ 10,101**	**$ 10,101**	**$ --**	**$ --**	**$ --**	**$ --**
Fire Marshal						
Greensburg Tornado	$ --	$ 47,704	$ --	$ --	$ --	$ --
Southeast Kansas Flood	--	24,948	--	--	--	--
TOTAL	$ --	$ 72,652	$ --	$ --	$ --	$ --

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SRS Disaster Relief Expenditures

Program/Disaster	FY 2007 SGF	FY 2007 All Funds	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Adult Protective Services						
Greensburg Tornado	$ --	$ --	$ 72,000	$ 72,000	$ --	$ --
Child Care Start-Up Grants						
Greensburg Tornado	--	--	--	10,000	--	--
Southeast Kansas Flooding	--	--	--	10,000	--	--
Child Welfare Family Services						
Greensburg Tornado and Southeast Kansas Flooding	--	--	100,000	100,000	--	--
FEMA Crisis Counseling Immediate Services						
Greensburg Tornado	--	100,000	--	260,178	--	--
Southeast Kansas Flooding	--	--	--	288,464	--	--
FEMA Crisis Counseling Regular Services						
Greensburg Tornado	--	--	--	628,606	--	--
Southeast Kansas Flooding	--	--	--	1,323,970	--	--
Total	**$ --**	**$ 100,000**	**$ 172,000**	**$ 2,693,218**	**$ --**	**$ --**

ISD Disaster Relief -- Assistance Not Included in the SRS Budget

Program/Disaster	FY 2007 SGF	FY 2007 All Funds	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Food Stamp Assistance						
Greensburg Tornado [1]	$ --	$ --	$ --	$ 109,575	$ --	$ --
Southeast Kansas Flooding [2],[3]	--	--	--	291,961	--	--
Commodities Food Assistance						
December 2007 Ice Storm [4]	--	--	--	65	--	--
Total	**$ --**	**$ --**	**$ --**	**$ 401,601**	**$ --**	**$ --**
Grand Total	**$ --**	**$ 100,000**	**$ 172,000**	**$ 3,094,819**	**$ --**	**$ --**

Footnotes

1. 326 households and 777 persons
2. 736 households and 1,836 persons
3. The issuance period was 6/26/2007 to 8/02/2007. Detail is not available by fiscal year.
4. 77.62 pounds donated to Red Cross in Cherokee County.

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Adjutant General Disaster Response
State Funding

	FY 2007		FY 2008		FY 2009	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
Expenditures						
Disasters Prior to Jan. 7, 2007	$ 6,449,984	$ 48,374,880	$ 5,274,693	$ 39,560,198	$ 326,488	$ 2,448,660
January 7, 2007 Western Kansas Winter Storm	3,227,638	24,207,285	11,846,354	88,847,655	9,322,056	69,915,420
May 6, 2007 Greensburg Tornado & Floods	225,541	1,691,558	7,583,826	56,878,695	500,000	3,750,000
July 2, 2007 Southeast Kansas Flooding	--	--	2,161,347	16,210,103	500,000	3,750,000
December 2007 Winter Storm	--	--	1,655,600	12,417,000	1,402,000	10,515,000
Direct Federal Assistance	--	--	1,542,444	11,568,330	--	--
Emergency Operations Center Tasks	6,063	45,473	183,431	1,375,733	--	--
Emergency State Active Duty	402,767	3,020,753	133,326	999,945	--	--
SAD & KDEM Management Costs	203,376	1,525,320	585,775	4,393,313	170,000	1,275,000
Individual Assistance	--	--	1,105,725	8,292,938	--	--
TOTAL	**$ 10,515,369**	**$ 78,865,268**	**$ 32,072,521**	**$ 240,543,908**	**$ 12,220,544**	**$ 91,654,080**
State Appropriated Funds						
Reappropriation from Prior Year	$ 35,320	$ 264,900	$ 8,333,229	$ 62,499,218	$ --	$ --
Legislative Appropriated	11,357,240	85,179,300	11,627,346	87,205,095	--	--
Dec 4, 2006 Finance Council Disaster Relief	2,456,038	18,420,285	--	--	--	--
June 6, 2007 Finance Council Greensburg Business Assistance	5,000,000	37,500,000	--	--	--	--
Dec. 10, 2007 Finance Council Disaster Matching Funds	--	--	4,118,580	30,889,350	--	--
Governor's Budget Recommendation	--	--	768,683	5,765,123	12,040,435	90,303,263
House Recommendation	--	--	10,098,317	75,737,378	26,934,000	202,005,000
Unspent Funds to Reappropriate	(8,333,229)	(62,499,218)	--	--	--	--
TOTAL	**$ 10,515,369**	**$ 78,865,268**	**$ 35,000,000**	**$ 262,096,163**	**$ 38,974,435**	**$ 292,308,263**
Difference Between Expenditures and Appropriated	$ --	$ --	$ 2,873,634	$ 21,552,255	$ 26,753,891	$ 200,654,183
Total Actual and Estimated Expenditures	**$ 10,525,470**	**$ 81,626,182**	**$ 35,247,166**	**$ 287,324,524**	**$ 38,974,435**	**$ 292,308,263**

Governmental Ethics Commission - New Item

A letter was distributed from Carol Williams, Governmental Ethics Commission, requesting the establishment of an additional fee fund for the Commission in the megabill that is currently being worked by Senate Ways and Means Committee (Attachment 30). The fee fund is needed to handle the revenue and expenditures for a conference to be held later on in 2008 and it is needed to increase the expenditure level.

Senator V. Schmidt moved, with a second by Senator Emler, to accept the request from the Governmental Ethics Commission to increase the expenditure level. Motion carried on a voice vote.

Children's Initiatives Fund - Staff

Senator Kelly moved, with a second by Senator Wysong, to shift approximately $3.5 million from the State General Fund, Infants and Toddlers Program (Tiny K), to the Children's Initiatives Fund (CIF); and added approximately $1.0 million in new funding for Tiny-K; funded

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approximately $11.1 million for the Early Childhood Block Grants, Kansas Department of Social and Rehabilitation Services; and shift approximately $1.8 million from the State General Fund to Children's Initiatives Fund for Early Head Start. Motion carried on a voice vote.

School for the Deaf - New Item

Senator Emler moved, with a second by Senator V. Schmidt, to add $5,000 in FY 2008 and $20,000 in FY 2009 all from the State General Fund for supervision on the weekends at the School for the Deaf. Motion carried on a voice vote.

Committee Deliberations:

Staff distributed copies of the status of the Committee decisions on the Senate Omnibus Appropriations Bill (Reflects Senate Omnibus Adjustments for FY 2008, FY 2009, FY 2010, FY 2011 and FY 2012). (Attachment 31). Codes are: N = non conferencible, C = conferencible.

Chairman Umbarger proposed the following amendments as follows:

Department of Administration
Item 5 - Regarding continue funding implementation of the Financial Management System Project - Suggestion to fund at $2.1 million.

Department of Administration
Item 8 - Regarding equipment grants to individual TV stations for digital conversion costs - Suggestion that the loan through Pooled Money Investment Board up to ten years.

Health Policy Authority
Item 3 - GBA No. 1, Item 14, concerning the MediKan Preferred Drug Formulary - Suggestion to put back to $6.6 million.

Department of Social and Rehabilitation Services
Item 4 - concerning home and community based service waivers - Suggestion to cut in half.

University of Kansas
Item 1 - concerning bonding authority for the School of Pharmacy - Suggestion to put in $50 million bond authority.

Board of Regents
Item 4 - concerning Postsecondary Aid for Vocational Education in FY 2009 - Suggestion that the Regents fund out of block grant.

Kansas Bureau of Investigation
Item 1 - concerning the Kansas Criminal Justice Information System - Suggestion to cut funding in half.

Department of Corrections
Item 3 concerning replacement vehicles - Suggestion to cut in half.

Disaster Relief (Attachment 32).
Suggestion to take out the money because it would be a number of years before the money would be needed.

Committee discussion followed.

Senator V. Schmidt moved, with a second by Senator Teichman to go back to the original amount in Item No. 3 under the Kansas Health Policy Authority and not do the amendment and wording to prevent implementation of a drug formulary system. Motion carried on a voice vote.

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Senator Steineger moved, with a second by Senator Schodorf, to accept all suggested amendments listed above with the exception of Item No. 3 in the Kansas Health Policy Authority which was just done. Discussion followed.

Senator Teichman moved a substitute motion, with a second by Senator Steineger, to add language under Public Broadcasting to add language concerning bonding up to ten years with loans and Pooled Money Investment Board. Motion carried on a voice vote.

A vote was taken on the original and Senator Steineger restated his original motion (second by Senator Kelly) to adopt all suggested amendments listed above with the exception of Item No. 3 in the Kansas Health Policy Authority, but including the disaster relief. The original motion carried on a voice vote. Senator Wysong requested to be recorded as voting no on this motion.

Discussion of the Economic Development Initiatives Fund (EDIF)

Under Transfers to Other Funds:

Senator Taddiken suggested reducing to $1.0 million from $2.0 million the Kansas Qualified Biodiesel Fuel Producer Incentive and that information could be attained prior to conference committees.

Senator Wysong suggested taking out $500,000 from the Association Assistance Plan Fund; Taking out $150,000 from the Small Employer Cafeteria Plan Development Program Fund; and reduce to $1.25 million the Kansas Economic Opportunity Initiatives Fund.

Transfer $1.33 million from the State Water Plan Fund.

Senator Wysong also suggested cutting 3.0 percent across the board on Kansas Technology Enterprise Corporation, Kansas Department of Commerce, and the Kansas Board of Regents. **The Committee concurred to not do the 3.0 percent cuts**.

Senator Teichman moved, with a second by Senator Kelly, regarding the Economic Development Initiatives Fund (EDIF) transfers to other funds, reduce to approximately $1.0 million the Kansas Qualified Biodiesel Fuel Producer Incentive; reducing approximately $500,000 from the Association Assistance Plan Fund; reducing approximately $150,000 from the Small Employer Cafeteria Plan Development Program Fund; and reduce to approximately $1.25 million in the Kansas Economic Opportunity Initiatives Fund; and increase the transfer of approximately $1.0 million to the State Water Plan Fund. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Schodorf, to remove the provisions of **HB 2946**, amend the contents of the omnibus bill into **Senate Substitute for HB 2946**, allow staff to make technical corrections and recommend **Senate Substitute for HB 2946** favorable for passage. Motion carried on a roll call vote.

Senator Teichman moved, with a second by Senator Schodorf, to reconsider action taken on Item No. 5 in the Kansas Department of Administration. Motion failed on a roll call vote.

Senator V. Schmidt moved, with a second by Senator Emler, to remove the provisions of **HB 2936**, amend the provisions of **SB 650** into **Senate Substitute for HB 2936** favorable for passage. Motion carried on a roll call vote.

The meeting adjourned at 10:30 p.m. The next meeting was scheduled for April 30, 2008.

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SENATE WAYS AND MEANS
GUEST LIST

Date April 23, 2008

NAME	REPRESENTING
Julia Thomas	DOB
Elaine Frisbie	DOB
Becky Blake	DOB
Mike Hammond	AGMHCK
Scott Brunner	KHPA
Christine Campbell	Little Gov't Relations
Don Cawby	KRGC
Joe Turnbull	KWO
Mike Beam	Ks. Livestock Assn
Sheila Frahm	KACCT
Jackie Mattoon Paige	KCC
Jeff Bradshaw	KBI
Jerry Sloan	Judicial Branch
Kim Fowler	Judicial Branch
Susan Kannarr	KDHE
Austin Hayden	Hein Law Firm
Howard Smith	Pittsburg State University
Debra Brideau	Fort Hays State Univ
Val DeFever	SOE
Kyle Kessler	KVC
M. K. Hutton	HCL
Dale Dennis	KSDE
R Nitcher	

SENATE WAYS AND MEANS
GUEST LIST

Date April 23, 2008

NAME	REPRESENTING
Suzanne Wikle	KS Action for Children
Craig Kaberline	K4A
Dan Gibb	KSAG
Mary Ellen Conlee	Via Christi
[illegible]	KCC
Keith Bradshaw	JJA
[illegible] ERICKSON	KDOT
Dennis Williams	KDOC
JEREMY S BARCLAY	KDOC
Reagan Cussimanio	KHPA
Laura Howard	SCS
Mary Jane Stankiewicz	KGFA
Leslie Kaufman	Ks Coop Council
Martha Sue Smith	KMHA
Rebecca Mott	Ks Board of Tax Appeals
Callie Coco	Kearney & Associates Inc.
JOHN DOUGHERTY	ESU
Jennie Rae	KCSL
MARK BOZARTH	CAPITOL STRATEGIES
Melissa Ness	Children's Cabinet
Dalla Pulen	Children's Mercy
Stuart Little	Little Govt. Relations

SENATE WAYS AND MEANS
GUEST LIST

Date April 23, 2008

NAME	REPRESENTING
Barb Conant	KDOA
Jim Conant	KDOR
Bud Burke	Issues Mgmt Group, Inc

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

010-West–Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ◆ FAX (785) 296-3824
kslegres@klrd.state.ks.us http://www.kslegislature.org/klrd

April 18, 2008

Items for Omnibus Consideration

Legislative Coordinating Council

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $207,399, all from the State General Fund, and 3.0 FTE information technology positions in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the positions. The Conference Committee on SB 534 concurred with the Senate Committee recommendation and retained the positions and funding.

Legislative Research Department

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $69,057, all from the State General Fund, and 1.0 FTE information technology position in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the position. The Conference Committee on SB 534 concurred with the Senate Committee recommendation and retained the position and funding.

Revisor of Statutes

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $65,759, all from the State General Fund, and 0.7 FTE information technology position in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not reduce the funding or the position. The Conference Committee on SB 534 concurred with the Senate Committee and retained the position and funding.

Legislature

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $446,392, all from the State General Fund, and 6.0 FTE information technology positions in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the positions. The Conference Committee on SB 534 concurred with the Senate Committee and retained the positions and funding.

Senate Ways and Means
4-23-08
Attachment 1

B. Kansas Legislative Information System (House Committee). The House Committee deleted $448,000, all from the State General Fund, and 1.0 FTE in FY 2009 for the Kansas Legislative Information System. The funding included $400,000 for a "hot site" or disaster recovery center and $48,000 for 1.0 FTE Data Center Technician position for the Recovery Center and Production Data Center. Both expenditures were requested for review at Omnibus. The Senate Committee did not remove the funding or the position. The Conference Committee on SB 534 concurred with the Senate Committee and retained the position and funding.

Division of Post Audit

A. Legislative Branch Information Management Organizational Structure in FY 2009 (House Committee). The House Committee deleted $63,395, all from the State General Fund, and 1.0 FTE information technology position in FY 2009, with an Omnibus review of the information management organizational structure of the Legislative Branch agencies for the most efficient and effective use of staff. The Senate Committee did not remove the funding or the position. The Conference Committee on SB 534 concurred with the Senate Committee and retained the position and funding.

B. Computer Support Position for FY 2009 (House Committee). The House Committee requested a review of the possible addition of $51,834, all from the State General Fund, and 1.0 FTE position for a computer support position. The Senate Committee added the position and the funding in FY 2009. The Conference Committee on SB 534 concurred with the Senate Committee and added the position and funding.

Kansas State Fair Board

A. Funding for Debt Service Principal and Debt Service Interest Payments (Senate Committee and House Committee). The Senate Committee and the House Committee requested review of the bond payment funding for debt service in FY 2009 that the Governor recommended from the Expanded Lottery Act Revenues Fund (ELARF).

The Governor recommended $1,840,821 from the ELARF for the agency's debt service principal and debt service interest payments in FY 2009. Both the Senate Committee and the House Committee deleted the funding from the ELARF and added funding from the State General Fund ($1,540,821) and the State Fair Capital Improvements Fund ($300,000). Also added was the authority to transfer up to $300,000 from the State General Fund to the State Fair Capital Improvements Fund in FY 2009.

Kansas Corporation Commission

A. Facilities Conservation Improvement Program (Senate Committee). The Senate Committee recommended review of the addition of $57,600, all from special revenue funds, and 1.0 FTE Building Energy Analyst position in FY 2009 for the Facilities Conservation Improvement Program (FCIP), as recommended by the 2007 Interim Special Committee on Energy, Natural Resources, and Environment. The 1.0 FTE position was not included in the agency's budget submission or in the Governor's budget recommendation for FY 2009.

Agencies and units of government participating in the FCIP pay for improvements with savings realized from reduced energy consumption. As part of the program, an energy service company (ESCO) guarantees a level of savings that will be realized from installation of the recommended improvements. The agency borrows money to pay for the improvements up-front and

repays that loan from realized savings. If the guaranteed level of savings is not achieved, the ESCO reimburses the agency for the difference. According to the interim committee's report, the average time to install improvements is one year and the average payback ranges from 11 to 17 years.

According to the interim committee's report, a total of 40 agencies and local units of government with a combined area of approximately 29.0 million square feet have participated in FCIP. In addition to the state agencies, FCIP participants include nine unified school districts, six community colleges and technical schools, two cities and a county. The total cost of energy efficiency improvements for all of the facilities is approximately $131.0 million and the annual savings are projected to be approximately $11.0 million. The agency also indicated to the interim committee that seven projects are pending.

The Interim Committee recommended the House and Senate committees review appropriations for the agency to consider adding 1.0 FTE position to allow the FCIP to be marketed to more agencies and units of government. The position would The position would provide technical analysis and support for public sector customers of the Kansas Energy Office's FCIP; review contracts and energy conservation measures included in the performance contracts; establish on-going customer relationships; attend regular construction meetings; review contracts and invoices; and review performance and verify savings.

B. House Substitute for Senate Bill 327 (Veto); House Substitute for Senate Bill 148 (Governor); Senate Substitute for House Bill 2919 (Conference Committee). The bills cover numerous subject topics, including: requirements for the Sunflower expansion, wind generated electricity tariff, energy efficiency and load management, greenhouse gas emission reduction, energy efficiency for state buildings and equipment, Kansas Electric Generation Science and Technology Commission, carbon dioxide capture, renewable resources standard, the Net Metering and Easy Connection Act, regulatory amendments, tax incentives for energy efficient improvements of non-owner occupied housing units, and mercury emissions reductions.

The agency estimates an increase in expenditures of $220,200, all from special revenue funds, in FY 2009 that would result from passage of any one or all of the bills. Expenditure increases include: $115,200, all from special revenue funds, and 2.0 FTE Building Energy Analyst positions for the Facilities Conservation Improvement Program (FCIP); $55,000, all from special revenue funds, for the Kansas Electric Generation Science and Technology Commission for in-state travel; $50,000, all from special revenue funds, for the Net Metering and Easy Connection Act for professional services.

C. Senate Bill 570 (Conference Committee). SB 570, as amended by the House Committee on Energy and Utilities, would require the agency to approve or deny within 120 days mergers or acquisitions involving telecommunications companies headquartered in Kansas and to make a determination within 180 days for mergers or acquisitions involving price-cap companies when the partner is another price-cap company or a company not headquartered in Kansas. Embarq and AT&T are the only price-cap regulated telecommunications companies in Kansas. The agency estimates $350,000, all from special revenue funds, in FY 2009 would be required to contract with an outside entity to assist with collecting information.

Department of Agriculture

A. Subbasin Water Resources Management Program (House Committee and Conference Committee). The House Committee deleted $761,373, all from the State Water Plan Fund, in FY 2009 for the Subbasin Water Resources Management Program. The House Committee recommended that the program be reviewed at Omnibus, and that the agency provide further information about the program to the House Budget Committee for Omnibus. The Senate

Committee did not recommend deletion of the funding. The Conference Committee on SB 534 agreed on the Senate's position and included the Governor's recommended funding for the program in FY 2009.

The Governor recommended $761,373, all from the State Water Plan Fund, in FY 2009 for the Subbasin Water Resources Management Program. The program is charged with gathering and analyzing data and working with local stakeholders to develop long-term water resource management strategies in targeted areas. Strategies are developed to preserve the state's water resources and to avoid adverse impacts on senior water rights in these targeted areas, while allowing appropriated development of the state's water resources. The program works with stakeholders, water resource professionals, and the general public in each targeted area.

B. Large Scale Test Truck (Senate Committee and Conference Committee). The Senate Committee deleted $160,000, all from the State General Fund, in FY 2009 for the purchase of one large scale test truck, with review at Omnibus. The House Committee did not recommend deletion of the funding. However, the Conference Committee on SB 534 agreed to the Senate position and deleted the funding, with review at Omnibus.

The Governor recommended the funding for one large scale test truck in the Weights and Measures subprogram. The subprogram currently has two test trucks. The 2007 Legislature approved funding to replace one test truck and the recommendation would replace the second truck that has alignment problems, excessive tire wear, steering issues, and a hazardous cable loading system.

C. Vehicle Replacements (Senate Committee). The Senate Committee deleted $317,900, including $264,914 from the State General Fund, in FY 2009 for the replacement of 20 agency vehicles, with review at Omnibus. The House Committee deleted $264,914, all from the State General Fund, for replacement of 12 agency vehicles, with no review at Omnibus. The Conference Committee on SB 534 agreed to the House position and deleted the $264,914 from the State General Fund.

D. Senate Bill 584 (Law). SB 584 transfers all responsibility for the inspection and licensing of food service establishments and lodging facilities from the Department of Health and Environment to the Department of Agriculture effective October 1, 2008. During its review of the Department of Health and Environment budget, the Senate Committee deleted $2.4 million, including $246,616 from the State General Fund and 38.0 FTE positions to reflect the transfer. The deletions were based on the version of the bill at that time, which transferred the program July 1, 2008. The Department of Health and Environment indicates that it is pursuing a memorandum of understanding with the Department of Agriculture which should address this issue, but under the language of the bill, the funding and positions should have been transferred for only nine months of FY 2009. Nine months of funding for the program would total $1,811,893, including $184,962 from the State General Fund.

In order to implement the bill, the Department of Agriculture would require the funding for nine months of the program, which would be $1,811,893, including $184,962 from the State General Fund; 38.0 FTE positions; an appropriation of the two funds associated with the program, the Food Service Inspection Reimbursement Fund and the Food Inspection Fee Fund; and an accompanying proviso that provides for expenditures from the fund, revenues received by the fund, and transfers between the two funds.

E. House Bill 2625 (Conference Committee). In 1978, the Kansas Legislature enacted the Kansas Groundwater Management District Act, which also contains provisions for the initiation of proceedings and the designation of Intensive Groundwater Use Control Areas (IGUCA). These statutes allow the Chief Engineer of the Division of Water Resources to implement additional corrective control provisions in areas where it is determined, through a public hearing process, that

groundwater levels are declining excessively, the rate of groundwater withdrawal exceeds the rate of groundwater recharge, unreasonable deterioration of groundwater quality has occurred or may occur, or other conditions warranting additional regulation exist to protect public interest. HB 2625, in its current form, would require the Chief Engineer to conduct a public review hearing within seven years of the effective date of the bill to determine whether the designation of an IGUCA should be continued for each IGUCA, along with other designations made within ten years. The bill also establishes guidelines for the public review hearings.

In addition, the Chief Engineer would be required to present an annual report on any IGUCA proceeding, review, or pending IGUCA to the Legislature and the Chief Engineer also would be charged with establishing an advisory panel to include members from names submitted by affected water users and affected groundwater management districts for any public hearing under K.S.A. 82a-1037 or under the review process established by the bill.

The bill also would amend current law to provide that an area within a groundwater management district could become an IGUCA only when the groundwater management district recommends that an IGUCA be recommended or when a petition is signed by a requisite amount of people. Outside the boundary of an IGUCA, the Chief Engineer could initiative an IGUCA whenever certain condition exist, as provided by existing law.

The agency estimates there would be at least one IGUCA review per year. Based on previous IGUCA proceedings, the cost for the review of each IGUCA is estimated at $255,000, all from the State General Fund. The passage of HB 2625 also would require an additional 2.5 FTE positions, including 1.5 FTE environmental scientist positions and 1.0 FTE attorney position.

Animal Health Department

A. Pound and Shelter Relinquishment Fees (Senate Committee). The Senate Committee deleted $5,000, all from the State General Fund, in FY 2009 for pound and shelter relinquishment fees, with review at Omnibus. The Conference Committee on SB 534 agreed to the House recommendation to delete the funding in FY 2009, but to add $5,000, all from the State General Fund, in FY 2008.

B. Boarding and Veterinary Bills (Senate Committee). The Senate Committee deleted $5,000, all from the State General Fund, in FY 2009 for boarding and veterinary bills incurred by the agency during litigation, with review at Omnibus. The Conference Committee on SB 534 agreed to the House position to delete the funding in FY 2009, but to add $5,000, all from the State General Fund, in FY 2008.

C. Disaster Funding (Senate Committee). The Senate Committee requested review at Omnibus of expenditures by the agency in the aftermath of the Greensburg tornado. The agency has received a total of $92,470 of the requested $129,011, which has reimbursed the agency for staff overtime hours and equipment that needed to be purchased. The amount received by the agency from the Federal Emergency Management Agency (FEMA), however, has not fully reimbursed the agency's expenses and the agency is short of full reimbursement by $36,541 in FY 2008. The agency does not anticipate any further reimbursement from FEMA.

D. Vehicle Purchase (Senate Committee). The Senate Committee deleted $17,000, all from the State General Fund, in FY 2009 for the purchase of one vehicle as recommended by the Governor, with review at Omnibus. The House Committee deleted $3,000 from the funding recommended by the Governor and added $3,000 from special revenue funds. The Conference Committee on SB 534 agreed to the House position and deleted the $3,000 from the State General Fund and added $3,000 from special revenue funds for the purchase of one vehicle.

State Conservation Commission

A. Conservation Easements Funding (House Committee). The House Committee deleted $266,000, all from the State General Fund, in FY 2008 for conservation easements funding for the Department of Defense Army Compatible Use Buffer Program and the United States Department of Agriculture Farm and Ranchlands Protection Program, for review at Omnibus. The $266,000 deleted by the House Committee represents the total amount of funding remaining in FY 2008 for the program, out of the $311,500 approved by the 2007 Legislature. The House Budget Committee also requested the agency provide copies of signed contracts associated with the conservation easement programs. The Senate Committee concurred with the Governor's recommended funding. However, the Conference Committee on SB 534 agreed to the House position and deleted the funding for review at Omnibus.

B. Conservation Reserve Enhancement Program (Senate Committee). The Senate Committee requested review of the Conservation Reserve Enhancement Program (CREP) at Omnibus. The CREP is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water by providing incentives and cost-sharing to participants who enroll their land for a period of 14 to 15 years. The 2007 Legislature appropriated $1.0 million from the State Water Plan Fund for FY 2007 and $1.0 million from the State Water Plan Fund for FY 2008 for the CREP. The House Committee deleted reappropriation authority for the CREP in FY 2009. The Senate Committee concurred with the Governor's recommendation to allow the agency to reappropriate any unencumbered funds to FY 2009. The Conference Committee on SB 534 agreed to the House Committee recommendation and deleted the reappropriation authority for the CREP in FY 2009.

Kansas Water Office

A. Water Conservation Projects Fund (Technical Adjustment). In posting the Conference Committee report, the Governor's recommendation for FY 2009 expenditures from the Water Conservation Projects Fund and accompanying proviso was inadvertently left in the appropriations bill. The recommendation for expenditures from this fund and the accompanying proviso should have been deleted to correspond with a transfer and new provisions in the bill related to the Western Water Conservation Projects Fund.

Office of the Governor

A. Child Advocacy Centers (House Committee and Conference Committee). The House Committee deleted $1.0 million, all from the State General Fund, in FY 2009 to remove additional funding recommended for Child Advocacy Centers for review during Omnibus. The Senate did not delete the funding, but the Conference Committee on SB 534 agreed to delete the funding for Omnibus review. The recommendation leaves $1.0 million currently in the budget for FY 2009, the same amount approved for FY 2008. Child Advocacy Centers are child-focused, community-oriented programs that coordinate investigation and intervention services for abused children.

B. Additional Operating Expenditures (House Committee and Conference Committee). The House Committee deleted $67,000, all from the State General Fund, recommended by the Governor for additional operating expenditures in FY 2009, for review during Omnibus. The funding was recommended for the administration program ($65,000) and Cedar Crest ($2,000). The Senate Committee did not delete the funding, but the Conference Committee on SB 534 agreed to delete the funding for Omnibus review.

C. Domestic Violence and Sexual Assault Outreach Funding (House Committee). The House Committee deleted $2.5 million, all from the State General Fund, for domestic violence and sexual assault outreach funding in FY 2009 for review during Omnibus. The funding, recommended to enhance and expand domestic violence and sexual assault outreach services to underserved areas of the state and underserved populations, and to expand programs already in place, was intended to be transferred to the Office of the Governor from the Kansas Department of Health and Environment (KDHE). Through an oversight, the funding was left in both budgets. The Senate Committee deleted the funding from the KDHE budget, leaving the funding in the budget of the Office of the Governor, and the Conference Committee on SB 534 agreed with the Senate position.

D. Additional Domestic Violence and Sexual Assault Outreach Funding (House and Senate Committee). During budget hearings on the budget of the Office of the Governor, a representative of the Kansas Coalition Against Sexual and Domestic Violence asked for additional funding for the program. The representative noted that Kansas will lose $991,000 in federal Victims of Crime Act (VOCA) funds in FY 2009 and asked for additional funding of $500,000, all from the State General Fund, to help mitigate the loss of this funding and the impact this reduction would have on core services performed by programs across the state.

Attorney General

A. Cyber Crime Unit (House and Senate Committee). The House Committee and the Senate Committee both deleted $303,091, all from the State General Fund, and 4.0 FTE positions for development of a cyber crime unit in the Attorney General's office in FY 2009. The agency requested an enhancement of $453,091, all from the State General Fund, which would expand the existing NetSmartz anti-internet predator education initiative with $150,000 in additional funding, but would also add $303,091 and 4.0 FTE positions to provide for broader education opportunities for schools, consumer groups, and seniors, with the goal of decreasing consumer fraud, identity theft, and other computer related crime. The Legislature concurred with the recommendation to expand the NetSmartz program, but recommended reviewing the remainder of the enhancement request during Omnibus. The positions requested include 1.0 FTE Trainer, to make statewide presentations, 1.0 FTE Crime Analyst, 1.0 FTE Investigator and 1.0 FTE Assistant Attorney General, all to allow for prosecution of offenders.

B. Mortgage Fraud Program. (House and Senate Committee). The House Committee and the Senate Committee deleted $307,267, all from the State General Fund, and 4.0 FTE positions for a new mortgage fraud program, aimed at reducing mortgage fraud and foreclosures related to sub-prime loans, fraudulent marketing, and coercion by certain individuals in the real estate industry. The request for FY 2009 includes funding for 2.0 FTE Assistant Attorney General positions for prosecuting violators, and 2.0 FTE Mediator positions for cases where there is a lack of clear criminal intent.

C. Child Support Enforcement Activities (House and Senate Committee). The House Committee and the Senate Committee deleted $191,983, all from the State General Fund, and 3.0 FTE positions in FY 2009 for child support enforcement activities within the Attorney General's office. The request includes funding for 3.0 FTE positions: 1.0 FTE Assistant Attorney General; 1.0 FTE Investigator; and 1.0 FTE Administrative Assistant. One of the recommendations of the 2007 Governor's Task Force on Hunger was that the Attorney General take an active role in child support enforcement. The program would work with court trustees and local prosecutors to refer cases of delinquent support to the Attorney General's office for prosecution.

D. Batterers Intervention Certification Program (House and Senate Committee). The House Committee and the Senate Committee deleted for Omnibus review $73,000, all from the State General Fund, and 1.0 FTE Program Manager position in FY 2009 for development of a Batterers

Intervention Certification program, aimed at updating certification standards, implementing a training curriculum, and establishing a process for certification of intervention programs.

E. Crime Stoppers (House and Senate Committee). The House Committee and the Senate Committee recommended review of the deletion of $109,073 all from the State General Fund, and 1.0 FTE Coordinator position to further develop the Crime Stoppers program in Kansas in FY 2009. The Coordinator would seek and support volunteers for the program and work to increase the number of programs across the state and the overall effectiveness of the programs.

F. Drug Awareness and Resistance Education (D.A.R.E.) Program (House and Senate Committees). The House Committee and the Senate Committee recommended Omnibus review of the deletion of $50,000, all from the State General Fund, in FY 2009 for the D.A.R.E entire. program, designed to teach students methods for successfully resisting alcohol and drugs. The agency indicated that it has reallocated an existing position to serve as the full-time statewide D.A.R.E. coordinator. The funding would be utilized to provide assistance for an annual conference on school-based programs in Kansas, for four week-long D.A.R.E. officer training courses, and for travel and subsistence for the statewide coordinator.

G. Abuse, Neglect, and Exploitation Program (House Committee). The House Committee recommended review of the deletion $120,000, all from State General Fund, and 2.0 new FTE positions in FY 2009 for the agency's Abuse, Neglect, and Exploitation Program. The funds would finance 1.0 new data entry FTE position and 1.0 new investigator FTE position. The request was not included in the agency's original budget submission, but was recommended by the Governor as an additional enhancement.

H. Child Protective Services Oversight Committee (House Committee). The House Committee recommended review of the deletion of $150,000, all from the State General Fund, in FY 2009 for expenditures related to the Child Protective Services Oversight Committee. This recommendation includes 1.0 new FTE position. This position would work with the Child Protective Services Task Force to review SRS's Child Protective Services policies and procedures. The request was not included in the agency's original budget submission, but was recommended by the Governor as an additional enhancement.

I. Healthy and Prepared Schools Program (House Committee). The House Committee recommended review of the deletion of $200,000, all from the State General Fund, in FY 2009 for a Healthy and Prepared Schools program, including 2.0 new FTE positions. These funds would be used to work with the Kansas State Department of Education to improve coordination between all state agencies and school districts, support school districts in the creation of comprehensive crisis management plans, and develop model training programs to be used throughout the state in schools and communities. The request was not included in the agency's original budget submission, but was recommended by the Governor as an additional enhancement.

J. 2007 Senate Bill 52 - Technical Adjustment—Sexually Violent Predator Expense Fund. 2007 SB 52, approved by the 2007 Legislature, created the Sexually Violent Predator Expense Fund to be administered by the Office of the Attorney General. Moneys in the fund are to be used to reimburse counties responsible for the costs of determining whether a person may be a sexually violent predator. While the fund was created in a statute, through an oversight it was never appropriated. The agency has indicated it would anticipate expenditures of about $300,000 from the fund. Another issue for consideration, however, is that the bill passed last year contains no mechanism to generate revenue to the fund, so without some kind of transfer of funds, no moneys would be appear to be available for expenditure.

K. GBA No. 1, Item 8, Page 5—Tobacco Master Settlement Agreement Compliance.

L. GBA No. 1, Item 9, Page 5—Water Litigation.

M. GBA No. 1, Item 10, Page 5—Funding Switch Correction.

Secretary of State

A. Senate Substitute for House Bill 2315 (Conference). Senate Sub. for HB 2315 would require all individuals who conduct home inspections to register with the Secretary of State, unless they are specifically exempted by the bill. Registrations would need to be renewed every two years, and could be revoked by the Secretary of State. The bill also would create the Home Inspectors Registration Fee Fund to be administered by the Secretary of State. The Secretary of State indicates that for FY 2009, startup costs totaling $50,000, all from the State General Fund, would be required. After that, the fees collected for registration should be sufficient to fund to the program.

Department of Health and Environment

A. Expanded Newborn Screening (Senate Committee). The Senate Committee deleted $2.2 million, all from the Children's Initiatives Fund, for expanded newborn screening activities in FY 2009 for review at Omnibus. The House Committee did not recommend deleting the funding and the Conference Committee on SB 534 agreed with the House position and did not delete the funding.

In addition, the Senate Committee requested information on line item expenditures for the program. According to information provided by the agency, of the $2.2 million approved for the program in FY 2009, $523,638 (23.5 percent) is budgeted for the salaries and wages of 11.0 FTE positions, $108,870 (4.9 percent) is budgeted for contractual services, primarily fees for professional services, $1,417,899 (63.7 percent) is budgeted for commodities, primarily for professional and scientific supplies, and $176,170 (7.9 percent) is budgeted for capital outlay, primarily for equipment purchases.

In addition to funding in the KDHE budget for newborn screening, the April 2008 consensus caseload estimates for the Kansas Health Policy Authority include $860,000, including $344,000 from the State General Fund for expanded newborn screening for those eligible for Medicaid.

B. Vehicle Purchases (Senate Committee). The Senate Committee deleted a total of $427,200, including $106,744 from the State General Fund, for the purchase of 18 vehicles for review during Omnibus. The House Committee made only one adjustment to the recommended funding for vehicle purchases, the shift of $15,744 from the State General Fund to special revenue funds in the Division of the Environment. The Conference Committee on SB 534 concurred with the House Committee's recommendation on vehicles. As a result FY 2009 funding totaling $427,200, including $91,000 from the State General Fund, is included in SB 534 which would authorize the agency to purchase all 18 vehicles in FY 2009.

C. Primary Safety Net Clinics (House and Senate Committee). Both the House Committee and the Senate Committee recommended reviewing additional funding in FY 2009 for primary safety net clinics during Omnibus. The agency requested an enhancement of $154,350, all from the State General Fund, for increased funding for primary safety net clinics. The funding was requested to assist the clinics with the rising costs of providing services in underserved communities. The enhancement was not recommended by the Governor. In addition, during the budget hearings, both the House Budget Committee and Senate Subcommittee heard testimony from the Kansas Association for the Medically Underserved (KAMU). The organization has proposed a plan, estimated to cost between $6.1 and $8.6 million, to: accommodate a 10.0 to 20.0 percent increase in patient visits for uninsured persons; provide additional outreach efforts for enrolling eligible

individuals in Medicaid and HealthWave; allow for increased recruitment of physicians and dentists; provide a capital financing grant program; and provide support for technical training and training activities.

D. Coordinated School Health Program (House and Senate Committee). The House Committee and the Senate Committee recommended further review of an FY 2009 agency enhancement request for the Coordinated School Health Program during Omnibus. The agency requested $1.8 million, all from the State General Fund, for a statewide, comprehensive coordinated school health program. The Governor did not recommend funding for the enhancement request. In 2003, Kansas received a five-year grant from the Centers for Disease Control and Prevention to focus efforts on increased physical activity, nutrition, decreased tobacco use, and obesity prevention and reduction. The program, a joint effort between the agency and the State Department of Education, impacts 224 schools, and over 80,000 students in 39 counties. An application for a new five-year grant was made, but not received, by the agency.

E. Part C Infant Toddler (Tiny-K) Services (House and Senate Committee). The House Committee and the Senate Committee recommended consideration of additional funding for the Tiny-K program in FY 2009 during Omnibus. The agency requested $1.0 million, all from the State General Fund, in enhancement funding for the Tiny-K program. The funding was not recommended by the Governor. This program serves children ages birth to two-years of age with disabilities and their families. Similar services are provided to children ages three to five through the State Department of Education. Based on the current count of children receiving services, the agency indicates that a funding increase of $2.1 million (from the State General Fund or the Children's Initiatives Fund) would be required to mirror the formula used for children ages three to five. The agency's request was for half that amount. Infant toddler services are funded in FY 2008 at $8.6 million, including $3.5 million from the State General Fund and $1.2 million from the Children's Initiatives Fund, and are currently funded at the same level in FY 2009.

F. Regional Dental Hubs (House Committee). The House Committee recommended Omnibus review of the agency's FY 2009 enhancement request for regional dental hubs. The agency requested $210,000, all from the State General Fund, for growth and development of regional dental hubs. Development of the regional dental hubs began in FY 2007 to increase oral health capacity in the safety net clinics. The requested funding would be used for completion and development of the dental hub sites identified in the first round of dental hub funding.

G. Breast and Cervical Cancer Early Detection Works Program (House Committee). The House Committee recommended Omnibus review for the agency's FY 2009 enhancement request of $1.3 million, all from the State General Fund, for the Breast and Cervical Early Detection Works (EDW) Program. The enhancement funding was not recommended by the Governor. The EDW program helps low-income, uninsured, and underserved women gain access to early detection screening services for breast and cervical cancers. According to the agency, studies show that screening and early detection of these diseases could prevent 15.0 to 30.0 percent of breast cancer deaths and either prevent cervical cancer or detect it at an early stage when it is most curable.

H. Updates on Division of Environment Issues (Senate Committee). The Senate Committee requested updated information on a number of Division of Environment issues for review during Omnibus. The requested information includes: the status of the Local Environmental Protection Program; the status of the City of Treece buyout; Total Maximum Daily Loads (TMDLs); Mercury Deposition Monitoring; and regional haze planning.

- *Local Environmental Protection Program (LEPP) Update.* The Department indicates that State Water Plan funding allocated to the LEPP program was distributed to 101 counties. A total of 45 single county programs and eight multi-county groups received base program funds. Distribution of the funds is done

through multiplying the county population by $0.55 per person. Participating counties receive a minimum of $7,000 with a maximum of $125,000. After the base funds are distributed, any remaining funds are available as targeted grants for specific projects. In 2007, the Department indicates that $28,000 was made available to 10 LEPPs for targeted grants.

- *Treece Buyout.* The agency reports that, to date, federal funding for the Treece buyout has not been received; therefore the $680,000, all from the State General Fund, which is to provide a 10.0 percent match for federal funding, has not been expended. The funding is budgeted to reappropriate to FY 2009.

- *Total Maximum Daily Loads (TMDLs).* The Bureau of Water develops water quality standards, which designate uses of state surface waters. Corresponding to the designated use of the waters are specific criteria, which the waters are to meet. Monitoring data from stream and lake samples are reviewed and water bodies are listed as being in or out of compliance. For those waters listed as out of compliance, or impaired, the Bureau is required to prepare a total maximum daily load (TMDL), an implementation plan which describes the acceptable loadings to a stream, the desired stream conditions, and generally describes the approach to be taken to improve water quality. The agency indicates that the TMDL program is into its second round of development across the state's 12 river basins. Since completing the initial requirements of a 2006 court decree, the agency has adopted a five-year rotation for each basin in order to allow revision of TMDLs with existing information. For FY 2008, the agency reports that it is working in Southeast Kansas (Neosho, Verdigris, and Walnut basins) developing TMDLs for the federal reservoirs. In FY 2009, the agency will rotate to Northeast Kansas (Smoky, Solomon, and Upper Republican basins).

- *Mercury Deposition Monitoring.* KSA 75-5673 requires that KDHE establish a statewide mercury deposition network consisting of at least six monitoring sites. Monitoring for a period of time long enough to determine trends is also specified. The Department indicates this period of time would be five or more years. The implementation goal is to initiate sampling at three sites during the second quarter of calendar year 2008 and have all sites fully operational by the end of the third quarter. Each site requires a contract to document permission for use of the site, and the contracts also address operation of the sites by the hosting agency (probably at five of the six sites). A contract has been established with the Sac and Fox Nation of Missouri in Kansas and Nebraska for the operation of one site. Contracts have also been negotiated with the Kansas Department of Wildlife and Parks for two sites and the United States Department of Agriculture (USDA) for one site. The approved sites are: Reserve, Kansas (Sac and Fox Nation); Cimarron National Grassland in Morton County (USDA); Lake Scott State Park in Scott County (Wildlife and Parks); and Glen Elder State Park in Mitchell County (Wildlife and Parks). The potential sites under evaluation are: Coffey County Lake (Wolf Creek); and a site in southeastern Kansas. Equipment was installed at the Reserve site on November 13, 2007. This site is located at an existing ambient air monitoring site belonging to and operated by the Sac and Fox Nation of Missouri in Kansas and Nebraska. The Tribe's environmental department is operating the sampler. Sampling at all sites will be performed on a weekly basis. Data generated by the Kansas Mercury Deposition Network (KMDN) will be posted to the KDHE web site as available and annually to a national database. A March 24, 2008, report on the status of the project indicates costs to establish the network, through January of 2008, totaled $80,548.

- *Regional Haze Report.* The federal Environmental Protection Agency's (EPA) Regional Haze Rule went into effect on August 30, 1999, and is designed to achieve national visibility goals at certain designated federal lands by 2064. Technical analyses have shown that Kansas sources moderately contribute to visibility impairments at Federal Class 1 areas in Arkansas, Missouri, and Oklahoma. The federal Regional Haze Rule required states to submit a revision of their State Implementation Plan by December 2007. One component of the revision is to require certain types of stationary sources of air pollutants to install "best available retrofit technology" or BART. Using methodology outlined by the EPA, four facilities with a total of six units were found to be subject to the BART provisions. These facilities were: Kansas City Board of Public Utilities Nearman Unit 1; Kansas City Power and Light La Cygne Units 1 and 2; Westar Energy Gordon Evans Unit 2, and Westar Energy Jeffrey Units 1 and 2. The agency determined that the best way to implement the federal regulations would be to enter into consent agreements with the three owners of the units. Negotiations began in late 2006, and as of March 21, 2008, agreements have been signed with Kansas City Power and Light and Westar Energy. Negotiations with the Board of Public Utilities are ongoing. In the event an agreement cannot reached, a state rule has been drafted to essentially mirror the requirements of the federal rule with regard to best available retrofit technology. The draft revisions to the State Implementation Plan were submitted to designated federal land managers and the tribes in Kansas at the end of October 2007 for a 60-day review period. Comments from these entities will be incorporated prior to a KDHE internal concurrence process and public review. The revised plan will be placed on public review for 30 days once all of the consent agreements are signed or an appropriate state regulation is adopted.

I. Senate Bill 584 (Law). SB 584 transfers all responsibility for the inspection and licensing of food service establishments and lodging facilities from the Department of Health and Environment to the Department of Agriculture effective October 1, 2008. During its review of the agency budget, the Senate Committee deleted $2.4 million, including $246,616 from the State General Fund, and 38.0 FTE positions to reflect the transfer. The deletions were based on the version of the bill at that time, which transferred the program July 1, 2008. KDHE indicates that it is pursuing a memorandum of understanding with the Department of Agriculture which should address this issue, but under the language of the bill, the funding and positions should have been transferred for only nine months of FY 2009. Three months of funding for the program would total $603,964, including $61,654 from the State General Fund.

J. Senate Substitute for House Bill 2097 (Governor). Senate Sub. for HB 2097 requires school boards to provide information on immunizations to school age children and to parents and guardians of students in grades six through 12.

KDHE would be required to provide information on immunizations to school boards. If requested by a school board, KDHE would be required to provide assistance. KDHE would not be allowed to charge for the information or assistance it provides.

The bill also would require the agency to increase influenza immunization awareness and participation among parents of children age six months to five years who are enrolled in child care facilities. The agency would be required to have information on the benefits of annual immunization against influenza for children on its official website and to cooperate with the Department of Social and Rehabilitation Services in distributing information to parents and child care facilities in August and September every year. KDHE also would be required to conduct a study of the feasibility of establishing a school-based influenza vaccination pilot program including the costs and benefits of a pilot program; barriers to implementation and strategies for removing the program barriers; and

the fiscal impact of a pilot program. The agency would be required to submit a report on its findings to the Joint Committee on Health Policy Oversight prior to the 2009 Legislative Session and the Joint Committee could introduce bills or request funding for the pilot program. Also, KDHE would be authorized to seek funding for implementation of the pilot study from any public or private source. The bill also would require every maternity center and medical care facility licensed by the agency to adopt written policies and inform parents regarding their options for the disposition of fetal remains in an event of fetal death.

KDHE indicates that it would require $20,000, all from the State General Fund in FY 2009 to perform its duties under the bill.

K. House Substitute for Senate Bill 389 (Governor). House Sub. for SB 389 would make several amendments dealing with late-term abortions. The bill would authorize information obtained by the Secretary of the Department of Health and Environment, including identification of physicians and medical care facilities reporting to the Secretary, to be disclosed to the district and county attorneys in addition to the Board of Healing Arts and the Attorney General. Under the bill, annual public reports issued by the Secretary on abortions performed would have to contain the number of pregnancies terminated, the type of medical facility and other information required to be reported to the Secretary except for information deemed to be confidential. The fiscal note on the bill indicates the Department would require $74,950, all from the State General Fund, in FY 2009 to implement provisions of the bill. The funding would include communication and printing ($16,050), professional and office supplies ($5,900), one-time updates to the database ($52,000), and medical consultant fees ($1,000).

L. House Substitute for Senate Bill 329 (Conference). House Sub. for SB 329 would create the Kansas Illegal Alien Reform Act. As it relates to the Department of Health and Environment (KDHE), no unauthorized alien would be eligible to receive public benefits except those required to be offered by the federal government. No benefits would be provided until such alien's lawful presence in the United States is verified.

KDHE indicates that the bill would require it to check the citizenship status of applicants before it could issue benefits or grants. KDHE would be required to use the Systematic Alien Verification for Entitlements (SAVE) Program to verify the applicants' lawful presence and eligibility for public benefits. This system is operated by the Department of Homeland Security. The SAVE program charges between $0.20 to $0.48 cents per verification with a minimum charge of $25 per month. KDHE indicates it is unable to estimate the number of verifications that it would be required to perform and therefore cannot estimate a precise fiscal effect of this bill. KDHE does indicate that it would hire 1.0 new FTE position to provide training for KDHE staff and external partners to ensure proper and legal methods of verification of legal status and to avoid discriminatory practices that could arise. KDHE indicates the training program would cost $90,766, all from the State General Fund, in FY 2009, including $63,820 for salary and wages for the new position, and $26,946 for other operating expenses including workstation setup, travel, and training.

M. House Substitute for Senate Bill 81 (Conference). House Sub. for SB 81 would enact the Health Care Reform Act of 2008 and would make amendments to several health and insurance statutes. As it relates to the Department of Health and Environment, funding, subject to appropriation, involved cancer screening and primary safety net clinics.

For more information on primary safety net clinics, see item C, above.

N. GBA No. 1, Item 16, Page 9—Transfer of Hospital Long-Term Care Survey and Certification Unit.

Department of Education

A. Revised School Finance Estimates. The School Finance Consensus Group, consisting of representatives of the State Department of Education, Division of the Budget and Legislative Research Department, met on April 14, 2008, to review school finance estimates for FY 2008 and FY 2009. Although there were some slight changes in the estimates for both years, the Consensus Group recommended that no adjustments be made to the November 2007 estimates.

B. Parents as Teachers (House and Senate Committee). Both the House Committee and the Senate Committee recommended consideration of additional funding for the Parents as Teachers (Parent Education) program in FY 2009. The House Committee recommended reviewing the addition of $2.6 million, all from the State General Fund, to address the waiting list in the program. The Senate Committee recommended consideration for the addition of $1.0 million, all from the State General Fund, for the program. The Parent Education Program provides aid to school districts that offer programs for expectant parents and parents of children less than three-years old. School districts are required to provide a 65.0 percent match for the state aid. The agency estimates that 15,200 families and 19,050 children will be served by the program in FY 2009. The 2008 Legislature approved FY 2009 funding of $7.5 million, all from the Children's Initiative Fund.

C. Discretionary Grants Program (House and Senate Committee). The House Committee and the Senate Committee deleted $10,000, all from the State General Fund, in recommended FY 2009 enhancement funding for the discretionary grants program for review during Omnibus. The funding was recommended to increase the grants to the Kansas Association for Conservation and Environmental Education (KACEE) by $5,000 (from $35,000 to $40,000), and to Communities in Schools by $5,000 (also from $35,000 to $40,000). The grant money to the KACEE is used to pay approximately half of the KACEE administrative budget and to leverage approximately $200,000 in additional funding. KACEE provides workshops and environmental education resources for preservice and inservice teacher professional development. The Communities in Schools program serves more than 18,700 children in 23 school districts. The program matches children and families in need of services with existing community resources, such as tutoring, mentoring, health, social, and family services.

D. Agriculture in the Classroom (House and Senate Committee). The House Committee and the Senate Committee deleted $5,000, all from the State General Fund, in recommended FY 2009 enhancement funding for the Kansas Foundation for Agriculture in the Classroom. State funding is provided for the Kansas Foundation for Agriculture in the Classroom, a non-profit corporation formed in 1983 to serve as a link between agriculture and education in Kansas. The Foundation collaborates with Kansas State, Wichita State, and Fort Hays State universities to offer summer courses for teachers to receive continuing education credits in education and agriculture. The Foundation pays the tuition for teachers and also sponsors a booth and mini-course during the Kansas State Fair to educate students and adults about agriculture. Funding must be matched on a 60.0 percent state, 40.0 percent private funds basis.

E. Pre-K Pilot/Kansas Preschool Program (House, Senate, and Conference Committee). Both the House Committee and the Senate Committee made adjustments to the recommended FY 2009 funding for the Pre-K Pilot (renamed the Kansas Preschool Program in the Governor's budget recommendations) and recommended review during Omnibus. The House Committee deleted the full amount of funding for the program, $6.2 million, all from the Children's Initiatives Fund. The Senate Committee deleted the enhanced funding amount of $1.2 million, all from the Children's Initiatives Fund, leaving $5.0 million in the program. The program, currently known as the Pre-K pilot, is recommended to be transferred from the Children's Cabinet in the budget of the Department of Social and Rehabilitation Services(SRS) to the Department of Education, combined with the Four-Year-Old At-Risk program, and renamed the Kansas Preschool Program. Current year funding for the Pre-K pilot in the SRS budget totals $5.0 million, all from the Children's Initiatives Fund. The

House Committee also recommended review of whether the program is best located in the budget of the Department of Education or should remain with SRS. The Conference Committee on SB 534 concurred with the recommendation of the Senate and deleted a total of $1.2 million, all from the Children's Initiatives Fund, for Omnibus review, leaving $5.0 million in the FY 2009 recommendation.

F. Educational Leadership Commission (House and Senate Committee). Both the House Committee and the Senate Committee deleted $300,000, all from the State General Fund, in FY 2009 enhancement funding recommended by the Governor for review at Omnibus. The funding is recommended for the Kansas Educational Leadership Commission. The Commission is scheduled to propose recommendations during FY 2009. Until the recommendations are made, the agency has budgeted two-thirds of the additional funding to conduct leadership academies for superintendents, principals and teacher leaders. The remaining one-third would be distributed to ten regional professional learning communities to develop a statewide leadership program which would ultimately be sustained through local funding.

G. Replace Federal Title V Funds (House Committee and Conference Committee). The House Committee deleted $119,722, all from the State General Fund, recommended by the Governor to replace the loss of federal Title V-Innovative Programs funds to pay the salaries of two existing Education Program Consultant positions in FY 2009 and recommended review of the funding during Omnibus. The Senate did not delete the funding. The Conference Committee on SB 534 agreed with the House Committee recommendation and deleted the funding for Omnibus review. According to the agency, without the enhancement funding, the two positions will be eliminated in FY 2009. Over the last five years, the amount of Title V federal funds Kansas receives annually has decreased from $3.6 million to $886,319, and all funding from the federal program has been eliminated beginning with the 2008-2009 school year. At least 85.0 percent of the federal funds are distributed locally. The remaining 15.0 percent is used by the agency to fund the salaries of staff assigned to administer the School Improvement and Accreditation program.

H. Mentor Teacher Program (House Committee and Conference Committee). The House Committee deleted $1.5 million, all from the State General Fund, for the mentor teacher program in FY 2009 for review during Omnibus. The Senate did not delete the funding, but the Conference Committee on SB 534 agreed with the House position and deleted the enhancement funding for Omnibus review. The Governor's FY 2009 recommendation includes the $1.5 million in enhancement funding to fully fund the statutory provisions of the program as enacted by the 2000 Legislature. The program calls for annual payments of $1,000 to mentor teachers to support new teachers for their entire three-year probationary period. Between enactment of the program and FY 2006, funding was only provided once, in FY 2002. In FY 2006 and FY 2007, funding was included for only one year of mentoring. The 2007 Legislature appropriated a total $1.65 million, all from the State General Fund, to provide mentor teachers $1,000 to support new teachers during their first year and $500 during their second year, and the funding level in the currently approved FY 2009 budget is the same as the current year budget.

I. After School Programs for Middle School Students (House Committee). The House Committee deleted $400,000, all from the State General Fund, in FY 2009 for after school programs for middle school students for review during Omnibus. The Senate did not recommend deleting the funding. The funding was first added during FY 2008, and required a report from the Department of Education on the outcomes of the program. The State Department of Education provided information based on the partial year the program has been in operation. The proviso language in the FY 2008 appropriations bill limited each grant to no more than $25,000. A total of 35 school districts and organizations applied for the grant. The Department held five rounds of competition. The Department indicates that $396,611 in grant funding was ultimately awarded to 19 grantees. The grantees are listed in the table below. The Department indicates that the grant is serving approximately 300 students in after school programs and the projected number of students to be served during the summer programs is estimated at 1,300.

Grantee	Amount of Grant
USD 101 - Erie-Galesburg	$ 25,000
USD 200 - Greeley County	7,492
USD 244 - Burlington	25,000
USD 250 - Pittsburg	20,000
USD 259 - Wichita	22,578
USD 291 - Grinnell	25,000
USD 309 - Nickerson-South Hutchinson	16,040
USD 310 - Fairfield	11,500
USD 312 - Haven	17,848
USD 313 - Buhler	25,000
USD 337 - Royal Valley	25,000
USD 408 - Marion-Florence	19,254
USD 475 - Geary County	25,000
USD 497 - Lawrence	25,000
USD 500 - Kansas City	25,000
Boys and Girls Club of Hutchinson	18,120
Boys and Girls Club of Manhattan	18,900
Boys and Girls Club of Topeka	25,000
Butler Community College Foundation	19,879
TOTAL	$ 396,611

The Conference Committee on SB 534 ultimately concurred with the Senate Committee recommendation and left the $400,000 in funding in the FY 2009 budget.

J. High Density At-Risk Funds (Senate Committee). The agency requested $2.0 million, all from the State General Fund, in FY 2009 to increase general state aid to reflect the State Board's recommendation to change the formula for distributing high density at-risk funding. Under current law, school districts that have an enrollment of at least 40.0 percent at-risk students qualify for additional weighting and school districts with at least 50.0 percent qualify for a higher weighting. The State Board has proposed that high density weighting apply to school districts with at least 35.0 percent at-risk enrollment, and the weighting would increase, based on a linear transition formula, as the enrollment of at-risk students increases. The calculation would level off at an enrollment of 50.0 percent at-risk students.

2008 SB 531, currently in Conference Committee, would modify current law to create a new weighting called the medium density at-risk pupil weighting. School districts having an enrollment of at least 40.0 percent at-risk pupils but less than 50.0 percent at-risk pupils would qualify to receive the medium density at-risk pupil weighting which would be determined by the state board by multiplying the number of at-risk pupils in the district by a factor of 0.06. School districts having an enrollment of at least 50.0 percent at-risk pupils or an enrollment of at least 35.1 percent at risk pupils and an enrollment density of at least 212.1 pupils per square mile, would continue to be eligible for the high density at-risk pupil weighting which would be determined by the state board by multiplying the number of at-risk pupils by a factor of 0.10.

Any district that becomes ineligible for the medium density at-risk pupil weighting or the high density at-risk pupil weighting because the district no longer meets the requirements specified in the bill would receive the greater of the weighting in the current school year; the weighting in the prior school year; or the average of the weighting in the current school year and the preceding two school years.

K. Professional Development Funding (Senate Committee). The agency requested enhancement funding of $6.25 million, all from the State General Fund, to fully fund professional development state aid under current law in FY 2009. The Governor did not recommend the additional funding, and the Senate Committee recommended reviewing the request during Omnibus. Professional development state aid is limited to the lesser of half of 1.0 percent of a school district's general fund budget, or 50.0 percent of actual program costs. For FY 2009, the Department estimates statewide professional development expenditures eligible for state aid will total $16.0 million. Based on current law, the state aid amount would be $8.0 million. The currently approved budget for professional development state aid totals $1.75 million, the same as the FY 2008 approved amount.

L. School Food Assistance Match (Senate Committee). The agency requested an FY 2009 enhancement of $904,000, all from the State General Fund, for the school food assistance state match, which allows the state to receive over $130.0 million per year in federal child nutrition funds. Under current law, school districts are to receive six cents for each meal served under an approved school lunch program. The agency notes that in past years, the amount paid for approved programs has been prorated to amounts between 4.6 and 5 cents for each meal served. The request would have fully funded the match at six cents. The Governor did not recommend the enhancement request and the Senate Committee recommended reviewing the issue during Omnibus.

M. Special Education Funding (House Committee). The House Education Budget Committee reviewed a December 2007 Legislative Post Audit report on Special Education funding and noted concerns with the distribution of funds for special education excess costs to certain districts. Because of changes in Medicaid rules, it was estimated that districts and cooperatives will lose a little more than two-thirds of their Medicaid funding as a result of the recent changes. Although 92.0 percent of the lost funding would be replaced with special education categorical aid, the new aid would be distributed based on current law, primarily the number of special education teachers employed by each district or cooperative, and not based on the amount of Medicaid funding districts and cooperatives actually will lose. The House Committee recommended review of this item during Omnibus. 2007 SB 531, currently in Conference Committee, addresses this issue. The bill would entitle each school district providing special education and related services to pupils who receive Medicaid to receive Medicaid Replacement State Aid, subject to appropriation, in an amount not to exceed $9.0 million per year. The State Board of Education would compute Medicaid Replacement State Aid for each district by dividing the appropriation by the number of pupils in the state receiving Medicaid special education and related services and multiplying the quotient by the number of exceptional pupils receiving Medicaid-provided special education and related services in each school district. The product would be the amount of Medicaid Replacement State Aid the district would be entitled to receive. School districts would certify the number of exceptional pupils receiving Medicaid services as of March 1 of each year. This provision would take effect in school year 2007-2008 and end with school year 2009-2010.

N. Kansas Career Pipeline (House Committee-Technical Adjustment and Senate Committee). The 2007 Legislature approved funding totaling $420,120, all from the State General Fund, in FY 2008 for the Kansas Career Pipeline (KCP), a non-profit organization that provides a web-based program to help students identify career choices most aligned with their personal interests and aptitude. The funding was appropriated with a requirement that it be matched on a dollar for dollar basis by business and industry. During its review of the agency's budget, the Senate Committee asked for a report on the activities of the KCP and to review the issue of additional funding for the KCP. The House Committee approved the recommendation of the House Education Budget Committee to delete language in the appropriations bill requiring the dollar-for- dollar match to come from business and industry. The Budget Committee was informed that there were other funding sources available for the match that could not currently be utilized for the matching funding. In addition, the House Committee also recommended that any unspent FY 2009 funding be allowed

to reappropriate to FY 2009. Through an oversight, both of the House Committee's recommendations were omitted from the House bill and from Conference Committee consideration.

According to information provided by the KCP, the program was designed to be implemented in two phases. The first phase, which has been completed, was to introduce the program in the state's public secondary and post-secondary schools. Since September 2007, KCP reports that over two-thirds of the state's secondary and two-year post-secondary schools have registered as KCP users. As of April 2008, 26,266 Kansas students have taken the KCP assessments. The KCP is being used in districts across the state, including Blue Valley, Shawnee Mission, Arkansas City, Chanute, Wichita, McPherson, Dodge City, Liberal, Colby, and Junction City.

The second phase of the program included designing and implementing a web based workforce development system connecting Kansas companies with students and adults across the state. KCP indicates the immediate goal of making the system available by spring 2008 has been met.

The KCP indicates that of the initial funding provided by the state, $40,000 has been accessed by the KCP, and that the remainder will be expended as additional components of the program are in place after June 2008.

O. Circle of Friends (Senate Committee). The Senate Committee recommended that consideration be given to the addition of $100,000, all from the State General Fund, in FY 2009, for the Circle of Friends, an organization that pairs regular education students as mentors with special education students. The program is a cooperative effort between the Arc of Sedgwick County, and school districts primarily in south-central Kansas including Wichita, Andover, Derby, El Dorado, Hutchinson, Maize, Valley Center, Burrton, Goddard, Haysville, Renwick, Rose Hill, and Wellington.

P. HB 2714 (Law). The bill would enact the Interstate Compact on Educational Opportunity for Military Children. This compact is intended to remove barriers to educational success imposed on children of military families caused by frequent moves and deployment of their parents. The bill would also make provisions for the Interstate Commission on Educational Opportunity for Military Children, which would be formed by the states entering into the Compact and consist of one member per state. The Commission would have the authority to assess member states for funding. The powers, duties, organization, operation, jurisdiction, and funding of the Commission are also established by the bill. The agency estimates the fiscal impact of this bill to be $25,000, all from the State General Fund.

Q. Senate Bill 669 (Conference). SB 669 creates the Virtual School Act. The bill would give general supervision and regulation of all virtual schools to the Kansas Department of Education. For each school year that a school district has a virtual school, the district would be entitled to Virtual School Aid. Virtual School Aid would be calculated by multiplying the number of full-time equivalent students enrolled in a virtual school times 105.0 percent of the unweighted Base State Aid Per Pupil (BSAPP). In addition, virtual schools would receive a non-proficient weighting of 25.0 percent multiplied by the full-time equivalent enrollment of non-proficient pupils in approved at-risk programs at virtual schools. Advanced placement course funding of 8.0 percent of the BSAPP would be paid to virtual schools for each pupil enrolled in an advanced placement course with certain conditions.

Moneys received as Virtual School Aid would be required to be deposited in a Virtual School Fund. Expenses of the virtual school would be paid from this Fund.

In addition, a pupil with an Individualized Education Plan (IEP) and attending a virtual school would be counted as the proportion of one pupil (to the nearest tenth) that the pupil's attendance at the non-virtual school bears to full-time attendance. Any student enrolled in a virtual school who is not a Kansas resident would not be counted in the enrollment calculation. The bill would require

school districts to provide adequate training to teachers who teach in virtual schools or virtual programs. The definition of a virtual school would require that students make academic progress toward the next grade level, demonstrate competence in subject matter for each class in which a student is enrolled, and require age appropriate students to complete state assessment tests.

The bill would establish procedures that address declining school district enrollment as a result of a qualified disaster. The bill would apply to the following school districts: USD 101, Erie; USD 257, Iola; USD 367, Osawatomie; USD 422, Greensburg; USD 445, Coffeyville; USD 446, Independence; USD 461, Neodesha; and USD 484, Fredonia. The school district would need to meet two criteria. First, a state of disaster emergency would need to be declared within the district by the Governor and the President of the United States (pursuant to the Stafford Act). Second, as a result of the disaster, destruction or damage to housing would have to have caused the district's enrollment to decline by at least 25 students or 2.0 percent of the district's enrollment. The bill would allow qualifying districts to determine their budget using the enrollment of the district in school year 2006- 2007. This calculation would be used in computing the general fund budget of a district for the second, third, and fourth years following the 2006-2007 school year.

The bill also would guarantee USD 253 Emporia, USD 251 North Lyon County, USD 252 Southern Lyon County, and USD 284 Chase County 98.0 percent of the adjusted enrollment in the 2007-2008 base school year when calculating the general fund budget of the school district for the 2008-2009 school year. This provision would be applicable for only the 2008-2009 school year.

The State Department of Education estimates the total fiscal impact of the bill at $1,305,000, all from the State General Fund, in FY 2009. Of this amount, $700,000 in additional general state aid would be needed for those areas experiencing declining school district enrollment as a result of a qualified disaster, and $600,000 in additional general state aid would be needed to address the Emporia area issue. The agency also is requesting operating expenditures of $5,000 for the implementation of provisions related to virtual schools, including establishing the new fund and modifying computer programs to compute virtual school state aid.

Juvenile Justice Authority

A. Information Systems Software (Senate Committee and House Committee). Both the House and Senate committees recommended Omnibus review of the addition of $380,000, all from the State General Fund, for the agency to consolidate its database system into one web-based application in FY 2009. The House and Senate committees requested the Joint Committee on Information and Technology approve the project. Currently the agency has three main database systems which include: Community Agency Supervision Information Management System (CASIMS), Juvenile Justice Intake and Assessment Management System (JJIAMS), and the Juvenile Correctional Facility System (JCFS). The agency asserts that a new web-based application would result in a stable and more accurate database and would lead to better time management and job efficiency for the staff who currently use the three databases. The information systems rewrite would be a three-year project with a total cost of $1,133,754. The agency has indicated that the database would be improved even if only one year of funding was approved.

B. Children's Initiatives Fund (Senate Committee). The Senate Committee recommended Omnibus review of the shift of $9.0 million from the State General Fund to the Children's Initiatives Fund for Juvenile Prevention Program Grants and Juvenile Graduated Sanctions Grants in FY 2009. The Governor's budget recommendation for the Juvenile Justice Authority for FY 2009 recommended shifting $9.0 million from the Children's Initiatives Fund to the State General Fund for graduated sanctions and prevention programing. The Legislature approved $9.0 million from the Children's Initiatives Fund for Juvenile Prevention Program Grants and Juvenile Graduated Sanctions Grants for FY 2009.

C. Replacement Vehicles (Senate Committee). The Senate Committee recommended Omnibus consideration of the addition of $30,800, all from the State General Fund, in FY 2009 to replace the agency's car and minivan. The agency has increased the amount of technical assistance provided to community supervision agencies and community placement providers. Additionally, the agency has increased the number of audits conducted. As a result of increased travel the agency projects that both vehicles will have over 120,000 miles at the end of FY 2009. The agency has only two vehicles available for staff transport. The Conference Committee in SB 534 concurred with the House Committee's recommendation on this position and funded the request to replace the vehicles.

D. GBA No. 1, Item 21, Page 12—Salary Enhancement at the JJA Correctional Facilities.

E. GBA No. 1, Item 22, Page 12—Federal Grant Match.

F. GBA No. 1, Item 23, Page 12—Juvenile Detention Facilities Fund Expenditure Increase.

Kansas Juvenile Correctional Complex

A. Replacement Vehicles (Senate Committee and House Committee). Both the House and Senate Committees recommended Omnibus consideration of $32,800, all from the State General Fund in FY 2009, to replace two agency vehicles. Both vehicles will have more than 100,000 miles by the end of FY 2009. One vehicle is used by the agency's delivery driver and the second vehicle is used by the facility's school industries program to pick up supplies and deliver produces produced by the industries program.

State Bank Commissioner

A. Vehicle Replacement (Senate Committee). This enhancement added $53,100, all from special revenue funds, for replacement of three vehicles in FY 2009. The Senate deleted this funding for review at Omnibus. The Conference Committee on SB 534 concurred with the House position on this item and did not delete the funding.

Department of Corrections

A. Expansion of the Home Building Vocational Education Program at the Labette Correctional Conservation Camp (House Committee). The Department of Corrections currently utilizes a home building program as part of its vocational education programming. The House Committee requested to review the possible expansion of the home building program to other facilities within the Department of Corrections, because of the potential to provide low-cost housing to areas damaged by flooding in 2007. When the House Committee made the recommendation, no dollar amount was associated with the possible expansion. The Department of Corrections now estimates it will cost $150,000 for an instructor and materials, per facility to expand the program in FY 2008.

B. Parole Services Other Operating Expenditures (Senate Committee). The Senate Committee included $178,000, all from the State General Fund, for Parole Services other operating expenditures in FY 2008 with review at Omnibus. Of the total amount, $100,000 was for GPS monitoring devices and the balance was for increased space needs and rent increases at parole

offices in the state. The Conference Committee on SB 534 concurred with the House Committee and reappropriated $678,000, including the $178,000 for this item, from FY 2008 into FY 2009.

C. Reappropriation Language for FY 2008 Supplemental Funding (Conference Committee). The House Committee reappropriated $678,000, all from the State General Fund, from FY 2008 to FY 2009. The amount of the reappropriation is the same as the supplemental funding that was including by the Governor for FY 2008. The Conference Committee on SB 534 concurred with the House Committee and reappropriated $678,000 from FY 2008 to FY 2009, for further review at Omnibus.

D. New Inmate Health Care Contract (Senate Committee and House Committee). The Department of Corrections requested $1,832,096, all from the State General Fund, for the new inmate health care contract in FY 2009. This level of funding would have expanded the inmate health care contract to include current and improved practices for health care services. The Governor recommended $884,000, all from the State General Fund, for the health care contract. According to the agency, this amount continues the current level of care as the previous contract, but not the improved practices. The House Committee included the $884,000, all from the State General Fund and recommended review of this item at Omnibus to assess whether the agency could find additional cost savings through the movement of inmates within in the system. The Senate Committee included the funding and recommended to review of this item at Omnibus to assess whether additional funding was necessary for the new inmate health care contract.

E. Prison Rape Elimination Programming (Senate Committee). The Senate Committee requested consideration at Omnibus of $248,383, all from the State General Fund, to replace federal funding for the Prison Rape Elimination Act in FY 2009. The funding was not included in the Governor's recommendation. The federal funding was primarily used for funding 5.0 corrections counselor positions.

F. Offender Treatment Programs (Senate Committee and Conference Committee). The Senate Committee included $750,000, all from the State General Fund, in enhancement funding for expansion of the current offender treatment programs in FY 2009 and recommended review of this funding at Omnibus. The House Committee deleted the funding. The Conference Committee on SB 534 concurred with the Senate Committee and included the funding with review at Omnibus. The Department of Corrections did not specify which services would be expanded.

G. Correctional Facilities Operations Expenditures (Senate Committee). The Senate Committee included $750,000, all from the State General Fund, for facilities operations at the eight correctional facilities in FY 2009 and recommended review of this funding during Omnibus. The House Committee deleted the funding. The Conference Committee on SB 534 concurred with the House Committee and deleted the funding. The facilities operations funding is primarily for utilities. The current approved amount in FY 2009 is $11,510,999.

H. Wyandotte County Reentry Program (Senate Committee and House Committee). This enhancement added $219,000, all from the State General Fund, in FY 2009 for the Wyandotte County Reentry Program, which helps inmates to successfully reenter the community upon their release from prison. The Senate Committee included the $219,000 and recommended review of the funding at Omnibus. The House Committee deleted the $219,000 and recommended review of the funding at Omnibus. The Conference Committee on SB 534 concurred with the House position and deleted the funding with review at Omnibus.

I. Vehicle Replacement (Senate Committee). This enhancement included $931,198, all from the State General Fund, for 35 vehicles and 3 inmate transport buses in FY 2009. The Senate Committee included the $931,198 and recommended review of the funding at Omnibus. The Conference Committee on SB 534 concurred with the House Committee and included funding of

$465,599, all from the State General Fund in FY 2009, for replacement of inmate transportation vehicles and perimeter security vehicles.

J. Global Positioning Satellite (GPS) units (Senate Committee). This Senate Committee recommended review of the possibility of adding $125,000, all from the State General Fund, for additional GPS monitoring units for the Department of Corrections Parole Services in FY 2009. The Conference Committee on SB 534 concurred with the House Committee and deleted $100,000, all from the State General Fund in FY 2009, for GPS units. GPS units are used for monitoring high risk sex offenders and potential absconders currently on parole. There is no funding currently approved in FY 2009.

K. Bonding Authority Language (Conference Committee). The House included language in the appropriations bill that would have rescinded the bond authority that was approved during the 2007 Legislative session. The total of the bonds authorized was $39.5 million. The bond proceeds were to be used for bed capacity expansion projects in the Department of Corrections and would be repaid by the state. The Senate did not consider the language. The Conference Committee on SB 534 recommended considering the issue during Omnibus.

The Department of Corrections has already received $1.7 million in bond payments to begin planning on four bed capacity expansion projects:

- a 256 medium-security bed expansion in two cell houses at El Dorado Correctional Facility;
- a 240 minimum-security treatment beds at a new facility in Yates Center;
- a 100 minimum-security bed expansion at Ellsworth Correctional Facility
- a 72 minimum-security bed expansion at Stockton Correctional Facility.

According to the Department of Corrections, none of the $1.7 million has been spent at this time and could be payed back to the Pooled Money Investment Board, which was the source of the $1.7 million.

L. Senate Bill 524 (Governor). SB 524 creates a new fund in the Department of Corrections, the Victim Assistance Fund, and transfers funding from the Crime Victim's Compensation Fund in the Attorney General's Office to the new fund for FY 2009.

The transfer of funds for one year is due to the loss of federal Byrne Grant funding for local crime victim programs. The funds in the new Victim Assistance Fund will be used in a similar manner to how they would have been utilized in the Crime Victim's Compensation Fund. The Attorney General's office is currently experiencing a surplus in the Crime Victim's Compensation Fund and according to the agency transferring the funds for one year will not hinder their programming. The Department of Corrections plans to utilize the funding for one year in order to allow them time to obtain alternative funding sources for the local crime victim programs currently operating. The funding will return to the Crime Victim's Compensation Fund after FY 2009.

The fiscal note indicates SB 524 will result in a reduction of approximately $303,000 in the Crime Victim's Compensation Fund in the Attorney General's office in FY 2009 and an increase of the same amount in the Victim Assistance Fund in the Department of Corrections in FY 2009.

M. GBA No. 1, Item 19, Page 11—Inmate Benefit Fund Expenditures.

N. GBA No. 2, Item 20, Page 11—Additional Federal Funds.

El Dorado Correctional Facility

A. Expansion of the Home Building Vocational Education Program (House Committee). The Department of Corrections currently utilizes a home building program as part of its vocational education programming. The House Committee recommended review of the possible expansion of the home building program to other facilities within the Department of Corrections, because of the potential to provide low-cost housing to areas damaged by flooding in 2007. When the Committee made the recommendation, no dollar amount was associated with the possible expansion. The Department of Corrections estimates it will cost $150,000 per facility for materials and an instructor, to expand the program in FY 2008.

Lansing Correctional Facility

A. Expansion of the Home Building Vocational Education Program (House Committee). The Department of Corrections currently utilizes a home building program as part of its vocational education programming. The House Committee recommended review of the possible expansion of the home building program to other facilities within the Department of Corrections, because of the potential to provide low-cost housing to areas damaged by flooding in 2007. When the Committee made the recommendation, no dollar amount was associated with the possible expansion. The Department of Corrections estimates it will cost $150,000 per facility for materials and an instructor, to expand the program in FY 2008.

Kansas Parole Board

A. Other Operating Expenditures (Senate Committee). This enhancement included $6,729, all from the State General Fund, for in-state travel expenses and blackberry communication devices in FY 2009. The Senate Committee deleted this funding for review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee and did not delete the funding.

Sentencing Commission

A. 1.0 FTE Data Entry Position (Senate Committee and Conference Committee). This enhancement included $42,607, all from the State General Fund, and 1.0 FTE data entry position in FY 2009 for the increased volume and complexity of journal entries handled by the Sentencing Commission. The Senate Committee deleted the funding for the FTE position and recommended review at Omnibus. The House Committee did not delete the funding. The Conference Committee on SB 534 concurred with the Senate Committee and deleted the funding with review at Omnibus.

B. Senate Bill 418 (Law). SB 418, as amended, would amend current law to require the Kansas Sentencing Commission (KSC) to annually produce the juvenile correctional facility population projections. The juvenile population projections would be due no later than November 1st of each year. Additionally, the KSC would be required to develop bed impact memoranda on legislative bills that may affect the juvenile correctional facility population.

The fiscal note states that according to the KSC, an additional $50,000 from the State General Fund would be needed to implement the bill. This is the amount that was paid by Juvenile Justice Authority to the Kansas Sentencing Commission in the contractual agreement. The amount finances a portion of three positions that compile and produce the juvenile facility population projections.

Board of Healing Arts

A. House Bill 2620 (Conference Committee). HB 2620 concerns fingerprints and criminal record checks with the Board of Healing Arts. This bill authorizes the Kansas Board of Healing Arts to: order and obtain fingerprint and criminal history record checks for applicants, licensees, registrants or permit or certificate holders regulated by the Board; review the information obtained and act upon findings; and assess fees for the fingerprints and background checks.

According to the Board, the Kansas Bureau of Investigation (KBI) charges $54.00 for a KBI/FBI fingerprint and national record check. If the Board required a criminal background check for all applicants, it is estimated to amount to approximately 550 applications each fiscal year or approximately $29,700 in additional expenditures. The Board indicates that an increased expenditure limitation in the Board of Healing Arts Fee Fund of $29,700 would be required for FY 2009.

State Historical Society

A. Capital Improvements Enhancements (Senate Committee and House Committee). The Senate Committee and House Committee deleted $500,000, all from the Expanded Lottery Act Revenues Fund (ELARF), for capital improvements enhancements in FY 2009, to be reviewed at Omnibus.

Included as part of the Governor's recommendation was $500,000, all from the ELARF, for the following projects: $172,000 for collection shelving, $154,775 for Goodnow House rehabilitation and repair, and an additional $173,225 for historic sites rehabilitation and repair.

-- $172,000 for Collection Shelving --

The agency states that all of the collection areas at the headquarters are full, yet they continue to receive and add items to their collection every year. This enhancement would allow them to purchase mobile shelving units and rearrange current space to increase capacity by approximately 130.0 percent.

-- $154,775 for Goodnow House Rehabilitation and Repair --

The Goodnow House was built in the 1860s by Isaac Goodnow, who was the founder of Bluemount College (now K-State), and began the Kansas State Teachers Association, of which he was the first president. The Goodnow House was eventually donated, along with many of the Goodnow's original belongings, to the Historical Society. The site and structure has fallen into significant disrepair. The agency states that after the exterior structure has been stabilized, the interior plaster and wallpaper will be replaced and new paint applied to wood trim, doors, and windows.

-- $173,225 for Historic Sites Rehabilitation and Repair --

This amount was provided under the Governor's recommendation for general historic sites rehabilitation and repair.

B. Preservation of Electronic Records (House Committee). The House Committee deleted $149,500, all from the State General Fund, for the preservation of electronic records in FY 2009. The Senate Committee did not recommend the deletion of this funding. The Conference Committee SB 534 concurred with the Senate and recommended the inclusion of the funding.

This funding represents the first year of a two-year $207,000 request for the creation of a strategic plan for an electronic state archive. This funding would provide for the hiring of consultants to build a strategic information management plan, and provide for the hiring of a digital archives specialist to research options, work with the consultants, involve other state agencies, and to aid in the communication between all involved entities.

C. Kansas Humanities Council: Kansans Tell Their Stories Program (House Committee). The House Committee deleted $70,000, all from the State General Fund, for the Kansas Humanities Council's program, "Kansans Tell Their Stories," in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this funding. The Conference Committee on SB 534 concurred with the House Committee and recommended the deletion of the funding for Omnibus review.

The agency received $70,000, all from the State General Fund, for this program in FY 2008. This program provides community history grants to community-based organizations to support oral history projects, exhibits, book discussions, forums, documentaries, and other programs.

D. Vehicle Replacement (Senate Committee). The Senate Committee recommended the deletion of $14,400, all from special revenue funds, for the replacement of one vehicle in FY 2009, to be reviewed at Omnibus. The House Committee did not recommend the deletion of this vehicle funding. The Conference Committee on SB 534 concurred with the House Committee and did not recommend the deletion of vehicle funding.

E. Property Valuation Listing (Senate Committee). The Senate Committee recommended that the agency report back with a listing of historic sites ordered as to their possibility of being sold.

The agency indicates that in order to address this question, Historical Society staff reviewed the legislative history, historical significance, potential audience and site attendance, condition of the facilities, required cyclical maintenance, site operations and resources, and the strengths and weaknesses of each site. Specific recommendations were made for improving each site. In reviewing all sixteen historic sites, the agency recommends that no historic sites be sold.

The agency indicates that it is nearing the end of a seventeen-year program to rehabilitate the state historic sites. This process began in 1992 when extensive emergency stabilization work was begun. For five years projects were undertaken to keep historic buildings from collapsing and to eliminate the threat to public safety. Once the most endangered buildings were saved, the Historical Society began rehabilitation work to preserve and upgrade the buildings and grounds. The work put them in better physical condition, while complying with life safety codes and providing essential visitor services. Currently the Society states that thirteen of the sixteen historic sites have had major rehabilitation projects completed. One more site will be completed next month, with another to be completed in 2009. This leaves only one site, the Goodnow House, that has not had some major rehabilitation work done.

According to the agency both public and private money has been used to complete the rehabilitation process. Funds were donated to the sites based on the assumption that the state of Kansas would remain as owner of the sites. Over the last decade, the ratio between state and private dollars has shifted dramatically, with most capital improvement funds now coming from outside sources.

The agency notes that the State of Kansas will be commemorating its state sesquicentennial in 2011, and indicates that the state historic sites will become important resources during the sesquicentennial commemoration.

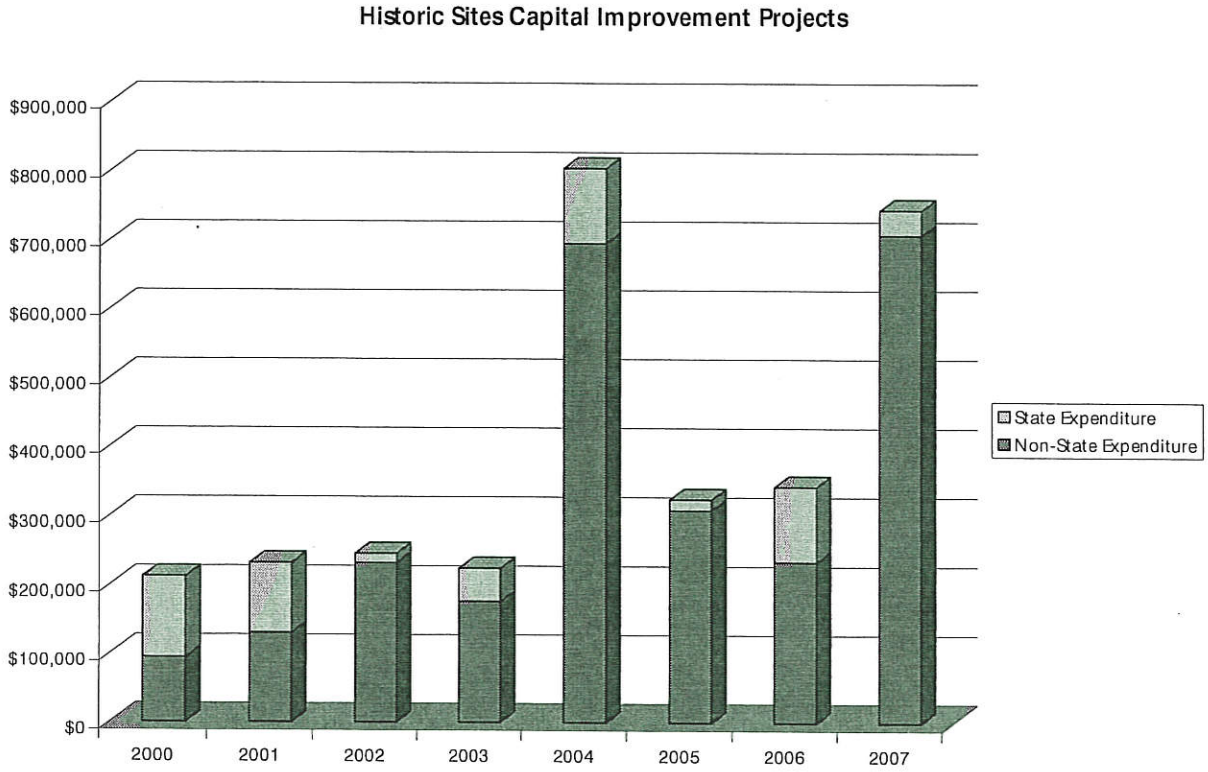
The agency states that if the State of Kansas decides it has no alternative but to sell or reduce the number of historic sites it administers, a task force or a blue-ribbon committee should be appointed to review the state historic sites system and make recommendations to the Legislature.

Completed Rehabilitation of State Historic Sites

Year(s)	Historic Site	Cost	Funding Source
1992 & 1994	Cottonwood Ranch	$ 279,468	Non-State
1993, 2001, 2006, & 2007	Fort Hays	$ 542,642	Non-State ($310,966) & State ($231,676)
1994 & 2000	First Territorial Capitol	$ 115,406	State
1995	Constitution Hall	$ 203,878	State
1998	Hollenberg Station	$ 117,644	Non-State ($94,115) & State ($23,529)
1998	John Brown Museum	$ 273,647	Non-State ($218,918) & State ($54,729)
1998	Mine Creek (Visitor Center Constructed)	$ 480,065	Non-State ($384,052) & State ($96,013)
2002 & 2004	Shawnee Indian Mission	$ 614,863	Non-State
2003	Native American Heritage Museum	$ 54,185	State ($41,505) & Non-State ($12,680)
2004, 2005, & 2006	William Allen White House	$ 475,669	Non-State
2004	Pawnee Indian Museum (Tornado Damage Repairs)	$ 108,886	State
2005	Kaw Mission	$ 155,638	Non-State ($140,074) & State ($15,564)
2007	Grinter Place	$ 194,890	Non-State

Pending Rehabilitation of State Historic Sites

Year	Site	Explanation
2008	Marais des Cygnes	Using state funds the site is currently under restoration and will be completed May 2008.
2009	Pawnee Rock	Non-state funds have been requested. The agency should know by May if the project has been funded.
Unknown	Goodnow House	Roof restoration began in 2007 using non-state funds. State funds have been requested to completed the restoration work.



Board of Nursing

A. House Bill 2620 (Conference Committee). HB 2620 would authorize the Board of Nursing to require applicants for an original license to practice as a professional nurse, practical nurse, or mental health technician, to be fingerprinted and submit to a state and national criminal history record check. The fingerprints would be required to be used to identify the applicant and to determine whether the applicant has a criminal history record in Kansas or other jurisdictions. Information from the criminal history check could be used by the Board in making a determination of the applicant's character and fitness for a nursing or mental health technician license.

The bill would authorize the Board of Nursing to set a fee for fingerprinting in an amount needed to reimburse the Board for the cost of fingerprinting and performing a criminal records check, and to deposit such fees to the Criminal Background and Fingerprinting Fund that would be created by the bill. The agency requests that the new fund be appropriated as a "no limit" funds as the total number of applicants cannot be determined.

Kansas Bureau of Investigation

A. Review of Federal Homeland Security Funding (House Committee). The House Committee recommended Omnibus review of the federal homeland security funding recommended by the Governor in FY 2008, for the Kansas Bureau of Investigation. The Committee requested information regarding how this funding and the Kansas Intelligence System tie to the Fusion Center operated by the Adjutant General. The Governor's FY 2009 recommendation, included the addition of $681,713 in federal homeland security funds. The agency testified that it intends to use a portion of this amount for the Kansas Intelligence System.

The agency provided the following information: Beginning in 2004, the Kansas Bureau of Investigation (KBI) has received Homeland Security funding to build a statewide intelligence system to replace the outdated Kansas Law Enforcement Intelligence Network. The new system would be capable of connecting to the national intelligence pipeline through the Regional Information Sharing System Network (RISSNET). The system would allow any participating agency in the state to enter either criminal intelligence or criminal information and share that information statewide and nationally.

The agency received the following funding to date through the Department of Homeland Security: FY 2004, $39,059; FY 2005, $349,600; FY 2006, $493,854; and FY 2007, $45,000. For a total of $927,513 in federal funding.

Currently the system is operational within the KBI and is in the early stages of providing access to the system to outside law enforcement. Training will continue through 2008, to enable agencies to come on line and share information.

The agency indicates that estimated costs for FY 2010 for continuation of the system after federal homeland security funds expire, will be $135,400.

The agency states that the difference between the fusion center and the intelligence project is that the intelligence project is providing a system to store criminal intelligence and criminal information for law enforcement agencies throughout Kansas. The fusion center is to pull information from divergent databases to analyze threats from intelligence gathered by accessing information contained in these databases. The fusion center will be accessing the KBI system as one of these databases. By law they must be maintained in separate systems.

B. Methamphetamine Precursor Monitoring Program (Senate Committee). The Senate Committee recommended reviewing the addition of $200,000, all from the State General Fund, to pilot a real time methamphetamine precursor monitoring program in FY 2009. This would provide the KBI with money to pilot a program that would log and track the sale of methamphetamine precursors. Precursors, such as ephedrine or pseudoephedrine, which are used in the creation of methamphetamines.

With the later passage of SB 491 (dealing with the same issue), the creation of a Methamphetamine Precursor Task Force, the KBI has been working with the Board of Pharmacy to create a program to track and log the sale of methamphetamine precursors. The KBI and Board of Pharmacy are in discussion with a vendor that would provide a pilot program to be located in six counties in SE Kansas. This program according to the KBI will have no expense to the Board of Pharmacy, KBI, or participating pharmacies.

C. Kansas Criminal Justice Information System Enhancements (Senate Committee and House Committee). The Senate Committee and House Committee recommended the deletion of $1.4 million, all from the State General Fund, and 3.0 FTE positions for the Kansas Criminal Justice Information System in FY 2009, for review during Omnibus. This funding would provide for the following items:

-- $186,846 for 3.0 new information technology FTE positions --

These positions would administer connectivity and security for the over 8,000 KCJIS users in the 1,700 agencies that utilize the system across the state. These positions will also support the 522 Kansas law enforcement agencies with the installation and use of the KIBRS, as well as assisting the agencies with data exchange by interface or batch file transfer. The agency reports that the Federal Bureau of Investigation (FBI) recorded in a formal finding in 2001, and 2006, that Kansas was not conducting the required system audits. The KBI reports that these positions are necessary

to overcome these deficiencies and to ensure that the KIBRS data is moved to the Central Repository and the FBI;

-- $500,000 for a new central messaging switch (CMS) --

The CMS is a very complex communication platform that provides connectivity to multiple criminal justice and other databases in Kansas and other states. The agency has contracted with an independent vendor for critical support and maintenance since the bankruptcy of the original vendor in 1998. According to the agency, the current system does not allow full participation with inter-state criminal justice information system initiatives, such as the inter-state sharing of driver's license photos and standardized rap sheets;

-- $250,000 to replace core hardware and software --

The Kansas Criminal Justice Coordinating Council recommended and the agency requests a five-year replacement cycle for the approximately $1.01 million in KCJIS computer equipment maintained by the KBI. This replacement cycle is consistent with industry best practices. The agency reports that this replacement is necessary to maintain a reliable, stable system for criminal justice agencies across the state and nation; and

-- $416,853 for new network interface cards and bandwidth lines --

This item includes funding to increase the bandwidth from 56 KB to 1.5 MB on the communication lines provided by the state to many county mandated sites. The agency reports that these lines no longer have sufficient capacity to carry the amount of data required to support law enforcement operations. This item was recommended by the KCJIS Committee after consultation with the Division on Information Systems and Communications (DISC).

D. Debt Service Principal and Interest Payments (Senate Committee). The Senate Committee and House Committee recommended the deletion of $285,000, all from the Expanded Lottery Act Revenues Fund (ELARF), and added the same amount from the State General Fund for debt service principal payments on the headquarters in Topeka in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

The Senate Committee and House Committee recommended the deletion of $26,850, all from the Expanded Lottery Act Revenues Fund (ELARF), and added the same amount from the State General Fund for debt service interest payments on the headquarters in Topeka in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

E. KBI Complex Site Master Plan (Senate Committee and House Committee). The Senate Committee and House Committee deleted $250,000, all from the Expanded Lottery Act Revenues Fund (ELARF), for KBI Complex enhancements in FY 2009. The Senate Committee replaced this funding with the same amount from the State General Fund, and recommended review of this shift at Omnibus. The House Committee only recommended the addition of $50,000, all from the State General Fund, to complete the buyout and demolition of the property on the same block as the headquarters. The Conference Committee on SB 534 concurred with the House and recommended the addition of $50,000, all from the State General Fund, to complete the buyout and demolition of the property on the same block as the headquarters in Topeka in FY 2009.

The House Committee and Conference Committee recommended Omnibus review of the remaining $200,000 in KBI complex enhancement requests, which include: $50,000 for a site master plan to define space utilization, general appearance, traffic flow, utilities, code compliance, and phasing of the KBI Complex; and $150,000 for a needs assessment for a new forensic science laboratory.

F. Senate Bill 21 (Governor). SB 21 deals with nomination procedures for appointments for office by an appointing authority prior to confirmation by the Senate. The bill would prohibit a person from being appointed unless such person: completes and submits a nomination form; consents to a background investigation by the Kansas Bureau of Investigation (KBI); and consents to the release of tax information by the Department of Revenue and the federal Internal Revenue Service.

The fiscal note indicates that the Kansas Bureau of Investigation estimates it would have to conduct an average of eight additional investigations each year. The investigations in FY 2009 would cost an additional $8,256 (eight investigations at $1,032 per investigation). The agency requests an additional State General Fund appropriation of that amount in FY 2009.

G. House Bill 2727 (Conference Committee). HB 2727 amends current law regarding sexual assault and specifically, sexual assault kits. Under provisions of the bill, a victim could request a sexual assault examination. All sexual assault kits would be sealed and kept in Kansas Bureau of Investigation (KBI) storage units for five years. The agency anticipates needing at least two additional evidence refrigeration units, at a cost of $6,000 each, for a total of $12,000, all from the State General Fund in FY 2009.

Highway Patrol

A. Replacement of Eight Non-Law Enforcement Vehicles (House Committee). The House Committee recommended review of an appropriate funding source for the purchase of eight non-law enforcement vehicles in FY 2009. The vehicles were recommended by the Governor, but no funding source was specified.

The agency originally requested $188,700, all from the State General Fund, to replace eight non-law enforcement vehicles. The agency has a Fleet Management Program for law enforcement vehicles, which is exempt from the state's vehicle acquisition process. The agency owns vehicles used by the Motor Carrier Safety Administration Program (MCSAP) which are not marked as law enforcement or equipped with pursuit lights. Recent interpretation of the statewide vehicle acquisition process has determined that these vehicles are not eligible for sale and purchase under the agency's Fleet Management Program, and they are not exempt from the statewide vehicle acquisition process. The agency had requested funding from the State General Fund, because the vehicles do not quality for replacement using agency Fleet Management funds, and the federal MCSAP program does not allow the use of federal funds for vehicle purchases.

The agency states that the vehicles in question have been purchased from the KHP Motor Vehicle Fund in the past. That source of funding is still appropriate, but the agency did not want to appear as though they were not following any agreed upon guidelines. The agency indicates that they could still comply with the mileage and approval portion of the process, but pay for the vehicles from the Motor Vehicle Fund.

B. Trooper Pay Increases for FY 2008 (Senate Committee and Conference Committee). The Senate Committee and Conference Committee on SB 534 recommended the deletion of FY 2008 supplemental funding of $191,854, all from special revenue funds, for additional trooper pay increases in FY 2008, for further review. This funding is the difference between the funding approved by the 2007 Legislature for the FY 2008 pay increases, and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.

In early 2007, the agency completed labor negotiations with the Kansas State Troopers Association and a new three-year labor agreement was created. The Trooper and Motor Carrier Inspector Memorandum of Agreement (MOA) (encompassing fiscal years 2008, 2009 and 2010) was

signed June 5, 2007. The portion of the MOA concerning the pay increase for Fiscal Year 2008 was enacted by Executive Directive No. 07-381 on July 2, 2007.

C. Trooper Pay Increases for FY 2009 (Senate Committee and Conference Committee). The Senate Committee and Conference Committee on SB 534 recommended the deletion of FY 2009 enhancement funding of $503,914, including $382,113 from the State General Fund, for additional trooper pay increases in FY 2009, for further review. This funding is the difference between the 2.5 percent pay increase recommended by the Governor and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.

In addition, a technical adjustment of $671,714, including $509,340 from the State General Fund, is necessary to incorporate Fiscal Year 2008 adjustments related to the MOA into the FY 2009 salary base.

The Governor's recommended enhancement funding of $503,914 including $382,113 from the State General Fund, is for a 1.5 percent salary increase for Troopers (assuming a base pay increase of 2.5 percent for all employees). This would be pursuant to the MOA, and provide funding in the budget for a 4.0 percent increase for Troopers.

D. GBA No. 1, Item 25, Page 13—Fuel Costs.

E. GBA No. 1, Item 26, Page 13—KHP Operations Fund Adjustments.

Adjutant General

A. Disaster Match Funding—Hazard Mitigation (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the addition of $21,691,670, including $2,591,667 from the State General Fund, for Hazard Mitigation funding in FY 2009, that was not recommended by the Governor, for the three federal disasters declared in 2007.

The Hazard Mitigation Grant Program helps state and local governments and eligible private non-profits with the cost of planning for, administering, and mitigating losses from future disasters. Federal funding for the program is determined by 15.0 percent of the total Federal Emergency Management Agency share of any given disaster. The federal government pays 75.0 percent of the cost, with a 25.0 percent non-federal match. This enhancement would allow the state to pay 10.0 percent with the local unit or eligible private non-profits being responsible for the remaining 15.0 percent. If the payment is made to a state agency, the receiving state agency will be responsible for the entire 25.0 percent. Hazard mitigation grant projects may include, but are not limited to, acquisition or demolition of flood prone properties, construction of tornado safe rooms, limited flood control measures, or enhanced warning systems.

B. Grant Administrator Position (Senate Committee and House Committee). The Senate Committee and House Committee recommended the deletion of $52,935, including $26,468 from the State General Fund, and 1.0 FTE position for a grant administrator in FY 2009, for Omnibus review.

The agency reports that the grant administrator position would assist program managers and the financial officer in administering the fiscal aspects of reimbursable allowances in coordination with the State Administrative Agency, which is the Kansas Highway Patrol. This was one of six positions requested by the agency, and one of two that was recommended by the Governor as part of the agency's Kansas Division of Emergency Management (KDEM) enhancement requests.

The agency states that all 105 counties in Kansas experienced a disaster at some point during 2007. Due to the necessity of managing multiple Presidential disasters and employee resignations, the agency has been unable to meet the requirements of the U.S. Department of Homeland Security for the Kansas Division of Emergency Management's routine responsibilities. The agency reports that non-disaster programs and services cannot be provided during disaster operations, and should another disaster lasting over 36 hours occur, the Emergency Operations Center (EOC) would be manned with untrained, inexperienced staff performing critical tasks.

C. Logistics Specialist Position (House Committee and Conference Committee). The House Committee deleted $54,013, including $40,511 from the State General Fund, and 1.0 FTE position for a Logistics Specialist in FY 2009. The Conference Committee on SB 534 concurred with the House and recommended the deletion of the funding and position for Omnibus review.

The agency states that currently the administrative assistant to the Deputy Director of Kansas Division of Emergency Management acts as the logistics officer in response to minor incidents. The agency has also used county emergency managers, regional coordinators, and National Guard personnel to provide support. The agency reports that a separate logistics function could reduce time and money spent on an incident.

This was one of six positions requested by the agency, and one of two that was recommended by the Governor as part of the agency's Kansas Division of Emergency Management (KDEM) enhancement requests.

D. Emergency Management Performance Grant (House Committee). The House Committee recommended the deletion of $365,000, all from the State General Fund, for funds to match the federal Emergency Management Performance Grant (EMPG) in FY 2009, to review at Omnibus. The Senate Committee did not recommend this deletion. The Conference Committee on SB 534 concurred with the Senate Committee and did not delete the funding in FY 2009.

The agency states that the emergency management performance program is funded 50.0 percent by the federal government, with a 50.0 percent state cost-share or in-kind match requirement. The agency reports that it has not had sufficient state funds to match the grant in recent years. A portion is recovered by passing through a portion of the emergency management performance federal funding to counties with the requirement that the county provide the 50.0 percent non-federal match. The remainder is recovered through in-kind support. The agency reports that without additional match funding, it will be unable to meet the mandates set by the U.S. Department of Homeland Security or the needs of the state. It is reported that this will result in the state being unable to provide preparedness support to counties, particularly smaller counties, requiring an increased utilization of state resources if a disaster occurs in a smaller county.

E. Regional Homeland Security Coordinators (House Committee). The House Committee recommended the deletion of $319,452, all from the State General Fund, to replace funding from the Homeland Security Federal Fund for the seven Regional Homeland Security Coordinators in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this funding. The Conference Committee on SB 534 concurred with the Senate and did not delete the funding. The Conference Committee on SB 534 also recommended the inclusion of language changing the name of these positions to "Regional Emergency Management Coordinators," and the inclusion of language stating that it is not the policy of the Legislature to replace federal homeland security grant program funds with State General Fund in future fiscal years.

The agency states that the Coordinators are currently funded with 75.0 percent federal funds through the State Homeland Security Grant Program, with the remaining 25.0 percent funded through the State General Fund. Due to declining awards in the grant program, the agency requests that the Coordinators be funded entirely through the State General Fund.

F. Reorganization of Comptroller's Office (House Committee). The Senate Committee and House Committee deleted $7,682, all from the State General Fund, and recommended combining the fiscal office of the Kansas Division of Emergency Management with the fiscal office for the remainder of the agency in FY 2009. The House Committee recommended Omnibus review of the deletion.

The agency reports that this action is anticipated to increase efficiency within the agency and provide better financial accountability. The management structure of the Comptroller's Office would need to be modified to combine the offices. This funding is requested to provide a 10.0 percent salary increase to the State Comptroller as compensation for these increased responsibilities.

G. Vehicle Purchases and Replacement (House Committee and Conference Committee). The House Committee deleted $76,000, all from the State General Fund, for the replacement of one vehicle and the purchase of two new vehicles in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this vehicle funding. The Conference Committee on SB 534 concurred with the House and deleted the funding for Omnibus review.

These three vehicles that would be purchased are: a replacement truck for $30,000; a new service vehicle for Great Plains Regional Training Center for $30,000; and a new vehicle for the Public Affairs Office for $16,000.

H. Debt Service Principal and Interest on Armory Renovation Bonds (Senate Committee). The Senate Committee and House Committee deleted $1,235,000, all from the Expanded Lottery Act Revenues Fund (ELARF), and added the same amount from the State General Fund for the debt service principal payments on the Armory renovation bonds in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

The Senate Committee and House Committee deleted $991,807, all from the Expanded Lottery Act Revenues Fund, and added the same amount from the State General Fund, for the interest payments on the Armory renovation bonds in FY 2009. The Senate Committee recommended further review of this shift at Omnibus.

I. Great Plains Regional Training Site No. 1 (Senate Committee). The Senate and House Committees deleted $4.0 million, all from the Expanded Lottery Act Revenues Fund (ELARF), for the creation of the Great Plains Regional Training Site No. 1 in FY 2009. The Senate Committee recommended further review at Omnibus, and the House Committee recommended reviewing this item during the 2009 Session, as the final site selection has not yet been made. The Conference Committee on SB 534 recommended the deletion of the ELARF funding, but added $100,000, all from the State General Fund, for planning purposes surrounding the site selection process.

J. Senate Substitute for House Bill 2923 (Conference Committee). Senate Substitute for HB 2923, as agreed to by the conference committee, would provide a number of National Guard and veterans-related benefits. Regarding National Guard benefits, in FY 2009 and FY 2010, the Kansas Lottery's Veterans' Benefits Game will be sold year-round, with 40.0 percent of the net profits to be used for Kansas National Guard scholarships and 30.0 percent for the Museum of the Kansas National Guard to assist with the expansion of the facility to include a 35th Infantry Division Museum and Education Center. The other 30.0 percent will be allocated to Veterans' programs. The Adjutant General's budget would require a new fund to receive and expend the funding for the museum project.

State Treasurer

A. Kansas Investment Developing Scholars (KIDS) Matching Funds (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the Governor's recommended reduction in the Kansas Investment Developing Scholars (KIDS) matching grant funding. KIDS is a matching grant program from low income Kansans created by 2006 SB 332.

The Governor recommended a reduction in State General Fund expenditures of $390,000 in FY 2008, and $620,000 in FY 2009, for the KIDS matching grant. The agency had originally requested the restoration of this funding, but now KIDS matching grant funding is provided through a no-limit fund; regardless of the number of accounts that are opened, the State Treasurer certifies an amount to the Division of Accounts and Reports, which is then transferred from the State General Fund the State Treasurer for expenditure of the match.

B. Kansas Investment Developing Scholars (KIDS) Administration and Promotional Funding (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of promotional funding requested from the State General Fund for the administration and promotion of the Kansas Investment Developing Scholars (KIDS) program.

The agency requested $100,000, all from the State General Fund, for the administration and promotion of the KIDS program in FY 2009, which the Governor did not recommend. The House Committee recommended Omnibus consideration of $100,000 for the administration and promotion of the KIDS program in FY 2009 . The Senate Committee recommended the addition of $50,000 and Omnibus consideration of an additional $50,000 for the administration and promotion of the KIDS program in FY 2009. The Conference Committee on SB 534 did not add any funding, but recommended Omnibus review of this item.

C. House Substitute for Senate Bill 387 (Governor). House Sub. for SB 387 would authorize a pilot investment program for idle funds at the state universities and a State Housing Loan Deposit Program.

This bill would authorize the State Board of Regents to approve a pilot financial investment program at one state university. That university would designate or create a nonprofit independent investment organization for this pilot program. The Board would determine, establish and adopt the procedures, standards, and criteria that would be used in administering the investment program. The university and its independent investment organization would be required to enter into an agreement approved by the Board. The pilot investment program could not exceed $40 million in investments would end on or before June 30, 2013; however, the Board of Regents could terminate the program at any time.

The Pooled Money Investment Board (PMIB) estimates it will incur a reduction in fees of $40,000 per year based on its current fee structure of 10 basis points on balances outstanding. The reduction in fee income will reduce PMIB's FY2009 budget projections for revenue.

The bill also would establish the Kansas Housing Loan Deposit Program (HLDP), which would provide incentives for housing construction development loans. This program would: be effective until July 1, 2011; provide $60.0 million in allowable loans; authorize the PMIB to make loans to eligible lending institutions at a rate 2.0 percent below the market rate, and then be provided to borrowers at a rate no greater than 4.0 percent above that of the housing loan deposits rate; and require that 50.0 percent of the allowable loans be made available to developer borrowers building houses in Chanute, Coffeyville, Erie, Fredonia, Greensburg, Independence, Iola, Neodesha, or Osawatomie, Kansas.

The Conference Committee on the bill added language to allow banks, savings and loans, and savings banks all to participate in a housing loan deposit program.

The fiscal note estimates a loss of $1.8 million in State General Fund interest revenue. The State Treasurer estimates that the administration of the program would require $68,292 in special revenue funds to hire 1.0 FTE unclassified Housing Loan Assistant position and necessary supplies. The PMIB indicated that it would require $13,000 in special revenue funds for staff oversight and supplies.

State Library

A. Interlibrary Loan Delivery Service for Library Materials (Senate Committee and House Committee). The Senate and House Committees recommended the FY 2009 deletion of $250,000, all from the State General Fund, for the establishment of a statewide delivery system for library materials, for review at Omnibus.

The agency requested $250,000, all from the State General Fund, which would then be matched by $250,000 from the library community to provide $500,000 for the establishment of this system. The agency estimates that it could serve 120 libraries and academic libraries with this amount. The agency states that there are 326 public libraries in Kansas, not including academic libraries. The House Committee also requested a cost-benefit analysis from the State Library that further detail the utilization of this $500,000 expenditure.

The agency states that interlibrary loan, the sharing of library resources, such as books, DVDs, and audio tapes, between one community and another is a major benefit to Kansans. Over 250,000 loans were recorded for both 2006 and 2007, and with returns, this accounts for over 400,000 transactions per year. The agency indicates that while that number is significant, it is not reflective of the possible demand for this service. Currently many libraries in Kansas are providing the interlibrary loan that they can afford, not the interlibrary loan that is needed. The cost of postage can limit the number of books that a library requests for its patrons. For example, a library with a set postage budget of $2,000 must be vigilant as to how many materials can be sent. A courier system eliminates the need to limit interlibrary loans because the cost of the service is annual, predictable, and, with a subsidy, affordable for the libraries.

The agency states that a courier service for Kansas library resources is a positive and service-oriented change in the way materials are shared in this state. It will get library materials to those who need it in a timely and cost-effective way and leverage the thirty million items owned by Kansas libraries. The agency states that without a state subsidy, the costs would be too great for the majority of libraries, and service would be limited to only those libraries with sufficient resources to pay for them. The agency adds that if the majority of libraries cannot afford to participate, access to library materials will be limited. A subsidy of $250,000, matched by the library community, would "postalize" a courier service and make it cost effective for the majority of libraries.

B. Talking Books Service Promotional Funding (Senate Committee and House Committee). The Senate Committee and House Committee recommended consideration of $76,500, all from the State General Fund, in FY 2009, that was not recommended by the Governor for the promotion of the Talking Books Service.

The agency received this funding in FY 2008, and this would continue to provide for costs associated with outreach (brochures, radio and print ads) and staff travel to meet with individuals and groups that express an interest in the program through FY 2009. The agency is requesting that this

be included in the base budget in future years to encourage use of the program as new formats such as digital books, players, and other new formats become available.

C. Learning Express Library Database (House Committee). The House Committee recommended considering at Omnibus the addition of $200,000, all from the State General Fund, for the Learning Express Library database in FY 2009, that the Governor did not recommend.

The agency states that the Learning Express Library is a database of practice and tutorial tests to aid Kansans in career and education test preparation. The database provides a wide variety of practice tests including the General Educational Development (GED), American College Test (ACT), Graduate Record Examination (GRE), Paramedic, Nursing, Real Estate, U.S. Citizenship, and many others.

D. Statewide Youth Services Consultant (House Committee). The Senate Committee and House Committee deleted $60,864, all from the State General Fund, for a Statewide Youth Services Consultant in FY 2009. The House Committee recommended that the item be reviewed at Omnibus.

The agency states that there is currently no one at the state level to aid in the facilitation of children's library services in Kansas. This position would be an employee of the State Library, and the position would seek to enhance and oversee library programs that encourage reading for children and young adults. The agency is not requesting any additional FTE positions.

Kansas Arts Commission

A. Additional Funding for Arts Grants (House Committee). The House Committee deleted $100,000, all from the State General Fund, for additional arts grants in FY 2009, for review at Omnibus. The Senate Committee did not recommend the deletion of this funding. The Conference Committee on SB 534 concurred with the Senate and recommended the inclusion of this funding in FY 2009. The approved amount for arts grants in FY 2009 in SB 534 is $1,399,196.

State Fire Marshal

A. Legislative Post Audit on Funding Issues (Senate Committee). The Senate Committee requested a Legislative Post Audit study, for Omnibus review, on the 1.25 percent levy on fire insurance premiums in the state, and whether or not its current apportionment adequately provides for the functions of the agencies it supports. Currently, 0.8 percent of this amount goes to the Fire Marshal, 0.25 percent goes to the Board of Emergency Medical Services, and 0.2 percent goes to the KU Fire and Rescue Training Institute. The committee noted particular interest in the functions of the KU Fire and Rescue Training Institute, how their apportionment is spent, and whether or not there is any redundancy in their function with other state agencies.

As part of this request, the Senate Committee wanted to understand the possible effects that would surround increasing the 1.25 percent levy on fire insurance premiums to 1.3 percent or more, and then providing that additional amount to the State Fire Marshal.

In 2005 the agency borrowed $225,000 from the Hazmat Emergency Fund to meet budgeted expenditures, and has not yet been able to repay that amount. The agency states that it receives the bulk of its apportionment from the insurance premiums in June and December, and continues to anticipate a shortfall in operating expenditures of $468,847 in FY 2009, and $1,079,844 in FY 2010. As part of its testimony, the agency also notes that of the three agencies supported by the levy on fire insurance premiums, the Fire Marshal is the only one required to contribute to the statutory State General Fund transfer of $200,000 per KSA 78-317a.

The Legislative Post Audit Committee has not yet met to consider this request, and plans on meeting later this April. Therefore, no action has yet been taken on this requested audit.

B. Vehicle Replacements (Senate Committee). The Senate Committee deleted $56,800, all from special revenue funds, for the replacement of three vehicles in FY 2009, to review at Omnibus. The House Committee did not recommend the deletion of funding for these vehicles. The Conference Committee on SB 534 concurred with the House and did not recommend the removal of this funding for replacement vehicles.

C. Senate Sub. for House Bill 2634 (Law). Senate Sub. for HB 2634 would create two new laws that concern non-fuel flammable or combustible liquid above ground storage tanks. Under the bill, on or before July 1, 2009, the State Fire Marshal is to conduct an on-site inspection of any facility in existence on the effective date of the bill to determine compliance with standards by the National Fire Association and rules and regulations adopted by the State Fire Marshal. If the facility is in compliance, a reinspection would be required at least once every three years. If a facility is not in compliance, any necessary changes would be required to be made as soon as practicable, but no later than July 1, 2012. The bill would require that any facility constructed after the effective date of the proposed legislation meet standards specified in the bill and applicable rules and regulations adopted by the State Fire Marshal.

The State Fire Marshal estates additional expenditures of $78,119 would be needed for the enactment of the bill. Of this amount, $61,119 would be for 1.0 Fire Prevention Inspector FTE position, $9,000 for travel and subsistence, and $8,000 for miscellaneous operating expenses. Because no revenues would be available until FY 2013, at the earliest, the agency's fee fund would have to finance these additional costs.

D. Senate Bill 178 (Conference Committee). SB 178 would create "flame retardant" cigarettes under the Fire Safety Standard and Firefighter Protection Act.

The bill would require all cigarettes sold in the State of Kansas after July 1, 2009, to be tested for ignition strength by the American Society of Testing and Materials prior to sale.

Under the bill, no more than 25.0 percent of cigarettes tested could exhibit full length burn as laboratory tested, and cigarettes would be required to have lowered permeability bands in the cigarette paper to reduce the ignition strength of cigarettes. The bill would require certified cigarettes to be marked with the letters "FSC," which is defined in the bill as fire standards compliant. In addition, the State Fire Marshal would have to propose equivalent test methods for cigarettes that are not sent to the American Society for Testing and Materials to be tested. Alternate testing by another state that has enacted equivalent testing and performance standards to those standards in Kansas would be accepted.

Under the bill, manufacturers would be required to maintain copies of the test results for three years, and manufacturers could be liable for fines of $10,000 each day written test reports are not available to the State Fire Marshal or the Attorney General's Office following 60 days after the request for such reports. Manufacturers would be required to pay the State Fire Marshal a fee of $250 to defray costs of processing, testing enforcement, administration, and oversight activities. Cigarettes must be re-certified every three years, or when a change to the cigarettes is made by the manufacturers.

The fiscal note indicates that one additional staff person at a salary of $55,188 and operating expenses of $8,000 would be required by the State Fire Marshal. The revenue source in the bill would support the operation of the program.

E. GBA No. 1, Item 24, Page 13—State General Fund Transfers.

Emergency Medical Services Board

A. Funding Shift (House Committee). The House Committee recommended Omnibus review of the Governor's recommended funding shift of $180,000, all from the Emergency Medical Services Operating Fund, to federal funds in FY 2009. The Senate Committee recommended shifting the funding source back to the Emergency Medical Services Operating fund. The Conference Committee on SB 534 concurred with the Senate and recommended shifting this funding back to the Emergency Medical Services Operating Fund.

The agency states that it does not anticipate receiving any federal funding in FY 2009.

Kansas Public Employees Retirement System (KPERS)

A. Post-Retirement Benefits Adjustment (House Committee and Senate Committee). Both the House Committee and Senate Committee asked to review the Governor's proposed cost-of-living adjustment (COLA) plan for retirees and their beneficiaries, as well as to review alternative COLA plans and one-time bonus payment plans. KPERS prepared a number of alternative plans at the request of the 2008 Legislature for consideration during Omnibus. Documents pertaining to the Governor's proposal and alternative plans will be provided by KPERS separately as handouts, but the individual items are summarized generally below.

1. Governor's Proposed COLA Plan. The Governor's proposed cost-of-living adjustment (COLA) for retired KPERS members was introduced as 2008 SB 661, which remains in the Senate Ways and Means Committee. Funding for the first three years of the state's cost share also was included in the Governor's recommended House and Senate appropriations bills. The Legislature removed the Governor's proposed multiyear COLA funding, deleting the State General Fund financing from separate appropriations bills considered by each chamber during the 2008 Session. The Governor recommends a post-retirement benefit enhancement for certain KPERS retirees and their beneficiaries in the form of a 1.0 percent COLA for each of the next three years. Financing for the state-funded component is proposed from the State General Fund, with $6.4 million recommended in FY 2009 as the first-year payment. The second and third-year payments would increase the FY 2010 total amount to $13.1 million, all from the State General Fund, and the FY 2011 total amount to $20.2 million, all from the State General Fund, as the plan is fully implemented. The Governor's proposal would require substantive legislation that is included in 2008 SB 661 since the benefit increase would be permanent and the local units must pay a higher contribution rate to amortize the cost. The state's cost would be paid from the State General Fund in annual appropriations. The total actuarial cost was estimated at $238.9 million for all groups. The total 17-year cost of the state's portion of the plan was estimated to cost $303.0 million, all from the State General Fund. A local component of the plan would be implemented in conjunction with the proposed multi-year schedule, with total cost of the local payments estimated at $96.0 million over 17 years.

2. Recent COLAs and One-Time Bonus Payment Plans. The cost of any adjustment is related to the size of the group and to the formula used in determining an additional benefit. In addition, cost is related to whether the benefit is one-time or permanent. One-time payments, such as authorized in 2000 and 2007, were less expensive than permanent enhancements, such as the COLAs that were authorized in 1994 and 1998. A 2006 post-retirement benefit adjustment was relatively inexpensive because the group was small (under 15,000 retirees) and had a high mortality rate (average age older than most retirees) that were recognized in the formula.

Permanent COLA increases in 1994 and 1998 were more expensive. The cost of benefit enhancements are expressed in terms of increases in the unfunded actuarial liability when the Legislature decides to pay off the liability over time rather than paying the actuarial cost with a one-

time contribution. The fiscal impact of these benefit enhancements, as reported in actuarial valuations, was $108.0 million for 1994 and $88.0 million for 1998. These amounts reflect increases in the unfunded actuarial liability since the Legislature decided to pay for the enhancements over time. In 2006, the Legislature approved a post-retirement increase in monthly benefit payments for a relatively small group of retired members and who had service in the Kansas School Retirement System. In this case, the Legislature prepaid the cost in order to avoid increasing the unfunded actuarial liability. The group was relatively small and the average age was over 90, with a resulting actuarial liability of $0.3 million that was paid from the State General Fund.

The 2000 one-time payment equaled one-half of one month's benefit check (average of $386) and cost $19.0 million because it covered all retirees and beneficiaries who became eligible before July 1, 1999 for retirement benefits. In 2007, the Legislature provided a one-time bonus payment for a smaller group of all retirees. For retired members, the group included those who retired or became disabled prior to July 1, 1997, and who had at least 10 years of service credit prior to retiring. A $300 one-time bonus was paid on October 1, 2007, to those eligible, including surviving beneficiaries. The fiscal note was estimated at $7.0 million for the state, $2.1 million for the local units, and $249,000 from the disability fund. The Legislature appropriated $7.0 million from the State General Fund and authorized the local units to pay their share over a 10-year period. Approximately one-half of KPERS retirees were ineligible for the one-time payment because of the restrictions on who was eligible for the $300 payment.

3. Alternative COLAs and One-Time Bonus Payment Plans. The KPERS staff prepared a number of variations for the Governor's proposed COLA and a number of alternatives for one-time bonus payments. The fiscal notes for alternative plans include a range in costs, from $9.2 million for a one-time bonus similar to last year's payment, to an estimated state actuarial cost of $57.9 million ($96.0 million over 15 years) for a permanent 1.0 percent COLA . Variations of each may be calculated depending upon the size of the group and the formula used in calculating the benefits, and whether the payment is one-time or permanent. The KPERS handouts include the details of the various alternative plans.

B. GBA No. 1, Item 3, Page 3—Senior Services Trust Fund.

Kansas Racing and Gaming Commission

A. Governor's Recommended Staffing and Funding for Expanded Lottery and GBA No. 1, Item 5, Page 3- Expanded Lottery Regulation Act (House Committee and Senate Committee). Both Committees recommended review of the additional FTE positions and special revenue funds recommended by the Governor to implement the Expanded Lottery Act Division. The Governor recommends enhancements of 47.8 FTE positions and $443,019, all from special revenue funds, in FY 2008, and additional enhancements of 3.7 FTE positions and $1,456,008, all from special revenue funds, in FY 2009. The 2007 Legislature originally approved 25.0 FTE positions and $3.0 million in loan funds from the Pooled Money Investment Board to implement the Expanded Lottery Act Division in FY 2008. The 2008 Legislature deleted the Governor's FY 2008 enhancements. The Governor's cumulative two-year recommended enhancements would add 51.5 FTE positions and expenditures of $1.9 million above the approved FY 2008 budget.

The 2008 Legislature in SB 534 approved expenditures and staff for the Expanded Lottery Act Division in FY 2008 and FY 2009. The approved budget in FY 2008 includes $4.3 million and 25.0 FTE positions. The approved budget in FY 2009 includes $3.3 million and 48.3 FTE positions.

EXPANDED LOTTERY OPERATIONS
SUMMARY OF EXPENDITURES FY 2007-FY 2009

Item	Gov. Rec. FY 2008	Legislative Approved FY 2008	Gov. Rec. FY 2009	Legislative Approved FY 2009	Change FY 08-09
Expenditures:					
Salaries and Wages	$ 2,428,297	$ 1,985,278	$ 3,540,480	$ 2,084,472	$ 99,194
Contractual Services	1,321,090	1,321,090	1,036,090	1,036,090	(285,000)
Commodities	73,842	73,842	73,842	73,842	0
Capital Outlay	890,460	890,460	113,446	113,446	(777,014)
Subtotal - Operations	$ 4,713,689	$ 4,270,670	$ 4,763,858	$ 3,307,850	$ (962,820)
Other Assistance	0	0	0	0	0
TOTAL	$ 4,713,689	$ 4,270,670	$ 4,763,858	$ 3,307,850	$ (962,820)
Financing:					
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	4,713,689	4,270,670	4,763,858	3,307,850	(962,820)
TOTAL	$ 4,713,689	$ 4,270,670	$ 4,763,858	$ 3,307,850	$ (962,820)
FTE Positions	72.8	25.0	99.8	48.3	23.3
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	72.8	0.0	99.8	99.8	0.0

The Kansas Racing and Gaming Commission will provide detailed revisions in estimates for staffing and expenditures in FY 2009 for consideration during Omnibus. One cashflow issue has been identified as a potential problem in FY 2009, and that involves repayment of the $3.0 million loan that the Governor recommended for repayment by June 30, 2009. The repayment was approved in 2008 SB 534. The Racing Commission's revised estimates will raise some concerns about the ability to make a $3.0 million scheduled payment by June 30, 2009, and about the possible need for an additional $2.0 million of loan authority during FY 2009 should the receipt of anticipated gaming revenues be delayed or be less than anticipated in FY 2009.

Kansas Lottery

A. Consensus Revenue Estimating Group's Cashflow Projections for the State Gaming Revenues Fund in FY 2008 and FY 2009 (House Committee and Senate Committee). The consensus revenue estimating group on April 16, 2008, made no adjustments in the estimated FY 2008 or FY 2009 transfers to the State General Fund from the State Gaming Revenues Fund (SGRF). A statutory provision directs any amount above $50.0 million that is deposited into the SGRF shall be transferred to the State General Fund at the end of each fiscal year. The consensus revenue estimating group incorporates these amounts into the State General Fund revenue profile. The FY 2008 transfer estimate from the SGRF to the State General Fund is $22,040,000 for regular lottery and $960,000 for the Lottery's Veterans Games. The FY 2009 transfer estimate from the SGRF to the State General Fund is $23,040,000 for regular lottery and $960,000 for the Lottery's Veterans Games. The potential fiscal impact of 2008 Senate Sub. for HB 2923, which is in conference committee, was not addressed in either FY 2008 or FY 2009 since it has not passed the Legislature. (See Item D below for an assessment of the bill's potential impact.)

B. Revised Cashflow Projections for the Expanded Lottery Act Revenues Fund in FY 2008 and FY 2009 (House Committee and Senate Committee). The 2008 appropriations bill (SB 534) passed during the regular Session contains language that transfers any new gaming revenues received by the Expanded Lottery Act Revenues Fund (ELARF) to three new reserve funds in FY 2008 and FY 2009. The language in SB 534 provides that one-third of money in the ELARF will be transferred to each of the following funds: the State Property Tax Relief Reserve Fund, the State Infrastructure Reserve Fund, and the State Debt Reduction Reserve Fund. The bill's language also places a $0 limitation on the ELARF line item in the Kansas Lottery section of SB 534.

In addition, the bill places a $0 expenditure limitation on each reserve fund; provides that the Legislature must approve any expenditures; and further provides that the State Finance Council shall have no authority to authorize any expenditures or transfers, unless there is specific authorization by an appropriation act of the Legislature, except that the State Finance Council may approve transfers from the State Property Tax Relief Reserve Fund. 2007 SB 66 (the Expanded Lottery Act) also authorized three statutory uses for which money in the ELARF could be used: ad valorem property tax relief, infrastructure improvements, and debt relief.

The *Governor's Budget Report* for FY 2009 estimated revenues of $81.8 million in FY 2008 and FY 2009 that would be deposited in the ELARF. Because of delays in the awarding of any contracts for the racetrack gaming facilities (racinos), and in other legal issues directly affecting the lottery gaming facilities (casinos) and indirectly the racinos, the amount of money that is estimated to be received by the ELARF in FY 2008 and FY 2009 was revised as of April 7, 2008. None of the amount originally estimated in FY 2008 will be received. The revised FY 2009 estimate for revenues to the ELARF in FY 2009 is $57.9 million based on the review of April 7, 2008, and that estimate is contingent upon a favorable State Supreme Court ruling and successful completion of negotiated contracts with the racino and casino operators at each location.

SB 534 deletes the Governor's recommended expenditures of $81.4 million in FY 2009 and replaces an amount of $40.5 million recommended for bond principal and interest payments with a like amount of financing in FY 2009 from the State General Fund. In addition, three other projects recommended by the Governor received partial State General Fund financing in FY 2009 instead of from the ELARF financing. First, the Adjutant General's capital improvement project for $4.0 million recommended by the Governor from ELARF for a regional training center project was allocated $100,000 from the State General Fund in FY 2009 for planning and other logistics associated with site selection for the proposed new facility. The Kansas Bureau of Investigation's (KBI) capital improvement project for $250,000 recommended by the Governor from the ELARF related to site planning and property acquisition was allocated $50,000 from the State General Fund in FY 2009 to complete acquisition of property on the KBI block. Finally, of the $4.0 million recommended by the Governor for capital improvement projects in the Capitol Complex, including $1.0 million for planning related to the Docking State Office Building and $3.0 million for maintenance and repairs in the Capitol Complex, $3.0 million from the State General Fund was approved for the latter item.

Finally, a fourth project recommended by the Governor totaling $1.0 million in FY 2009 with the ELARF financing for the KU School of Pharmacy expansion project was approved with $6.0 million ($1.0 million for planning and $5.0 million for the project's first year funding), all from the State General Fund, in FY 2009. An additional $22.5 million from the School of Pharmacy Expansion Project Fund also was approved in FY 2010 and in FY 2011, for a grand total of $51.0 million in financing for the School of Pharmacy expansion over three fiscal years.

SB 534 provides for the transfer of $5,000,000 from the State Infrastructure Reserve Fund to the State General Fund in FY 2009 or soon as money is available after transfers from the ELARF to the reserve fund. The bill also provides for transfers of $22,500,000 from the State Infrastructure Reserve Fund to the School of Pharmacy Expansion Project Fund in both FY 2010 and FY 2011, or as soon as money is available in each fiscal year after transfers from the ELARF to the reserve fund.

Revised ELARF Estimates. The revised ELARF estimates include no receipts in FY 2008, $57.9 million in FY 2009, and $111.9 million in FY 2010. The details of the revised ELARF estimates are included in a Division of the Budget report. The receipts are contingent upon: a favorable Supreme Court ruling; contracts with two racetrack gaming facility managers (racinos) with opening dates of November 1, 2008 and April 1, 2009, that will trigger payments of privilege fees and receipt of gaming revenues; and contracts with four lottery gaming facility managers (casinos) with two completed during FY 2009 and two during FY 2010 that will trigger payments of privilege fees. (No gaming revenues from casinos are estimated in FY 2009 or FY 2010.)

C. Changing Lottery Enforcement Agents from KPERS to the KP&F Retirement System (Senate Committee). SB 681 (in the Senate Committee) would shift in FY 2009 five law enforcement positions at the Kansas Lottery from the Kansas Public Employees Retirement System (KPERS) to the Kansas Police and Firemen's (KP&F) Retirement System. Although the bill was not recommended by the Senate Subcommittee reviewing KPERS issues and bills, the Senate Committee requested review at Omnibus of this item.

KPERS estimates the bill would require an increase of $12,549, all from special revenues funds, in FY 2009 for the increased employer contributions for KP&F coverage. Current employees would be allowed an election to either retain KPERS coverage or change to KP&F. Employees that elect KP&F would have an increase from 4.0 to 7.0 percent for their employee contribution. Members of KPERS electing to not change to KP&F would continue under the KPERS plan. However, because the change in retirement plan addresses the five specific positions, the individuals subsequently hired in those positions all would have KP&F coverage, and no election would be offered to subsequent employees with law enforcement duties.

This issue of KP&F membership for KPERS members who also are law enforcement officers, corrections officers, or firefighters will be reviewed during the 2008 Interim by the Joint Committee on Pensions, Investments and Benefits, in continuation of a study that started during the 2007 Interim. A 2007 recommendation adopted by the Joint Committee requested the KPERS staff to develop alternatives to KP&F membership for law enforcement, correctional officers, and firefighters at both the state and local levels. The alternatives are to be presented to the Joint Committee during the 2008 Interim.

D. Senate Substitute for House Bill 2923 (Conference Committee). The bill, as agreed to by the Conference Committee, would provide a number of National Guard and veterans-related benefits, one providing $60,000 to the Kansas Commission on Veterans' Affairs for operating expenditures and the other providing $75,392 to the Department of Wildlife and Parks for free fishing and hunting licenses for certain disabled veterans. The bill also would increase the one-time activation payment to $1,500, authorize distinctive license plates for active duty miliary personnel, and allow a full-time miliary service member to defer a portion or all of real property taxes if deployed outside the U.S. Finally, the bill would change the current law regarding the Veterans' Benefit Game conducted by the Kansas Lottery.

As it relates to the Kansas Lottery, Senate Sub. for HB 2923 would allow the Kansas Lottery to sell Veterans' Benefit Game lottery tickets year-round and would change for a two-year period how net profits from the Veterans' Benefit Game would be distributed. The bill would require in FY 2009 and FY 2010 that 40.0 percent of the net profits be used for Kansas National Guard scholarships; 30.0 percent for benefit of the Kansas Veterans' Home, Kansas Soldiers' Home, and the State Veterans' Cemetery System; and 30.0 percent for the Museum of the Kansas National Guard to assist with the expansion of the facility to include a 35th Infantry Division Museum and Education Center. In FY 2011, the bill would continue to allocate 30.0 percent for Kansas National Guard Scholarships; 30.0 percent for benefit of the Kansas Veterans' Home, Kansas Soldiers' Home, and the State Veterans' Cemetery System; and the other 30.0 percent would be redirected from the

museum assistance to a veterans enhanced service delivery program. The bill would be effective upon publication in the statute book (on July 1, 2008).

The fiscal note indicates the proposed full-year schedule of games would yield $1.5 million in FY 2010 net profits, compared with $960,000 estimated in FY 2009 for the current six-month schedule of games. The distribution of the annual net profits according to the fiscal note would be as follows.

	Current Law FY 2009	S. Sub. HB 2923 FY 2009 - FY 2010	S. Sub. HB 2023 FY 2011
National Guard Aid	$ 480,000	$ 1,200,000	$ 600,000
Veterans Programs	480,000	900,000	900,000
Museum Assistance	0	900,000	0
Totals	$ 960,000	$ 3,000,000	$ 1,500,000

Implementation of the new 12-month veterans game by the Kansas Lottery will require the 2008 Legislature to make certain policy choices regarding transfers and appropriations to accomplish the programmatic goals of the legislation within the two-year period prescribed by the bill for assisting the museum.

The Legislature could choose to appropriate each of the components that will receive aid and assistance. By appropriating funds in the Board of Regents Central Office (scholarship aid), Adjutant General's Department (museum assistance), and Veterans' Commission (Veterans' Programs Assistance), transfers may be authorized in the Omnibus bill to allocate the money in the 40:30:30 distribution ratio prescribed in the bill.

Additionally, the Legislature could choose to appropriate a new fund in the State Treasury to which the initial transfers from the Lottery Operating Fund of the veterans games' net proceeds may be deposited. Under current procedures, the transfers are made on June 15th and deposited into the State Gaming Revenues Fund (SGRF). Next, on June 20th, all money in the SGRF is subsequently transferred to the State General Fund. A problem would arise on December 15th as the new transfers are to be made since the SGRF will not have reached the $50.0 threshold after which money is transferred to the State General Fund. Current law allows transfers authorized by the Legislature to be made from the Lottery Operating Fund to the State Treasury, but statutes does not prescribed to what fund such transfers must be deposited in the State Treasure. A new fund would need to be created in order to receive the December 15th and June 15th transfers, and could be appropriated as the Veterans' Benefit Games Clearing Fund.

The next issue involves the cashflow projection for a 12-month program of veterans' games that reveals the following six-month cycles after a game concludes, during which time there is a liability period for winners to claim prizes, after which the agency will determine when transfers may be made. There will be a six-month lag time after implementing year-round games before any funds will be available for transfer on December 15th of this calendar year. Since there were no games between November 1, 2007 and May 1, 2008, there will be no transfer in the final six months of calendar year 2008. The following table illustrates this issue.

Two-Year Veterans Game Program and Distribution of Net Proceeds: FY 2008 to FY 2010

	6/15/2008 FY 2008	12/15/2008 FY 2009	6/15/2009 FY 2009	12/15/2009 FY 2010	6/15/2010 FY 2010	Two-Year Totals
National Guard Scholarships Aid	$ 480,000	$ 0	$ 400,000	$ 200,000	$ 400,000	$ 1,000,000
Veteran's Programs	480,000	0	300,000	150,000	300,000	750,000
National Guard Museum	0	0	300,000	150,000	300,000	750,000
Totals	$ 960,000	$ 0	$ 1,000,000	$ 500,000	$ 1,000,000	$ 2,500,000

There are at least two possible options that would provide the anticipated level of about $900,0000 in assistance originally expected for the museum. First, the June 15, 2008 transfer reflecting games concluding on November 1, 2007, could be modified to begin the two-year assistance to the museum. Alternatively, the December 15, 2010, transfer (the first in FY 2011) could be maintained at the 40:30:30 distribution ratio in order to provide the museum with the anticipated level of funding. As a result of applying the formula to two different periods, transfers to the museum (and other entities) would yield slightly different results as shown below:

	Option 1 6/15/2008	Option 2 12/15/2010	Difference
National Guard Scholarships Aid	$ 384,000	$ 200,000	$ 184,000
Veteran's Programs	288,000	150,000	138,000
National Guard Museum	288,000	150,000	138,000
Total	$ 960,000	$ 500,000	$ 460,000

Department of Wildlife and Parks

A. Vehicle Replacements (House Committee, Senate Committee and Conference Committee). The Conference Committee agreed to delete $168,640, all from the Parks Fee Fund, for 10 vehicles in FY 2009 and review at Omnibus. The Legislature approved the Governor's recommendation for 21 of 31 replacement vehicles, including $342,550 from the Wildlife Fee Fund and $15,810 from the Wildlife Fund – Federal, for the other 21 replacement vehicles in FY 2009. The House Committee originally deleted the $168,640 for 10 vehicles, while the Senate Committee originally deleted funding of $527,000 for all vehicles.

B. Governor's Recommended Staffing Enhancements (House Committee, Senate Committee and Conference Committee). The Conference Committee agreed to delete 5.0 FTE positions and $302,500, including $131,000 from the State General Fund, in FY 2009 for new staff. The Senate Committee originally deleted $131,000 and 3.0 FTE positions, while the House Committee originally deleted $542,000, including $145,350 from the State General Fund, and 9.0 FTE positions recommended by the Governor as enhancements. Both the House Committee and the Senate Committee recommended review at Omnibus of the new staffing that had been deleted. The 5.0 FTE positions that were deleted by the Conference Committee are attributed to 3.0 FTE positions for parks-related staffing ($131,000 from the State General Fund) and 2.0 FTE positions for one criminal investigator and one computer-related technical support consultant ($171,500 from special revenue funds) .

C. Capital Improvements Financing and ELARF Funding of Various Projects and GBA No. 1, Item 27, Page 14—Funding Authorization for Floor Repair (Joint Committee on State Building Construction, Senate Committee and Conference Committee). The Conference Committee agreed to reduce funding of $4.5 million, all from the Expanded Lottery Act Revenues Fund (ELARF), in FY 2009 for capital improvements; add $1.5 million, all from the State General Fund, for the agency's original requested capital improvement projects at state parks; and review funding from the Expanded Lottery Act Revenues Fund (ELARF) during Omnibus for the approved $1.5 million and for the $3.0 million that was deleted. The Governor recommended expenditure of $3.0 million from the ELARF that was deleted for further review at Omnibus included $1.5 million for state parks maintenance and repair, $1.0 million for state parks flood damage repair, and $0.5 million for a grants program to help local communities with substantial natural disaster damages to create green space.

D. Cabin Program (House Committee). The House Budget Committee asked to review during Omnibus the future locations, number of cabins, costs of cabins and related site work, and sources of funding for the cabin program. The agency was requested to prepare a report for Omnibus about the program in order for the House Budget Committee to consider if a 5-year capital improvements plan should be submitted to the Joint Committee on State Building Construction. The agency indicates in its report that currently there are 59 cabins available for public use and 16 additional cabins are being constructed in 2008. The agency will provide separate lists of the existing cabins by current locations and of the new construction by future locations. The cabins being constructed are "modular" types that are built at the Hutchinson, Ellsworth and Norton correctional facilities in partnership with the Kansas Department of Corrections. The Wildscape Foundation originally provided a bank loan to fund construction costs and the loan is repaid from cabin rental fees. Revenue from the cabins generated $118,185 in FY 2007, and revenue to date is $99,525 in FY 2008. As of March 31, 2008, the Cabin Revenue Fund had a balance of $376,207.

E. Stream Monitoring Funding (House Committee). The House Committee originally recommended deletion of $40,000, all from the State Water Plan Fund, in FY 2009 for biological monitoring of streams, with a review of the source of funding during Omnibus. The Conference Committee agreed to add the $40,000 as recommended by the Governor in FY 2009.

F. Senate Bill 157 (Law)—Watercraft Insurance Requirement. The bill requires the agency to purchase vessel liability insurance to cover the operation of and the persons riding in watercraft owned, operated, maintained, or controlled by the agency. The fiscal note indicates that purchasing insurance will require expenditures of $27,000 in FY 2009, with $22,950 from the Wildlife Fee Fund and $4,050 from the Boating Fee Fund.

Kansas Department of Transportation (KDOT)

A. Vehicle Replacements (House Committee, Senate Committee and Conference Committee). The Conference Committee agreed with both the House Committee and Senate Committee to delete $2,258,700, all from the State Highway Fund, in FY 2009 for replacing 123 vehicles, and to review funding at Omnibus.

B. Short Line Railroads, Natural Disaster Damages, and Financial Assistance from KDOT (House Committee and Senate Committee). Both the House Committee and Senate Committee asked for an Omnibus review of short line railroads in FY 2009 and for information about possible options for financial assistance, such as grants or loan forgiveness, that are being considered by KDOT to address damages from natural disasters.

C. Troop F Headquarters Building Construction Project (House Committee and Conference Committee). The Conference Committee deleted $6,367,000, all from the State

Highway Fund, in FY 2009 for construction of the Highway Patrol Troop F Headquarters in Wichita, and asked for the item to be reviewed at Omnibus.

D. Shrinkage and vacant positions (House Committee). The Conference Committee deleted $1,870,870, all from the State Highway Fund, to increase the FY 2009 shrinkage rate to 5.1 percent, the same as in the current fiscal year. The House Committee requested KDOT to prepare a report for Omnibus detailing its vacant positions and the length of time each has been vacant. The report is to be provided on the Monday that the House Committee returns for Omnibus review and consideration of items.

E. House Substitute for Senate Bill 359 (Law)—Air Service Support Agreement. The bill authorizes the Secretary of Transportation to participate for a period of two years in an air passenger service support agreement with the Manhattan Area Chamber of Commerce. The bill also would appropriate funding from a new fund, the North Central Kansas Air Passenger Service Support Fund in the State Treasury, for the purpose of making payments for air passenger service at the Manhattan regional airport. Payments from the new fund could be made by the Secretary of Transportation to airlines serving the Manhattan regional airport if flights are filled to less than 70.0 percent of capacity or as determined in a formula for a load factor, pursuant to a support agreement with the Manhattan Area Chamber of Commerce.

Payments up to $1,000,000 annually would be authorized from the new fund in FY 2009 and FY 2010, but only after the Manhattan Area Chamber of Commerce first made payments of $250,000 or more in each fiscal year for air passenger support. The bill would authorize transfers of up to $1,000,000 each fiscal year, to be certified by the Secretary of Transportation, from the Public Use General Aviation Airport Development Fund, for the purpose of capitalizing the North Central Kansas Air Passenger Service Support Fund. Transfers could take place only after support agreement requirements were met by the Manhattan Area Chamber of Commerce in each fiscal year. The bill would be effective upon publication in the *Kansas Register*.

State funding for the new program could total $1,000,000 each fiscal year in FY 2009 and in FY 2010, with revenue derived from the Public Use General Aviation Airport Development Fund. A local match of $250,000 would be required in each fiscal year. Expenditures from the Fund could be made to airlines serving the Manhattan regional airport after the Secretary of Transportation determined that the local matching funds had been expended and if either flights are filled to less than 70.0 percent of capacity or as determined in a formula for a load factor, pursuant to a support agreement with the Manhattan Area Chamber of Commerce. Any unexpended funds in the North Central Kansas Air Passenger Service Support Fund from FY 2009 would carry over to FY 2010 and would reduce the FY 2010 transfer since the bill authorizes an annual maximum of $1,000,000 in expenditures.

The bill provides that if any transfers are made from the Public Use General Aviation Airport Development Fund during FY 2009 or FY 2010, then corresponding repayments from the Economic Development Initiatives Fund (EDIF) would be authorized in each subsequent fiscal year for the purpose of reimbursing the Public Use General Aviation Airport Development Fund for any prior fiscal year transfers out.

F. House Bill 2071 (Law) and House Bill 2659 (Law) —Memorial Highway Designations and Signs. These bills designate portions of certain highways as memorial highways and require donations to be collected in order to finance the costs of construction and maintenance of signs designating such routes. The agency indicates that two signs would need to be planned, manufactured, installed, and maintained for each of seven designated memorial highways in HB 2071. That bill requires that the amount of funding necessary for each set of signs and maintenance for those signs to be collected before placement of the signs could occur. The agency estimates that the total cost for the signs and for their installation related to HB 2071 would be $15,560. The agency

states that in complying with HB 2071, an additional 50.0 percent, or $7,780, would be needed for future maintenance, making a total of $23,340 that needs to be collected before the signs could be erected. HB 2659 designates a portion of U.S. Highway 400 as the Atomic Veteran's Memorial Highway. The agency indicates that the cost for these two signs and their installation would be $940. The additional 50.0 percent needed for future maintenance would be $470, for a total cost of $1,410 require in donations before work may commence.

G. Senate Bill 523 (Law) and House Bill 2708 (Law)—Other Highway Designations and Signs. These bills designate portions of two different highways as the Great Plains Indian Highway (K-25) and as the Patriot Guard Highway (K-53). Signs to indicate these designations may not be erected until the Secretary of Transportation receives sufficient gifts and donations to cover the cost of constructing the signs plus an additional 50.0 percent of the donated amount to cover future maintenance of the signs. The agency indicates that the costs for signs and their installation would be $1,920 for K-25 and $1,820 for K-53. The additional 50.0 percent needed for future maintenance would bring the total to $2,880 for K-25 and $2,730 for K-53 in donations before work may commence.

Kansas Development Finance Authority (KDFA)
Kansas Housing Resources Corporation (KHRC)

A. Governor's Recommended Transfer to the State Housing Trust Fund of ELARF Funding and Expenditures for Housing Assistance Grants (House Committee and Senate Committee). Both the House Committee and Senate Committee deleted $3.0 million recommended by the Governor in FY 2009 from the Expanded Lottery Act Revenues Fund (ELARF) and asked for a review of the proposed $3.0 million transfer to the State Housing Trust Fund in FY 2009, the status of the ELARF funding, and the status of any other legislation that might provide financing for housing grants. Both committees also had questions about the administration of a housing grant program by the KHRC, and asked for additional information about the relationship between KDFA and KHRC, especially regarding any statutory references to the State Housing Trust Fund and the duties delegated by the Legislature for administration of that fund. The committees also asked to review previously provided information about the expenditure of $5.0 million in FY 2008 that was authorized by the State Finance Council in 2007 for housing grants and was paid from the State Emergency Fund – Permanent Residential 2007 Disasters account, for the purpose of providing housing grants in disaster areas.

B. Senate Bill 417 (Law)—State Housing Assistance. The bill provides $32.0 million, with $4.0 million annually beginning in FY 2008 (this fiscal year), to be transferred from the State General Fund, for housing grants. The bill initially targets cities and counties that suffered recent disasters, and later expands eligibility in FY 2011 to include rural cities and counties. The KHRC of the KDFA is designated to implement and administer the grant program for cities and counties. The program is incorporated into the Rural Housing Incentive District Act. The program must conform with public notice and hearing requirements prescribed in KSA 12-5245 and 12-5246 before local plans can be adopted.

The bill allows cities and counties covered by two federal disaster declarations, either FEMA-1711-DR or FEMA-1699, to designate an area as a rural housing incentive district. The bill initially limits grants to cities and counties in designated disaster areas until June 30, 2010. On and after July 1, 2010, grant funds will be available for rural cities and counties meeting a population requirement. In order for a city or county to be eligible to receive a grant, it will have to provide matching funds of at least 10.0 percent for construction or rehabilitation of infrastructure projects as defined in the bill, and at least 50.0 percent for any other type of projects. The bill limits grant awards to $25,000 for single-family residential dwellings. Cities and counties receiving grant money will be required to submit annual performance reports to the KHRC regarding their use of grant funds.

The bill is effective upon its publication in the *Kansas Register*. Initial financing will be transferred from the State General Fund to the State Housing Trust Fund during FY 2008 which ends on June 30, 2008. Beginning in FY 2009, transfers of $4.0 million annually will be made on July 1 of each year from the State General Fund until FY 2015, for total transfers of $32.0 million to the State Housing Trust Fund. The provision establishing the housing grants program will expire on July 1, 2015.

Since SB 417 authorizes annual transfers beginning in FY 2008 from the State General Fund to the State Housing Trust Fund, the Legislature could appropriate the $4,000,000 in FY 2008 and in FY 2009, providing that the Kansas Housing Resources Corporation (KHRC) of the Kansas Development Finance Authority (KDFA) may make expenditures from the State Housing Trust Fund for housing grants authorized by SB 417. Under current law, the Division of Housing in the KDFA is statutorily authorized as the entity to make expenditures from the State Housing Trust Fund, and the KHRC is a more recently created entity not addressed in KSA 74-8959. That statute provides that the state housing trust fund shall be administered by the Division of Housing in the KDFA.

Kansas Department of Administration

A. Vehicle Replacement (House Committee, Senate Committee and Conference Committee). All committees recommended to review $11,600, all from the State General Fund, in FY 2009 for one replacement vehicle in the Long-Term Care Ombudsman Office.

B. Financing of the Financial Management System (House and Conference committees). Review $4.2 million, all from the State General Fund, in FY 2009 for one part of the overall financing for the $40.0 million Financial Management System (FMS) project development. Although the Senate Committee did not delete the $4.2 million, the House Committee deleted the $4.2 million and the Conference Committee concurred with deleting the $4.2 million, with review at Omnibus. The Governor's FY 2009 recommendation for FMS totaled $16,053,212 from reportable and non-reportable funding, including $4,848,442 from the State General Fund. In the reportable budget, a transfer of $5.5 million from the State Highway Fund would be used as part of the financing. The Governor's recommendation in FY 2009 for expenditures of $4,848,442 from the State General Fund included a new appropriation of $4.2 million and a reappropriation of $648,442 from the current fiscal year. The 2008 Legislature approved FY 2009 reportable and non-reportable funding of $11,853,212, including $648,442 from the State General Fund.

C. Planning and Bonding Authority for the Docking State Office Building Project, and Status of ELARF Funding (Joint Committee on State Building Construction, House Committee, Senate Committee and Conference Committee). The House Committee also asked to reconsider the proposed Docking State Office Building bond authority for $96.0 million, study existing state facilities in Topeka and throughout the state that may be underutilized, study moving state employees out of Topeka to other state facilities, and reconsider the Expanded Lottery Act Revenues Fund (ELARF) funding source of $4.0 million for maintaining and planning for the Capitol complex. In a related matter, SCR 1620 (to be referred to the House Committee on April 30, 2008) would request the Capitol Area Plaza Authority to develop a master plan, in cooperation with the City of Topeka, for improving the appearance and security of the Capitol area and surrounding neighborhoods. Conferees in the Senate Committee presented a resolution endorsing the proposal and pledging up to $50,000 from the city for developing a plan. The Deputy Secretary of Administration estimated the fiscal note for developing a new master plan could range up to $250,000, with state funding of approximately $200,000 from the State General Fund.

D. Financing for the Public Broadcasting Council's Enhancements (House Committee, Senate Committee and Conference Committee). The committees recommended to review public broadcasting assistance in FY 2009 and consider an enhancement of $500,000, all from the State

General Fund, for formula grants that had been recommended by the Governor but deleted for Omnibus review. The Legislature approved $2,249,447, all from the State General Fund, in that FY 2009 was included, in SB 534 for aid. In addition, the Senate Committee recommended review of the original Public Broadcasting Council's enhancement request in FY 2009 for $2.3 million, all from the State General Fund, for equipment grants to individual television stations that may be used to match federal funds and to upgrade public television equipment for digital conversion by 2009.

E. Financing of Long-Term Care Ombudsman Office's Enhancements (House Committee, Senate Committee and Conference Committee). The committees recommended to delete and to review a staffing increase 2.0 FTE positions in FY 2009 for field service staff and the addition of $138,640, including $94,978 from the State General Fund recommended by the Governor. The Governor originally recommended 3.0 FTE positions in FY 2008, the 2007 Legislature approved 1.0 FTE position, and the Governor recommended the other 2.0 FTE positions in FY 2009 in this year's *Governor's Budget Report* in order to provide field services in all parts of the state.

F. Pay Plan Project (Senate Substitute for House Bill 2916) and Staffing Level (House Committee, Senate Committee and Conference Committee). Both committees deleted a new staff position for the pay plan project in FY 2009 and the addition of $44,562, all from the State General Fund, and 1.0 FTE position. The 2008 Legislature approved 1.0 FTE position in FY 2008 and FY 2009 for the pay plan project, and this would be the second requested staff position to assist with the implementation of the new state employee pay plan.

G. ELARF Funding for Various Capital Improvement Projects and Bond Payments (Joint Committee on State Building Construction, Senate Committee and Conference Committee). All committee recommended reviewing the sources of funding in FY 2009 for various Capitol complex miscellaneous capital improvement projects and planning for the Docking State Office Building reconstruction and Capitol complex maintenance, sources of funding for bonds payments, and the status of the Expanded Lottery Act Revenues Fund (ELARF) at Omnibus.

H. GBA No. 1, Item 1, Page 2—Ombudsman for Veterans and Soldiers Home.

Department of Labor

A. Vehicle Replacements (Senate Committee and Conference Committee). The Senate Committee deleted $43,200, all from special revenue funds, for three replacement vehicles in FY 2009. The House did not delete the funding. The Conference Committee on SB 534 agreed to include the funding for the replacement vehicles.

B. State General Fund Enhancement for Employment Standards Program (House Committee and Conference Committee). The Governor recommended $210,644, all from the State General Fund, for the Employment Standards Program in FY 2009, one-half of the agency's request. The House Committee deleted the funding with review at Omnibus. The Senate Committee concurred with the Governor's recommendation. The Conference Committee on SB 534 resolved the difference by deleting $105,322, all from the State General Fund, which represents one-half of the funding recommended by the Senate Committee.

The Employment Standards Program is primarily responsible for the enforcement of minimum wage, wage payment, and child labor laws, and regulates private employment agencies. The Employment Standards Section consists of the Labor Relations and Employment Standards Program and the Public Employees Relations Board (PERB).

C. Increase Federal indirect cost offset fund (Technical Adjustment). The Conference Committee on SB 534 agreed to delete $105,322 from the State General Fund and add $105,322 to the Federal Indirect Cost Offset Fund, on which a expenditure limitation has been placed. Due to a posting error, the fund's expenditure limitation should be increased by $105,322.

Commission on Veterans Affairs

A. Budget Review (House Committee and Conference Committee). The House Committee deleted $21.0 million, including $9.4 million from the State General Fund, to review the agency's entire FY 2009 budget at Omnibus. The Senate Committee deleted four of the eight enhancements described below. The Conference Committee on SB 534 restored the full amount deleted by the House Committee, including the eight enhancements, with review of the budget at Omnibus.

The following table reflects the enhancements recommended in SB 534 for FY 2009:

FY 2009 ENHANCEMENTS

	Agency Request			SB 534		
Enhancement	SGF	All Funds	FTE	SGF	All Funds	FTE
Kansas Veterans Cemeteries	$ 125,598	$ 125,598	0.0	$ 125,598	$ 125,598	0.0
Veteran Services						
Emporia Position	41,700	41,700	0.0	40,000	40,000	0.0
Veteran's Claims Assistance Program (VCAP) Salary Increase	50,875	50,875	0.0	50,875	50,875	0.0
Kansas Soldiers' Home						
Salary Increases	$ 929,815	$ 929,815	0.0	$ 0	$ 250,000	(24.0)
Kansas Veterans' Home						
Salaries and Wage Increase	$ 242,684	$ 242,684	0.0	$ 100,000	$ 100,000	6.0
Electric Beds	24,000	24,000	0.0	24,000	24,000	0.0
Full sized sedan	23,700	23,700	0.0	17,700	17,700	0.0
Wheelchair Lift Van	50,000	50,000	0.0	50,000	50,000	0.0
TOTAL	$ 1,362,774	$ 1,362,774	1.0	$ 282,575	$ 532,575	(18.0)

The Senate Committee deleted the following enhancement requests:

1. Vehicles. Delete $17,700, all from the State General Fund, recommended by the Governor as part of the agency's enhancement request for the purchase of a replacement vehicle to review at Omnibus.

2. Electric Beds. Delete $24,000, all from the State General Fund, for replacement of 10.0 electric beds for review at Omnibus.

3. Wheelchair Lift Van. Delete $50,000, all from the State General Fund, for a new wheelchair lift van which would replace an older, non-specialized van. The vehicle will be reviewed at Omnibus.

4. Veteran Service Organization (VSO) salaries and benefits. Delete $50,875, all from the State General Fund, for increased salaries and benefits for VSOs. The enhancement will be reviewed at Omnibus.

B. GBA Item No. 17 Page 10—Adjustment to Federal Fund Expenditure Limitation.

Department of Credit Unions

A. Vehicle Replacement (Senate Committee and Conference Committee). The Senate Committee deleted $11,600, all from special revenue funds, for a replacement vehicle for FY 2009 with review at Omnibus. The House Committee did not delete the funding. The Conference Committee on SB 534 agreed to include funding for the replacement vehicle.

Board of Pharmacy

A. Vehicle Replacement (Senate Committee). The Senate Committee deleted $11,600, all from special revenue funds, for a replacement vehicle in FY 2009, with review at Omnibus. The House Committee did not delete the funding. The Conference Committee on SB 534 agreed to include the funding.

Securities Commissioner

A. Increase Special Investigator Pay (Senate Committee). The Senate deleted $34,639 in FY 2008, and $34,810 in FY 2009, all from special revenue funds, for increased salaries for special investigators. The investigator's pay was increased by Executive Directives No. 07-374 and 07-381. The Senate Committee requested additional information at Omnibus regarding this pay increase as it relates to the Hay Group study and the new pay plan. The House Committee did not delete the funding. The Conference Committee on SB 534 concurred with the Senate Committee and deleted the funding with review at Omnibus.

B. Increased Examiner Pay (Senate Committee). The Senate Committee noted the agency's request of $66,451, all from special revenue funds, in FY 2009 for increased pay for Examiners (which are classified as state auditors). The Governor did not recommend funding. The agency noted the duties of examiners are comparable to investigators, and testified that an increase would maintain pay equity within the organization.

The Senate Committee requested additional information at Omnibus regarding the pay increase as it relates to the Hay Group study and the new pay plan. Additionally, the Senate Committee requested the agency seek approval of position classification change through the Division of Personnel Services before funding the increase. The Division of Personnel Services reviewed the agency's request and advised the agency to work within the existing classification system by upgrading the examiners, for example, by upgrading a State Auditor II to State Auditor III. Additionally, the Division recommended implementing the change before future adjustments are made to reflect the Hay Group study pay plan.

The agency indicated that, should the Legislature approve the increased pay, the agency would fund the increases by raising the agent fee from $50 to $55 annually in FY 2009. The agency has not raised agent fees since FY 1998. The agency notes the national average for agent fees is $63. According to the agency, the increase in fees would fully fund the increased salaries, and would result in an estimated $450,000 increased transfer to the State General Fund in FY 2009.

C. Increase Examiner Pay (Senate Committee) and GBA Item No. 7 Page 4—Salary Increase for Investigator Supervisors and Examiners.

Department of Commerce

A. Kansas Sports Hall of Fame Grant (House Committee). The House Committee recommended for review at Omnibus the status of the $250,000 grant from the Economic Development Initiatives Fund (EDIF) in FY 2008 for the Kansas Sports Hall of Fame in Wichita. According to Sports Hall of Fame personnel, half of the grant was awarded in July 2007 and the remaining half was awarded in March 2008. The grant has been used for electronic displays within the museum and for renting traveling displays. Funds also have been used for an exhibit at the State Fair and for hiring additional personnel. The Sports Hall of Fame intends to use the remaining funds for renting of traveling displays and staff.

B. Bioenergy Research Program (Senate Committee). The Senate Committee recommended to review $2,000,000, all from the Expanded Lottery Act Revenue Fund (ELARF), at Omnibus for a Bioenergy Research Program in FY 2009. This is a gubernatorial initiative that was not requested by the agency. As stated in Volume I of the Governor's Budget Report, "This program will provide grants and low interest loans to finance the commercialization of new technological breakthroughs in bioenergy research. Commercializing new technologies will require significant capital to fund the engineering, modeling, and other early stage development expenses. This funding will assist bioenergy companies and research institutes in Kansas develop and implement new technologies to produce the most cost-effective renewable fuels, including cellulosic ethanol, biodiesel, and other biofuels." The House deleted the funding while the Senate did not. The Conference Committee also recommended the funding to be deleted.

C. Vehicle Replacement (House Committee and Conference Committee). The House Committee recommended that $21,600, all from the Economic Development Initiatives Fund (EDIF), be reviewed at Omnibus for the replacement of vehicles in FY 2009. The Governor recommended $43,200 for the replacement of three vehicles with half of the money ($21,600) coming from the EDIF and the other half financed by the Wagner-Peyser Federal Fund. The Senate deleted the EDIF portion of funding, and the House approved the entire amount of additional funding. The Conference Committee recommended the entire $43,200 be approved.

D. Senate Substitute for House Bill 2827—Kansas Tourism Corporation (Conference Committee). Senate Sub. for HB 2827 would create the Kansas Tourism Corporation which, on January 1, 2009, would take over the duties and responsibilities of the Division of Travel and Tourism in the Department of Commerce. The Travel and Tourism Division would then be abolished. The Kansas Tourism Corporation would be funded by a newly created Travel and Tourism Development Fund that would belong exclusively to the corporation and not be a part of the state treasury. The Tourism Development Fund would receive 50.0 percent of the state sales tax revenue above the 2007 base year taxation collected from tourism companies. If the Division of Travel and Tourism were to be abolished halfway through FY 2009, approximately half of its expenditures would not be spent by the Department of Commerce. This amount would include $1,690,894, all from special revenue funds, with $916,336 from the Economic Development Initiatives Fund (EDIF).

HB 2827, as introduced and passed by the House, would require state agencies to consider the effects that proposed rules and regulations would have on small employers. The fiscal note for the introduced bill indicates that there would be no fiscal impact.

E. EDIF Operating Grant—Vehicle Replacement (Technical Adjustment). The Conference Committee on SB 534 agreed that $43,200, which includes $21,600 from the Economic Development Initiatives Fund and $21,600 from the Wagner-Peyser Fund, should be approved for the replacement of three vehicles in FY 2009. However, the conference committee report did not reflect the additional funds from the EDIF so a technical adjustment is needed to correct the oversight.

F. Kansas Innovation Consortium (Technical Adjustment). The Conference Committee concurred with the House to delete $150,000, all from the Economic Development Initiatives Fund, for the Kansas Innovation Consortium in FY 2009. However, the amount of money was inadvertently deleted twice from the agency's appropriation. The Kansas Innovation Consortium is headed by the Governor and consists of leaders from business, higher education, and state and local governments to advise the Governor on research and education priorities in order to achieve an innovation based economy. The group also is to develop metrics to measure entrepreneurial success. A technical adjustment is necessary to reflect the appropriate amount for the Consortium in FY 2009.

Board of Indigents' Defense Services

A. Assigned Counsel Caseload Estimates and GBA No. 1, Item 2, Page 2—Assigned Counsel Caseload Adjustment (Senate Committee and House Committee). In November 2007, the consensus caseload estimate for FY 2008 was lowered from $10,000,000 to $9,300,000, all from the State General Fund. The initial consensus caseload estimate for FY 2009 was projected to be $9,600,000–an increase of $300,000, or 3.2 percent, from the current fiscal year. On April 15, the consensus caseload estimate for FY 2008 was revised downward to $9,000,000. The FY 2008 reduction of $300,000 may be reappropriated, and the funds would then be reflected in FY 2009. The consensus estimate for FY 2009 remained at $9,600,000.

B. Public Defender Salary Enhancement (House Committee). The House Committee recommended that $250,000, all from the State General Fund, for salary enhancement of public defenders be deleted in FY 2009 and then reviewed during Omnibus. The agency gave testimony that these unclassified employees are estimated to be 24.0 percent below market rates. Approximately one out of five public defenders in Kansas resigned their position in FY 2007. The agency also gave testimony that it saved $240,000 from the State General Fund in FY 2007 by negotiating the reimbursement rates in certain judicial districts. The agency estimates that it will save an amount equal to or greater than that in FY 2008. The Senate recommended $240,000 from the State General Fund for salary enhancements, and the Conference Committee recommended that same amount to be approved.

C. Vehicle Replacement (House Committee and Conference Committee). The House Committee recommended the consideration at Omnibus of the addition of $11,600, all from the State General Fund, for the replacement of one vehicle in FY 2009. The Senate Committee also deleted the funding and recommended the item to be considered at Omnibus.

Judicial Branch

A. Nonjudicial Personnel (Senate Committee). The Judicial Branch had requested $1,025,874 (including $648,837 from the State General Fund) and 27.5 FTE positions for nonjudicial

personnel in FY 2009 that would include clerk of district court staff, judicial support staff, and court services officers. The several district courts had initially requested 74.5 new FTE positions, but the Judicial Branch indicated that the 27.5 positions requested positions would suffice at this time. The Senate Committee recommended an additional 10.0 nonjudicial FTE positions, and a corresponding amount for salaries and wages, be considered during Omnibus. According to Judicial Branch personnel, the Judicial Branch would request $354,679, all from the State General Fund, for 6.0 trial court staff positions ($183,840), 3.0 court service officer positions ($134,640), and 1.0 administrative assistant ($36,199).

B. House Bill 2968—Increase in Court Docket Fees for Market Pay Adjustments for Nonjudicial Employees (Law). Both the House and Senate committees recommended this issue be considered at Omnibus. HB 2968 would fund the salary plan adjustments for nonjudicial employees of the Judicial Branch by increasing docket fees by $9 and depositing the money into the Judicial Branch Nonjudiciary Salary Adjustment Fund. The fund is created by the bill and would be used solely for the compensation of nonjudicial employees, which would include clerk of district court staff, judicial support staff, and court services officers. The Judicial Branch estimates the docket fee increase would raise approximately $3.8 million in FY 2009. The bill also would revise the distribution percentages of the 15 existing funds, including the State General Fund, that receive docket fee revenue so that the impact on those funds would be neutral.

The Judicial Branch had requested $10,549,639 from all funding sources, including $10,135,894 from the State General Fund, for a salary plan adjustment for nonjudicial personnel that would be equivalent to a 15.75 percent cost of living adjustment. Due to high turnover rates, the Judicial Branch instituted a pay plan in 2000 that eliminated automatic annual step movements and provided for pay raises at certain performance levels. A portion of docket fees are deposited into the statutorily created Judicial Branch Nonjudicial Salary Initiatives Fund. Currently 17.85 percent of clerk fees (an estimated $20.9 million in FY 2008 and $21.3 million in FY 2009) is deposited in the fund to be used solely for nonjudicial personnel. Initial data indicated to the Judicial Branch that the pay plan increased the retention of employees. However, the Judicial Branch contends that over time the cost of living allowances for its employees has fallen short of inflationary pressures as measured by the Employment Cost Index of the Bureau of Labor Statistics. Vacancy rates have begun to increase again.

Board of Tax Appeals

A. Contractual Hearing Officers (House Committee). The House Committee recommended this item for FY 2008 and FY 2009 be considered at Omnibus. For FY 2008, the agency has requested an additional $25,000, all from the State General Fund, that would be used to hire hearing officers on a contractual basis for the remaining portion of the fiscal year. According to the agency, additional funds would bring compensation equal to administrative law judges in the state. The agency believes this will encourage suitable applicants to apply and be retained. The agency also notes that there has been an increase in small claims filings in Sedgwick County due to the county recently abolishing its local hearing officer panel. A similar enhancement is requested for FY 2009. The agency requests $50,000, all from the State General Fund, for contractual hearing officers in FY 2009.

B. Substitute for House Bill 2018—State Court of Tax Appeals (Law). Sub. for HB 2018 would change the name of the State Board of Tax Appeals to the State Court of Tax Appeals. The new body would be classified as an administrative law court within the executive branch. The various powers, functions, and jurisdiction held by the State Board would be transferred to the new State Court. In addition, the three board members would be renamed tax law judges and a new position of chief hearing officer would be created. Any State Board member appointed prior to July 1, 2008, would continue to serve as a tax law judge. The Board of Tax Appeals estimates that the changes

would require additional spending of $165,000, all from the State General Fund, for FY 2009. This would include $140,000 for additional salary and benefits for the new position and $25,000 for the reconfiguration of workspace and furniture.

Department of Revenue

A. Vehicle Replacement (House Committee and Conference Committee). The House Committee recommended for review at Omnibus the addition of $36,500, all from the State General Fund, for the acquisition of vehicles in FY 2009. The Governor had recommended a total of $146,000 for the acquisition of ten vehicles, with $36,500 from the State General Fund and $109,500 from the Division of Vehicles Operating Fund. Both the Senate and the House deleted the State General Fund portion of funding. The Conference Committee on SB 534 concurred with the House to review the addition at Omnibus. The portion from the State General Fund would provide funding for approximately three vehicles.

B. Tax Fraud Investigators (Senate Committee). The Senate Committee recommended consideration at Omnibus of $351,572, all from the State General Fund, for the salaries and wages of 5.0 tax fraud investigators in FY 2009. This amount was requested by the agency and recommended by the Governor. No additional FTE positions were recommended because the agency is planning on funding vacant positions. In its budget documentation, the Department of Revenue estimated that an additional $5.0 million in revenue could be collected. The Senate deleted the funding for later consideration, and the House approved the funding. The Conference Committee on SB 534 concurred with the House and did not delete the funding.

C. VIPS/CAMA Fund Proviso (House Committee). The House Committee requested to review the proviso that amends the use of the Vehicle Information Processing System/Computer Assisted Mass Appraisal System (VIPS/CAMA) Fund. KSA 74-2021 establishes the VIPS/CAMA Technology Hardware Fund and provides that it shall be used "for the purpose of upgrading the VIPS/CAMA hardware for the state or for the counties." For the last 5 years (2003-2007) the Legislature has annually authorized the expanded use of the money in the VIPS/CAMA Fund for FY 2003 through FY 2008. The agency estimates that approximately $2 out of every $3 in the fund is used for the general operations of the Property Valuation Division and the Department of Revenue. For FY 2009, the total expenditures from the VIPS/CAMA Fund are estimated to be $2.7 million. The proviso was again passed by the 2008 Legislature in SB 534 for the FY 2009 budget.

D. Senate Substitute for House Bill 2529—Income Tax Credit (Conference Committee). Senate Sub. for HB 2529 would provide a refundable income tax credit beginning in tax year 2008 that would be available to senior citizens that are 65 or older with a two-person household income of 120.0 percent or less of the federal poverty level (currently $16,800). The tax credit would be equal to 75.0 percent of property taxes paid on residential property. The Department of Revenue estimates that to implement the provisions of the bill would cost $97,215 from the State General Fund to fill 2.0 vacant FTE Customer Service positions in FY 2009. The costs would include $88,355 for salaries and $8,860 for equipment for the 2.0 FTE positions.

E. Senate Bill 23—Photo Fee Rate Increase (Conference Committee). The Conference Committee on SB 23 recommends that the photo fee rate that the Division of Vehicles charges for driver's licenses be raised from $4 to no more than $8. The rate increase would go into effect on January 1, 2009. At the time that the Legislature adjourned, the House had adopted the conference committee report. In addition, the bill make technical amendments clarifying the required payment of a photo fee for a picture to be placed on an identification card and allowing the Photo Fee Fund to be used for costs associated with the issuance of concealed weapon licenses. The Department of Revenue estimates the amount of additional revenue collected in calendar year 2009 would be $2,950,000. For FY 2009, the amount of additional revenue and expenditures from the Photo Fee

Fund would equal to $1,475,000. The additional funds would be used by the agency for identity security management activities authorized by 2007 SB 9. Section 87 of SB 534 appropriates the Photo Fee Fund to the Department of Revenue with a "No Limit" expenditure limitation for FY 2009.

F. Senate Bill 679 and House Bill 2890—Vehicle Database Integration (Senate Committee and House Committee). Both the Senate and House committees recommended to review at Omnibus the status of legislation that would fund the integration and modernization of vehicle databases in the Division of Vehicles.

SB 679 would finance the integration and modernization of the Vehicle Information Processing System (VIPS), the Kansas Drivers' License System (KDLS), and the Kansas Vehicle Inventory System (KVIS) of the Division of Vehicles in the Department of Revenue. Prior to the legislative recess, the Senate Committee reported SB 679 favorably for passage. The bill, as amended, would authorize a $5 increase on the registration of vehicles. The bill would create the Division of Vehicles Modernization Fund that would be used solely for the creation and maintenance of the new system. Revenue from the $5 increase would be initially deposited in the State Highway Fund and then transferred to the Modernization Fund for the first four calendar years, from January 1, 2009, to January 1, 2013. After that period of time, the money would be retained by the State Highway Fund. The fiscal note prepared by the Division of the Budget estimated that approximately $10.2 million in additional revenue would be raised in calendar year 2009. Half of that revenue ($5.1 million) would be realized in the last half of FY 2009. The agency estimated that vehicle database integration would cost $40,155,966 over 5 fiscal years. In SB 534, the Legislature approved $1,000,000 from the Division of Vehicles Operating Fund, as the Governor recommended, to begin the initial phase of the modernization project in FY 2009.

Similar provisions also can be found in HB 2890 which, as amended, would temporarily create a $4 surcharge to title registrations for four calendar years (2009 – 2013) to pay for the database integration. The bill would raise the same amount of funds as SB 679. HB 2890 is currently located in the House.

G. GBA No. 1, Item 6, Page 4—Ethanol Producer Incentives.

Kansas Technology Enterprise Corp.

A. Lapsing of Funds (Senate Committee). For FY 2008, the Governor recommended that a total of $436,299 from the Economic Development Initiatives Fund (EDIF) be lapsed from the approved budget for the Kansas Technology Enterprise Corporation (KTEC). A portion of the reduction ($102,966) would allow for a 7.0 percent salary and wage shrinkage rate. The remainder ($333,333) had been tentatively planned to be used in concert with the Kansas Bioscience Authority to fund the start-up costs for Heartland BioVenture. This new entity would have created a funding source that would be used to provide business development services and attract venture capital to promising bioscience companies. After further discussion with the Bioscience Authority, KTEC decided not to pursue the initiative. The Senate Committee noted these funds could still be used by the agency, but any changes should take into account the estimated ending balances of the EDIF prior to the start of Omnibus. The House recommended that the entire amount $436,299 remain in KTEC's FY 2008 budget. The Conference Committee on SB 534 recommended that the lapse be reduced to $102,966.

B. Senate Bill 668—Broadband Initiative (Senate Committee). This bill, currently located in Senate Committee, was noted for further consideration during Omnibus. The bill would create a broadband initiative board within KTEC that would oversee the distribution of grants to governmental entities and nonprofit entities to be used for local broadband planning workshops. For FY 2009 the bill appropriates $600,000, all from the Economic Development Initiatives Fund (EDIF),

for operations ($50,000) and grants ($550,000). The contents of the bill also can be found in HB 2884 which is located in the House Committee. Both bills have had a hearing.

The House Committee had recommended in its version of the FY 2009 budget for KTEC to include language that would have authorized the KTEC board to award grants within the agency's approved budget. The Conference Committee on SB 534 recommended the language be removed.

C. GBA No. 1, Item 4, Page 3—Expand Pipeline Entrepreneurship Mentoring Program.

Emporia State University

A. Funding for a Bioscience Summer Institute for High School Biology, Chemistry and Mathematics Teachers in FY 2009 (Senate Committee). The Senate Committee recommended Omnibus review of the addition of $200,581, all from the State General Fund, for a new Bioscience Summer Institute for High School Biology, Chemistry and Mathematics Teachers at Emporia State University (ESU) in FY 2009. The Governor and the Conference Committee on SB 534 did not include funding for the program in their recommendations.

The institute was part of the Board of Regents enhancement request for increased investment in postsecondary education by the state. ESU proposes developing a 3-week summer institute for mathematics and science teachers. According to the university, while the institute would not produce degrees, it would promote retention in a field with a high burnout rate and where the need to continually update skills is critical. The institute would be for 54 selected high school teachers. The chosen teachers would receive face to face education during the 3-week institute and participate in online meetings throughout the subsequent year.

ESU estimates the institute would have an immediate impact on 5,400 Kansas high school students, given the typical teacher to student ratio in Kansas high schools.

Fort Hays State University

A. Funding for a Professional Science Masters Degree program in FY 2009 (Senate Committee and House Committee). Both the House and Senate Committee recommended Omnibus review of the addition of a Professional Science Masters (PSM) Degree program at Fort Hays State University in FY 2009. The Governor, and the Conference Committee on SB 534 did not add funding for the program in FY 2009. Implementation of the program in FY 2009 would require $330,000, all from the State General Fund.

The program is one of several initiatives that made up the Regents enhancement request for enhanced investment in postsecondary education. In its justification for the program, FHSU points to the Kansas Economic Growth Act of 2004 which identified a need for Kansas universities to educate and train scientists to support bioscience research, development, testing and product commercialization in Kansas. Currently, Kansas does not have a PSM program, and according to the university, neither do the surrounding four contiguous states.

The curriculum for the PSM Degree would contain 12 hours of core science courses, nine hours of core business courses, a professional communication course, a research methods course, three hours of statistical decision-making, a supervised internship and a professional level capstone project. FHSU estimates that 65 students will participate in the program annually, with 10 to 15 new graduates each year.

Pittsburg State University

A. Funding for a New School of Construction in FY 2009 (Senate Committee). The Senate Committee recommended Omnibus review of the addition of funding for a new School of Construction at Pittsburg State University. The Governor and the Conference Committee on SB 534 did not include funding for this item in their budget recommendations. Implementation of the proposal would require an additional $1,393,400, all from the State General Fund, in FY 2009.

The new school would be located within the College of Technology. According to the university, funding the new program would ensure increased numbers of qualified construction professionals for the industry, create the first safety, health and environmental management program for the state, provide a location for Kansas contractors to send their employees to enhance their skills, and increase interaction and support between K-12 schools, community and technical colleges, and baccalaureate programs.

The Construction Management and Construction Engineering Technology programs are currently housed in the Engineering Technology Department within the College of Technology. According to the university, this department is the largest on campus, with more than 600 majors and 25.5 FTE faculty. Together, the two construction programs have grown steadily over the years. In the fall of 2007, the Construction Engineering Technology and Construction Management programs accounted for 290 of those majors.

The university cites recent studies which have brought attention to a critical shortage of qualified personnel within the construction industry. Research by the Construction Industry Institute (CII), a consortium of more than 100 leading firms, indicates that these critical shortages will likely worsen unless significant action is taken." By 2015, the CII study found, almost half of the industry's work force will be over 55.

The university estimates that funding the new school would have a significant impact on the number of graduates in various programs. It is anticipated that Construction Engineering Technology graduates would increase by 38.0 percent over five years and Construction Management graduates would increase by 34.0 percent. The newly created degree in Safety, Health and Environmental Management would grow to over 40 majors in just five years. Finally, the newly created path for two-year college students entering the construction program would likely reach 40 in that same time period.

B. Funding for Debt Service Payments for the Readiness Center project in FY 2009 (Senate Committee and Joint Committee on State Building Construction). The Senate Committee recommended Omnibus review of the shift in funding from the Expanded Lottery Act Revenue Fund to the State General Fund for debt service payments related to the Readiness Center project totaling $326,999 in FY 2009.

Both the House and Senate Committees shifted debt service payments for the Readiness Center project from the Expanded Lottery Act Revenue Fund to the State General Fund in FY 2009. Only the Senate Committee recommended review of the shift at Omnibus.

University of Kansas

A. Funding and Bonding Authority for the Expansion of the School of Pharmacy in FY 2009 (Senate Committee and House Committee). The Senate Committee and House Committee recommended Omnibus review of the funding and bonding authority for the expansion of the School of Pharmacy at the University of Kansas in FY 2009.

The Senate Committee deleted the Governor's recommended $1.0 million, all from the Expanded Lottery Act Revenue Fund (ELARF), for expenses related to the planning for the expansion of the School of Pharmacy at the University of Kansas in FY 2009. In addition, the Senate Committee recommended Omnibus review of the addition of State General Fund in FY 2009 to address the planning costs. The House Committee deleted the funding from the ELARF for the project and replaced it with State General Fund. The Conference Committee on SB 534 subsequently took the House Committee position and deleted the funding from the ELARF and replaced it with State General Fund.

The Governor also recommended bonding authority of $50.0 million, with debt service to be paid from the State General Fund, for the expansion project in FY 2009. The House Committee deleted the bonding authority for review at Omnibus. The Senate Committee did not. The Conference Committee on SB 534 removed the bonding authority for the project and added $5.0 million, all from the State General Fund, in FY 2009, and $22.5 million, all from the State Infrastructure Reserve Fund, in FY 2010 and FY 2011 for the project. The appropriation includes language prohibiting the university from accessing the additional funding without certifying that non-state matching funds (dollar for dollar) are available for the project. In addition, the Conference Committee added the requirement that the university development a memorandum of understanding that any additional funding for the project would come from non-state sources.

University of Kansas Medical Center

A. Funding for the Wichita Center for Graduate Medical Education (House Committee, Senate Committee and Conference Committee). The House and Senate committees, as well as the Conference Committee on SB 534. recommended Omnibus review of funding for the Wichita Center for Graduate Medical Education (WCGME). The WCGME is a consortium that coordinates all the residencies in Wichita and Salina. The consortium is made up of the University of Kansas Medical Center, Wesley Medical Center, and Via Christi Regional Medical Center.

For FY 2008, the Senate and the Conference Committee recommended the deletion of $1.0 million, all from the State General Fund, for WCGME in FY 2008 to be reviewed at Omnibus.

For FY 2009, the Senate Committee recommended the deletion of $1.0 million, all from the State General Fund, for review at Omnibus. The Conference Committee subsequently concurred with the House position to leave the funding for WCGME in FY 2009.

In addition, the House Committee recommended Omnibus review of the addition of $8.6 million, all from the State General Fund, for WCGME in FY 2009. The funding request is outlined in the table below:

Wichita Center for Graduate Medical Education (WCGME)
Funding Request

Item	FY 2009 Request
New funds to meet accreditation (ACGME) requirements	$ 4,559,703
Funds for educational leave and off-site rotations	1,739,292
Current hospital net loss	3,316,657
TOTAL	$ 9,615,652

The first funding request of $4.6 million, all from the State General Fund, addresses staffing related to accreditation issues identified by the Accreditation Council for Graduate Medical Education (ACGME). The ACGME is responsible for the accreditation of post-MD medical training programs within the United States. The first issue is a change in standards requiring paid time for faculty research, teaching and administration. The second issue is research and scholarly activity. Seven of the 14 programs at the WCGME have been cited or warned for inadequate research and scholarly activity. The WCGME has indicated that this can be resolved with additional paid faculty for the program.

The second funding request, for $1.7 million, all from the State General Fund, would address replacement of recently reduced Medicare Graduate Medical Education reimbursement for off-site monthly rotations and education leave and non-clinical education experiences.

The third funding request, for $3.3 million, all from the State General Fund, would address the current shortfall experienced by WCGME between its expenses and revenue that is currently subsidized by the hospitals that are part of the WCGME.

B. Funding for Energy Conservation Debt Service in FY 2009 (Senate Committee and Joint Committee on State Building Construction). The Senate Committee recommended Omnibus review of the shift in funding from the Expanded Lottery Act Revenue Fund (ELARF) to the State General Fund for debt service payments related to energy conservation projects totaling $908,000 in FY 2009.

Both the House and Senate committees recommended the shift of debt service payments for energy conservation projects from the ELARF to the State General Fund. Only the Senate Committee recommended Omnibus review of the shift.

Wichita State University

A. Shift of Expenditures from the Expanded Lottery Act Revenue Fund to the State General Fund for Aviation Research Debt Service in FY 2009. (Senate Committee and Joint Committee on State Building Construction). The Senate Committee deleted $1.6 million, all from the Expanded Lottery Act Revenue Fund (ELARF), and added the same amount from the State General Fund for aviation research debt service in FY 2009. In addition, the Senate Committee recommended Omnibus review of the shift. The House Committee shifted the funding, but did not recommend review of the item at Omnibus.

B. Review Additional Funding for Aviation Infrastructure in FY 2009 (Senate Committee). The Senate Committee deleted $2.5 million, all from the Expanded Lottery Act Revenue Fund ELARF), for aviation infrastructure in FY 2009 and recommended review of the funding at Omnibus. The House Committee deleted the $2.5 million, all from the ELARF, and added the same amount from the Economic Development Initiatives Fund (EDIF), as well as $2.5 million, all from the State General Fund, for a total of $5.0 million for aviation infrastructure in FY 2009.

The Conference Committee on SB 534 concurred with the House Committee recommendation and added the funding.

Board of Regents

A. Funding for the Unified Operating Grant Increase in FY 2009 (House Committee, Senate Committee and Conference Committee). The Governor recommended $35.0 million, all from the State General Fund, for the unified operating grant increase in FY 2009. Both the House

and Senate committees deleted $14.9 million, all from the State General Fund, from that amount for the pay plan, which was subsequently placed in Senate Substitute for HB 2916. The Senate Committee deleted the entire remaining amount, $20.1 million, and placed it SB 673, which the Senate Committee of the Whole subsequently passed. The House Committee removed $19.7 million from the Board of Regents budget for review at Omnibus, leaving $400,000 in the budget for the unified operating grant increase in FY 2009.

The Conference Committee on SB 534 deleted only $10.1 million of the funding for the unified operating grant increase, absent the pay plan, leaving $10.0 million, all from the State General Fund, in the Board of Regents budget for the unified operating grant increase in FY 2009.

B. Funding for the Technical Education Technology and Equipment Grant in FY 2009 (Senate Committee and House Committee). Both the House and Senate committees recommended the deletion of $2.5 million, all from the Expanded Lottery Act Revenue Fund (ELARF), for the Technical Education Technology and Equipment Grant in FY 2009. In addition, both committees recommended Omnibus review of the addition of State General Fund to replace funding from the ELARF in FY 2009.

The Technical Education Technology and Equipment Grant was created by proviso in the 2007 Omnibus appropriations bill, with $4.0 million in funding from the State General Fund. The proviso language required a 2-to-1 match from technical colleges and schools and community colleges to access the grant funds, and limited institutions to no more than 20.0 percent of the total funding available. The Board requested $4.0 million, all from the State General Fund, to continue the Technical Education Technology and Equipment Grants in FY 2009.

C. Funding for the KAN-ED Program in FY 2009 (House Committee, Senate Committee and Conference Committee). The Governor recommended $10.0 million, including $2.0 million from the State General Fund, for the KAN-ED program in FY 2009. The House Committee removed all funding for KAN-ED in FY 2009 and recommended review of the funding at Omnibus. The Senate Committee deleted $2.5 million, all from the Kansas Universal Service Fund (KUSF), and removed the language increasing the transfer from the KUSF to KAN-ED from the statutory $5.5 million to $8.0 million, and added $2.5 million, all from the State General Fund.

The Conference Committee on SB 534 deleted the additional KUSF and the language, but did not add State General Fund, leaving the total funding for KAN-ED in FY 2009 at $7.5 million, including $2.0 million from the State General Fund.

D. Funding for the Comprehensive Grant Program in FY 2009 (Senate Committee and House Committee). Both the House and Senate committees deleted the Governor's recommended increase for the Comprehensive Grant Program of $3.0 million, all from the State General Fund, and recommended the review of additional funding at Omnibus.

Created by the 1998 Legislature, the Comprehensive Grant Program provides grants to financially needy students. The program provides need-based grants to full-time (12 hours) undergraduate students who are Kansas residents enrolled in accredited Kansas colleges and universities. The program is intended to provide up to half of the average tuition and fees of state educational institutions; however, it is subject to available appropriations. The maximum award is $3,000, with an average award of $1,500. The Conference Committee on SB 534 recommendation reduced the Governor's recommended funding for the program from $18.7 million to $15.7 million, all from the State General Fund.

E. Funding for the new Science, Technology, Engineering or Math Teacher Service Program in FY 2009 (Senate Committee and House Committee). Both the House and Senate committees deleted the Governor's recommended $1.0 million, all from the State General Fund, for

a new Science, Technology, Engineering or Math (STEM) Teacher Service Program in FY 2009 and recommended Omnibus review of the funding.

The new STEM scholarship would be targeted at students wishing to teach in science, technology, engineering, or mathematics. Recipients of the awards must teach in a hard-to-fill discipline or under-served geographic area for one year for each year they receive a scholarship, or repay the scholarship with interest. Students must be Kansas residents and priority goes to upperclass students, followed by high school students who demonstrate high achievement on the ACT, with high grade point averages and class rank. The Conference Committee on SB 534 recommendation eliminated all funding for the program.

F. Funding for the Military Service Scholarship (Senate Committee). The Senate Committee deleted the Governor's recommended increase of $250,000, all from the State General Fund, for the Military Service Scholarship in FY 2009. The House Committee did not recommend the reduction.

The Conference Committee on SB 534 concurred with the House Committee and did not delete the funding, leaving funding for the program at $500,000, all from the State General Fund, in FY 2009.

G. Funding for the National Guard Educational Assistance Program in FY 2009 (Senate Committee). The Senate Committee requested Omnibus review of the addition of $339,162, all from the State General Fund, for the National Guard Educational Assistance Program in FY 2009. The National Guard Educational Assistance Program provides assistance to postsecondary students who are members of the Kansas National Guard with up to 100.0 percent of tuition and fees. In exchange, the recipient agrees to complete their current service obligation plus an additional three months of service for each semester of state assistance received. Failure to meet the service requirement requires repayment of the assistance. The actual award a student receives is dependant on the number of persons enrolled in the program and the amount of state appropriations.

The Governor's recommendation for FY 2008 is $941,807, all from the State General Fund, which includes an appropriation of $925,838 and carry-forward from FY 2007 of $15,969. This level of funding will allow the Board of Regents to award funding to cover approximately 80.0 percent of the cost of tuition and fees.

The Governor's recommendation for FY 2009 is $925,383, all from the State General Fund. The National Guard Association of Kansas estimates this amount will provide awards for eligible Guard members for less than 80.0 percent of the cost for tuition and fees. The Association estimates that an additional $339,162 is necessary to fund 100.0 percent of tuition and fees for eligible Guard members in FY 2009.

H. Funding and Language Relating to the Distribution of Postsecondary Aid for Vocational Education in FY 2009 (Conference Committee). The Senate Committee recommended Omnibus review of the addition of $1.3 million, all from the State General Fund, for Postsecondary aid for vocational education, as well as language requiring the Board of Regents to distribute postsecondary aid for vocational education so that no technical college receives less state aid in FY 2009 than it received in the previous fiscal year, which is often referred to as the technical education hold-harmless provision. The House Committee added the language, but did not add any funding.

The Conference Committee on SB 534 added the language and recommended Omnibus review of the additional funding.

I. Addition of Language to the Teacher Service Scholarship Program to Include Persons Who Provide Services to Children with Autism (Senate Committee). The Senate Committee requested the review of the addition of language to Teacher Service Scholarship Program in FY 2009 to allow individuals enrolled in a course of instruction leading to licensure as a professional who is pursuing a master's degree in an allied healthcare degree program with an emphasis in autism and who agrees to provide services to children with autism to participate in the program.

The Kansas Teacher Scholarship Program, established in 1990, provides financial assistance to students who plan to teach in a discipline or an under-served geographic area in which there is a critical shortage of teachers, as determined by the State Board of Education. Up to 80.0 percent of the scholarships are typically awarded to students majoring in special education. Recipients of the awards must teach in the hard-to-fill discipline or under-served geographic area for one year for each year they receive a scholarship, or repay the scholarship with interest. Students must be Kansas residents and priority goes to upperclass students, followed by high school students who demonstrate high achievement on the ACT, with high grade point averages and class ranks. 2007 HB 2185 consolidated the existing four teacher service scholarship programs (the Kansas Teacher Service Scholarship; the Math and Science Teacher Service Scholarship; the Special Education Teacher Service Scholarship; and the Teacher Education Scholarship) into a single program, the Teacher Service Scholarship Program.

Funding for the Teacher Service Scholarship Program is subject to appropriations.

J. Transfer of Funding from the Expanded Lottery Act Revenue Fund to the Educational Building Fund in FY 2009 (Senate Committee and Joint Committee on State Building Construction). The Governor's budget recommendation for FY 2009 included the transfer of $15.0 million from the Expanded Lottery Act Revenue Fund (ELARF) to the Educational Building Fund (EBF), and an increase in EBF expenditures of $15.0 million for total expenditures of $45.0 million in FY 2009.

Both the House and Senate committees deleted the transfer and the additional expenditures from the EBF. The Senate Committee and the Joint Building Committee recommended Omnibus review of the transfer and additional expenditures.

The current legislative approved expenditure amount from the Educational Building Fund is $30.0 million in FY 2009.

K. Senate Bill No. 437 (Governor). SB 437 would allow the selection committee at each ROTC institution (as defined by KSA 74-3255) to award ROTC scholarships to qualified students who are enrolled at community colleges. The State Board of Regents would have to approve a memorandum of understanding between the board of trustees of the community college and the chief executive officer of the ROTC institution prior to the awarding of any scholarships. This memorandum of understanding would include requirements for student eligibility, the application process, and other relevant information.

The bill also would establish the Military Service Scholarship Program. This program would award scholarships to Kansas residents who had served in military service in Iraq, Afghanistan, or on foreign soil or in international waters in support of military operations in Iraq or Afghanistan for 90 days, or less than 90 days because of injuries received, following September 11, 2001. It also would include individuals who had received an honorable discharge or served in the military operations of Enduring Freedom, Noble Eagle, or Iraqi Freedom.

The scholarships would be awarded on a priority basis to applicants who have the greatest financial need and would be renewable for students who remain qualified. This financial need

determination would take into consideration federal military educational assistance received by the student. The number and amount of scholarships awarded would be determined by the Executive Officer of the State Board of Regents but would not be allowed to exceed the cost of fees and tuition. The scholarship would be awarded annually for the equivalent of four academic years based on full-time enrollment. The scholarship would allow for part-time enrollment and would allow for fifth-year enrollment in some cases.

The bill also would designate the Salina Area Technical School as the Salina Area Technical College.

Both scholarship programs are subject to appropriations. The ROTC Service Scholarship is currently funded at $186,401, all from the State General Fund, for FY 2009 and the Military Service Scholarship is funded at $500,000, all from the State General Fund, for FY 2009. The name change for Salina Area Technical School has no fiscal impact.

L. House Bill No. 2858 (Conference Committee). HB 2858 would change the name of the Fort Hays State University Endowment Association to the Fort Hays State University Foundation.

In addition, it would authorize the State Board of Regents, on behalf of the University of Kansas, to sell lots 7, 8, 9, 10, 11, and 12 in block 13 in Lanes' Second Addition (1043 Indiana) to the City of Lawrence in Douglas County. The proceeds from the sale would be deposited in the appropriate restricted fees account of the University of Kansas for operating expenditures.

In addition, the bill would appropriate funding to the Board of Regents to the Kansas Academy for Math and Science (KAMS) for fiscal years 2009 through 2014, as follows:

FY 2009: $295,000
FY 2010: $713,000
FY 2011: $754,000
FY 2012: $792,000
FY 2013: $835,000
FY 2014: $938,000

KAMS is an accelerated residential program for Kansas high school juniors and seniors who are academically talented in science and mathematics. The purpose of KAMS is to provide an opportunity for academically talented pupils to work in a community of peers and to earn simultaneously college credits and a high school diploma at a state educational institution designated by the Board of Regents. The Board designated Fort Hays State University as the site for KAMS in December of 2007. The bill would appropriate funding for the program based on estimates provided by Fort Hays State University and the Board of Regents.

The fiscal impact of the bill would be $295,000, all from the State General Fund, in FY 2009 for the Kansas Academy for Math and Science.

M. GBA No. 1, Item 18, Page 11—Postsecondary Education Institutions Infrastructure Bonds.

Board of Barbering

A. Vehicle Replacement (Senate Committee). The Senate Committee deleted $11,600, all from the Board of Barbering Fee Fund, to purchase one replacement vehicle in FY 2009 and recommended further review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee's recommendation and did not delete the funding.

Board of Cosmetology

A. Vehicle Replacements (Senate Committee). The Senate Committee deleted $15,000, all from the Cosmetology Fee Fund, to purchase one replacement vehicle in FY 2008 and recommended further review at Omnibus. The Senate Committee deleted $28,800, all from the Cosmetology Fee Fund, to purchase two replacement vehicles in FY 2009 and recommended further review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee's recommendation and did not delete the funding.

SRS Hospitals

A. Teacher Salary Increases. The Department of Education estimates an average statewide salary increase for teachers of 3.5 - 4.0 percent for FY 2009. The education contracts in FY 2009 reflect no teacher salary increases for Larned State Hospital or Parsons State Hospital and Training Center. There are no education contracts at Osawatomie State Hospital, Rainbow Mental Health Facility, or Kansas Neurological Institute. The following table illustrates the State General Fund adjustment which would be necessary to provide uniform salary increases across the two institutions.

Percent Increase	Larned State Hospital	Parsons State Hospital and Training Center	Total
0.5%	$ 883	$ 1,767	$ 2,651
1.0	1,766	3,535	5,301
1.5	2,650	5,302	7,952
2.0	3,533	7,070	10,603
2.5	4,416	8,837	13,253
3.0	5,299	10,605	15,904
3.5*	**6,183**	**12,372**	**18,555**
4.0*	**7,066**	**14,139**	**21,205**
4.5	7,949	15,907	23,856
5.0	8,832	17,674	26,506
5.5	9,715	19,442	29,157
6.0%	10,599	21,209	31,808

*The estimated statewide salary increase for teachers is 3.5-4.0 percent.

B. Categorical Aid Adjustment. For FY 2008 and FY 2009, the budgeted school contracts for the institutions include categorical aid based on a rate of $26,500 for Parsons State Hospital and Training Center, and $18,000 for Larned State Hospital. There are no education contracts at Osawatomie State Hospital, Rainbow Mental Health Facility, or Kansas Neurological Institute.

The current FY 2008 categorical aid rate per eligible teaching unit is estimated to be $28,300. If this rate is maintained, the school contract for FY 2008 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required:

Institution	FY 2008
Parsons State Hospital and Training Center	$ 4,690
Larned State Hospital	36,275
TOTAL	$ 40,965

The current FY 2009 categorical aid rate per eligible teaching unit is estimated to be $29,800. If this rate is maintained, the school contract for FY 2009 at the institutions would need adjustments. The table below identifies the State General Fund adjustments required:

Institution	FY 2009
Parsons State Hospital and Training Center	$3,186
Larned State Hospital	41,557
TOTAL	$44,743

Larned State Hospital

A. Sexual Predator Treatment Program Expansion in FY 2008 and FY 2009 (Senate Committee and Conference Committee). The Senate Committee deleted $550,069, all from the State General Fund, and 22.0 FTE positions, in FY 2008 to expand the Sexual Predator Treatment Program (SPTP) due to a rise in a patient census and recommended further review at Omnibus. The Senate Committee deleted $1,070,589, all from the State General Fund, and 22.0 FTE positions, in FY 2009 for the same item. The Conference Committee on SB 534 concurred with the Senate Committee's recommendation and deleted the funding and FTE positions in FY 2008 and FY 2009 for review at Omnibus.

The agency indicates that the current budget is sufficient to serve up to 160 persons committed to the SPTP. Until recently, what growth there had been was moderated by persons moving to the SPTP Transition House at Osawatomie State Hospital. Recently, the SPTP experienced an influx of new persons that have been court committed to the program, and all persons scheduled to move to the SPTP Transition House have moved. As a result, the SPTP has now surpassed its budgeted capacity with more people scheduled to arrive soon. Therefore, the agency requests additional funding and staff in order to serve 170 persons.

B. Sexual Predator Treatment Program Transition House Expansion in FY 2008 and FY 2009 (Senate Committee and Conference Committee). The Senate Committee deleted $228,486, all from the State General Fund, and 6.0 FTE positions, in FY 2008 to expand the Sexual Predator Treatment Program (SPTP) Transition House located on the Osawatomie State Hospital campus and recommended further review at Omnibus. The Senate Committee deleted $249,269, all from the State General Fund, and 6.0 FTE positions, in FY 2009 for the same item. The Conference Committee on SB 534 concurred with the Senate Committee's recommendation and deleted the funding and FTE positions in FY 2008 and FY 2009 for review at Omnibus.

The agency notes that three new residents are being moved to the SPTP Transition House. The agency indicates that the current space is not sufficient to accommodate the new residents, and a section of the Biddle Building has been remodeled for this purpose. As a result, additional staffing

and operating expenditures are needed to accommodate the new residents who require 24-hour supervision, seven days a week.

C. Long-Term Impact of the Sexual Predator Treatment Program (House Committee). The House Committee directed the agency to provide information regarding the long-term impact of the Sexual Predator Treatment Program (SPTP) in FY 2009 for review at Omnibus.

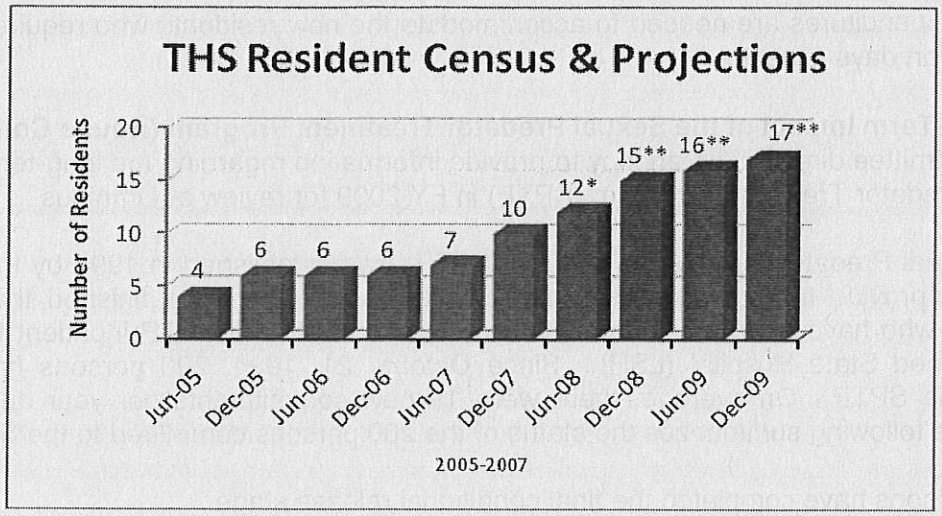
The Sexual Predator Treatment Program (SPTP) was established in 1994 by the Sexual Predator Act to provide treatment for convicted sex offenders who have finished their prison sentences, and who have been civilly committed by the courts to the SPTP inpatient treatment program at Larned State Hospital (LSH). Since October 21, 1994, 200 persons have been committed to the SPTP. On average, there were 19 new commitments per year during FY's 1999-2007. The following summarizes the status of the 200 persons committed to the SPTP.

- 2 persons have completed the final conditional release stage
- 13 persons were released by the courts due to timely filing issues[1]
- 11 persons have died
- 15 new commitments have been made so far in FY 2008
- 173 persons are currently in the SPTP as of April 9, 2008:
  - 162 on the campus of Larned State Hospital
  - 11 residing at the Transition House on the campus of Osawatomie State Hospital

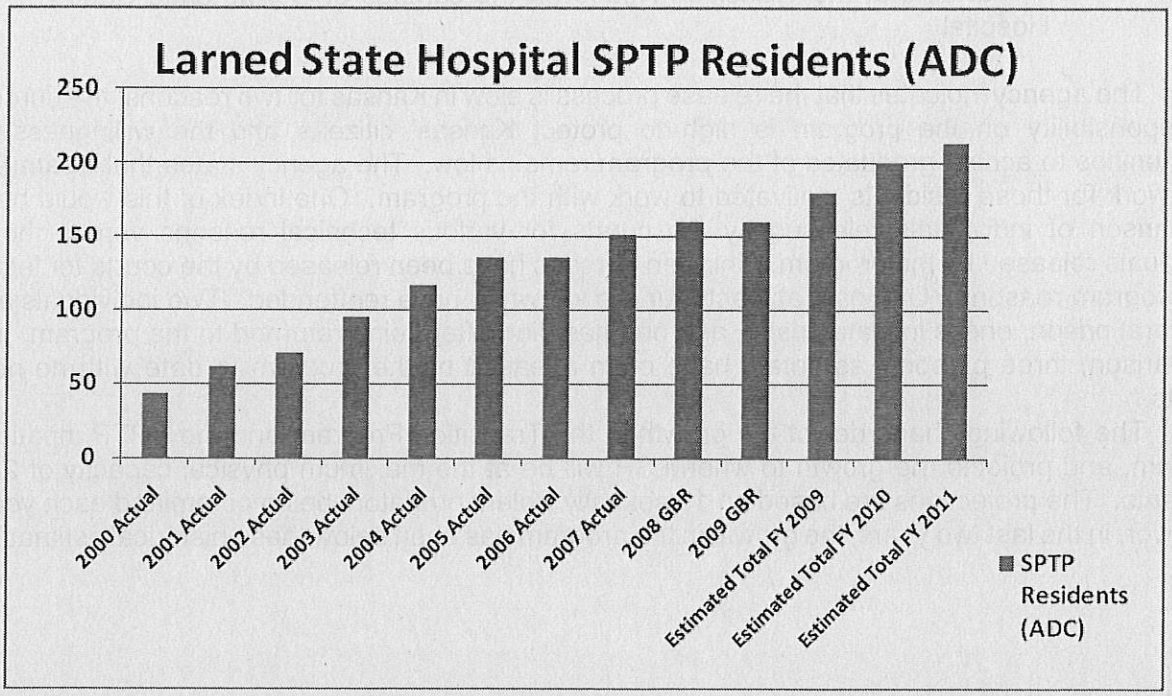
The agency indicates that the release process is slow in Kansas for two reasons: the burden of responsibility on the program is high to protect Kansas' citizens and the willingness of communities to accept graduates of the program remains low. The agency states that treatment does work for those residents motivated to work with the program. One index of this would be a comparison of individuals released by the courts for various technical reasons versus those individuals released by the program. Thirteen persons have been released by the courts for legal, non-program reasons. Of those, at least four are known to have reoffended. Two individuals are in federal prison, one is in state prison, and one has died after being returned to the program. By comparison, three persons, as noted, have been released by the program to date with no new arrests.

The following charts depict the growth in the Transition Program and the SPTP inpatient program, and projects the growth to when LSH will be at the maximum physical capacity of 214 residents. The projections are based on 19 sexually violent predators being committed each year. However, in the last two years, the growth in the program has been below these historical estimates.

[1] Timely filing issues were corrected by Legislation



*Includes two SPTP residents who have been approved to move in Jan & Feb
**Predicted growth for next two years based on average growth of census 2005-2007



The following chart shows the cost of operating the SPTP program since FY 2000, and projects the future costs until the maximum capacity of 214 persons is reached at LSH.

Larned State Hospital Sexual Predator Treatment Program			
Fiscal Year	SPTP Expenditures	SPTP Staff	SPTP Residents (ADC)
2000	$ 976,897	35	43
2001	$ 1,191,741	38	61
2002	$ 1,774,882	67	71
2003	$ 2,427,619	67	95
2004	$ 4,517,045	160	117
2005	$ 6,581,130	160	136
2006	$ 7,526,609	160	136
2007	$ 11,060,770	239	151
2008 GBR	$ 12,079,666	249	160
2009 GBR	$ 11,812,827	249	160
Estimated Total FY 2009	$ 13,761,722	286	179
Estimated Total FY 2010	$ 16,689,543	345	198
Estimated Total FY 2011	$ 18,311,858	374	214

Lastly, the following is a chart taken from an August 2007 study by the Washington State Institute for Public Policy, which compares 2006 general cost information from the states which have a sexually violent predator program.

Exhibit 3
General Cost Information (2006)

State	SVP Resident Cost Per Year	Total Civil Commitment Budget (in millions)	Annual Salary and Benefits of Treatment Officer	DOC Inmate Cost Per Year
Arizona	$110,000	$11.3	$50,985	$20,564
California	$166,000	$147.3	N/A	$43,000
Florida	$41,845	$23.3	N/A	$19,000
Illinois	$88,000	$25.6	N/A	$21,700
Iowa	$71,000	$5.0	$56,356	$23,002
Kansas	$69,070	$10.9	N/A	$22,630
Massachusetts	$73,197	$30.7	N/A	$43,026
Minnesota	$141,255	$54.9	N/A	$29,240
Missouri	$75,920	$8.3	$25,358	$14,538
Nebraska	$93,325	$13.5	N/A	$26,031
New Jersey	$67,000	$21.9	N/A	$35,000
North Dakota	$94,728	$12.7	$55,600	$27,391
Pennsylvania	$150,000	$1.8	N/A	$32,304
South Carolina	$41,176	$2.9	N/A	$15,156
Texas	$17,391	$1.2	N/A	$15,527
Virginia	$140,000	$8.2	N/A	$23,123
Washington	$149,904	$40.5	$40,228	$29,055
Wisconsin	$102,500	$34.7	N/A	$27,600
AVERAGES	$94,017	$25.3		$25,994
	Total:	$454.7		

Notes:
New Hampshire is in the start-up phase.
New York is in the start-up phase.
Pennsylvania has only "aged-out" juveniles as they turn 21 years old. Their costs for DOC reflect 2004–2005, inflated by 3 percent.
Texas has outpatients only.

D. Fee Fund Shortfall (Senate Committee). The Senate Committee deleted $500,000, all from the State General Fund, in FY 2008 to offset part of the Larned State Hospital Fee Fund shortfall and recommended review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee's recommendation and did not delete the funding. The agency notes that over the last three years, the expenditure limitation from the fee fund has increased from $2.6 million to $3.5 million, while the revenue estimate has remained relatively unchanged. As a result, the agency anticipates a revenue shortfall in FY 2008.

E. Mobile Evaluator Positions for the State Security Program (House Committee). The House Committee recommended Omnibus review of the possible addition of $320,000, all from the State General Fund, and 2.0 FTE positions, in FY 2009 to fund mobile evaluator positions that will help alleviate the growing waiting list for forensic evaluation and treatment in the State Security Program (SSP). The agency notes that an additional 1.0 FTE position would be needed as support staff for the mobile evaluators.

The agency indicates that the waiting list for admissions to the SSP from the District Courts reached an all-time high of 67 persons in January 2008. According to the agency, this wait time has placed a strain on jails and jail staff in managing the inmates who are awaiting access to mental health services. The mobile evaluator positions would help eliminate or alleviate the waiting list for admission to the SSP. The positions would be supervised by Larned SSP staff and located in the Kansas City area and the Wichita, Hutchinson, or Larned area. The role of the evaluators would include: complete sex predator evaluations in jails; conduct at least two Competency to Stand Trial (CST) evaluator trainings a year for Community Mental Health Centers (CMHCs) and other community providers interested in reimbursement and certification from SRS; complete pre-sentence evaluations (misdemeanors) in jails and the community; complete competency evaluations unable to be done by community providers; and create and oversee a certification and ongoing education and supervisory program for community based evaluators.

Osawatomie State Hospital

A. Direct Care and Nursing Staff (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request of $888,635, all from the State General Fund, and 25.6 FTE positions, to add direct care and nursing staff in FY 2009. The agency indicates that each hospital unit has a core staffing requirement, or a minimum number of staff, needed to provide for patient care and safety. Illness, holidays, injuries, and other leave time has caused staffing to fall below minimum core staffing levels. The agency notes that more staff is needed in order to provide for patient care and safety due to increasing patient admissions.

B. Open a 30-Bed Unit (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request of $1,473,800, all from the State General Fund, and 49.8 FTE positions, to open a 30-bed unit for the last six months of FY 2009. The Conference Committee on SB 534 concurred with the Senate Committee's position and added the funding and FTE positions. The agency indicates that the 2007 Legislature appropriated funds to remodel the existing 30-bed unit, and because of the current remodeling, reconstruction of the additional unit did not begin until after February 2008 and it will not be available for patient care until January 2009. The request will fund the cost of operating the newly remodeled unit starting in January 2009. The agency notes that its capacity would increase from 176 to 206 beds.

C. GBA No. 1, Item 13, Page 8—Fee Fund Adjustments.

Rainbow Mental Health Facility

A. Direct Care and Nursing Staff (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request of $724,753, all from the State General Fund, and 21.0 FTE positions, to add direct care and nursing staff in FY 2009. The agency indicates that each hospital unit has a core staffing requirement, or a minimum number of staff, needed to provide for patient care and safety. Illness, holidays, injuries, and other leave time has caused staffing to fall below minimum core staffing levels. The agency notes that more staff is needed in order to provide for patient care and safety due to increasing patient admissions.

Parsons State Hospital and Training Center

A. GBA No. 1, Item 13, Page 8—Fee Fund Adjustments

Social and Rehabilitation Services

A. Early Childhood Block Grant (House Committee and Senate Committee) and GBA No. 1, Page 14—Message on Early Childhood Block Grant. The Governor's budget recommendation included the addition of $5.0 million, all from the Children's Initiatives Fund (CIF), in FY 2008 for the new early childhood block grant to be administered by the Children's Cabinet. The block grant would be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community-based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three and four-year olds. The Governor's recommendation also included the addition of $18.0 million for this block grant in FY 2009.

The House and Senate Committees deleted the funding in both FY 2008 and FY 2009 for review at Omnibus.

The Children's Cabinet indicated that the process to distribute the block grants would be based on a request for proposal (RFP). The RFP should include programs that:

- are research based
- have accountability measures
- are high quality
- serve "at risk" children
- serve children in underserved areas

The Children's Cabinet indicated that at least 30 percent of the funding would be used for children ages 0-3.

Children's Cabinet staff as well as Cabinet members, University of Kansas and national researchers would help read and rate the proposals. The Children's Cabinet would have the final vote on funding decisions.

B. Protected Income Level for Persons Receiving Services from Home and Community Based Service Waivers (House Committee and Senate Committee) The House Committee recommended review of raising the protected income level for individuals receiving services from home and community based service waivers to the appropriate level at Omnibus. The Senate Committee recommended a review of the addition of $384,324, including $154,037 from the State

General Fund, at Omnibus to increase the protected income level an additional $11 in FY 2009 from $727 to $738 per month.

The Conference Committee on Senate Bill 534 concurred with the Senate Committee to add $406,200, including $162,805 from the State General Fund to increase the protected income level for individuals receiving services from home and community based service waivers from $716 to $727 per month.

The protected income level for individuals receiving services from a home and community based services waiver was originally tied to the poverty level. The 2008 federal poverty level for a single person is $867 per month. The cost to increase the protected income level to $867 per month is $4,203,600, including $1,684,803 from the State General Fund.

C. Funding for Therapeutic Preschool (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended that the addition of $1.0 million, all from the Children's Initiatives Fund, in FY 2009 to reinstate funding for therapeutic preschool be reviewed at Omnibus. This program was previously funded from the Children's Initiatives Fund. However, the Governor's budget recommendation for FY 2009 does not continue that funding. The Children's Cabinet found that the program had not accomplished performance goals nor did it fit well with the Children's Cabinet focus on early childhood development.

The Committees received testimony that therapeutic preschool facilities provide important early intervention for children who have serious emotional disturbances. The programs are designed to prevent out-of-home placements and prepare children to enter school ready to learn.

D. Funding for the School Violence Prevention Program (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended that the addition of $228,000, all from the Children's Initiatives Fund, in FY 2009 to reinstate funding for the school violence prevention program be reviewed at Omnibus. This program was previously funded from the Children's Initiatives Fund, however, the Governor's recommendation for FY 2009 does not continue that funding. The Children's Cabinet recommended that Children's Initiatives Funding for this program be discontinued because the program had not accomplished performance goals and does not fit the focus on early childhood development.

The Committees received testimony that these programs provide children with mental health support and services in the school setting with a focus on issues related to school violence. The programs have provided a collaborative approach to providing services to children and involve the Community Mental Health Centers, schools, parents, youth and coordinating councils. The target population of these programs is school-aged youth with severe emotional disturbances or those at risk for violent behavior.

E. Funding for the BARS program (House Committee and Senate Committee). The House Committee and Senate Committee recommended review of funding for the BARS program from the Children's Initiatives Fund in FY 2009. The House Committee recommended reviewing the addition of the entire amount requested ($1.1 million) at Omnibus. The Senate Committee added $550,000 and recommended that the remaining $550,000 be reviewed at Omnibus. The Conference Committee on SB 534 concurred with the House Committee to review all of the funding at Omnibus.

The Committee received testimony that indicated the addition of $1.1 million from the State General Fund would allow two compliance visits to be made at each tobacco retailer location, each month, for twelve months per year under the BARS program. The BARS program is currently receives $100,000 from the Department of Social and Rehabilitation Services.

F. Funding for the Kansas Youth Empowerment Grant (House Recommendation and Conference Committee). The House Committee and the Conference Committee on SB 534 recommended review of the addition of $118,500, all from the State General Fund, in FY 2009 to replace federal funds, for the Kansas Youth Empowerment Grant. The Senate Committee concurred with the Governor's recommendation to fund this item.

The federal Rehabilitation Services Administration interprets federal regulations regarding use of Title I Vocational Rehabilitation funds. The Rehabilitation Services Administration interprets the regulations to prohibit state agencies from issuing grants funded from this source. To comply with this interpretation, the Department of Social and Rehabilitation Services requested the enhancement funds to replace the portion of this grant previously matched by federal vocational rehabilitation funds with State General Funds.

The Committees received testimony that the funding for programs provided in this grant illustrate to those who are disabled that they can get things accomplished. Testimony cited the following information:

- One out of five adults with disabilities has not graduated from high school, compared to less than one out of ten adults without disabilities.
- Youth with severe emotional disabilities (57.6 percent) and youth with learning disabilities (36.0 percent) have the highest drop-out rates of all disability groups.
- Only 14.0 percent of youth with disabilities attend post secondary school versus 53.0 percent in the general population.
- Nationally, 70.0 percent of youth with disabilities are unemployed two years after exiting from high school.

G. Funding for Home and Community Based Service Waivers to Avoid Waiting List (House Committee and Senate Committee). The Governor's recommendation included the addition of $15,100,930, including $6,052,452 from the State General Fund in FY 2009, to decrease home and community based service waivers waiting lists. This included the addition of:

- $1.0 million, including $400,800 from the State General Fund, for the home and community based services for persons with a head injury waiver;
- $2,783,382, including $1,151,652 from the State General Fund, for the home and community based services for individuals with a physical disability waiver; and
- $11,227,548, including $4,500,000 from the State General Fund for the home and community based services for individuals with a developmental disability waiver.

Both the House and Senate Committees removed this funding for review at Omnibus. The addition of this funding is anticipated to maintain no waiting lists for the home and community based services for persons with a Head Injury waiver and the home and community based services for individuals with a physical disability waiver. As of February 2008, there were 1,317 individuals on a waiting list to receive services from the home and community based services for individuals with a developmental disability waiver. In addition, 555 people who are currently receiving some services who are waiting for additional services. The additional funding for this waiver would serve an additional 228 persons. According to the agency, there are 1,345 individuals waiting for DD Waiver services that are currently receiving no waiver services. There are also 730 individuals that have requested additional services but are receiving some type of waiver service.

H. Funding for Community Mental Health Centers (CMHCs) (House Committee and Conference Committee). The House Committee recommended that the addition of $15.8 million, all from the State General Fund, be reviewed at Omnibus. The Senate Committee added funding of $15.8 million, all from the State General Fund. The Conference Committee on SB 534 added $7.0

million, all from the State General Fund, in FY 2009 and recommended the review of an additional $8.8 million, all from the State General Fund, at Omnibus.

The 2007 Legislature added $17.0 million, all from the State General Fund, in FY 2008 to maintain the public community mental health system after the elimination of the certified match process for Medicaid and the implementation of the Prepaid Ambulatory Health Plan (PAHP) system. The Governor's recommendation for FY 2009 included funding of $10.0 million to maintain this support. The Conference Committee addition of $7.0 million for FY 2009 brings the total amount to the FY 2008 level.

The addition of another $8.8 million would bring the CMHCs to the funding level prior to the end of certified match.

The House Committee recommended that a determination be made during Omnibus whether funding provided to the CMHCs can be used for those individuals with the greatest need, or whether there is a requirement which individuals should receive the funding. Medicaid funding is now provided on a fee-for-service basis. Once the CMHCs bill for a service, the centers are paid the allowed Medicaid rate for that service. Once the CMHCs receive that payment, it is their money to be expended. The state grant funding can be expended for any individual requiring service.

I. Funding for the Home and Community Based Services for Children with Autism Waiver (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended a review of the addition of $2.5 million, including $1.0 million from the State General Fund, in FY 2009 for the Autism Waiver Waiting List for review at Omnibus. The funding would allow approximately 100 additional young children with autism spectrum disorders and their families to be served on the Autism Waiver for a full year in FY 2009. As of February 2008, there were 134 children on the waiting list to receive waiver services. According to the agency the autism waiver currently has a waiting list of 141 children.

The Committee received testimony that one in 150 children is diagnosed with autism and that a new case is diagnosed approximately every 20 minutes. Additionally, testimony indicated that studies have shown that approximately half of children with autism who receive early intensive services will not need support in older childhood and adulthood.

J. Funding for Assistive Technology Grant (House Committee and Senate Committee). Both the House Committee and Senate Committee deleted $375,000, all from the State General Fund, in FY 2009 for assistive technology for Kansans for review at Omnibus.

This program previously received a grant which was funded with federal vocational rehabilitation services funding. The Department was informed that the grant model was no longer allowed by the federal government. The Department has entered into a fee-for-service arrangement with the providers.

The Committee received testimony that indicated this funding would be used to support five regional access sites across the state to help provide services to Kansans that have little or no ability to secure services elsewhere.

K. Expansion of the Home and Community Based Services for Individuals with a Traumatic Brain Injury (House Committee). The House Committee recommended a review at Omnibus of the addition of $4.2 million, including $1.7 million from the State General Fund, in FY 2009 to expand the Home and Community Based Services waiver for persons with Traumatic Brain Injury (HCBS/TBI) to serve persons with strokes.

The House Committee received testimony regarding the home and community based services waiver for persons with traumatic brain injury, including the definition of brain injury that controls eligibility for the waiver. This waiver is unique in that it is designed to be a short-term program to rehabilitate persons with traumatic brain injury to their best level of functioning, after which they will no longer need services or will transition to other programs such as the home and community based services waiver for persons with physical disabilities.

The current definition used to determine eligibility for the waiver excludes persons who have a non-traumatic brain injury. The House Committee recommended that this definition be reviewed to possibly change the waiver to include an acquired brain injury or that a separate waiver be created for this type of injury.

L. Funding for Centers for Independent Living Grant (House and Conference Committee Recommendation). The House Committee deleted $500,000, all from the State General Fund, in FY 2009 to increase Centers for Independent Living (CIL) grants for review at Omnibus.

Funding for CIL grants also comes from Social Security Rehabilitation Incentives funds. Revenue from this funding source varies from year to year due to the Social Security Administration (SSA) review and approval process. The revenue is no longer sufficient to provide the amount of funding used for CIL grants. The Governor recommended the addition of $500,000, all from the State General Fund, to replace this dwindling source of revenue for the CILs grants.

The Conference Committee on SB 534 concurred with the Senate Committee recommendation and did not delete the funding.

M. Funding for Integrated Eligibility and Enrollment System (House and Senate Committee Recommendation). The Governor recommended the addition of $7.0 million, including $4.2 million from the State General Fund, in FY 2009 for an integrated eligibility and enrollment system for Medicaid, HealthWave, Premium Assistance, and the State Employees Health Benefits Plan. The system would be web-based and completed in coordination with the Kansas Health Policy Authority. The first phase of this system is estimated to cost $22.0 million to $31.0 million over a three-year time period for development and implementation. Both the House Committee and Senate Committee deleted funding for this item for review at Omnibus.

Currently, the eligibility system maintained by the Department of Social and Rehabilitation Services (SRS) is 20-years old and is designed to manage the state's welfare programs, which no longer meets the needs of either agency.

This information technology project, which has been named the "Avenues" program, would begin the replacement of an antiquated computer system that relies on mainframe technology and requires time-consuming edits to account for changing state and federal requirements. The agency has indicated that this method is inefficient and error-prone. The new system would allow the flexibility to add new programs or requirements easily and the ability to better monitor the enrollment process. The new system will serve an estimated 388,000 individuals and families who are eligible for federal or state medical programs and uninsured in Kansas. In addition, an estimated 280,000 individuals and families who are eligible for means tested federal or state assistance programs would be served.

N. Replacement of Federal Funds for Child Protective Services (House Committee and Conference Committee). The House Committee deleted $9.0 million, all from the State General Fund, in FY 2009 which was recommended by the Governor to replace federal funds for the child protective services program for review at Omnibus. Changes in federal regulation now only allow federal Title IV-E funding for those children that are candidates for out of home placement. This has

reduced the amount of federal funding that the agency has been able to receive for administration costs.

The House Committee requested that the agency report on any other sources of revenue to pay for these services. The agency was unable to identify any other funding sources. The agency also noted that federal funds are unavailable for this purpose.

The Conference Committee on SB 534 deleted $3.0 million, all from the State General Fund, in FY 2009 with the remainder for review at Omnibus. In addition, the Conference Committee requested a report on the cost savings that occurred as a result of reduced federal regulations.

According to the agency, state funding for Child Protective Services Intake and Assessment will ensure that thorough and complete investigations are performed for every report of child abuse and neglect as set forth in Kansas Statutes and agency procedure. Federal requirements and standards for states operations of child abuse and neglect programs have remained constant as set forth in the federal Child Abuse Prevention and Treatment Act (CAPTA) and federal Child and Family Service Reviews (CFSR). However, because federal Title IV-E policy does not allow for federal foster care funding for intake and assessment activities, the demand for State General Fund dollars are increased. Again, according to the agency state funding assures Kansas statutory requirements are met, allowing the agency to respond timely to reports of abuse or neglect, assess safety and risk of children and families, conduct joint investigations with law enforcement when needed, and engage prevention-related activities to help strengthen and support Kansas families who come to the attention of the agency.

O. Funding for Child Protection Single Toll-free Line (House Committee and Senate Committee). The House Committee and Senate Committee deleted $97,008, all from the State General Fund, in FY 2009 for the child protection single toll-free line for review at Omnibus. The toll free calls regarding child abuse and neglect reports from the public would be received at the protection report center, and the calls would be transferred to the local regional protection report center for action.

P. Review Location of the Pre-K Pilot Program (House Committee). The House Committee recommended review of the location for the Pre-K pilot program. The Governor's recommendation included moving the Pre-K pilot program to the Department of Education. The program, is recommended to be transferred from the Children's Cabinet in the Department of Social and Rehabilitation Services to the Department of Education, combined with the Four-year Old At-Risk program, and renamed the Kansas Preschool Program. The House Committee recommends that this review include an assessment of the Legislative Education Planning Committee's recommendation to move these programs to the Department of Education.

Information on this topic also is contained in Item E under the Department of Education.

Q. Review Changes in Targeted Case Management Reimbursement (House Committee). The House Committee recommended a review of the targeted case management issue at Omnibus, including its impact on the consumers.

The federal Centers for Medicare and Medicaid Services (CMS) indicated that the previous method of operation used by Kansas to provide targeted case management services was not going to be allowed in the future, and failure to change methodologies might result in federal deferrals.

The Kansas Health Policy Authority (KHPA), in conjunction with Kansas Department of Health and Environment, Department of Social and Rehabilitation Services, and the Department on Aging met to address the concerns and develop a plan to move forward. A contractor conducted a rate

study to develop a uniform rate methodology that was equitable, defensible, and met CMS approval. A Medicaid state plan amendment was submitted to CMS and was approved on December 7, 2007.

This topic is also included under the Department on Aging, Item F.

R. Review merger of the Home and Community Based Services for Those Requiring Technology Assistance (HCBS/TA) Waiver with the Attendant Care for Independent Living (ACIL) Program (House Committee). The House Committee requested a report from the agency at Omnibus regarding the merger of HCBS/TA waiver and the ACIL program. The federal Centers for Medicare and Medicaid Services (CMS) has determined that Kansas may no longer administer the Attendant Care for Independent Living (ACIL) program as it has in the past. CMS indicated that because the ACIL program is only available to a specific group of medically fragile children, it is not allowable under the state Medicaid plan.

The agency also administers the Technology Assisted (TA) Children's waiver. This waiver targets medically fragile children who are not Medicaid eligible due to family income. The waiver allows the parental income to be disregarded, making the children eligible for services based on their medical conditions. The decision was made by SRS to merge the TA waiver and the ACIL program, effective July 1, 2008. Changes to the waiver will be required to make this happen, including increasing the age limit from 18 to 21, and adding services including skilled nursing services, attendant care, respite services, and home modifications.

The agency indicated that if a child is receiving services through the HCBS/DD waiver and receiving ACIL services, they will be offered the choice of the HCBS/TA waiver or the HCBS/DD waiver, so they can choose the waiver that best meets their needs.

The House Committee expressed concern that some children currently receiving services from the ACIL program will not be eligible for the HCBS/TA waiver or the HCBS/DD waiver. In addition, concern was noted by conferrees that services previously available under the ACIL program will no longer be provided. The House Committee recommended that these concerns be reviewed at Omnibus when more information regarding the impact on specific children may be available.

The agency has indicated that the process to merge the ACIL program into the HCBS/TA waiver continues to move forward. During the month of March, three meetings were held with parents and providers. On March 19th, a meeting was held to identify family needs that should be considered when determining the level of services to be provided to a consumer once eligibility is determined. The information taken from this meeting was utilized to develop a needs assessment tool which will be used to determine the number of hours of service needed.

On March 25th and 26th, the agency held public forums in Topeka and Wichita, where the waiver application was shared with families and providers. This included sharing the revised tool, the Individual/Family Needs Assessment, which will be utilized to determine if a child is eligible to receive services, or meets the level of care criteria. At the meetings families and providers reported that the tool had been improved and that almost all of the 316 children currently receiving services would continue to be eligible for services.

According to the agency, a plan is being developed for reassessing individuals for waiver eligibility, and for the training needed by the providers for program implementation. The trainings will take place in late April 2008 and will be completed by mid-May 2008. The reassessment for level of care determination for existing ACIL consumers is targeted for completion by May 30, 2008. The months of June and July will be reserved for transition of consumers to the new TA waiver.

The wavier application submission date to federal Centers for Medicare and Medicaid Services (CMS) is set for May 1, 2008, with revised program implementation set for August 1, 2008, pending approval of the waiver.

During the process of amending the TA waiver to include the ACIL program, a group of children that will need specific consideration are the children who are currently being served by the HCBS/DD waiver and are in a voluntary out-of-home placement. These children are not in the custody of the agency, but are living outside of their family home and are receiving funding through the HCBS/DD waiver and receiving nursing care through the ACIL program. Federal regulations do not allow a person to receive services through more than one waiver program at a time. The challenge with this small group of children is that the voluntary foster parents are receiving a daily reimbursement rate from the children's residential service through the HCBS/DD waiver. The funding is intended for the families use to meet the child's needs related to their disability. The family may be receiving up to $125 a day for children's residential services. If the family chooses to continue the needed nursing services through the new HCBS/TA waiver, they would no longer be eligible to receive residential services funding through the HCBS/DD waiver. At this time, the agency has identified five families that SRS will need to work with individually to resolve this issue. The agency has made contact with these families and they are aware of the situation. The agency is now reviewing different options on how to maintain the same level of services these families have been receiving.

S. Review Reimbursement Rates for Attendant Care for Independent Living (ACIL) Program (House Committee and Senate Committee). The Senate Committee recommended that reimbursement rates for the Attendant Care for Independent living (ACIL) services be reviewed at Omnibus. The Senate Committee notes that these services are generally provided by nurses, which as a profession, are in great demand. The House Committee recommended a review of the current rates for the ACIL program and what rates for those services will be once the program has merged with the HCBS/TA waiver.

The agency reviewed the current ACIL reimbursement rates and the fiscal impact of a rate increase. The chart below provides a comparison of the current reimbursement rates and the proposed rates. The total fiscal impact of the rate increases would require the addition of $1,614,272, all from the State General Fund in FY 2009.

Service	Current rate per hour	Proposed rate per hour
Home Health Aide	$16	$19
LPN	$24	$29
RN	$27	$36
Case Management	$50	$70

The agency indicated that the reimbursement rates for the amended TA Waiver have not been finalized at this time. In the process of merging the ACIL program into the TA Waiver, new service definitions have been developed with changes made to the definition of attendant care, the addition of home modifications, and changes to the provider requirements for Case Management. The nursing service definition is remaining unchanged. SRS has finalized the service definitions and are now working on setting the rates. During the process of making these changes, the direction has been to remain within the current ACIL/TA waiver budgets.

The agency indicated that if additional funding is appropriated for the ACIL program, the funds would be utilized as directed by the Legislature and then when the waiver amendments are approved, the funding from the current ACIL program, including any new funding, would transfer to the amended TA Waiver.

When the changes are finalized, the waiver amendments will be submitted to CMS for approval. The agency is estimating an implementation date of August 1, 2008.

T. Vehicle replacement (House Committee and Senate Committee). The House Committee and Senate Committee deleted $734,000, including $602,133 from the State General Fund, in FY 2009 for the purchase of a total of 55 replacement vehicles to be allocated between SRS and the five state hospitals for review at Omnibus. SRS and the state hospitals had requested $1,627,322, including $1,334,965 from the State General Fund, for 110 replacement vehicles.

The SRS fleet is comprised of 232 vehicles, of which the vast majority are used in regional offices. The predominant use of vehicles is for direct client services. Approximately 77.0 percent of total mileage is attributed to investigations of child and adult abuse or neglect and home visits. The balance of use is for administration, such as travel between offices for meetings, and collaboration with community organizations.

U. Funding for Child Care Caseloads (Senate Committee). The Senate Committee deleted $2,467,680, all from the State General Fund, in FY 2009 for increases in child care caseloads recommended by the Governor for review at Omnibus. The Conference Committee on SB 534 concurred with the House Committee and did not delete the funding.

The Senate Committee noted that this program is projected to serve 21,600 children per month in FY 2008 and requested revised caseload estimates for FY 2009 for review at Omnibus. According to the agency, the current estimate for Child Care Assistance is within 2.0 percent of the FY 2009 recommendation in *Governor's Budget Report.* Because caseload projections are not infallible, the department views the variances to be within acceptable limits. With particular regard to Child Care Assistance, the uncertainty posed by recent economic developments reinforces the need for a wider margin of error.

V. Funding for Adoption Support Caseloads (Senate Committee and Conference Committee). The Senate Committee deleted $3,671,742, including $1,664,748 from the State General Fund, in FY 2009 for increases in adoption support caseloads for review at Omnibus. The House Committee did not deleted the funding. The Conference Committee on SB 534 concurred with the Senate Committee recommendation and deleted the funding for review at Omnibus.

The Senate Committee noted that this program is projected to serve 929 children in FY 2008 and requested revised caseload estimates for FY 2009 for review at Omnibus. According to the agency, the current Adoption Support caseload estimate is within 0.5 percent of the FY 2009 recommendation in the *Governor's Budget Report*. Because caseload projections are not infallible, the agency views the variances to be within acceptable limits.

W. Funding for Increased Reimbursement Rates for Home and Community Based Service Waivers (Senate Committee). The Senate Committee recommended that reimbursement rates for home and community based service waivers be reviewed at Omnibus. The Department requested a 2.0 percent rate increase for the waivers in its budget submission. The rate increase was not recommended.

Cost of 2.0 Percent Rate Increase for Home and Community Based Service Waivers

Waiver	All Funds	State General Fund
HCBS/Developmental Disabilities	$ 5,625,000	$ 2,290,500
HCBS/Physical Disabilities	2,042,000	831,502
HCBS/Traumatic Brain Injury	137,000	55,786
HCBS/Technology Assistance	4,816	1,961
TOTAL	$ 7,808,816	$ 3,179,749

X. Spring Consensus Caseload Estimates and GBA No. 1, Item 11, Page 6. The Division of the Budget, Legislative Research Department, Department of Social and Rehabilitation Services, Kansas Health Policy Authority, and Department on Aging met on April 15, 2008 to revise the estimates on caseload expenditures for FY 2008 and FY 2009. The consensus estimates include expenditures for Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families, General Assistance, and the Reintegration/Foster Care contracts. The estimating group used the budget as approved in 2008 Senate Bill No. 534 as the starting point for the current estimate

For FY 2008, the new estimate is an increase from all funding sources of $17.8 million, including an increase of $19.7 million from the State General Fund. This change in the funding mix is the result of changes in the populations that are served and the funding sources that are available for each population.

The increase for the Department of Social and Rehabilitation Services in FY 2008 includes an increase for the state funded General Assistance Program to reflect an increase in the number of people in the program. The estimate also includes expenditure reductions attributable to a lower than anticipated increase in the number of children in foster care and a decrease in the number of families in TAF.

	FY 2008 Adjustments	
	All Funds	State General Fund
Nursing Facilities	$ 3,000,000	$ 1,211,000
Nursing Facilities Mental Health	1,304,510	1,151,110
Temporary Assistance for Families	(2,473,690)	0
General Assistance	404,400	404,400
Regular Medical Assistance- Health Policy Authority	17,000,000	14,000,000
Reintegration/ Foster Care	(5,926,015)	(1,163,619)
Mental Health	1,625,053	3,000,000
Community Supports and Services	1,465,839	500,000
Addiction and Prevention Services	1,423,461	574,509
TOTAL	$ 17,823,557	$ 19,677,400

For FY 2009, the estimate is an increase of $11.9 million from all funding sources, including an increase of $20.1 million from the State General Fund. Increased program expenditures are included for Regular Medical, Nursing Facilities, Nursing Facilities for Mental Health, and addiction and prevention services.

The increase for the Department of Social and Rehabilitation Services in FY 2009 includes increased program expenditures for Nursing Facilities for Mental Health and addiction and prevention services. The adjustments also include decreases from all funding sources for Temporary Assistance to Families, Medicaid mental health services, and Reintegration/Foster Care.

	FY 2009 Adjustments	
	All Funds	State General Fund
Nursing Facilities	$ 5,000,000	$ 2,004,000
Nursing Facilities Mental Health	604,510	500,000
Temporary Assistance for Families	(4,080,635)	0
General Assistance	804,000	804,000
Regular Medical Assistance- Health Policy Authority	24,721,000	7,921,000
Reintegration/ Foster Care	(4,918,256)	1,900,000
Mental Health	(2,716,104)	(1,500,000)
Community Supports and Services	0	0
Addiction and Prevention Services	660,294	264,646
TOTAL	$ 20,074,809	$ 11,893,646

Y. Money Follows the Person Proviso (Technical Adjustment). Both the House and Senate Committees recommended removing the 80 person maximum from the money follows the person proviso. The entire proviso was inadvertently deleted in SB 534. This adjustment would add language to include the contents of the proviso, without the maximum limit.

Z. GBA No. 1, Item 12, Page 7—Grandparents as Caregivers.

Department on Aging

A. Program for All Inclusive Care for the Elderly (PACE) Topeka Location Funding (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended a review of the addition of $1,152,000, including $461,722 from the State General Fund, in FY 2009 for the expansion of the Topeka location of PACE by 75 slots. The Committees noted that the Topeka program has not yet filled the current bed or funding allotment for the program and requested revised caseload projections for this location.

The Department on Aging indicated that staff members recently met with representatives from the Wichita and Topeka PACE programs. According to the agency, the base budget for program approved in SB 534 will adequately cover both Topeka and Wichita program needs in FY 2009. The agency indicates it will not require the additional funding for these locations. However, the agency requests that 75 slots be added in FY 2009 to expand the Topeka program to be funded within existing resources as needed.

The following chart includes the projected caseloads at both the Topeka and Wichita PACE locations.

PACE Caseloads

State Fiscal Year 09		Average Monthly Caseload	Average Monthly Payment	Total Monthly Expenditure
		Via Christi		
July	08	204	1,316	$268,463
Aug	08	204	1,316	$268,463
Sept	08	204	1,316	$268,463
Oct	08	204	1,316	$268,463
Nov	08	204	1,316	$268,463
Dec	08	204	1,316	$268,463
Jan	09	204	1,316	$268,463
Feb	09	204	1,316	$268,463
Mar	09	204	1,316	$268,463
Apr	09	204	1,316	$268,463
May	09	204	1,316	$268,463
Jun	09	204	1,316	$268,463
	Average	204		$3,221,553
		Midland		
July	08	55	1,618	$88,995
Aug	08	65	1,618	$105,176
Sept	08	75	1,618	$121,357
Oct	08	85	1,618	$137,537
Nov	08	90	1,618	$145,628
Dec	08	95	1,618	$153,718
Jan	09	100	1,618	$161,809
Feb	09	105	1,618	$169,899
Mar	09	110	1,618	$177,990
Apr	09	115	1,618	$186,080
May	09	120	1,618	$194,171
Jun	09	125	1,618	$202,261
	Average	95		$1,844,620
Totals		**299**		**$5,066,174**

B. Program for All Inclusive Care for the Elderly (PACE) Wyandotte County Location Funding (House Committee and Senate Committee). Both the House Committee and Senate Committee recommended that the proposed PACE expansion into Wyandotte County be reviewed at Omnibus. The Senate Committee specifically recommended that the addition of $66,240, all from the State General Fund, for 24 slots to be located at a new PACE location in Kansas City, Kansas, be considered at Omnibus. The funding would provide for partial year funding for the slots, which would be opened in late FY 2009.

The Committees noted testimony that indicates the Kansas City PACE program could potentially have an enrollment of 240 by FY 2014. The agency indicated that during the most recent

conversation with the proposed Wyandotte County PACE provider, it was concluded that the Wyandotte County PACE location may not be operational during FY 2009. Therefore, the need for any FY 2009 funding is questionable. At best, the Wyandotte County site could need funding for a portion of their slots in the last part of FY 2009.

The agency requests that the expansion proceed and be supported within existing resources in FY 2009. An update regarding the status and any revised cost estimates could be provided by the agency to the Legislature during the 2009 Session. In addition, funding needs for the Wyandotte County slots could be included in the agency's FY 2010 budget submission.

C. Program for All Inclusive Care for the Elderly (PACE) Rate Study (House Committee). The House Committee recommended that the addition of $66,000, all from the State General Fund, in FY 2009 for a study of the PACE reimbursement rates be reviewed at Omnibus. The Committee noted that Kansas has one of the lowest reimbursement rates for this type of program in the country. Additionally, the Committee noted that this method of providing services creates savings for the state. However, if the rates are not adequate, the potential for bankrupting the provider organization is a potential risk.

The agency indicated that it has been five years since base rate calculations for the PACE program were adjusted. The addition of $66,000, all from the State General Fund, would provide funding to conduct the rate study. The agency indicated that it is not possible to use dollars designated for program services to conduct such a study. The information would be required to continue the proposed expansion into Wyandotte County; however, current providers will benefit from a new rate analysis.

D. Vehicle Replacements and Purchases (House Committee and Conference Committee). The Governor recommended the addition of $174,000, all from agency fee funds, in FY 2009 for eleven replacement vehicles and four additional vehicles. The Senate Committee recommended the addition of funding, while the House Committee recommended that the funding be deleted. The Conference Committee on SB 534 deleted funding of $174,000 from agency fee funds for review at Omnibus. These vehicles are used by Health Facility Surveyors and Supervisors in the course of their duties, including surveying and certifying the state's adult care homes.

E. Rate increase of the Home and Community Based Services for the Frail Elderly Waiver (House Committee). The House Committee recommended a review of the addition of $1,276,891, including $519,950 from the State General Fund, in FY 2009 for a 2.0 percent rate increase for Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver service providers. The agency requested the funding in its budget submission; however, the Governor did not recommended the funding.

F. Area Agencies on Aging Core Funding (House Committee and Senate Committee). The House Committee and Senate Committee recommended a review of the addition of $1,569,674, all from the State General Fund, in FY 2009 to increase funding for the Area Agencies on Aging (AAAs) for services not reimbursed by either state or federal programs. The funding would be distributed to the AAAs in the following manner: each of the eleven AAAs would receive a base allocation of $60,000, for a total of $660,000; additionally, a formula based on $2 per Kansan, aged 60 years or older, will be distributed to each AAA for a total of $909,674. The agency submitted the request for the addition of $1,569,674, all from the State General Fund, in its fall 2008 budget submission. The Governor did not recommend the funding.

The Committees noted that the AAAs are experiencing other funding issues at the current time, including changes in reimbursement of targeted case management services. The Committees received testimony that the federal Centers for Medicare and Medicaid Services (CMS) indicated that the previous method of operation used by Kansas to provide targeted case management services

would not be allowed in the future, and failure to change methodologies might result in federal deferrals.

Two components of this decision that directly impact the AAAs are "windshield time" and "any qualified provider". The time that employees of AAAs travel to visit elderly clients in their homes, "windshield time", is no longer allowed to be submitted for reimbursement. In addition, the state may no longer limit targeted case management services to AAAs, instead it must allow any qualified provider to perform the services. Testimony indicated that the changes to targeted case management reimbursement could potentially have a large negative impact on AAAs revenues.

G. Senior Care Act Funding (House Committee and Senate Committee). The House Committee and Senate Committee recommended a review of the Senior Care Act waiting list at Omnibus. In addition, the House Committee recommended a review of the addition of $726,000, all from the State General Fund, in FY 2009 for the Senior Care Act.

The agency had requested $726,000, all from the State General Fund, in FY 2009 for the Senior Care Act, to allow Senior Care Act services to be provided to an additional 660 people above the FY 2008 caseload. The Governor did not recommend funding for this request.

The Senior Care Act is a state-only funded program which provides home and community based services for those individuals over the age of 60 who have not yet exhausted their financial resources. As of January 31, 2008, there were 148 individuals waiting for services through the Senior Care Act. As of March 31, 2008, 146 persons were waiting for Senior Care Act services. The agency indicated that the waiting list for Senior Care Act services generally ranges from about 150 to 225 persons.

H. Assistive Technology Grant (House Committee and Senate Committee). The House Committee and Senate Committee recommended a review at Omnibus of the addition of $125,000, all from the State General Fund, in FY 2009 for the United Cerebral Palsy of Kansas assistive technology initiative.

United Cerebral Palsy of Kansas/Cerebral Palsy Research Foundation of Kansas requested funding of $125,000, all from the State General Fund, from the Department on Aging. United Cerebral Palsy of Kansas indicated it would be able to leverage this funding with additional private funds. Testimony noted that these funds would allow United Cerebral Palsy of Kansas to expand its services specifically targeted for the aging population, including funding for power mobility, home modifications, lift chairs, and other technology to assist in maintaining independence.

I. Home and Community Based Services for the Frail Elderly Waiver Services (House Committee). The House Committee recommended review at Omnibus of the entire amount of funding requested by the agency for the HCBS/FE waiver to expand attendant care services and begin providing companion services. The agency's original request was for $5,929,258, including $2,414,394 from the State General Fund, in FY 2009 to expand services for the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver. This amount included $581,758, including $236,892 from the State General Fund, to increase attendant care services from eight to twelve hours of attendant care in the community, from eight hours. Additionally, the agency request included $5,347,500, including $2,177,502 from the State General Fund, to include companion services, the provision of non-medical assistance, observation, supervision, and socialization to functionally and/or cognitively impaired adults.

The Governor recommended the addition of $2,495,000, including $1.0 million from the State General Fund, in FY 2009. This recommendation included $581,758, including $236,892 from the State General Fund, to expand attendant care to twelve hours a day, and the remainder to begin providing companion services.

The Senate Committee concurred with the Governor's recommendation to include funding of $2,495,000, including $1.0 million, from the State General Fund. The Conference Committee on SB 534 included funding of $2,495,000, including funding of $750,000 from the State General Fund, in FY 2009.

J. Funding for Health Surveyor Positions (House Committee). The Governor recommended the addition of $312,008, including $200,871 from the State Licensure Fee Fund and $111,137 from federal funds, to fund an additional 4.78 health facility surveyor positions, including salaries and travel, in FY 2009.

The Senate Committee concurred with the Governor's recommendation. The House Committee deleted the funding for review at Omnibus. The Conference Committee on SB 534 funded the positions from within existing special revenue funds.

K. Funding to Maintain Compliance with Federal Centers for Medicare and Medicaid Services (House Committee). The Governor recommended the addition of $361,370, including $232,650 from the State General Fund, in FY 2009 to maintain the current nursing facility survey levels, in order to stay in compliance with the contract with the federal Centers for Medicare and Medicaid Services.

The Senate Committee concurred with the Governor's recommendation to include the funding. The House Committee deleted the funding for review at Omnibus. The Conference Committee on SB 534 deleted the State General Fund portion and allowed all the funding from special revenue funds.

L. Grants for the Kansas Foundation for Medical Care, Inc. (House Committee and Conference Committee). The House Committee recommended a review at Omnibus of the proposal from the Kansas Foundation for Medical Care, Inc., to continue funding for two grant programs at the Department on Aging to be operated by the Foundation for a total of $391,979, all from the State General Fund, in FY 2009.

These grants would include:

- $224,640 for Community Collaboratives which would develop and facilitate community collaborative/coalitions focused on healthcare quality improvement through increased continuity and coordination of care; and
- $167,339 for an individualized nursing home technical assistance program to operate in select nursing facilities on a voluntary basis to improve the quality of care.

The 2007 Legislature funded these grants at $356,344, all from the State General Fund, for FY 2008. The current request would fund the grants for a second year with a 10.0 percent increase in funding.

The Senate Committee included the funding for this item. The Conference Committee on SB 534 concurred with the House Committee and did not fund this item but recommended review at Omnibus.

M. Protected Income Level (Senate Committee). The Senate Committee recommended a review the appropriate amount for the protected income level for individuals receiving services from the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver and consideration of the additional funding required to increase the protected income level to that level during Omnibus and added $326,964, including $131,047 from the State General Fund, to increase the protected

income level for individuals receiving services from the Home and Community Based Services for the Frail Elderly waiver from $716 to $727 per month.

The Conference Committee on SB 534 concurred with the Senate Committee recommendation and added the funding.

The Senate Committee recommended a review of the addition of $309,888, including $124,203 from the State General Fund, to further increase the protected income level from $727 to $738 per month.

The protected income level for individuals receiving services from a home and community based services waiver was originally tied to the poverty level. The 2008 federal poverty level for a single person is $867 per month. The cost to increase the protected income level to $867 per month is $3,454,128, including $1,384,415 from the State General Fund in FY 2009.

N. Spring Consensus Caseload Estimates and GBA No. 1, Item 11, Page 6. The FY 2008 Spring Consensus Caseload Estimate for nursing facilities is an increase of $3.0 million, including $1,211,000 from the State General Fund. The change reflects a higher than anticipated number of individuals being served.

The FY 2009 Spring Consensus Caseload Estimate for nursing facilities is an increase of $5.0 million, including $2,004,000 from the State General Fund. The change reflects higher than anticipated number of individuals being served.

These items are included in the Spring Consensus Caseload Item under the Department of Social and Rehabilitation Services, Item X.

O. GBA No. 1, Item 16, Page 9—Transfer of Hospital Long-Term Care Survey and Certification Unit.

Kansas Health Policy Authority

A. Internet Drug Discount Card (House Committee and Senate Committee). The House Committee and Senate Committee received testimony during the budget process regarding the Kansas Drug Card. The Committees requested that the agency review the value and merits of the card and requested that the agency assess the viability of distribution to Kansas health consumers for review at Omnibus.

The agency indicated that the Kansas Drug Card is a discount prescription drug card sponsored by pharmaceutical companies. The agency noted that it is not a pharmaceutical insurance plan but a discount card. The consumer is able to download a card for every family member from the Internet and presents the card to the pharmacy at the same time they present their prescription. The drug card website includes a medication look up feature which gives the consumer an estimate of the cost of the medication using the discount card. This price may not be the actual price of the medication at the participating pharmacy.

The percentage discount the consumer would receive from using the card is dependant upon the medication purchased, which complicates the use of the card. The discounts for generic drugs are usually higher than those for brand-name drugs. Even with the discount, brand-name drugs may be too expensive for uninsured or underinsured consumers to purchase. For example, a brand-name drug that costs $100 without the card may cost $90 with the 10 percent discount available through the discount card. The discounted price of $90 may still be too expensive for an uninsured

person and may be a higher price than the same person could obtain through a variety of alternatives.

The website claims discounts as great as 75.0 percent. While some discounts can be significant, others may be minimal and may not rival, for example, the low-cost generics that many chains now offer consumers. Many of the larger chain pharmacies are offering generic medications at $4 or less.

Because of this practice, pharmacies throughout the state have seen a decrease in the use of discount cards. The Kansas Health Policy Authority recommends that consumers without prescription drug coverage purchase their medications through the most cost-effective method, whether that is a generic discount program, a discount card, a federal buying program available at a local health clinic, or a manufacturer pharmacy assistance program.

The agency indicated that the Kansas Drug Card link is not provided on the Kansas Health Policy Authority website, the agency has posted the link on the consumer site "Kansas Health Online" which provides multiple links to several sites.

B. Enhanced Care Management Pilot Program (House Committee and Conference Committee). The Governor recommended the addition of $100,000, including $50,000 from the State General Fund, to continue the enhanced care management pilot program in Sedgwick County in FY 2009. The House Committee, through a floor amendment, and the Conference Committee on SB 534 deleted the funding for review at Omnibus.

Funding for the enhanced care management project includes the cost to fund an additional year of the Sedgwick County pilot program and the evaluation of the program for possible statewide implementation. The enhanced care management project identifies and provides enhanced administrative and health care services to HealthConnect Kansas members in Sedgwick County who suffer from multiple chronic health conditions and are likely to have high health care costs in the future. Eligible Medicaid beneficiaries are invited to receive services, but participation in the program is strictly voluntary. The pilot project began in March 2006 when the agency contracted with a non-profit community health organization to administer the program. The population served by this program is Medicaid recipients and is typically comprised of Social Security Income (SSI) recipients and excludes persons who are dually eligible for both Medicaid and Medicare, participating in a Home and Community Based Services waiver, reside in a Long Term Care facility, or are a participant in one of the two capitated managed care organizations.

C. Funding for the Health Information Technology Commission (House Committee and Senate Committee). The Governor recommended the addition of $450,000, all from the State General Fund, in FY 2009 to implement the recommendations of the Health Information Technology Commission. The House Committee and Senate Committee deleted the funding for review at Omnibus.

According to the agency, the $450,000 would be spent as follows: $150,000 for Health Information Technology (HIT)/Health Information Exchange (HIE) staff at the Kansas Health Policy Authority, including administrative support; $50,000 for the Community Health Record expansion of 20 sites in Sedgwick County; and $250,000 for the Resource Center contract.

On August 31, 2007, the Kansas Health Information Exchange Commission delivered a report to the Governor providing recommendations for building infrastructure in Kansas to support health information exchange. One of the key elements of the Commission's recommendations was the establishment of a Resource Center to provide financial and non-financial resources to health information exchanges across the state. Stakeholders participating in the formulation of these recommendations emphasized the importance of fostering health information exchange at the local

level and noted that health information exchange development needs differed between entities that were in the planning stage and those who were actually implementing health information exchange.

According to the agency, the Resource Center would give providers beginning the planning phase of health information technology or health information exchange implementation needed tools, guidelines and subject matter expertise in the clinical, technical, financial and governance aspects of health information exchange. Those providers engaged in implementation are in need of guidance on how the system communicates and exchanges information and financial sustainability, direction on how to address privacy and security issues, contracting requirements, and education. Regardless of the providers' phase of implementation, success requires on-going resources, mechanisms to ensure coordination and communication among local HIE initiatives, and facilitation in the adoption of health information technology. In addition to the support targeted to providers, the Resource Center would provide education to consumers, providers, employers, and various other stakeholders.

The scope of work assigned to the Resource Center would be delineated by the agency's E-Health Information Advisory Council with endorsement of the Kansas Health Policy Authority Board and the Governor. An request for proposal would be issued to select the appropriate vendor to complete the Resource Center scope of work.

D. MediKan Preferred Drug Formulary (House Committee and Senate Committee) and GBA No. 1, Item 14, Page 8. In its budget submission in the fall 2007, the agency submitted the creation of a preferred drug list for the MediKan program as a reduced resources option. The agency indicated that this creation would result in savings of $7,921,000, all from the State General Fund in FY 2009. The reduction was then recommended by the Governor. The agency indicated that upon further review, their submission was incorrect.

The Senate Committee recommended the addition of $6.6 million, all from the State General Fund, and recommended that the exclusion of mental health drugs from the preferred drug formulary be reviewed at Omnibus. In addition, the Senate Committee requested that the agency and the Community Mental Health Centers (CMHCs) work toward a compromise regarding exclusion of certain mental health drugs in the preferred drug formulary.

The House Committee concurred with the Governor's recommendation to delete funding of $7,921,000, all from the State General Fund, for review at Omnibus. The Conference Committee on SB 534 concurred with the House to delete the funding with review at Omnibus.

The agency indicated that its revised estimate for savings from the implementation of a preferred drug list is $1.3 million, all from the State General Fund. The agency now indicates that it already utilizes the preferred drug list developed for Medicaid in the MediKan program. The agency further controls the cost of pharmaceuticals in the MediKan program by limiting the new brand-name drugs that are available through this benefit plan. In the past, the state has not actively managed mental health drugs in the MediKan program. In FY 2007, total expenditures for pharmaceuticals through the MediKan program were $7.954 million, and expenditures for mental health drugs were $4.152 million.

For calendar year 2007 in the MediKan program, the agency spent $6.95 million in total, of which $3.6 million was for mental health drugs ($2.69 million for antipsychotics and $820,000 for antidepressants). For the MediKan program, 71.0 percent of prescriptions were written for drugs in classes that have not been reviewed for the preferred drug list, 28.0 percent are for preferred (mostly brand-name) drugs, and 1.0 percent are for non-preferred drugs.

In order to realize a cost-savings in MediKan, the percentage of prescriptions written for preferred drugs would need to increase. Savings would come from the process of reviewing more

classes of drugs for the preferred drug list and negotiating with pharmaceutical companies for additional supplemental rebates for MediKan drugs.

In order to decrease the budget by the projected $1.3 million, the agency indicated that it would have to actively manage the mental health as well as non-mental health medications. The agency proposes to manage these drugs with the assistance of a separate preferred drug list advisory committee and Drug Utilization Review board made up of mental health professionals. The use of an automated prior authorization system (see Item J) should provide approval for mental health drugs on prior authorization at the point of sale and significantly decrease the time it takes for beneficiaries to receive their medication. Delays in the dispensing process have been a key concern in the potential application of prior authorization to mental health medications.

The agency indicated that representatives met with concerned stakeholders regarding the proposed MediKan PDL. According to the agency, stakeholders continue to have concerns about implementing a PDL for mental health drugs. If such a policy were to be implemented, however, the KHPA indicated it would work closely with the stakeholders to ensure minimum disruption for vulnerable consumers and providers. Having both an automated PDL system as well as a mental health advisory committee to recommend which pharmaceuticals would be placed on a PDL are two possible methods that agency could use to protect consumers.

E. Integrated Eligibility and Enrollment System (House Committee and Senate Committee). The Governor recommended the addition of $8.0 million, including $4.0 million from the State General Fund, in FY 2009 for an integrated eligibility and enrollment system for Medicaid, HealthWave, Premium Assistance, and the State Employees Health Benefits Plan. The system would be web-based and completed in coordination with the Department of Social and Rehabilitation Services. The estimate for the first phase of this system is estimated to cost $22.0 million to $31.0 million over a three-year time period for development and implementation.

Both the House Committee and Senate Committees deleted funding for this item for review at Omnibus.

Currently the Kansas Health Policy Authority uses two systems that are maintained by separate agencies, the eligibility system maintained by Social and Rehabilitation Services and the employee enrollment system maintained by the Department of Administration. The system is 20-years old, designed to manage the state's welfare programs and no longer meets the needs of either agency.

This information technology project, which has been named the "Avenues" program and would begin the replacement of an antiquated computer system that relies on mainframe technology are requires time consuming edits to account for changing state and federal requirements. The agency has indicated that this method is inefficient and error prone. The new system would allow the flexibility to add new programs or requirements easily and the ability to better monitor the enrollment process. The new system will serve an estimated 388,000 individuals and families who are eligible for federal or state medical programs and uninsured in Kansas. In addition, an estimated 280,000 individuals and families who are eligible for means tested federal or state assistance programs would be served.

F. Funding for HealthWave and Medical Assistance from the Children's Initiatives Fund (House Committee). The Governor's recommendation for FY 2009 included the replacement of $5.0 million in total Children's Initiatives Fund, including $3.0 million in Medicaid and $2.0 million in HealthWave, with State General Fund moneys. The *Governor's Budget Report* explains the shift as part of an realignment of the priorities of the Children's Cabinet.

The House Committee concurred with the Governor's recommendation with review at Omnibus. The Senate Committee shifted the $5.0 million in expenditures back to the Children's Initiatives Fund. The Conference Committee on SB 534 concurred with the Senate Committee recommendation and shifted $5.0 million back to the Children's Initiatives Fund.

G. Review of Fee Fund Shift (House Committee). The Governor's recommendation for FY 2008 replaced $15.0 million in State General Fund expenditures for the Medicaid program with funds from the Medical Programs Fee Fund. The Medical Programs Fee Fund includes revenues from drug rebate payments, settlements, collections from estates, and recoveries from prior Medicaid expenditures. The revenues in the Medical Programs Fee Fund average between $34.0 million and $38.0 million annually. The Governor's recommendation utilized $15.0 million in unexpected revenue available for use in the fee fund that was not included in the FY 2008 budget approved by the 2007 Legislature. The unexpected revenue came from a settlement of expenditures that was not included in federal reports. This was a one time source of funding that was collected and will not continue in the ongoing revenue stream. The Governor's recommendation for FY 2009 returned the fee fund expenditures to the historic level.

H. Agency Performance Measures (Senate Committee). The Senate Committee noted the agency did not include any performance measures in its budget submission. The Senate Committee requested that the agency report on the creation of relevant performance measures.

The agency submitted priorities and performance measures, including three goals and 16 associated performance measures.

Agency Goal 1: To improve consumer communication and provide data rich information in order to improve health and public policy in Kansas.

Agency Goal 2: To strengthen and improve leadership and organizational development within the agency.

Agency Goal 3: To successfully implement new initiatives and programs, while consistently improving ongoing programs/initiatives

I. Premium Assistance Funding (House Committee and Senate Committee). The Governor recommended the addition of $11.0 million, including $4.5 million from the State General Fund, in FY 2009 for the implementation of premium assistance as authorized in 2007 SB 11 for low income families. Premium assistance would be available for qualified families beginning in January 2009. Implementation will require contract amendments for eligibility determination and enrollment in health plans, and funding for the assistance provided to families. The Governor's recommendation included the addition of $10.0 million, including $4.0 million from the State General Fund, for premium assistance aid for families, and $1.0 million, including $518,750 from the State General Fund, and 3.0 FTE positions for administration of the program.

The House Committee and Senate Committee deleted the funding for review at Omnibus.

J. Automated Prior Authorization System Funding (House Committee and Senate Committee). The Governor recommended the addition of $825,000, including $206,250 from the State General Fund, for an automated Medicaid prescription drug authorization system. The current manual system requires a review by a trained health provider before the drug is authorized. Both the House Committee and Senate Committee deleted funding for this item for review at Omnibus.

The Kansas Medicaid Program currently operates a manual prior authorization system for pharmaceutical expenditures, which requires a review of certain prescription drugs by a trained health provider before the expenditure can be authorized. Currently, all prior authorization requests

are submitted by mail or fax, and then simple requests are reviewed by nurses. A pharmacist reviews all other requests. There are approximately 6,000 prior authorization requests that submitted each year, and about 80.0 percent of the requests are approved.

The agency has indicated that the cost savings from an automated prior authorization system would depend upon the number of drug classes that can be reviewed and added to the preferred drug list and the speed with which those reviews occur. After the automated prior authorization system becomes operational, the prior authorization criteria would be entered into the system. The pharmacist then submits a claim through the system at the point of sale. The system would use the information from the claim to determine whether the prior authorization criteria are met. If so, the system will automatically generate a prior approval and the claim would be paid. If not, the claim is denied and the pharmacist or medical provider would need to call the prior authorization unit to provide additional clinical data to support the prior authorization, i.e., the prior authorization request reverts to the existing, non-automated procedure.

An annual savings of $5.0 million, from all funding sources, is estimated in three to four years. These savings take into account the current activity in operating the state's preferred drug list, as well as the delays in implementation due to the regulatory process for adopting prior authorization criteria. The projected savings were developed by estimating the shift that would occur in prescribing from branded drugs not on the preferred drug list to preferred brand-name drugs once the number of drug classes on the preferred drug list were increased.

K. Senate Bill 412—Medicaid Eligibility Requirements (Law). SB 412 amends current law regarding eligibility criteria for medical assistance for trust beneficiaries. The fiscal note on the bill indicated that the Kansas Health Policy Authority stated that passage of the bill could increase the number of individuals who qualify for Medicaid assistance. This could increase Medical Assistance expenditures by $751,800, including $310,800 from the State General Fund in FY 2009. This estimate equates to approximately 15 to 20 people becoming eligible for Medicaid who would not have otherwise received Medicaid benefits.

L. House Sub. for Senate Bill 81—Heath Reform (Conference Committee). House Sub. for SB 81 would enact the Health Care Reform Act of 2008 and would make amendments to several health and insurance statutes.

The following table summarizes items that were either recommended FY 2009 State General Fund appropriations (*subject to appropriations*) or FY 2009 funding priorities discussed as part of the Conference Committee consideration of House Sub. for SB 81. The Committee recommended that the items considered be forwarded to the Appropriations Committees for further discussion. As of April 4, 2008, the Conference Committee had not reached an agreement on the bill; at its last meeting, an agree to disagree was requested but the chambers have not taken action on this report.

The table represents the appropriations specified in the bills considered and other positions offered during the Conference Committee proceedings. Other provisions requiring appropriations, but not specified as a line item recommendation, are not discussed in this table and instead, are briefly discussed following the table.

This table includes recommended FY 2009 State General Fund appropriations and funding priorities considered by the House Sub. for SB 81 conferees.

House Position	Senate Position
From House Sub. for SB 81 (HCOW version): – The bill would make State General Fund appropriations, subject to appropriations, for the following: **KHPA:** - Providing funding for **premium assistance for families at or under 50 percent FPL** and will include access to a state procured plan, health opportunity accounts, and employer-provided insurance ($4.0 million) - Providing **dental care coverage for pregnant women** ($545,833); - Increasing **access to care program for outreach to increase enrollment of children** in Medicaid and HealthWave, with priority to work through the rural and safety net clinics ($550,000); - **Expansion of Medicaid eligibility and tobacco cessation services for pregnant women**, increase from 150 percent to 200 percent FPL ($460,000); and - Implementing the statewide **Community Health Record** ($383,600). (New Section 21) **KDHE:** - **Expanding cancer screenings** for colon, breast, cervical, and prostate cancer to be used in conjunction with, but not limited to, rural health clinics and safety net clinics ($4.0 million). (New Section 22)	From SB 541 (SCOW version): – No funding recommendations are contained in the Senate Bill.
Other offers made by the House conferees (specific to financing recommendations):	Other offers made by the Senate Conferees (specific to financing recommendations):
WCGME: Legislative Request for FY 2009: – New funds to meet ACGME requirements: $4,600,000 – Funds for educational leave, off-site rotations: $1,700,000 *Amended* House position: add $3.3 million SGF to address the total shortfall of income vs. expenses. New Request: $9.6 million SGF; or $8.6 million, assuming Appropriations process approval of $1.0 million recommended by the Governor for FY 2009.	**Sub. for SB 697 recommendations:** Appropriations for FY 2009 (specific recommendations, funding priorities): – **Safety Net Clinics** ($2.5 million), which would include: - Increased funding to clinics for provision of direct care: $1,645,000 - Workforce development: $75,000 - Capital financing: $700,000 - Non-federal clinic technical assistance: $80,000
Cancer screenings: – Remove the $4.0 million for these screenings, and instead add $2.5 million for safety net clinics. (This action is not reflected in the estimate reported below).	**Sub. for SB 697 recommendations:** Appropriations for FY 2009 (specific recommendations, funding priorities): **Web-based enrollment** for children eligible for Medicaid: $250,000 **Dental care for pregnant women**: $550,000 **Statewide community health record**: $384,000 **Outreach program for children** eligible for Medicaid: $550,000

Other Items With Known Fiscal Impact for FY 2009, House Sub. for SB 81 and other House positions: State Employees Health Care Benefits Program (HSA contribution equal to other benefit plans); and programs transfer from Department of Commerce. The original estimate for these items totaled approximately $671,000 from the State General Fund.

If the items discussed in the table and above paragraph were recommended, the total estimated FY 2009 State General Fund impact would be $19.2 million.

Other Items With Known Fiscal Impact for FY 2009, Senate positions: State Children's Health Insurance Expansion, as presented in SB 541 (SCOW version); and the Small Business Wellness Grant Program. The original estimate for these items totaled approximately $1,315,000 from the State General.

If the items discussed in the table and above paragraph were recommended, the total estimated FY 2009 State General Fund impact would be $5.6 million.

M. Spring Consensus Caseload Estimates and GBA No. 1, Item 11 Page 6. The FY 2008 Spring Consensus Caseload Estimate for the Regular Medical Program is an increase of $17.0 million, including $14.0 million from the State General Fund. The increase is generally tied to increased estimates of the number of beneficiaries and the cost per person. As a result of new federal citizenship verification requirements implemented July 1, 2006, an estimated 18,000 beneficiaries lost benefits. Many of these beneficiaries have met the verification requirements and are returning to the program. The increase in the required amount of State General Fund is largely due to replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures.

The FY 2009 Spring Consensus Caseload Estimate for the Regular Medical program is an increase of $24,721,000, including $7,921,000 from the State General Fund. The KHPA Regular Medical increase again is tied to increased estimates of beneficiaries. The estimate again includes replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures. Also included in FY 2009 is an increase in payments to Children's Mercy Hospital to replace lost disproportionate share payments that resulted from a change in the payment methodology. The estimate does not include replacement of the $7.9 million reduction that was included in the *Governor's Budget Report* for implementing a preferred drug list in the MediKan Program. After the Governor released her budget, the agency adjusted its estimate for savings that could be realized from that policy change. (More information on the preferred drug list is available in Item D). Increases in programs other that Regular Medical can be attributed to increases in the number of persons served and increases in the cost of services.

The estimate does not include replacement of the $7.9 million reduction that was included in the *Governor's Budget Report* for implementing a preferred drug list in the MediKan Program. After the Governor presented her budget to the Legislature, the agency changed its estimate for savings that could be realized from that policy change.

More information on the Spring Consensus Caseload Estimates is included under the Department of Social and Rehabilitation Services Item X.

N. GBA No. 1, Item 15, Page 9 – Office of Inspector General.

All Agencies: Disaster Assistance Funding (Senate Committee). The Senate Committee requested additional information regarding disaster assistance funding provided by state agencies. The following chart contains funding by the agencies, and are a listing of actual and estimated expenditures and total: $81.6 million, including $10.5 million from the State General Fund, in FY

2007; $287.3 million, including $35.2 million from the State General Fund, in FY 2008; and $292.3 million, including $39.0 million from the State General Fund, in FY 2009.

Agency/Disaster	FY 2007 SGF	FY 2007 All Funds	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
KDOT						
New Years Eve Storm (Expenditures reimbursed by FEMA)	$ --	$ 333,000	$ --	$ --	$ --	$ --
Flooding Projects (Includes labor, materials, equipment, and other expenditures)	--	833,607	--	--	--	--
Greensburg Tornado (Includes labor, materials, equipment, and other expenditures)	--	1,265,194	--	524,707	--	--
December 2007 Ice Storm Activities Expenditures (The agency states that these expenditures should be fully reimbursable under the disaster declaration from Dec. 6 to 19 in 60 counties. The total amount of expenditures for this operation are not yet fully known.)	--	--	--	--	--	--
TOTAL	**$ --**	**$ 2,431,801**	**$ --**	**$ 524,707**	**$ --**	**$ --**
Animal Heath Department (State General Fund, and FEMA Reimbursement)						
Greensburg Tornado	$ --	$ --	$ 129,011	$ 129,011	$ --	$ --
TOTAL	$ --	$ --	$ 129,011	$ 129,011	$ --	$ --
Department on Aging (Federal Funds - Older Americans Act)						
December 2006 Ice Storm	$ --	$ 32,267	$ -	$ -	$ --	$ --
Greensburg Tornado	--	20,000	-	-	--	--
Southeast Kansas Flood	--	--	--	5,000	--	--
Greensburg Tornado	-	-	-	25,000	--	--
TOTAL	**$ -**	**$ 52,267**	**$ -**	**$ 30,000**	**$ --**	**$ --**
Department of Commerce						
EDIF	$ -	$ 50,000	$ --	$ --	$ --	$ --
Special Revenue Funds	--	--	--	70,000	--	--
Federal Funds						
Greensburg Tornado (National Emergency Grant)	--	44,094	--	11,955,906	--	--
Southeast Kansas Flood	--	--	--	5,000,000	--	--
Community Development Block Grant	--	--	--	4,423,918	--	--
TOTAL	**$ --**	**$ 94,094**	**$ --**	**$ 21,449,824**	**$ --**	**$ --**
Kansas Bureau of Investigation						
Greensburg Tornado (Overtime, mileage, and lodging)	$ 10,101	$ 10,101	$ --	$ --	$ --	$ --
TOTAL	**$ 10,101**	**$ 10,101**	**$ --**	**$ --**	**$ --**	**$ --**
Fire Marshal						
Greensburg Tornado	$ --	$ 47,704	$ --	$ --	$ --	$ --
Southeast Kansas Flood	--	24,948	--	--	--	--
TOTAL	$ --	$ 72,652	$ --	$ --	$ --	$ --

SRS Disaster Relief Expenditures

Program/Disaster	FY 2007 SGF	FY 2007 All Funds	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Adult Protective Services						
Greensburg Tornado	$ --	$ --	$ 72,000	$ 72,000	$ --	$ --
Child Care Start-Up Grants						
Greensburg Tornado	--	--	--	10,000	--	--
Southeast Kansas Flooding	--	--	--	10,000	--	--
Child Welfare Family Services						
Greensburg Tornado and Southeast Kansas Flooding	--	--	100,000	100,000	--	--
FEMA Crisis Counseling Immediate Services						
Greensburg Tornado	--	100,000	--	260,178	--	--
Southeast Kansas Flooding	--	--	--	288,464	--	--
FEMA Crisis Counseling Regular Services						
Greensburg Tornado	--	--	--	628,606	--	--
Southeast Kansas Flooding	--	--	--	1,323,970	--	--
Total	**$ --**	**$ 100,000**	**$ 172,000**	**$ 2,693,218**	**$ --**	**$ --**

ISD Disaster Relief -- Assistance Not Included in the SRS Budget

Program/Disaster	FY 2007 SGF	FY 2007 All Funds	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Food Stamp Assistance						
Greensburg Tornado [1]	$ --	$ --	$ --	$ 109,575	$ --	$ --
Southeast Kansas Flooding [2],[3]	--	--	--	291,961	--	--
Commodities Food Assistance						
December 2007 Ice Storm [4]	--	--	--	65	--	--
Total	**$ --**	**$ --**	**$ --**	**$ 401,601**	**$ --**	**$ --**
Grand Total	**$ --**	**$ 100,000**	**$ 172,000**	**$ 3,094,819**	**$ --**	**$ --**

Footnotes

1. 326 households and 777 persons
2. 736 households and 1,836 persons
3. The issuance period was 6/26/2007 to 8/02/2007. Detail is not available by fiscal year.
4. 77.62 pounds donated to Red Cross in Cherokee County.

Adjutant General Disaster Response
State Funding

	FY 2007		FY 2008		FY 2009	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
Expenditures						
Disasters Prior to Jan. 7, 2007	$ 6,449,984	$ 48,374,880	$ 5,274,693	$ 39,560,198	$ 326,488	$ 2,448,660
January 7, 2007 Western Kansas Winter Storm	3,227,638	24,207,285	11,846,354	88,847,655	9,322,056	69,915,420
May 6, 2007 Greensburg Tornado & Floods	225,541	1,691,558	7,583,826	56,878,695	500,000	3,750,000
July 2, 2007 Southeast Kansas Flooding	--	--	2,161,347	16,210,103	500,000	3,750,000
December 2007 Winter Storm	--	--	1,655,600	12,417,000	1,402,000	10,515,000
Direct Federal Assistance	--	--	1,542,444	11,568,330	--	--
Emergency Operations Center Tasks	6,063	45,473	183,431	1,375,733	--	--
Emergency State Active Duty	402,767	3,020,753	133,326	999,945	--	--
SAD & KDEM Management Costs	203,376	1,525,320	585,775	4,393,313	170,000	1,275,000
Individual Assistance	--	--	1,105,725	8,292,938	--	--
TOTAL	**$ 10,515,369**	**$ 78,865,268**	**$ 32,072,521**	**$ 240,543,908**	**$ 12,220,544**	**$ 91,654,080**
State Appropriated Funds						
Reappropriation from Prior Year	$ 35,320	$ 264,900	$ 8,333,229	$ 62,499,218	$ --	$ --
Legislative Appropriated	11,357,240	85,179,300	11,627,346	87,205,095	--	--
Dec 4, 2006 Finance Council Disaster Relief	2,456,038	18,420,285	--	--	--	--
June 6, 2007 Finance Council Greensburg Business Assistance	5,000,000	37,500,000	--	--	--	--
Dec. 10, 2007 Finance Council Disaster Matching Funds	--	--	4,118,580	30,889,350	--	--
Governor's Budget Recommendation	--	--	768,683	5,765,123	12,040,435	90,303,263
House Recommendation	--	--	10,098,317	75,737,378	26,934,000	202,005,000
Unspent Funds to Reappropriate	(8,333,229)	(62,499,218)	--	--	--	--
TOTAL	**$ 10,515,369**	**$ 78,865,268**	**$ 35,000,000**	**$ 262,096,163**	**$ 38,974,435**	**$ 292,308,263**
Difference Between Expenditures and Appropriated	$ --	$ --	$ 2,873,634	$ 21,552,255	$ 26,753,891	$ 200,654,183
Total Actual and Estimated Expenditures	**$ 10,525,470**	**$ 81,626,182**	**$ 35,247,166**	**$ 287,324,524**	**$ 38,974,435**	**$ 292,308,263**

April 23, 2008

Senate Ways and Means Committee Members:

The following sets of minutes are being distributed for your review.

January 30, 2008
January 31, 2008
February 1, 2008
February 5, 2008
February 6, 2008
February 7, 2008
February 11, 2008
February 12, 2008
February 13, 2008
February 14, 2008
February 15, 2008
February 19, 2008
February 20, 2008
February 21, 2008
February 25, 2008
February 26, 2008
February 27, 2008
February 28, 2008
March 4, 2008
March 5, 2008
March 6, 2008
March 7, 2008
March 10, 2008
March 11, 2008
March 13, 2008
March 18, 2008
March 19, 2008
March 20, 2008
March 25, 2008
March 27, 2008

If you have any changes to these sets of minutes, please call Audrey Dunkel (785-296-3183) or Jared Waltner (785-296-7041) with the Kansas Legislative Research Department by May 7, 2008, otherwise they will be considered as being approved as of that date.

Thank you,
Mary Shaw,
Committee Assistant,
Office of Senator Dwayne Umbarger, Chairman,
Senate Ways and Means Committee

Senate Ways & Means
4-23-08
Attachment 2

KANSAS
OFFICE OF THE GOVERNOR

Kathleen Sebelius, Governor

www.governor.ks.gov

April 18, 2008

The Honorable Dwayne Umbarger, Chairperson
Senate Committee on Ways and Means
Room 120-S, Statehouse

and

The Honorable Sharon Schwartz, Chairperson
House Committee on Appropriations
Room 517-S, Statehouse

Dear Senator Umbarger:

The items contained in this memo, Governor's Budget Amendment No. 1, amend the revised FY 2008 and new FY 2009 budget that I submitted to you in January 2008. Some items correct errors made in posting the detailed budgets or in publishing *The FY 2009 Governor's Budget Report*. The other items reflect new issues that have arisen, caseload adjustments, or changes that can be made based on new information. Several of these items change transfers in and out of the State General Fund. In FY 2008, $286,018 is taken in, while $1.5 million is gained in FY 2009. Total adjustments to expenditures and positions are shown below.

	FY 2008	FY 2009
State General Fund	$ 19,547,379	$ 22,376,623
All Other Funds	(1,282,452)	11,728,572
All Funds	$ 18,264,927	$ 34,105,195
FTE Positions	1.00	4.00
Non-FTE Unclassified Permanent	--	--
Total Positions	1.00	4.00

Capitol Building, Room 212S, Topeka, KS 66612-1590 • (785) 296-3232 • Fax: (785) 296-7973
e-mail: governor@ks.gov

Senate Ways and Means
4-23-08
Attachment 3

Department of Administration

1. Ombudsman for Veterans and Soldiers Homes

The state has responsibility for two long-term care facilities, the Soldiers Home and Veterans Home, both under the Commission on Veterans Affairs. In order to ensure the residents of these facilities have someone to intervene when issues arise, I amend my budget to add $69,320 from the State General Fund and 1.00 long-term care ombudsman FTE position for FY 2009. This new position will help meet the needs of those in our care.

	FY 2008	FY 2009
State General Fund	$ --	$ 69,320
All Other Funds	--	--
All Funds	$ --	$ 69,320

	FY 2008	FY 2009
FTE Positions	--	1.00
Non-FTE Unclassified Permanent	--	--
Total Positions	--	1.00

Board of Indigents Defense Services

2. Assigned Counsel Caseload Adjustment

I amend my budget to reduce assigned counsel expenditures for the Board of Indigents Defense Services in FY 2009 by $300,000. This figure was arrived at through a consensus caseload process involving the Division of the Budget, the Kansas Legislative Research Department, and the agency. The revised estimate accounts for a declining caseload and certain judicial districts having agreed to accept a rate lower than the current $80 per hour.

	FY 2008	FY 2009
State General Fund	$ --	$ (300,000)
All Other Funds	--	--
All Funds	$ --	$ (300,000)

Kansas Public Employees Retirement System

3. Senior Services Trust Fund

I amend my budget to transfer the balance of the Senior Services Trust Fund, approximately $11,018, to the State General Fund. The Senior Services Trust Fund is associated with the Intergovernmental Transfer program, which no longer exists.

Kansas Technology Enterprise Corporation

4. Expand Pipeline Entrepreneurship Mentoring Program

The Kansas Technology Enterprise Corporation (KTEC) has been notified of the approval of a federal grant from the U.S. Small Business Administration. Therefore, I amend my budget to provide authority to KTEC to spend federal grant monies in both FY 2008 and FY 2009. The grant is for $442,880, of which $73,813 will be spent in FY 2008 and $369,067 will be spent in FY 2009. The grant will enable KTEC to expand its Pipeline Entrepreneurship Mentoring Program to reach a wider audience by developing components which assist universities, offer refined curriculums, develop alumni curriculum and facilitation, and expand the capital attraction component of this program.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	73,813	369,067
All Funds	$ 73,813	$ 369,067

Kansas Racing and Gaming Commission

5. Expanded Lottery Act Regulation

The Racing and Gaming Commission is responsible for regulating racetrack gaming facilities and lottery gaming facilities, including the oversight of internal controls and security, background checks, and auditing revenues. The Kansas Expanded Lottery Act requires racetrack and lottery gaming facility managers to pay for the costs of oversight and regulation. However, the Commission will incur expenses for the Lottery Gaming Facility Review Board and other initial regulatory expenses before managers are selected and before they are able to reimburse the Commission for its expenses. The 2007 Legislature approved a $3.0 million loan from the Pooled Money Investment Board (PMIB) to finance the initial expenses of implementing the Kansas Expanded Lottery Act. However, a number of factors have delayed the opening of racetrack gaming facilities, including contract negotiations, litigation, and the construction and remodeling of gaming facilities. I amend my budget to recommend that the Expanded Lottery Act Regulation Fund in the Kansas Racing and Gaming Commission receive an additional $2.0 million in loan authority from the PMIB. The additional funds will allow the agency to maintain an adequate cashflow and to provide the required regulation of this new industry. Once the

gaming facility managers are selected, they will be assessed all of the costs of regulation, and the PMIB loan will be repaid with interest. The Commission expects to pay back the loan by the end of FY 2009.

Department of Revenue

6. Ethanol Producer Incentives

I amend my budget to transfer $1.0 million from the State General Fund to the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund in FY 2009. By statute, this fund receives $3.5 million annually from motor fuel tax revenues. Expenditures from this fund provide incentives to ethanol producers at a rate of $0.075 per gallon. This transfer was made last year for FY 2008 in order to fully fund this incentive for all producers that qualify. It appears that the full $4.5 million available in FY 2008 for these incentives will be expended. Because it is expected that at a minimum these expenditures will remain level for the next year, I recommend continuing this transfer in FY 2009.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	--	1,000,000
All Funds	$ --	$ 1,000,000

Office of the Securities Commissioner

7. Salary Increase for Investigator Supervisors and Examiners

I amend my budget to recommend increased expenditure authority of $66,451 from the Securities Act Fee Fund in FY 2009. Investigator Supervisors and Examiner Positions perform similar work to Investigators; however, only Investigator Positions were included in the Executive Directive that authorized salary and wage increases for law enforcement personnel in FY 2008. The agency received approval from the Division of Personnel Services in March 2008 to make adjustments to the salary and wage structure for Investigator Supervisors and Examiner Positions in FY 2009; however, the increased expenditure limitation is necessary to implement the salary and wage increases and maintain pay equity within the agency.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	--	66,451
All Funds	$ --	$ 66,451

Attorney General

8. Tobacco Master Settlement Agreement Compliance

I amend my FY 2009 budget to include $500,000 from the State General Fund to support enforcement of the tobacco Master Settlement Agreement (MSA). Kansas currently receives approximately $50.0 million annually through the settlement. Every state involved in the MSA is working to resolve a dispute with the original participating manufacturers. A dispute over enforcement has resulted in decreased payments to states. Kansas, along with the other participating states expects to begin arbitration with the manufacturers to settle the dispute, and the Attorney General needs to be proactive in this action. The $500,000 will allow the Attorney General to provide a means for continually enhanced enforcement in Kansas, but also to provide outside counsel for arbitration. These funds will assist in ensuring that Kansas continues to receive its share of the settlement, as originally agreed.

	FY 2008	FY 2009
State General Fund	$ --	$ 500,000
All Other Funds	--	--
All Funds	$ --	$ 500,000

9. Water Litigation

I amend my FY 2009 budget to allow the Attorney General to spend $188,790 from its Interstate Water Litigation Fund on internal operations. My current budget provides a transfer of $1,560,000 from the Interstate Water Litigation Fund of the State General Fund to the Interstate Water Litigation Fund of the Attorney General. Currently, these funds cannot be used for the agency's internal operating costs; they are used primarily to pay outside counsel. The Attorney General's Office needs the ability to develop and maintain internal expertise and institutional knowledge that will lend to greater control as the two water litigation cases evolve and carry over from one administration to another. This amendment will allow the agency to spend $188,790 of the already recommended $1,560,000. The agency intends to use the monies to finance 2.00 Assistant Attorney General FTE positions and related operating expenditures, rather than engage outside legal staff.

	FY 2008	FY 2009
FTE Positions	--	2.00
Non-FTE Unclassified Permanent	--	--
Total Positions	--	2.00

10. Funding Switch Correction

I amend my FY 2008 budget to substitute $41,076 from the Crime Victims Assistance Fund for Crime Victims Compensation Fund—State Operations. In its submitted budget, the Attorney General partially financed 2.00 FTE positions from the Crime Victims Assistance Fund, and these positions should have been fully financed from the Crime Victims

Compensation Fund—State Operations. This correction will report the funding for the two positions the way the agency intends to finance them.

Kansas Health Policy Authority, Social & Rehabilitation Services, and Aging

11. Caseload Adjustments

I amend my FY 2008 and FY 2009 budget to reflect changes in caseloads and the cost of assistance programs. These adjustments are the result of consensus caseload estimates that involved the staff of the Health Policy Authority, the Department of Social and Rehabilitation Services, the Legislative Research Department, the Department on Aging, and the Division of the Budget. The consensus estimates include Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families (TAF), General Assistance, and Reintegration/Foster Care. The estimating group used the budget as approved in 2008 SB 534 as the starting point for the current estimate.

For FY 2008, this amendment includes an increase from all funding sources of $17.8 million, and an increase of $19.7 million from the State General Fund. This change in the funding mix is partially the result of changes in the populations that are served and the funding sources that are available for each population. The increase in caseload expenditures is the result of higher Medicaid expenditures in the Regular Medical Assistance Program, mental health programs, addiction and prevention services and community supports and services, and higher than expected growth in the number of residents in Nursing Facilities and Nursing Facilities for Mental Health. The KHPA Regular Medical increase of $17.0 million from all funding sources is generally tied to increased estimates of the number of beneficiaries and the cost per person. As a result of new federal citizenship verification requirements implemented July 1, 2006, an estimated 18,000 beneficiaries lost benefits. Many of these beneficiaries have now met the verification requirements and are returning to the program. The increase in the required amount of State General Fund is largely due to replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures. The FY 2008 estimate also includes an expenditure increase for the state funded General Assistance Program to reflect an increase in the number of people in the program. The estimate includes a few expenditure reductions attributable to a lower than anticipated increase in the number of children in foster care and a decrease in the number of families in TAF.

For FY 2009, the estimate is an increase of $20.1 million from all funding sources, and an increase of $11.9 million from the State General Fund. These adjustments include decreases from all funding sources of $4.1 million for Temporary Assistance to Families, $2.7 million for Medicaid mental health services, and $4.9 million for Reintegration/Foster Care. Increased program expenditures are included for Regular Medical, Nursing Facilities, Nursing Facilities for Mental Health, and addiction and prevention services. The KHPA Regular Medical increase of $24.7 million from all funding sources is again tied to increased estimates of beneficiaries. The estimate again includes replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures. Also included in FY 2009 is an increase in payments to Children's Mercy Hospital to replace lost disproportionate share payments that resulted from a change in the payment methodology. The estimate does not

include replacement of the $7.9 million reduction that was included in the Governor's budget for implementing a preferred drug list in the MediKan Program. After the Governor released her budget, the agency changed its estimate for savings that could be realized from that policy change. Increases in programs other than Regular Medical can be attributed to increases in the number of persons served and increases in the cost of services. The estimate for SRS community supports and services is unchanged from the approved amounts.

Health Policy Authority:	FY 2008	FY 2009
State General Fund	$ 14,000,000	$ 7,921,000
All Other Funds	3,000,000	16,800,000
All Funds	$ 17,000,000	$ 24,721,000

Dept. of SRS:	FY 2008	FY 2009
State General Fund	$ 4,466,400	$ 1,968,646
All Other Funds	(6,642,843)	(11,614,837)
All Funds	$ (2,176,443)	$ (9,646,191)

Dept. on Aging:	FY 2008	FY 2009
State General Fund	$ 1,211,000	$ 2,004,000
All Other Funds	1,789,000	2,996,000
All Funds	$ 3,000,000	$ 5,000,000

Department of Social and Rehabilitation Services

12. Grandparents as Caregivers

The Grandparents as Caregivers Program is experiencing slower growth in the current year than was previously estimated. To adjust for the current expenditure estimate and to capture the expected savings, I amend my budget for FY 2008. The new estimate for expenditures is $705,267 and the expected savings total $362,246, all from the State General Fund.

	FY 2008	FY 2009
State General Fund	$ (362,246)	$ --
All Other Funds	--	--
All Funds	$ (362,246)	$ --

Social and Rehabilitation Services—State Hospitals

13. Fee Fund Adjustments

I amend my budget to adjust fee fund expenditure limitations at Osawatomie State Hospital (OSH) and Parsons State Hospital and Training Center (PSH) to fund projected expenditures for FY 2008. The table below details these adjustments for FY 2008.

Agency	SGF	Fee Funds	All Funds
OSH	($141,019)	$541,019	$400,000
PSH	141,019	(141,019)	--
Total	--	$400,000	$400,000

Receipts to the PSH Fee Fund have fallen short of projections for FY 2008. Therefore, $141,019 from the State General Fund will be transferred from OSH to PSH to cover this shortfall. The expenditure limitation on the PSH Fee Fund will be reduced by a corresponding amount. In addition, OSH projects its expenditures for FY 2008 will be $400,000 over its current approved budget for FY 2008. To cover these additional expenditures as well as the transfer of $141,019 to PSH, the expenditure limitation on the OSH Fee Fund will be increased by $541,019.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	400,000	--
All Funds	$ 400,000	$ --

Kansas Health Policy Authority

14. MediKan Preferred Drug List

My original budget recommendation for the Kansas Health Policy Authority (KHPA) included the acceptance of a reduced resource package to implement a preferred drug list in the MediKan Program. The agency's submitted budget stated that $7,921,000 from the State General Fund could be saved if such a list were implemented. The agency now states that those savings cannot be achieved. However, the agency proposes that by comprehensively managing drug expenditures and utilization in the MediKan Program $1,321,000 from the State General Fund can be saved. Approximately 68.1 percent of these savings would be realized through tighter management of mental health drugs. I amend my budget to correct KHPA's error and add $6.6 million from the State General Fund in FY 2009.

	FY 2008	FY 2009
State General Fund	$ --	$ 6,600,000
All Other Funds	--	--
All Funds	$ --	$ 6,600,000

15. Office of Inspector General

Since the Kansas Health Policy Authority submitted its budget last fall, the Inspector General has refined her staffing needs and the budget estimate for FY 2008 and FY 2009. I amend my budget to add $28,269, including $9,244 from the State General Fund, in FY 2008, and $142,250, including $46,517 from the State General Fund, in FY 2009. I also amend my budget to add 1.00 FTE position for the program in both FY 2008 and FY 2009.

	FY 2008	FY 2009
State General Fund	$ 9,244	$ 46,517
All Other Funds	19,025	95,733
All Funds	$ 28,269	$ 142,250
FTE Positions	1.00	1.00
Non-FTE Unclassified Permanent	--	--
Total Positions	1.00	1.00

Department on Aging and Kansas Department of Health and Environment

16. Transfer of Hospital Long-Term Care Survey and Certification Unit

The responsibility for the survey and certification of hospital long-term care units was transferred to the Kansas Department on Aging (KDOA) from the Kansas Department of Health and Environment (KDHE) effective March 1, 2008. Because KDHE has a contract with the Centers of Medicare and Medicaid Services (CMS) through September 30, 2008, to perform this function, KDHE has subcontracted with KDOA to perform these duties from March 1, 2008, through September 30, 2008. Beginning on October 1, 2008, CMS will contract directly with KDOA. Therefore, I amend my budget to increase expenditures at KDOA by $405,270, of which $74,949 is from the State General Fund, in FY 2009 for the administration of the survey and certification of hospital long-term care units. In addition, the position limitation of KDOA will be increased by 5.00 FTE positions. My amendment will reduce expenditures in the budget of KDHE by corresponding amounts.

Aging:

	FY 2008	FY 2009
State General Fund	$ --	$ 74,949
All Other Funds	--	330,321
All Funds	$ --	$ 405,270
FTE Positions	--	5.00
Non-FTE Unclassified Permanent	--	--
Total Positions	--	5.00

Health & Environment:

	FY 2008	FY 2009
State General Fund	$ --	$ (74,949)
All Other Funds	--	(330,321)
All Funds	$ --	$ (405,270)
FTE Positions	--	(5.00)
Non-FTE Unclassified Permanent	--	--
Total Positions	--	(5.00)

In addition, I amend my budget to add expenditures of $51,212, of which $22,800 is from the State General Fund, for the purchase of four vehicles by KDOA in FY 2008. Additional vehicles will be necessary to provide transportation for the Health Facility Surveyor positions that have been transferred from KDHE to KDOA. Currently, KDHE uses rental vehicles for its surveyors which would be less cost effective for KDOA than purchasing the needed vehicles.

	FY 2008	FY 2009
State General Fund	$ 22,800	$ --
All Other Funds	28,412	--
All Funds	$ 51,212	$ --

Kansas Commission on Veterans Affairs

17. Adjustment to Federal Fund Expenditure Limitation

In March 2008, Kansas Commission on Veterans Affairs received notice from the federal government that the maximum amount of reimbursements the agency is eligible to receive for conducting surveys of educational institutions in Kansas will be increased by $27,957 in FY 2008 and $61,730 in FY 2009. In order for the agency to receive these reimbursements, the expenditure limitations to the Commission on Veterans Affairs Federal Fund must be adjusted for both fiscal years. These adjustments to *The FY 2009 Governor's Budget Report* will allow the agency to conduct additional surveys and claim the full amount of federal funds available.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	27,957	61,730
All Funds	$ 27,957	$ 61,730

Board of Regents

18. Postsecondary Education Institutions Infrastructure Bonds

I amend my budget to finance the FY 2009 debt service on the Postsecondary Education Institutions Infrastructure bonds. These bonds were approved during the 2007 Legislative Session and issued in March 2008 to finance capital improvements at technical institutions, community colleges, and Washburn University. The total amount of debt service, $3,180,469, is appropriated to the Board of Regents from the State General Fund; however, the principal is paid by the institution into a special revenue account of the Board of Regents. The principal, $2.5 million, will then be transferred from the Board of Regents to the State General Fund in FY 2009. The interest remains an obligation of the state. When the Board of Regents' budget was submitted, the amount of program participation by institutions and the cost of debt service were inadvertently left out.

	FY 2008	FY 2009
State General Fund	$ --	$ 3,180,469
All Other Funds	--	--
All Funds	$ --	$ 3,180,469

Department of Corrections

19. Inmate Benefit Fund Expenditures

After submitting its budget, the Department of Corrections identified additional resources totaling $614,000 from the agency's Inmate Benefit Fund. The Department of Corrections proposed the following expenditures for FY 2009: $66,000 for ADA compliant vans to transport handicapped inmates; $96,000 for inmate telephone contract consultants; $288,000 for offender program contract increases; and $164,000 for house building programs at Ellsworth and Hutchinson correctional facilities. These amounts were inadvertently left out of *The FY 2009 Governor's Budget Report.*

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	--	614,000
All Funds	$ --	$ 614,000

20. Additional Federal Funds

I amend my budget to account for the receipt of additional federal funds in FY 2008 and FY 2009 that will be used to partially finance the inmate health care contract. For FY 2008, the Department of Corrections estimated receiving a federal grant of $362,000 from the State Criminal Alien Assistance Program. However, the agency received $436,819, an increase of $74,819. As a result, the budget from the State General Fund used to finance the contract in FY

2008 can be reduced by $74,819. The Department estimates it will receive an identical amount of additional federal funding for FY 2009; therefore, the same adjustment may be made.

	FY 2008	FY 2009
State General Fund	$ (74,819)	$ (74,819)
All Other Funds	74,819	74,819
All Funds	$ --	$ --

Juvenile Justice Authority

21. Salary Enhancements at the JJA Correctional Facilities

The Juvenile Justice Authority signed a collective bargaining agreement to increase the pay of the Juvenile Correctional Officer (JCO) I classification. The JCO I classification will receive a 2.5 percent pay increase during FY 2009. I amend my budget to add $209,424 from the State General Fund to implement the pay increase for FY 2009.

	FY 2008	FY 2009
State General Fund	$ --	$ 209,424
All Other Funds	--	--
All Funds	$ --	$ 209,424

22. Federal Grant Match

The Juvenile Justice Authority has received a federal sex offender treatment grant for FY 2009. In order to receive the grant there must be state matching funds. I amend my budget to add $252,066 from the State General Fund in FY 2009 to provide state matching funds for the $440,609 federal grant.

	FY 2008	FY 2009
State General Fund	$ --	$ 252,066
All Other Funds	--	440,609
All Funds	$ --	$ 692,675

23. Juvenile Detention Facilities Fund Expenditure Increase

The Juvenile Justice Authority's budget submitted last fall erroneously reduced the Juvenile Detention Facilities Fund expenditure limitation below the approved level of funding. I amend my budget to increase the budget by $306,365 for FY 2008 to ensure agency operations may continue.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	306,365	--
All Funds	$ 306,365	$ --

State Fire Marshal

24. State General Fund Transfers

The Fire Marshal Fee Fund's carryover balance has been declining over the past few years. Currently, the Director of the Budget is authorized to transfer monies from the Hazardous Materials Emergency Fund to the Fire Marshal Fee Fund; however, because of the flooding in southeast Kansas last spring and the tornado in Greensburg last May the Hazardous Materials Emergency Fund balance is also declining. I amend my budget to authorize the Director of the Budget to loan monies from the State General Fund to the Fire Marshal Fee Fund if there are cash flow issues during FY 2009. The State Fire Marshal would be required to pay back any loans within one year and the aggregate amount could not exceed $500,000 during FY 2009.

Kansas Highway Patrol

25. Fuel Costs

The Kansas Highway Patrol is estimating that troopers will drive 15 million miles and consume 1 million gallons of motor vehicle fuel per year. To finance rising fuel costs, I amend my budget to add $275,000 in FY 2008, all from the State General Fund. A corresponding transfer will be made from the State Highway Fund to the State General Fund to finance this expense.

	FY 2008	FY 2009
State General Fund	$ 275,000	$ --
All Other Funds	--	--
All Funds	$ 275,000	$ --

26. KHP Operations Fund Adjustments

The Kansas Highway Patrol (KHP) was approved $825,000 by the 2007 Legislature for a three-year plan designed to upgrade the in-car cameras used by the troopers from analog to digital. Because of the timing of selecting an appropriate camera system, the first payments will not be made until FY 2009. I amend my budget to lower the expenditure limitation on the KHP Operations Fund by $825,000 in FY 2008 and increase it by the same amount in FY 2009.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	(825,000)	825,000
All Funds	$ (825,000)	$ 825,000

Kansas Department of Wildlife and Parks

27. Funding Authorization for Flood Repair

I amend my budget to increase the expenditure limitation on the Wildlife Fee Fund of the Kansas Department of Wildlife and Parks by $400,000 for FY 2008. This amount will be combined with an existing $300,000 balance from Wildlife Fee Fund monies that were authorized for wildlife area flood repairs by the State Finance Council in October 2007. The agency will then use the total amount of $700,000 to complete repairs for flood damage to the inlet channels at the Cheyenne Bottoms Wildlife Area.

	FY 2008	FY 2009
State General Fund	$ --	$ --
All Other Funds	400,000	--
All Funds	$ 400,000	$ --

Message on Early Childhood

Early Childhood Block Grant

My original budget proposed that new receipts from the nationwide tobacco settlement be used to fund early childhood programs, but the Legislature has delayed decisions on how to use the new money. Kansas has now received the first "Strategic Contribution Fund" payment and the payment is considerably higher than originally estimated. Even with the changes the Legislature has already made in the main appropriations bill, the Children's Initiatives Fund now has enough resources to allow full approval of my recommendations for Kansas Early Childhood Block Grants. The program will be administered by the Children's Cabinet and will provide grants to school districts, child care centers, Early Head Start sites, Head Start sites, and community-based programs that provide research-based child development services for at-risk infants, toddlers, and their families. I strongly urge the Legislature to appropriate $5.0 million from the Children's Initiatives Fund in FY 2008 and $18.0 million in FY 2009 for these grants.

Sincerely,

Kathleen Sebelius

Kathleen Sebelius
Governor of the State of Kansas

KANSAS
DIVISION OF THE BUDGET

Kathleen Sebelius, Governor
Duane A. Goossen, Director
http://budget.ks.gov

MEMORANDUM

TO: Governor Kathleen Sebelius and Legislative Budget Committee

FROM: Kansas Division of the Budget and Kansas Legislative Research Department

DATE: April 15, 2008

SUBJECT: Consensus Caseload Estimates for FY 2008 and FY 2009

The Division of the Budget, Legislative Research Department, Department of Social and Rehabilitation Services, Kansas Health Policy Authority, and Department on Aging met on April 15, 2008 to revise the estimates on caseload expenditures for FY 2008 and FY 2009. The consensus estimates include expenditures for Regular Medical Assistance, Nursing Facilities, Temporary Assistance to Families, General Assistance, and the Reintegration/Foster Care contracts. The estimating group used the budget as approved in 2008 Senate Bill No. 534 as the starting point for the current estimate.

The estimates include Regular Medical Assistance expenditures by both the Kansas Health Policy Authority (KHPA) and the Department of Social and Rehabilitation Services (SRS). Most health care services for persons who qualify for Medicaid, MediKan and other state health insurance programs were transferred to the KHPA from the Division of Health Policy and Finance on July 1, 2006, as directed in 2005 Senate Bill 272. Certain mental health services, addiction treatment services, and services for persons with disabilities that are a part of the Regular Medical Assistance Program remained a part of the budget of SRS.

Summary

In summary, the net change for FY 2008 and FY 2009 is an increase of $31.6 million from the State General Fund and $37.9 million from all funds.

A chart summarizing the estimates for FY 2008 and FY 2009 is included at the end of this memorandum.

Senate Ways and Means
4-23-08
Attachment 4

FY 2008

For FY 2008, the new estimate is an increase from all funding sources of $17.8 million, including an increase of $19.7 million from the State General Fund. This change in the funding mix is the result of changes in the populations that are served and the funding sources that are available for each population. The increase in caseload expenditures is the result higher Medicaid expenditures in the Regular Medical Assistance Program, mental health programs, addiction and prevention services and community supports and services, and higher than expected growth in the number of residents in Nursing Facilities and Nursing Facilities for Mental Health. The KHPA Regular Medical increase of $17.0 million from all funding sources is generally tied to increased estimates of the number of beneficiaries and the cost per person. As a result of new federal citizenship verification requirements implemented July 1, 2006, an estimated 18,000 beneficiaries lost benefits. Many of these beneficiaries have met the verification requirements and are returning to the program. The increase in the required amount of State General Fund is largely due to replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures. The FY 2008 estimate also includes an expenditure increase for the state funded General Assistance Program to reflect an increase in the number of people in the program. The estimate includes a few expenditure reductions attributable to a lower than anticipated increase in the number of children in foster care and a decrease in the number of families in Temporary Assistance for Families.

FY 2009

For FY 2009, the estimate is an increase of $11.9 million from all funding sources, including an increase of $20.1 million from the State General Fund. These adjustments include decreases from all funding sources of $4.1 million for Temporary Assistance to Families, $2.7 million for Medicaid mental health services, and $4.9 million for Reintegration/Foster Care. Increased program expenditures are included for Regular Medical, Nursing Facilities, Nursing Facilities for Mental Health, and addiction and prevention services. The KHPA Regular Medical increase of $24.7 million from all funding sources is again tied to increased estimates of beneficiaries. The estimate continues to include replacing certified match for Medicaid expenditures in local educational agencies and more accurate accounting for family planning expenditures. Also included in FY 2009 is an increase in payments to Children's Mercy Hospital to replace lost disproportionate share payments that resulted from a change in the FY 2009 payment methodology. The estimate does not include replacement of the $7.9 million reduction that was included in the *Governor's Budget Report* for implementing a preferred drug list in the MediKan Program. After the Governor presented her budget to the Legislature, the agency changed its estimate for savings that could be realized from that policy change. Increases in programs other that Regular Medical can be attributed to increases in the number of person served and increases in the cost of services. The estimate for SRS community supports and services is unchanged from the approved amounts.

April 2008 Consensus Caseload Estimates

		FY 2008 Approved	April Revised FY 2008	Difference from Approved	FY 2009 Approved	April Revised FY 2009	Difference from Approved
Regular Medical	SGF	423,000,000	437,000,000	14,000,000	457,079,000	465,000,000	7,921,000
	AF	1,197,000,000	1,214,000,000	17,000,000	1,232,079,000	1,256,800,000	24,721,000
Nursing Facilities	SGF	142,269,000	143,480,000	1,211,000	146,292,000	148,296,000	2,004,000
	AF	352,500,000	355,500,000	3,000,000	365,000,000	370,000,000	5,000,000
Temporary Assistance to Families	SGF	29,821,028	29,821,028	--	29,821,028	29,821,028	--
	AF	51,000,000	48,526,310	(2,473,690)	49,000,000	44,919,365	(4,080,635)
General Assistance	SGF	8,700,000	9,104,400	404,400	8,700,000	9,504,000	804,000
	AF	8,700,000	9,104,400	404,400	8,700,000	9,504,000	804,000
Reintegration/Foster Care Contract	SGF	102,163,619	101,000,000	(1,163,619)	115,600,000	117,500,000	1,900,000
	AF	149,636,886	143,710,871	(5,926,015)	165,000,000	160,081,744	(4,918,256)
Mental Health	SGF	77,500,000	80,500,000	3,000,000	76,500,000	75,000,000	(1,500,000)
	AF	199,000,000	200,625,053	1,625,053	192,200,000	189,483,896	(2,716,104)
NFMH	SGF	11,348,890	12,500,000	1,151,110	12,000,000	12,500,000	500,000
	AF	13,300,000	14,604,510	1,304,510	14,000,000	14,604,510	604,510
Community Supports & Services	SGF	17,800,000	18,300,000	500,000	17,219,690	17,219,690	--
	AF	44,000,000	45,465,838	1,465,838	42,963,300	42,963,300	--
Addiction and Prevention Services	SGF	9,325,491	9,900,000	574,509	9,135,354	9,400,000	264,646
	AF	23,105,776	24,529,237	1,423,461	22,792,800	23,453,094	660,294
Total SGF		**821,928,028**	**841,605,428**	**19,677,400**	**872,347,072**	**884,240,718**	**11,893,646**
Total AF		**2,038,242,662**	**2,056,066,219**	**17,823,557**	**2,091,735,100**	**2,111,809,909**	**20,074,809**

Children's Initiatives Fund

FY 2007 - FY 2008

Conference Committee Adjustments

	Actual FY 2007	Legislative Approved FY 2008	Gov. Rec. FY 2008	Conference Committee Adjustments FY 2008
Department of Health and Environment				
Healthy Start/Home Visitor	$ 250,000	$ 250,000	$ 250,000	$ -
Infants and Toddlers Program (Tiny K)	1,200,000	1,200,000	1,200,000	-
Smoking Cessation/Prevention Program Grants	999,999	1,000,000	1,000,000	-
PKU/Hemophilia	208,000	208,000	208,000	-
Newborn Hearing Aid Loaner Program	-	-	-	-
SIDS Network Grant	-	-	-	-
Newborn Screening	-	-	-	-
Subtotal - KDHE	$ 2,657,999	$ 2,658,000	$ 2,658,000	$ -
Juvenile Justice Authority				
Juvenile Prevention Program Grants	$ 5,385,716	$ 5,414,487	$ 5,579,530	$ -
Juvenile Graduated Sanctions Grants	3,468,938	3,585,513	3,420,470	-
Subtotal - JJA	$ 8,854,654	$ 9,000,000	$ 9,000,000	$ -
Department of Social and Rehabilitation Services				
Children's Cabinet Accountability Fund	$ 546,125	$ 541,802	$ 541,802	$ -
Children's Mental Health Initiative	3,799,999	3,800,000	3,800,000	-
Family Centered System of Care	5,000,000	5,000,000	5,000,000	-
Therapeutic Preschool	947,897	1,000,000	1,000,000	-
Child Care Services	1,399,999	1,400,000	1,400,000	-
Community Services - Child Welfare	3,492,101	3,492,101	3,298,597	-
Smart Start Kansas - Children's Cabinet	8,730,036	8,443,279	8,986,263	-
Family Preservation	2,957,899	2,957,899	3,151,403	-
School Violence Prevention	228,000	228,000	228,000	-
Attendant Care for Independent Living (ACIL)	50,000	50,000	50,000	-
Early Childhood Block Grants	-	-	5,000,000	(5,000,000) ***
Pre-K Pilot	2,000,000	5,000,000	5,000,000	-
Early Head Start	-	1,600,000	1,600,000	-
Child Care Quality Initiative	-	500,000	500,000	-
Subtotal - SRS	$ 29,152,056	$ 34,013,081	$ 39,556,065	$ (5,000,000)
Kansas Health Policy Authority				
HealthWave	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ -
Medical Assistance	3,000,000	3,000,000	3,000,000	-
Immunization Outreach	500,000	500,000	500,000	-
Subtotal - KHPA	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ -
Department of Education				
Reading and Vision Research	$ 300,000	$ 300,000	$ 300,000	$ -
Parents as Teachers	-	-	-	-
Pre-K Pilot	-	-	-	-
Subtotal - Dept. of Ed.	$ 300,000	$ 300,000	$ 300,000	$ -
University of Kansas Medical Center				
Tele-Kid Health Care Link	$ 265,392	$ 250,000	$ 253,117	$ -
TOTAL	**$ 46,730,101**	**$ 51,721,081**	**$ 57,267,182**	**$ (5,000,000)**

	Actual FY 2007	Legislative Approved FY 2008	Gov. Rec. FY 2008	Conference Adjustments FY 2008
Beginning Balance	$ 3,708,489	$ 743,550	$ 743,550	$ 743,550
Plus: Other Income*	355,827	52,103	52,103	52,103
State General Fund Transfer	-	-	-	-
Children's Initiatives Reserve Fund Transfer In**	-	825,952	825,952	825,952
KEY Fund Transfer In	47,361,933	55,645,577	55,645,577	55,645,577
Total Available	$ 51,426,249	$ 57,267,182	$ 57,267,182	$ 57,267,182
Less: Expenditures	46,730,101	51,721,081	57,267,182	52,267,182
Transfer Out to KEY Fund	-	-	-	-
Transfer Out to Children's Initiatives Reserve Fund**	3,303,809	-	-	-
Transfer Out to State General Fund	648,789	-	-	-
ENDING BALANCE	**$ 743,550**	**$ 5,546,101**	**$ -**	**$ 5,000,000**

* Other Income includes released encumbrances, recoveries and reimbursements.

** The 2006 Legislature established the Children's Initiatives Reserve Fund (CIRF) and transferred any unencumbered balance in the Children's Initiatives Fund (CIF) on June 30, 2007 to the CIRF. On July 1, 2007, 25 percent of the balance in the CIRF was transferred to the CIF. On July 1, 2008, one-third of the remaining balance of the CIRF is to be transferred to the CIF. On July 1, 2009, 50 percent of the remaining balance of the CIRF is to be transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

*** The Legislature plans to review funding for this item at Omnibus.

Senate Ways and Means
4-23-08
Attachment 5

Children's Initiatives Fund

FY 2009

Conference Committee Adjustments

	Gov. Rec. FY 2009		Conference Committee Adjustments FY 2009	
Department of Health and Environment				
Healthy Start/Home Visitor	$ 250,000		$ -	
Infants and Toddlers Program (Tiny K)	1,200,000		-	
Smoking Cessation/Prevention Program Grants	1,000,000		-	
PKU/Hemophilia	208,000		-	
Newborn Hearing Aid Loaner Program	50,000	a	-	
SIDS Network Grant	75,000	a	-	
Newborn Screening	2,226,577	b	-	h
Subtotal - KDHE	$ 5,009,577		$ -	
Juvenile Justice Authority				
Juvenile Prevention Program Grants	$ -	c	$ 5,579,530	h
Juvenile Graduated Sanctions Grants	-	c	3,420,470	h
Subtotal - JJA	$ -		$ 9,000,000	
Department of Social and Rehabilitation Services				
Children's Cabinet Accountability Fund	$ 541,802		$ -	
Children's Mental Health Initiative	3,800,000		-	
Family Centered System of Care	5,000,000		-	
Therapeutic Preschool	-		-	h
Child Care Services	1,400,000		-	
Community Services - Child Welfare	3,208,938		-	
Smart Start Kansas - Children's Cabinet	8,443,965		(686)	i
Family Preservation	3,241,062		-	
School Violence Prevention	-		-	h
Attendant Care for Independent Living (ACIL)	-	c	-	
BARS program	-		-	h
Early Childhood Block Grants	18,000,000	d	(18,000,000)	h
Pre-K Pilot	-	e	-	
Early Head Start	1,600,000		-	
Child Care Quality Initiative	500,000		-	
Subtotal - SRS	$ 45,735,767		$ (18,000,686)	
Kansas Health Policy Authority				
HealthWave	$ -	c	$ 2,000,000	
Medical Assistance	-	c	3,000,000	
Immunization Outreach	500,000		-	
Subtotal - KHPA	$ 500,000		$ 5,000,000	
Department of Education				
Reading and Vision Research	$ 300,000		$ (100,000)	
Four-Year Old at Risk	$ -		100,000	
Parents as Teachers	7,539,500	a	-	g
Pre-K Pilot	6,200,000	e	(1,200,000)	h
Subtotal - Dept. of Ed.	$ 14,039,500		$ (1,200,000)	
University of Kansas Medical Center				
Tele-Kid Health Care Link	$ -	f	$ -	
TOTAL	**$ 65,284,844**		**$ (5,200,686)**	

	Gov. Rec. FY 2009	Conference Adjustments FY 2009
Beginning Balance	$ -	5,000,000
Plus: Other Income*	-	-
State General Fund Transfer	-	-
Children's Initiatives Reserve Fund Transfer In**	825,952	825,952
KEY Fund Transfer In	64,458,892	64,458,892
Total Available	$ 65,284,844	70,284,844
Less: Expenditures	65,284,844	60,084,158
Transfer Out to KEY Fund	-	-
Transfer Out to Children's Initiatives Reserve Fund**	-	-
Transfer Out to State General Fund	-	-
ENDING BALANCE	**$ -**	**$ 10,200,686**

* Other Income includes released encumbrances, recoveries and reimbursements.

** The 2006 Legislature established the Children's Initiatives Reserve Fund (CIRF) and transferred any unencumbered balance in the Children's Initiatives Fund (CIF) on June 30, 2007 to the CIRF. On July 1, 2007, 25 percent of the balance in the CIRF was transferred to the CIF. On July 1, 2008, one third of the remaining balance of the CIRF is to be transferred to the CIF. On July 1, 2009, 50 percent of the remaining balance of the CIRF is to be transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

*** The Governor's recommendation for FY 2009 shifts funding of $14.0 million from the Children's Initatives Fund to the State General Fund. Additionally, the Governor's recommendation shifts funding of $9.0 million from the State General Fund to the Children's Intitatives Fund. The result is a net increase in State General Fund expenditures of $5.0 million in FY 2009.

a) This program was previously funded from the State General Fund.

b) Base funding of $1.4 million for this program was previously funded from the State General Fund.

c) The Governor's recommendation realigns CIF dollars to be spent on programs and projects with an emphasis on early education. Funding for these programs has been shifted to the State General Fund.

d) The Governor recommends that new additional tobacco settlement funds be earmarked for early childhood programs. The Governor's recommendation includes a new Early Childhood Block Grant (ECBG) to be administered by the Children's Cabinet.

e) The Governor recommends relocating this program to the Department of Education from SRS.

f) The Governor's recommendation shifted funding of this program to the General Fees Fund.

g) The Legislature replaces CIF funding with moneys from the State General Fund.

h) The Legislature plans to review funding for this items at Omnibus.

i) The total includes $686 in salary funding that was deleted to be considered by the Finance Council.

State Water Plan Fund
FY 2008

	Governor's Rec. FY 2008	Conference Committee Adjustments FY 2008
Kansas Department of Health and Environment		
Contamination Remediation	$ 1,031,530	$ -
TMDLs Initiatives	342,087	-
Local Environmental Protection Program	1,502,850	-
Non-Point Source Program	336,513	-
Watershed Restoration and Protection Strategy	800,204	-
Use Attainability Analysis	-	-
Southeast Kansas Soil Treatment Study	120,361	-
Total - KDHE	$ 4,133,545	$ -
University of Kansas - Geological Survey	$ 40,000	$ -
Department of Agriculture		
Kansas v. Colorado Compliance	$ -	$ -
Interstate Water Issues	591,647	-
Subbasin Water Resources Management	759,814	-
Water Use	60,000	-
Total - Department of Agriculture	$ 1,411,461	$ -
State Conservation Commission		
Water Resources Cost-Share	$ 3,323,365	$ 236,110
Non-Point Source Pollution Assistance	3,992,784	-
Aid to Conservation Districts	2,136,154	-
Watershed Dam Construction	1,140,529	-
Water Quality Buffer Initiative	391,720	-
Riparian and Wetland Program	364,478	-
Multipurpose Small Lakes	1,250,000	-
Water Transition Assistance Program	2,618,705	-
Salt Cedar Control Projects	50,000	-
Conservation Reserve Enhancement Program	2,000,000	-
Lake Restoration/Management	2,719,713	(236,110)
Total - State Conservation Commission	$19,987,448	$ -
Kansas Water Office		
Assessment and Evaluation	$ 951,493	$ -
GIS Database Development	250,000	-
MOU - Storage Operations and Maintenance	712,032	-
PMIB Loan Payment for Storage	-	-
Technical Assistance to Water Users	624,949	-
Water Resource Education	91,500	-
Weather Stations	100,000	-
Weather Modification	240,000	-
Neosho River Basin Issues	500,000	-
Wichita ASR Project, Equus Beds Aquifer	-	-
Total - Kansas Water Office	$ 3,469,974	$ -
Department of Wildlife and Parks		
Almena Irrigation District	$ 1,000,000	$ -
Stream (Biological) Monitoring	40,000	-
Total - Department of Wildlife and Parks	$ 1,040,000	$ -
Total State Water Plan Fund Expenditures	**$30,082,428**	**$ -**

Resource Estimate		
Beginning Balance	$ 9,052,462	$ 9,052,462
Adjustments:		
Released Encumbrances	$ 2,395,294	$ 2,395,294
Transfer to the KCC	(400,000)	(400,000)
Transfer to the West. Water Cons. Proj. Fund	-	(739,964)
Subtotal - Adjustments	$ 1,995,294	$ 1,255,330
Receipts:		
State General Fund Transfer	$ 6,000,000	$ 6,000,000
EDIF Transfer	2,000,000	2,000,000
Water Litigation Suspense Fund Transfer	584,217	584,217
Fee Revenues	12,311,606	12,311,606
Pollution Fines and Penalties	70,000	70,000
Subtotal - Receipts	$20,965,823	$20,965,823
Total Available	$32,013,579	$31,273,615
Less: Expenditures	(30,082,428)	(30,082,428)
Ending Balance	**$ 1,931,151**	**$ 1,191,187**

Senate Ways and Means
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Attachment 6

State Water Plan Fund
FY 2009

	Governor's Rec. FY 2009	Conference Committee Adjustments FY 2009
Kansas Dept. of Health and Environment		
Contamination Remediation	$ 979,338	$ (3,187) *
TMDLs Initiatives	301,793	(1,808) *
Local Environmental Protection Program	1,502,735	(7,092) *
Non-Point Source Program	299,743	-
Watershed Restoration and Protection Strategy	800,000	-
Use Attainability Analysis	-	-
Southeast Kansas Soil Treatment Study	-	-
Total - KDHE	$ 3,883,609	$ (12,087)
University of Kansas - Geological Survey	$ 40,000	$ -
Department of Agriculture		
Kansas v. Colorado Compliance	$ -	$ -
Interstate Water Issues	583,635	(7,058) *
Subbasin Water Resources Management	761,373	(21,377) *
Water Use	60,000	-
Total - Department of Agriculture	$ 1,405,008	$ (28,435)
State Conservation Commission		
Water Resources Cost-Share	$ 3,326,594	$ 88,313 *
Non-Point Source Pollution Assistance	2,000,000	1,623,854
Aid to Conservation Districts	2,255,919	-
Watershed Dam Construction	1,055,000	-
Water Quality Buffer Initiative	350,000	-
Riparian and Wetland Program	251,782	-
Multipurpose Small Lakes	1,123,176	-
Water Transition Assistance Program	1,000,228	(2,228) *
Salt Cedar Control Projects	50,000	(50,000)
Conservation Reserve Enhancement Program	-	-
Lake Restoration/Management	2,713,762	(1,715,396)
Contamination of Public Water Supply	-	-
Total - Conservation Commission	$14,126,461	$ (55,457)
Kansas Water Office		
Assessment and Evaluation	$ 860,000	$ -
GIS Database Development	250,000	-
MOU - Storage Operations and Maintenance	301,418	-
PMIB Loan Payment for Storage	-	-
Technical Assistance to Water Users	624,919	-
Water Resource Education	84,000	-
Weather Stations	100,000	-
Weather Modification	240,000	-
Neosho River Basin Issues	500,000	-
Wichita ASR Project, Equus Beds Aquifer	1,000,000	-
Total - Kansas Water Office	$ 3,960,337	$ -
Department of Wildlife and Parks		
Almena Irrigation District	$ -	$ -
Stream (Biological) Monitoring	40,000	-
Total - Dept. of Wildlife and Parks	$ 40,000	$ -
Total State Water Plan Fund Expenditures	**$23,455,415**	**$ (95,979)**

* Of the Conference Committee's adjustments, $45,979 are attributed to deletion of the Governor's FY 2009 pay plan.

Resource Estimate		
Beginning Balance	$ 1,931,151	$ 1,191,187
Adjustments:		
Released Encumbrances	$ -	$ -
Transfer to the KCC	(400,000)	(400,000)
Transfer to the West. Water Cons. Proj. Fund	-	-
Lapse CREP Reappropriation - as of 12/31/07	-	181,000
Lapse CREP Reappropriation - as of 07/01/08	-	-
Subtotal - Adjustments	$ (400,000)	$ (219,000)
Receipts:		
State General Fund Transfer	$ 6,400,000	$ 6,000,000
EDIF Transfer	2,000,000	2,000,000
Water Litigation Suspense Fund Transfer	525,729	525,729
Fee Revenues	12,918,535	12,918,535
Pollution Fines and Penalties	80,000	80,000
Subtotal - Receipts	$21,924,264	$21,524,264
Total Available	$23,455,415	$22,496,451
Less: Expenditures	(23,455,415)	(23,359,436)
Ending Balance	**$ -**	**$ (862,985)**

ECONOMIC DEVELOPMENT INITIATIVES FUND (EDIF), FYs 2007- 2009

Legislature Approved

As of April 23, 2008

Agency/Program	Actual FY 2007	Governor's * Recommendation FY 2008	Conference Committee Adjustments FY 2008	Legislature Approved FY 2008
Department of Commerce				
Operating Grant	$ 15,075,152	$ 16,946,554	$ -	$ 16,946,554
Older Kansans Employment Program	332,278	330,481	-	330,481
Rural Opportunity Program	-	2,100,000	-	2,100,000
Eisenhower Foundation Grant	-	200,000	-	200,000
Kansas Sports Hall of Fame Grant	-	250,000	-	250,000
Kansas Innovation Consortium	-	-	-	-
Parsons Ammunition Facility Road Reconstruction Grant	-	-	750,000	750,000 [1]
Subtotal - Commerce	$ 15,407,430	$ 19,827,035	$ 750,000	$ 20,577,035
Kansas Technology Enterprise Corporation				
Operations	$ 1,862,697	$ 1,808,675	$ -	$ 1,808,675
University & Strategic Research	5,183,666	5,188,682	-	5,188,682
Product Development Financing	1,476,957	1,185,772	333,333	1,519,105
Commercialization	1,906,631	2,684,128	-	2,684,128
Mid-America Manuf. Tech. Center (MAMTC)	1,524,990	1,401,054		1,401,054
Subtotal - KTEC	$ 11,954,941	$ 12,268,311	$ 333,333	$ 12,601,644
Kansas, Inc.				
Operations	$ 527,999	$ 504,743	$ -	$ 504,743
Social and Rehabilitation Services				
Child Support Enforcement Call Center	$ 340,000	$ -	$ -	$ -
Board of Regents & Universities				
Vocational Education Capital Outlay	$ 2,565,000	$ 2,565,000	$ -	$ 2,565,000
Post-secondary Aid for Vocational Education	6,957,162	-	-	-
Technology Innovation & Internship	185,340	180,500	-	180,500
KSU - ESARP	300,000	300,000	-	300,000
WSU - Aviation Research	-	4,750,000	-	4,750,000
Subtotal - Regents & Universities	$ 10,007,502	$ 7,795,500	$ -	$ 7,795,500
Kansas Arts Commission				
Economic Impact Study of the Arts	$ 14,000	$ -	$ -	$ -
State Fair				
Ticket Marketing & Premiums	$ 70,000	$ 70,000	$ -	$ 70,000
Economic Impact Study	-	40,000	-	40,000
Alternative Energy Systems and Utilities	95,384	-	-	-
Largest Classroom	19,960	-	-	-
Subtotal - State Fair	$ 185,344	$ 110,000	$ -	$ 110,000
Total Expenditures	**$ 38,437,216**	**$ 40,505,589**	**$ 1,083,333**	**$ 41,588,922**
Transfers to Other Funds				
Kansas Economic Opportunity Initiatives Fund	$ 3,160,000	$ 3,000,000	$ -	$ 3,000,000
Small Employer Cafeteria Plan Development Program Fund	-	150,000	-	150,000
Association Assistance Plan Fund	-	-	-	-
KS Qualified Biodiesel Fuel Producer Incentive Fund	-	400,000	-	400,000
State Water Plan Fund	2,000,000	2,000,000	-	2,000,000
Subtotal - Transfers	$ 5,160,000	$ 5,550,000	$ -	$ 5,550,000
TOTAL TRANSFERS AND EXPENDITURES	**$ 43,597,216**	**$ 46,055,589**	**$ 1,083,333**	**$ 47,138,922**

EDIF Resource Estimate	Actual FY 2007	Governor's Recommendation FY 2008	Conference Committee Adjustments FY 2008	Legislature Approved FY 2008
Beginning Balance	$ 3,136,491	$ 4,034,032	$ -	$ 4,034,032
Gaming Revenues	42,432,000	42,432,000	-	42,432,000
Other Income**	2,062,757	1,800,000	-	1,800,000
Total Available	$ 47,631,248	$ 48,266,032	$ -	$ 48,266,032
Less: Expenditures and Transfers	43,597,216	46,055,589	1,083,333	47,138,922
ENDING BALANCE	**$ 4,034,032**	**$ 2,210,443**	**$ (1,083,333)**	**$ 1,127,110**

* Unless otherwise noted, increases in agency total in the Governor's recommendation reflect

** Other income includes interest, transfers, reimbursements and released encumbrances.

***New expenditures or transfers recommended by the Governor.

[1] Grant to be administered by the Department of Commerce. If a plan for a road reconstruction grant is not approved by the Department of Commerce by April 30, 2008, the funding is lapsed. If a plan is approved, the funding may be reappropriated to FY 2009.

Senate Ways and Means
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ECONOMIC DEVELOPMENT INITIATIVES FUND (EDIF), FYs 2007- 2009
Legislature Approved
As of April 23, 2008

Agency/Program	Governor's Recommendation FY 2009	Conference Committee Adjustments FY 2009	Legislature Approved FY 2009
Department of Commerce			
Operating Grant	$ 16,170,250	$ (253,232) [1]	$ 15,917,018
Older Kansans Employment Program	330,676	-	330,676
Rural Opportunity Program	2,106,471	-	2,106,471
Eisenhower Foundation Grant	-	-	-
Kansas Sports Hall of Fame Grant	-	-	-
Kansas Innovation Consortium	150,000 *	(150,000)	-
Subtotal - Commerce	$ 18,757,397	$ (403,232)	18,354,165
Kansas Technology Enterprise Corporation			
Operations	$ 1,816,678	$ (30,841) [1]	$ 1,785,837
University & Strategic Research	5,100,927	-	5,100,927
Product Development Financing	1,519,030	-	1,519,030
Commercialization	2,661,017	-	2,661,017
Mid-America Manuf. Tech. Center (MAMTC)	1,440,000	-	1,440,000
Subtotal - KTEC	$ 12,537,652	$ (30,841)	12,506,811
Kansas, Inc.			
Operations	$ 409,831	$ 145 [1]	$ 409,976
Social and Rehabilitation Services			
Child Support Enforcement Call Center	$ -	$ -	$ -
Board of Regents & Universities			
Vocational Education Capital Outlay	$ 2,565,000	$ -	$ 2,565,000
Post-secondary Aid for Vocational Education	-	-	-
Technology Innovation & Internship	180,500	-	180,500
KSU - ESARP	300,000	-	300,000
WSU - Aviation Classroom & Training Equipment	-	2,500,000	2,500,000
WSU - Aviation Research	4,000,000	1,000,000	5,000,000
Subtotal - Regents & Universities	$ 7,045,500	$ 3,500,000	$ 10,545,500
Kansas Arts Commission			
Economic Impact Study of the Arts	$ -	$ -	$ -
State Fair			
Ticket Marketing & Premiums	$ 120,000	$ (50,000)	$ 70,000
Economic Impact Study	-	-	-
Alternative Energy Systems and Utilities	-	-	-
Largest Classroom	-	-	-
Subtotal - State Fair	$ 120,000	$ (50,000)	$ 70,000
Total Expenditures	**$ 38,870,380**	**$ 3,016,072**	**$ 41,886,452**
Transfers to Other Funds			
Kansas Economic Opportunity Initiatives Fund	$ 2,500,000	$ -	$ 2,500,000
Small Employer Cafeteria Plan Development Program Fund	150,000	-	150,000
Association Assistance Plan Fund	500,000 *	-	500,000
KS Qualified Biodiesel Fuel Producer Incentive Fund	2,000,000	-	2,000,000
State Water Plan Fund	2,000,000	-	2,000,000
Subtotal - Transfers	$ 7,150,000	$ -	$ 7,150,000
TOTAL TRANSFERS AND EXPENDITURES	**$ 46,020,380**	**$ 3,016,072**	**$ 49,036,452**

EDIF Resource Estimate	Governor's Recommendation FY 2009	Conference Committee Adjustments FY 2009	Legislature Approved FY 2009
Beginning Balance	$ 2,210,443	$ (1,083,333)	$ 1,127,110
Gaming Revenues	42,432,000	-	42,432,000
Other Income**	1,400,000	-	1,400,000
Total Available	$ 46,042,443	$ (1,083,333)	$ 44,959,110
Less: Expenditures and Transfers	46,020,380	3,016,072	49,036,452
ENDING BALANCE	**$ 22,063**	**$ (4,099,405)**	**$ (4,077,342)**

* New expenditures or transfers recommended by the Governor.

** Other income includes interest, transfers, reimbursements and released encumbrances.

[1] Adjustments of $229,428 are made to reflect pay plan adjustments.

EXPANDED LOTTERY ACT REVENUES FUND (ELARF)
FY 2009

Agency/Program	Governor's Recommendation FY 2009		House Adjustments FY 2009	Add SGF	Senate Adjustments FY 2009	Add SGF	SB 534 Conference Committee Adjustments FY 2009	Add SGF
Department of Administration								
Statehouse Renovation Bonds (Debt)	$ 10,052,858	*	$ (10,052,858)	yes	$ (10,052,858)	yes	$ (10,052,858)	yes
SGF KDOT Bonds (Debt)	16,148,175	*	(16,148,175)	yes	(16,148,175)	yes	(16,148,175)	yes
Judicial Center Improvements (Debt)	101,170	*	(101,170)	yes	(101,170)	yes	(101,170)	yes
Capitol Complex Maintenance	3,000,000		(3,000,000)	no	(3,000,000)	yes	(3,000,000)	yes b)
Docking Bldg. Renovation Planning	1,000,000		(1,000,000)	no	(1,000,000)	yes	(1,000,000)	no
Subtotal - Administration	$ 30,302,203		$ (30,302,203)		$ (30,302,203)		$ (30,302,203)	
Adjutant General								
Armory Renovation (Debt)	$ 2,226,807	*	$ (2,226,807)	yes	$ (2,226,807)	yes	$ (2,226,807)	yes
Regional Training Center	4,000,000		(4,000,000)	no	(4,000,000)	yes	(4,000,000)	part b)
Subtotal - Adjutant General	$ 6,226,807		$ (6,226,807)		$ (6,226,807)		$ (6,226,807)	
Department of Commerce								
Bioenergy Research Program	$ 2,000,000		$ (2,000,000)	no	$ (2,000,000)	no	$ (2,000,000)	no
Department of Corrections								
Prision Capacity Expansion (Debt)	$ 3,679,303	*	$ (3,679,303)	yes	$ (3,679,303)	yes	$ (3,679,303)	yes
Corrections Repair & Rehab. CIBF Transfer	1,689,697		(1,689,697)	no	(1,689,697)	no	(1,689,697)	no
Subtotal - Corrections	$ 5,369,000		$ (5,369,000)		$ (5,369,000)		$ (5,369,000)	
Department of Wildlife and Parks								
Ongoing Parks Rehabilitation	$ 3,000,000		$ (3,000,000)	no	$ (3,000,000)	yes	$ (3,000,000)	half
Disaster Damage & Green Space Development	1,500,000		(1,500,000)	no	(1,500,000)	yes	(1,500,000)	yes
Subtotal - Wildlife and Parks	$ 4,500,000		$ (4,500,000)		$ (4,500,000)		$ (4,500,000)	
Kansas Bureau of Investigation								
Headquarters Acquisition (Debt)	$ 311,850	*	$ (311,850)	yes	$ (311,850)	yes	$ (311,850)	yes
Site Planning and Property Acquisition	250,000		(250,000)	part	(250,000)	yes	(250,000)	part b)
Subtotal - KBI	$ 561,850		$ (561,850)		$ (561,850)		$ (561,850)	
Kansas Development Finance Authority								
Housing Trust Fund Transfer	$ 3,000,000		$ (3,000,000)	no	$ (3,000,000)	no	$ (3,000,000)	no
Housing Trust Fund Transfer RE: SB 652 (417)	0		0		4,000,000	a)	0	
Department of Transportation								
Parsons Ammunition Facility Road Improvements	0		0		$ 750,000	a)	0	
Kansas Public Employees Retirement System								
Retirement Benefits 13th Check Bonds (Debt)	$ 3,210,948	*	$ (3,210,948)	yes	$ (3,210,948)	yes	$ (3,210,948)	yes
Kansas State Fair								
Master Plan (Debt)	$ 1,840,821	*	$ (1,840,821)	yes	$ (1,840,821)	yes	$ (1,840,821)	yes
Kansas State Historical Society								
Historic Site Preservation and Development	$ 500,000		$ (500,000)	no	$ (500,000)	no	$ (500,000)	no
Board of Regents								
Regents Crumbling Classrooms EBF Transfer	$ 15,000,000		$ (15,000,000)	no	$ (15,000,000)	no	$ (15,000,000)	no
Technical Education Equipment Grant	2,500,000		(2,500,000)	no	(2,500,000)	no	(2,500,000)	no
Subtotal - Regents	$ 17,500,000		$ (17,500,000)		$ (17,500,000)		$ (17,500,000)	
University of Kansas								
School of Pharmacy Expansion	$ 1,000,000		$ (1,000,000)	yes	$ (1,000,000)	no	$ (1,000,000)	yes
University of Kansas Medical Center								
Energy Conservation (Debt)	$ 908,000	*	$ (908,000)	yes	$ (908,000)	yes	$ (908,000)	yes
Wichita State University								
Aviation Research (Debt)	$ 1,644,208	*	$ (1,644,208)	yes	$ (1,644,208)	yes	$ (1,644,208)	yes
Aviation Infrastructure	2,500,000		(2,500,000)	no	(2,500,000)	no	(2,500,000)	no
Subtotal - Wichita State University	$ 4,144,208		$ (4,144,208)		$ (4,144,208)		$ (4,144,208)	
Pittsburg State University								
Readiness Center (Debt)	$ 326,999	*	$ (326,999)	yes	$ (326,999)	yes	$ (326,999)	yes
TOTAL TRANSFERS AND EXPENDITURES	$ 81,390,836		$ (81,390,836)		$ (77,021,020)		$ (81,771,020)	

ELARF Cashflow	Governor's Recommendation FY 2009	House Adjustments FY 2009	Senate Adjustments FY 2009	Conference Committee Adjustments FY 2009
Beginning Balance	$ 9,338,700	$ 9,338,700	$ 9,338,700	$ 9,338,700
Gaming Revenues	72,432,320	72,432,320	72,432,320	72,432,320
Other Income**	-	-	-	-
Total Available	$ 81,771,020	$ 81,771,020	$ 81,771,020	$ 81,771,020
Less: Expenditures and Transfers	81,390,836	-	4,750,000 a)	81,771,020 c)
ENDING BALANCE	$ 380,184	$ 81,771,020	$ 77,021,020	$ -

New Reserve Funds d)	Governor's Recommendation FY 2009	House Adjustments FY 2009	Senate Adjustments FY 2009	Committee Adjustments FY 2009
State Property Tax Relief Reserve Fund	$ -	$ 27,257,006	$ -	$ 27,257,006
State Infrastructure Reserve Fund	-	27,257,007	-	27,257,007 c)
State Debt Reduction Reserve Fund	-	27,257,007	-	27,257,007
Total Available	$ -	$ 81,771,020	$ -	$ 81,771,020

* Replaces State General Fund debt service totaling $40,451,139 for all agencies.

** Other income includes interest, transfers, reimbursements and released encumbrances.

a) Two new projects funded by Senate from ELARF in FY 2009, totaling $4,750,000.

b) Three new projects partially funded from SGF in FY 2009, totaling $3.3 million.

c) School of Pharmacy project in FY 2009, the $5.0 million SGF expenditure to be repaid from ELARF funds when available in the State Infrastructure Reserve Fund.

d) SB 534 creates three new reserve funds and provides for one-third of ELARF revenue to be transferred into each fund.

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Comparison of Revenue and Transfer Estimates for Expanded Lottery: FY 2008 to FY 2010

Revenue Source	Jan-08 Gov. Rec. FY 2008 Projected	Apr-08 Revised FY 2008 Estimate	Jan-08 Gov. Rec. FY 2009 Projected	Apr-08 Revised FY 2009 Estimate	Apr-08 New FY 2010 Estimate
Racino Privilege Fees					
Woodlands	$ 2,417,500	$ -	$ -	$ 2,000,000	$ -
Camptown	2,000,000	-	-	1,500,000	-
Transfer to ELARF	$ 4,417,500	$ -	$ -	$ 3,500,000	$ -
Casino Privilege Fees					
Northeast	-	-	-	-	25,000,000
Southeast	-	-	25,000,000	25,000,000	-
South Central	-	-	-	-	25,000,000
Dodge City	-	-	5,500,000	5,500,000	-
Transfer to ELARF	$ -	$ -	$ 30,500,000	$ 30,500,000	$ 50,000,000
Total Privilege Fees	$ 4,417,500	$ -	$ 30,500,000	$ 34,000,000	$ 50,000,000
Racino Slot Machine Revenue					
Woodlands	$ 8,703,000	$ -	$ 70,591,000	$ 47,432,000	$ 87,016,000
Camptown	3,600,000	-	30,952,000	11,466,000	55,845,000
Total Revenue	$ 12,303,000 a)	$ -	$ 101,543,000 a)	$ 58,898,000 b)	$ 142,861,000
TOTAL REVENUE	$ 16,720,500	$ -	$ 132,043,000	$ 92,898,000	$ 192,861,000

Percent	Distribution of Slot Machine Revenue					
7.0%	Live Horse Racing Purse Supp. Fund	$ 861,210	$ -	$ 5,792,890	$ 3,802,620	$ 5,250,000
7.0%	Live Greyhound Racing Purse Supp. Fund	861,210	-	5,792,890	3,802,620	5,250,000
1.0%	Horse Fair Racing Benefit Fund	123,030	-	1,015,430	588,980	1,428,610
2.0%	Problem Gambling & Addiciton Grant Fund	246,060	-	2,030,860	1,177,960	2,857,220
3.0%	Cities and Counties	369,090	-	3,046,290	1,766,940	4,285,830
25.0%	Racetrack Gaming Facility Mgr. Fees	3,075,750	-	26,700,870	15,044,740	40,465,520
15.0%	Racetrack Gaming Facility Expenses c)	1,845,450	-	15,231,450	8,834,700	21,429,150
40.0%	**Transfer to ELARF**	4,921,200	-	41,932,320	23,879,440	61,894,670
100.0%	Total Transfers and Expenditures	$ 12,303,000	$ -	$ 101,543,000	$ 58,898,000	$ 142,861,000
	TOTAL Transferred to ELARF	$ 9,338,700	$ -	$ 72,432,320	$ 57,879,440	$ 111,894,670

a) Estimated 1,767 gaming machines.
b) Estimated 1,400 gaming machines.
c) Up to 15.0 percent for gaming expenses.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

010-West--Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ◆ FAX (785) 296-3824

kslegres@klrd.state.ks.us http://www.kslegislature.org/klrd

April 18, 2008

To: Governor Kathleen Sebelius and Legislative Budget Committee

From: Kansas Legislative Research Department
Kansas Division of the Budget

Re: State General Fund Receipts Revisions for FY 2008 and FY 2009

Estimates for revenues to the State General Fund (SGF) are developed using a consensus process that involves the Legislative Research Department, Division of the Budget, Department of Revenue, and three consulting economists from state universities. This estimate is the base from which the Governor and the Legislature build the annual budget. The Consensus Group met on April 16, 2008, and decreased the overall estimate for both fiscal years by a combined $129.9 million relative to the previous estimate made in November. The revised FY 2008 estimate is $5.737 billion, and the revised FY 2009 estimate is $6.021 billion. The revised estimates incorporate the fiscal impact of all 2008 legislation previously signed into law by April 16 or expected to be signed into law shortly thereafter and include significant adjustments relative to the impact of the new federal economic stimulus legislation; a major downward revision in projected SGF interest earnings; and increased transfers.

For FY 2008, the estimate was increased by $19.3 million, or 0.3 percent, above the November estimate. The overall revised SGF estimate of $5.737 billion represents a 1.2 percent reduction below final FY 2007 receipts. This result is largely attributable to more than $200 million in new transfers enacted in 2007; and various other tax cuts and diversions of revenue enacted since 2004.

The revised estimate for FY 2009 of $6.021 billion was decreased by $149.2 million, or 2.4 percent below the November estimate. The revised FY 2009 estimate is 5.0 percent above the newly revised FY 2008 figure. Various tax cuts and increased transfers enacted in recent years also influenced the FY 2009 growth rate, as did the new federal stimulus legislation, which is expected to have a negative impact on Kansas income tax receipts well in excess of any positive impact on sales or other excise tax receipts.

Economic Forecast for Kansas

Although economic growth continued through the end of 2007 at a relatively strong pace, indications are that the rate of growth has been slowing substantially during the early months of 2008. As a result of wide variance in many national forecasts with respect to the severity and duration of the looming economic downturn, the level of uncertainty for the balance of 2008 now appears to be much higher than it might have in the Fall of 2007 relative to many of the key Kansas economic variables. The current 2008 estimates of nominal Kansas Personal Income (KPI) and Kansas Gross State Product growth of 3.7 and 4.0 percent, respectively, are significantly less than the similar estimates of 5.1 and 5.0 percent used in November. Nevertheless, expectations are that Kansas will not be affected as dramatically as will the national economy by

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the impact of turmoil associated with the housing market. Moreover, the relative health of certain key sectors of the state's economy, including agriculture, energy, and aviation manufacturing will enable Kansas to experience a milder slowdown than the country as a whole. The Consensus estimates contained herein are based on a number of such assumptions regarding a significantly slower rate of growth in the state economy than had been anticipated in November; and the likelihood that higher levels of growth will have resumed by the first half of 2009.

Federal Stimulus Legislation

Since the estimates were made last fall, one significant new development relates to the federal enactment of H. R. 5140, legislation that will provide "recovery rebate credits" to individuals of $600 ($1,200 for joint returns) phased out above certain income levels. Additional checks will be available of $300 per dependent child. Certain low-income individuals and those receiving Social Security or veterans' benefits will also be eligible for $300. Relative to businesses, the new law provides a bonus depreciation deduction for tax year 2008 of 50 percent of qualified asset costs; and an increase in the applicability of the Section 179 expensing allowance for certain small businesses.

While it is not clear what Kansas households will do with the average $917 in rebates they will receive, a nationwide Associated Press-Ipsos poll taken at the time the law was approved found that just 19 percent of the people surveyed said they planned to make new purchases with the money; 45 percent said they would use it to pay bills; and another 32 percent said they would save or invest it.

Another very important caveat about the extent to which increased sales tax receipts should be considered "new" money relative to the November estimates relates to the decision by Congress to enact the stimulus package in the first place. Generally, the legislation was crafted in response to fears that the economy is sliding into a recession, something that was not contemplated in November. Reduced consumer confidence and the overall weaker economy are new realities which could tend to offset much, if not all, of the enhanced receipts attributable to expenditures of the rebates. Nevertheless, based on discussions with the Department of Revenue, the SGF sales tax estimates for both fiscal years combined were increased by $8 million ($2 million in FY 2008 and $6 million in FY 2009).

Because Kansas generally begins computation of its income tax liability using federal tax law as a starting point, the new depreciation and expensing provisions allowed under the new federal law automatically will flow through and also affect state income tax receipts.

The Department of Revenue has refined the analysis of the short-term impact of the new federal bonus depreciation and expensing provisions such that the estimated reduction of $87 million by the end of FY 2009 is now expected to be realized as follows: FY 2008 receipts will be reduced by $13 million ($10 million corporation income tax and $3 million individual); and FY 2009 receipts will be reduced by $74 million ($60 million corporation income tax and $14 million individual). These assumptions are built into the revised estimates for both sources.

Kansas Personal Income

Kansas Personal Income (KPI) in 2007 grew by 6.4 percent over the 2006 level. The growth rate for KPI is expected to fall significantly for 2008 before rebounding slightly in 2009, with the estimates now set at 3.7 and 5.2 percent, respectively. Current estimates are that overall US Personal Income growth will generally track closely with KPI growth.

Employment

Data obtained from the Kansas Department of Labor indicate while the employment picture for Kansas was robust during the first half of 2007, seasonally adjusted non-farm employment remained constant from July 2007 through February 2008. The most recent monthly data show that total Kansas private (non-farm) employment from January 2007 to January 2008 had grown by 1.6 percent; and government employment by 1.4 percent. Growth in manufacturing jobs, professional and business services, and health care and social assistance employment helped fuel much of the growth during 2007. Current estimates by the Department are that private employment, which is expected to increase at a rate of 1.1 percent in FY 2009, will continue to grow faster than government employment for the foreseeable future. The overall Kansas unemployment rate, which was 4.1 percent in CY 2007, is expected to jump to 4.8 percent in CY 2008 before dropping slightly to 4.6 percent in CY 2009.

Agriculture

Although net farm income in 2007 was significantly higher than 2006, the outlook for 2008 is much more uncertain as a result of higher input prices, especially energy costs. The All Farm Products Index of Prices received by Kansas farmers was 147 in March, up from 127 a year earlier. The latest prospective plantings report indicates farmers expect to plant 19.7 million acres of the four major grain crops in 2008, unchanged from 2007. Topsoil and subsoil moisture conditions remain a major concern in several areas of the state.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is now estimated to be $76 for FY 2008 and $80 for FY 2009, up substantially from the $68 per barrel forecast for both years used in November. Significant political tensions in the Middle East and elsewhere and the continued decline in the value of the dollar have accelerated the increased volatility in oil prices and added to the uncertainty about forecasting the price of this commodity. Gross oil production in Kansas, which generally had been declining steadily for more than a decade until FY 2000, has stabilized since that time and is currently forecast to reach 37 million barrels per year by the end of FY 2009. Approximately half of all Kansas oil produced is not subject to severance taxation because of various exemptions in that law.

The price of natural gas is expected to average $6 per mcf for FY 2008 before increasing to $7 per mcf for FY 2009, based on an industry source's analysis of futures markets. Factors considered for these estimates included the relationship between crude oil and gas prices, the decline of the dollar, the relatively cold winter of 2007-08 (which helped lead to reduced gas storage levels), and enhanced production techniques from shale formations that are leading to significantly increased production elsewhere in the United States. Kansas natural gas production

in FY 2007 of 371 million cubic feet represented a continuing decrease from the modern era peak of 730 million cubic feet in FY 1996. Production is expected to continue to decline for the foreseeable future as natural gas reserves, especially those in the Hugoton Field, are depleted. The current forecast is for 368 million cubic feet for FY 2008 and 365 million cubic feet for FY 2009.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased by 2.7 percent in 2007, matching the final November forecast. Although the current forecasts for 2008 and 2009 are for inflation to continue at historically moderate levels, 2.9 percent and 2.1 percent, respectively, some analysts have begun expressing concerns that recent aggressive monetary policy initiatives by the Federal Reserve could lead to additional inflationary pressures.

Interest Rates

The Pooled Money Investment Board is authorized to make investments in US Treasury and Agency securities, highly rated commercial paper, repurchase agreements and certificates of deposit in Kansas banks. In FY 2007, the state earned 5.27 percent on its SGF portfolio. The average rate of return forecasted for FY 2008 is 4.80 percent. For FY 2009, the forecasted rate is 2.31 percent (down substantially from the 4.25 percent rate assumed in November).

Economic Forecasts

	CY 07	CY 08*	CY 09*
KPI Growth	6.4%	3.7%	5.2%
Inflation (CPI-U)	2.7%	2.9%	2.1%

	FY 07	FY 08*	FY 09*
SGF Interest	5.27%	4.80%	2.31%
Oil and Gas			
Oil Price per bbl	$59.10	$76.00	$80.00
Gross Prod. (000)	35,432	36,500	37,000
Gas Price per mcf	$5.36	$6.00	$7.00
Gas Taxable Value	1,853,692	2,097,600	2,427,250

* Estimated

Attached Tables

Table 1 compares the new FY 2008 and FY 2009 estimates by source with actual receipts from FY 2007. Tables 2 and 3 show the changes in the estimates by source for each fiscal year.

State General Fund Receipts Estimates

FY 2008. The revised estimate of SGF receipts for FY 2008 is $5.737 billion, an increase of $19.3 million from the previous estimate made in November. Total SGF receipts through March were running $53.4 million ahead of the previous estimate. The revised estimate is $72.4 million or 1.2 percent below actual FY 2007 receipts. This result is largely attributable to more than $200 million in new transfers enacted in 2007 (school finance "lock box" and statewide maintenance and disaster relief); $36 million in various tax cuts; and a smaller share of sales and use tax receipts' being put in the SGF pursuant to 2004 legislation related to financing for the Comprehensive Transportation Program.

Each individual SGF source was reevaluated independently and consideration was given to revised and updated economic forecasts, collection information from the Departments of Revenue and Insurance, and year-to-date receipts.

The estimate of total taxes was increased by $41.9 million. Of this amount, new estimates for the individual income tax, sales tax, and severance tax accounted for $40.9 million. Total taxes, which had grown by 8.0 percent in FY 2007, are now projected to grow by 3.0 percent in FY 2008.

The estimate for individual income taxes was increased by $17.0 million. Stock market growth throughout 2007 likely has resulted in greater capital gains relative to tax year 2006 liability. Receipts through March were running $18.1 million ahead of the prior fiscal-year-to-date estimate. The revised FY 2008 estimate now calls for growth of $238 million, or 8.8 percent, in this source over FY 2007 receipts.

The sales tax estimate, up $15.2 million over the prior fiscal-year-to-date estimate through March, was increased by $12 million.

The overall severance tax estimate was increased by a combined $11.9 million, with $8.3 million from an increase in the oil estimate and $3.6 million from an increase in the gas tax.

On the negative side, the estimates for net transfers, agency earnings, and interest were decreased by $10.9 million, $7.7 million, and $4.0 million, respectively. The transfer to the Biosciences Authority will be $14.4 million more than had been anticipated in November.

Downward adjustments to estimates for tax sources included the cigarette tax ($3.5 million); the estate tax ($3.0 million); and the compensating use tax ($3.0 million).

Details of the current year's revised estimate are reflected in Table 2.

FY 2009. SGF receipts are estimated to be $6.021 billion in FY 2009, a decrease of $149.2 million relative to the November estimate. The new FY 2009 figure is $284.3 million or

5.0 percent above the newly revised FY 2008 estimate. But the growth rate for total taxes is expected to drop to only 0.4 percent in FY 2009.

The most significant revision to the FY 2009 estimate relates to the impact of the new federal stimulus law. As noted previously, the corporation and individual income tax estimates were reduced by a combined $74 million in FY 2009 as a result of the new law's anticipated impact.

The individual income tax forecast also takes into consideration far more sluggish growth in the economy, KPI, and the stock market. The corporation income tax receipts estimate also takes into account the expectation of decelerating growth in corporate profits for 2008 relative to 2007. As a result, the overall individual income tax estimate was reduced by $34 million; and the corporation income tax estimate by $65 million for FY 2009.

Other significant reductions to tax sources include the compensating use tax ($12.0 million); the cigarette tax ($5.5 million); the sales tax ($4.0 million); and the estate tax ($3.0 million).

As noted previously, the substantial downward revision in the SGF portfolio interest rate (from 4.25 percent to 2.31 percent), coupled with lower SGF balances, caused the projected interest earnings estimate to be reduced by $40 million. The estimate for net transfers also was decreased by $7.7 million, with the transfer to the Biosciences Authority expected to be $22.0 million more than had been anticipated in November. The forecast for agency earnings also was reduced by $7.7 million.

On the positive side, the severance tax estimate was increased by $25.5 million, $13.6 million from oil and $11.9 million from gas. The only other source estimate increased by more than $1.0 million is the motor carrier property tax, which was increased by $1.5 million.

Details of the FY 2009 revisions are shown in Table 3.

FY 2010 and thereafter. Although the Consensus Group will not make its initial estimate for FY 2010 until the fall, worthy of note is the fact that a number of provisions in previously enacted legislation will further reduce SGF receipts beginning in FY 2010:

- Legislation enacted in 2006 that decoupled the Kansas estate tax from the federal law beginning in 2007 and eliminates the Kansas tax altogether in 2010 will reduce receipts relative to the prior law by an estimated $37 million in FY 2010; $47 million in FY 2011; and $52 million in FY 2012.

- Legislation enacted in 2007 that phases out the franchise tax will reduce receipts relative to the prior law by an estimated $26.5 million in FY 2010; $37.0 million in FY 2011; and $48.0 million in FY 2012.

- Legislation enacted in 2006 relative to a property tax exemption for business machinery and equipment is expected to further reduce motor carrier property tax receipts to the SGF by $3.9 million in FY 2010; $5.6 million in FY 2011; and $7.4 million in FY 2012.

- Additional legislation enacted in 2005 will reduce severance tax receipts to the SGF by $12.5 million in FY 2010; $16.6 million in FY 2011; and $20.7 million in FY 2012.

Accuracy of Consensus Revenue Estimates

For 33 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Besides the three state agencies identified on the first page, the economists currently involved in the process are Joe Sicilian from the University of Kansas, Ed Olson from Kansas State University, and John Wong from Wichita State University. Each of the agencies and individuals involved in the process prepared independent estimates and met on April 16, 2008, to discuss estimates and come to a consensus for each fiscal year.

STATE GENERAL FUND ESTIMATES

Fiscal Year	Adjusted Original Estimate*	Adjusted Final Estimate**	Actual Receipts	Difference from Original Estimate*		Difference from Final Estimate**	
				Amount	Percent	Amount	Percent
1975	--	$614.9	$627.6	--	--	$12.7	2.1%
1976	$676.3	699.7	701.2	$24.9	3.7%	1.4	0.2
1977	760.2	760.7	776.5	16.3	2.1	15.8	2.1
1978	830.1	861.2	854.6	24.5	3.0	(6.5)	(0.8)
1979	945.2	1,019.3	1,006.8	61.6	6.5	(12.5)	(1.2)
1980	1,019.3	1,095.9	1,097.8	78.5	7.7	1.9	0.2
1981	1,197.1	1,226.4	1,226.5	29.4	2.5	0.1	0.0
1982	1,351.3	1,320.0	1,273.0	(78.3)	(5.8)	(47.0)	(3.6)
1983	1,599.2	1,366.9	1,363.6	(235.6)	(14.7)	(3.2)	(0.2)
1984	1,596.7	1,539.0	1,546.9	(49.8)	(3.1)	7.9	0.5
1985	1,697.7	1,679.7	1,658.5	(39.2)	(2.3)	(21.3)	(1.3)
1986	1,731.2	1,666.4	1,641.4	(89.8)	(5.2)	(25.0)	(1.5)
1987	1,903.1	1,764.7	1,778.5	(124.6)	(6.5)	13.8	0.8
1988	1,960.0	2,031.5	2,113.1	153.1	7.8	81.6	4.0
1989	2,007.8	2,206.9	2,228.3	220.5	11.0	21.4	1.0
1990	2,241.2	2,283.3	2,300.5	59.3	2.6	17.2	0.8
1991	2,338.8	2,360.6	2,382.3	43.5	1.9	21.7	0.9
1992	2,478.7	2,454.5	2,465.8	(12.9)	(0.5)	11.3	0.5
1993	2,913.4	2,929.6	2,932.0	18.6	0.6	2.4	0.1
1994	3,040.1	3,126.8	3,175.7	135.6	4.5	48.9	1.6
1995	3,174.4	3,243.9	3,218.8	44.4	1.4	(25.1)	(0.8)
1996	3,428.0	3,409.2	3,448.3	20.3	0.6	39.0	1.1
1997	3,524.8	3,642.4	3,683.8	159.0	4.5	41.4	1.1
1998	3,714.4	3,971.0	4,023.7	309.3	8.3	52.7	1.3
1999	3,844.7	4,051.9	3,978.4	133.7	3.5	(73.4)	(1.8)
2000	4,204.1	4,161.0	4,203.1	(1.0)	0.0	42.1	1.0
2001	4,420.7	4,408.7	4,415.0	(5.7)	(0.1)	6.4	0.1
2002	4,674.5	4,320.6	4,108.9	(565.6)	(12.1)	(211.7)	(4.9)
2003	4,641.0	4,235.6	4,245.6	(395.4)	(9.3)	9.9	0.2
2004	4,605.5	4,450.5	4,518.7	(86.8)	(1.9)	68.2	1.5
2005	4,490.5	4,793.8	4,841.3	350.8	7.8	47.5	1.0
2006	4,834.0	5,308.7	5,394.4	560.4	11.6	85.7	1.6
2007	5,144.0	5,721.3	5,809.0	665.0	12.9	87.8	1.5

* The adjusted original estimate is the estimate made in November or December prior to the start of the next fiscal year in July and adjusted to account for legislation enacted, if any, which affected receipts to the SGF.

** The final estimate made in March, April, or June is the adjusted original estimate plus or minus changes subsequently made by the Consensus Estimating Group. It also includes the estimated impact of legislation on receipts.

The table (above) presents estimates compared to actual receipts since FY 1975, the fiscal year for which the current process was initiated. First, the adjusted original estimate is compared to actual collections and then the final estimate is compared to actual receipts.

Concluding Comments

Consensus revenue estimates are based on current federal and state laws and their current interpretation. These estimates will be further adjusted at the conclusion of the 2008 Legislative Session to reflect state legislation enacted after April 16 which affects SGF receipts.

Table 1
Consensus Revenue Estimate for Fiscal Years 2008 and 2009 and FY 2007 Actual Receipts
(Dollars in Thousands)

	FY 2007 (Actual)		FY 2008 (Revised)		FY 2009 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	$25,812	17.0 %	$30,500	18.2 %	$29,500	(3.3) %
Income Taxes:						
Individual	$2,709,340	14.3 %	$2,947,000	8.8 %	$3,071,000	4.2 %
Corporation	442,449	26.3	420,000	(5.1)	325,000	(22.6)
Financial Inst.	31,126	0.2	39,000	25.3	40,000	2.6
Total	$3,182,915	15.6 %	$3,406,000	7.0 %	$3,436,000	0.9 %
Estate Tax	$55,620	7.4 %	$47,000	(15.5) %	$32,000	(31.9) %
Excise Taxes:						
Retail Sales	$1,766,768	1.8 %	$1,712,000	(3.1) %	$1,726,000	0.8 %
Compensating Use	284,981	5.8	272,000	(4.6)	268,000	(1.5)
Cigarette	115,282	(2.2)	110,000	(4.6)	108,000	(1.8)
Tobacco Products	5,305	4.2	5,600	5.6	5,600	--
Cereal Malt Bev.	2,091	--	2,200	5.2	2,200	--
Liquor Gallonage	17,053	2.3	17,600	3.2	17,800	1.1
Liquor Enforcement	47,138	6.6	50,500	7.1	52,000	3.0
Liquor Drink	8,567	7.0	9,200	7.4	9,500	3.3
Corp. Franchise	47,892	2.1	41,000	(14.4)	32,000	(22.0)
Severance	116,025	(13.0)	140,400	21.0	151,300	7.8
Gas	79,624	(17.5)	84,500	6.1	92,600	9.6
Oil	36,401	(1.3)	55,900	53.6	58,700	5.0
Total	$2,411,103	1.3 %	$2,360,500	(2.1) %	$2,372,400	0.5 %
Other Taxes:						
Insurance Prem.	$114,696	1.4 %	$119,000	3.8 %	$119,000	-- %
Miscellaneous	4,601	(22.1)	4,500	(2.2)	3,500	(22.2)
Total	$119,297	-- %	$123,500	3.5 %	$122,500	(0.8) %
Total Taxes	$5,794,747	8.8 %	$5,967,500	3.0 %	$5,992,400	0.4 %
Other Revenues:						
Interest	$92,276	69.8 %	$104,000	12.7 %	$61,000	(41.3) %
Net Transfers	(142,446)		(387,200)		(86,000)	
Agency Earnings	64,467	13.1	52,300	(18.9)	53,500	2.3
Total	$14,297	(79.3) %	($230,900)		$28,500	112.3 %
Total Receipts	$5,809,043	7.7 %	$5,736,600	(1.2) %	$6,020,900	5.0 %

Table 2
State General Fund Receipts
FY 2008 Revised
Comparison of November 2007 Estimate to April 2008 Estimate
(Dollars in Thousands)

	FY 2008 CRE Est. Revised 11/05/07	FY 2008 CRE Est. Revised 04/16/08	Difference Amount	Difference Pct. Chg.
Property Tax:				
Motor Carrier	$28,500	$30,500	$2,000	7.0 %
Income Taxes:				
Individual	$2,930,000	$2,947,000	$17,000	0.6 %
Corporation	415,000	420,000	5,000	1.2
Financial Inst.	39,000	39,000	--	--
Total	$3,384,000	$3,406,000	$22,000	0.7 %
Estate Tax	$50,000	$47,000	($3,000)	(6.0) %
Excise Taxes:				
Retail Sales	$1,700,000	$1,712,000	$12,000	0.7 %
Compensating Use	275,000	272,000	(3,000)	(1.1)
Cigarette	113,500	110,000	(3,500)	(3.1)
Tobacco Product	5,500	5,600	100	1.8
Cereal Malt Beverage	2,100	2,200	100	4.8
Liquor Gallonage	17,500	17,600	100	0.6
Liquor Enforcement	49,500	50,500	1,000	2.0
Liquor Drink	9,000	9,200	200	2.2
Corporate Franchise	41,000	41,000	--	--
Severance	128,500	140,400	11,900	9.3
Gas	80,900	84,500	3,600	4.4
Oil	47,600	55,900	8,300	17.4
Total	$2,341,600	$2,360,500	$18,900	0.8 %
Other Taxes:				
Insurance Premiums	$119,000	$119,000	$ --	-- %
Miscellaneous	2,500	4,500	2,000	80.0
Total	$121,500	$123,500	$2,000	1.6 %
Total Taxes	$5,925,600	$5,967,500	$41,900	0.7 %
Other Revenues:				
Interest	$108,000	$104,000	($4,000)	(3.7) %
Net Transfers	(376,300)	(387,200)	(10,900)	(2.9)
Agency Earnings	60,000	52,300	(7,700)	(12.8)
Total Other Revenue	($208,300)	($230,900)	($22,600)	10.8 %
Total Receipts	$5,717,300	$5,736,600	$19,300	0.3 %

Table 3
State General Fund Receipts
FY 2009 Revised
Comparison of November 2007 Estimate to April 2008 Estimate
(Dollars in Thousands)

	FY 2009 CRE Est. Revised 11/05/07	FY 2009 CRE Est. Revised 04/16/08	Difference Amount	Difference Pct. Chg.
Property Tax:				
Motor Carrier	$28,000	$29,500	$1,500	5.4 %
Income Taxes:				
Individual	$3,105,000	$3,071,000	($34,000)	(1.1) %
Corporation	390,000	325,000	(65,000)	(16.7)
Financial Inst.	40,000	40,000	--	--
Total	$3,535,000	$3,436,000	($99,000)	(2.8) %
Estate Tax	$35,000	$32,000	($3,000)	(9) %
Excise Taxes:				
Retail Sales	$1,730,000	$1,726,000	($4,000)	(0.2) %
Compensating Use	280,000	268,000	(12,000)	(4.3)
Cigarette	113,500	108,000	(5,500)	(4.8)
Tobacco Product	5,500	5,600	100	1.8
Cereal Malt Beverage	2,100	2,200	100	4.8
Liquor Gallonage	17,500	17,800	300	1.7
Liquor Enforcement	51,000	52,000	1,000	2.0
Liquor Drink	9,300	9,500	200	2.2
Corporate Franchise	32,000	32,000	--	--
Severance	125,800	151,300	25,500	20.3
Gas	80,700	92,600	11,900	14.7
Oil	45,100	58,700	13,600	30.2
Total	$2,366,700	$2,372,400	$5,700	0.2 %
Other Taxes:				
Insurance Premiums	$119,000	$119,000	$ --	-- %
Miscellaneous	2,500	3,500	1,000	40.0
Total	$121,500	$122,500	$1,000	0.8 %
Total Taxes	$6,086,200	$5,992,400	($93,800)	(1.5) %
Other Revenues:				
Interest	$101,000	$61,000	($40,000)	(39.6) %
Net Transfers	(78,300)	(86,000)	(7,700)	(9.8)
Agency Earnings	61,200	53,500	(7,700)	(12.6)
Total Other Revenue	$83,900	$28,500	($55,400)	(66.0) %
Total Receipts	$6,170,100	$6,020,900	($149,200)	(2.4) %

Senate Ways and Means
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Attachment 10

Receipt Adjustments for SB 531 (School Finance in FY 2010)
April, 2008 Consensus Revenue Estimates for FY 2008 and FY 2009; 4.0 Percent Growth in FY 2010 and FY 2011
Reseve for Tax Adjustment Bills
Legislature Approved Expenditures in SB 534 for FY 2008 (revised) and FY 2009 as of First Adjournment
State Employee Pay Plan (Senate Substitute for HB 2916)
Keeping Promises Education Trust Fund - SB 531
Assumes No Expanded Gaming Revenue

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES

FY 2007 - FY 2011

In Millions

	Actual FY 2007	Approved FY 2008	Revised FY 2009	Projection FY 2010	Projection FY 2011
Beginning Balance	$ 733.6	$ 935.0	$ 552.5	$ 135.6	$ (166.9)
Receipts (April 2008 Consensus) - 4.0 Percent Growth	5,809.0	5,736.6	6,020.9	6,230.3	6,553.5
Keeping Education Promises Trust Fund (SB 531)	0.0	0.0	**(37.2)**	**37.2**	**0.0**
Federal Economic Stimulus Legislation	0.0	**0.0**	**0.0**	**21.9**	**15.7**
Adjusted Receipts	5,809.1	5,736.6	5,983.7	6,289.4	6,569.2
Total Available	$ 6,542.7	$ 6,671.6	$ 6,536.2	$ 6,425.0	$ 6,402.4
K-12 Additional Funding - SB 531 in FY 2010	194.5	149.0	122.7	**37.2**	**37.2**
State Employee Pay Plan - HB 2916	-	-	**42.6**	**8.5**	**8.5**
Less All Other Expenditures	5,413.2	5,970.1	6,235.3	6,546.2	6,730.2
Total Expenditures	5,607.7	6,119.1	6,400.6	6,591.9	6,775.9
Ending Balance	**$ 935.0**	**$ 552.5**	**$ 135.6**	**$ (166.9)**	**$ (373.5)**
Ending Balance as a Percentage of Expenditures	16.7%	9.0%	2.1%	-2.5%	-5.5%
Receipts Above Expenditures	201.4	(382.5)	(416.9)	(302.5)	(206.7)

1) FY 2007 expenditures are actual. FY 2008 (revised) and FY 2009 expenditures are as approved by the Legislature at first adjournment. Plus, state employee pay plan in Senate Substittue for HB 2916.

2) FY 2008 and FY 2009 receipts reflect the estimates of the Consensus Revenue Estimating Group as of April 16, 2008.

3) FY 2010 and FY 2011 base receipts assume a 4.0 percent growth.

4) $466.2 million in new K-12 Funding FY 2007 - FY 2009 - and $59 Base State Aid Per Pupil increase in FY 2010 in SB 531.

5) FY 2010 and FY 2011 expenditures would include on-going obligations such as social services caseloads, KPERS and school finance, partial restoration of the LAVTRF, and the Regents Deferred Maintenance Plan. In addition, the second and third year of the market pay adjustments for Executive Branch classified state employees (Senate Sub. HB 2916)

6) Keeping Promises Education Trust Fund transfer of $122.7 million out of the State General Fund in FY 2008 and returned to the State General Fund in FY 2009 for the FY 2009 school finance increase amount as provided in the 2006 school finance bill. Keeping Promises Education Trust Fund transfer out of $37.2 million in FY 2009 and in FY 2010 $37.2 million transferred back to the State General Fund.

Prepared at the Request and Direction of Senator Dwayne Umbarger
Kansas Legislative Research Department
April 22, 2008

Senate Omnibus - No Taxes - FY 2009 SGF Profile - Senator Dwayne Umbarger

Senate Ways and Means
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Attachment 11

Receipt Adjustments for SB 531 (School Finance in FY 2010)
April, 2008 Consensus Revenue Estimates for FY 2008 and FY 2009; 4.0 Percent Growth in FY 2010 and FY 2011
Reseve for Tax Adjustment Bills
Legislature Approved Expenditures in SB 534 for FY 2008 (revised) and FY 2009 as of First Adjournment
State Employee Pay Plan (Senate Substitute for HB 2916)
Keeping Promises Education Trust Fund - SB 531
Assumes No Expanded Gaming Revenue

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES

FY 2007 - FY 2011
In Millions

	Actual FY 2007	Approved FY 2008	Revised FY 2009	Projection FY 2010	Projection FY 2011
Beginning Balance	$ 733.6	$ 935.0	$ 552.5	$ 125.6	$ (196.9)
Receipts (April 2008 Consensus) - 4.0 Percent Growth	5,809.0	5,736.6	6,020.9	6,230.3	6,553.5
Reserve for Tax Reductions	0.0	0.0	**(10.0)**	**(20.0)**	**(30.0)**
Keeping Education Promises Trust Fund (SB 531)	0.0	0.0	**(37.2)**	**37.2**	**0.0**
Federal Economic Stimulus Legislation	0.0	**0.0**	**0.0**	**21.9**	**15.7**
Adjusted Receipts	5,809.1	5,736.6	5,973.7	6,269.4	6,539.2
Total Available	$ 6,542.7	$ 6,671.6	$ 6,526.2	$ 6,395.0	$ 6,342.4
K-12 Additional Funding - SB 531 in FY 2010	194.5	149.0	122.7	**37.2**	**37.2**
State Employee Pay Plan - HB 2916	-	-	**42.6**	**8.5**	**8.5**
Less All Other Expenditures	5,413.2	5,970.1	6,235.3	6,546.2	6,730.2
Total Expenditures	5,607.7	6,119.1	6,400.6	6,591.9	6,775.9
Ending Balance	**$ 935.0**	**$ 552.5**	**$ 125.6**	**$ (196.9)**	**$ (433.5)**
Ending Balance as a Percentage of Expenditures	16.7%	9.0%	2.0%	-3.0%	-6.4%
Receipts Above Expenditures	201.4	(382.5)	(426.9)	(322.5)	(236.7)

1) FY 2007 expenditures are actual. FY 2008 (revised) and FY 2009 expenditures are as approved by the Legislature at first adjournment. Plus, state employee pay plan in Senate Substittue for HB 2916.

2) FY 2008 and FY 2009 receipts reflect the estimates of the Consensus Revenue Estimating Group as of April 16, 2008.

3) FY 2010 and FY 2011 base receipts assume a 4.0 percent growth.

4) $466.2 million in new K-12 Funding FY 2007 - FY 2009 - and $59 Base State Aid Per Pupil increase in FY 2010 in SB 531.

5) FY 2010 and FY 2011 expenditures would include on-going obligations such as social services caseloads, KPERS and school finance, partial restoration of the LAVTRF, and the Regents Deferred Maintenance Plan. In addition, the second and third year of the market pay adjustments for Executive Branch classified state employees (Senate Sub. HB 2916)

6) Keeping Promises Education Trust Fund transfer of $122.7 million out of the State General Fund in FY 2008 and returned to the State General Fund in FY 2009 for the FY 2009 school finance increase amount as provided in the 2006 school finance bill. Keeping Promises Education Trust Fund transfer out of $37.2 million in FY 2009 and in FY 2010 $37.2 million transferred back to the State General Fund.

7) Reserve for tax reductions of $10.0 million in FY 2009, FY 2010, and FY 2011

Prepared at the Request and Direction of Senator Dwayne Umbarger
Kansas Legislative Research Department
April 22, 2008

Senate Omnibus FY 2009 SGF Profile - Senator Dwayne Umbarger

Senate Ways and Means
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Attachment 12

Receipt Adjustments for SB 531 (School Finance in FY 2010)
April, 2008 Consensus Revenue Estimates for FY 2008 and FY 2009; 4.0 Percent Growth in FY 2010
Estimated Impact of Tax Bills
Legislature Approved Expenditures in SB 534 for FY 2008 (revised) and FY 2009 as of First Adjournment; and House Appropriations Committee Recommendations on the Omnibus Bill
State Employee Pay Plan (Senate Substitute for HB 2916)
Keeping Promises Education Trust Fund - SB 531
Assumes No Expanded Gaming Revenue

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
FY 2007 - FY 2011
In Millions

	Actual FY 2007	Revised FY 2008	Revised FY 2009	Projection FY 2010	Projection FY 2011
Beginning Balance	$ 733.6	$ 935.0	$ 533.5	$ 87.0	$ (262.6)
Receipts (April 2008 Consensus) - 4.0 Percent Growth	5,809.0	5,736.6	6,020.9	6,230.3	6,553.5
Reserve for Tax Reductions	0.0	0.0	**(10.0)**	**(20.0)**	**(30.0)**
Keeping Education Promises Trust Fund (SB 531)	0.0	0.0	**(37.2)**	**37.2**	**0.0**
Federal Economic Stimulus Legislation	0.0	**0.0**	**0.0**	**21.9**	**15.7**
Other Receipt Adjustments	0.0	0.0	**7.5**	0.0	0.0
Adjusted Receipts	5,809.1	5,736.6	5,981.2	6,269.4	6,539.2
Total Available	$ 6,542.7	$ 6,671.6	$ 6,514.7	$ 6,356.4	$ 6,276.7
K-12 Additional Funding - SB 531 in FY 2010	194.5	149.0	122.7	**37.2**	**-**
State Employee Pay Plan - HB 2916	-	-	**42.6**	**8.5**	**8.5**
House Appropriations Committee - Omnibus	-	**19.0**	**27.1**	**-**	**-**
Less All Other Expenditures	5,413.2	5,970.1	6,235.3	6,573.3	6,757.3
Total Expenditures	5,607.7	6,138.1	6,427.7	6,619.0	6,765.8
Ending Balance	**$ 935.0**	**$ 533.5**	**$ 87.0**	**$ (262.6)**	**$ (489.1)**
Ending Balance as a Percentage of Expenditures	16.7%	8.7%	1.4%	-4.0%	-7.2%
Receipts Above Expenditures	201.4	(401.5)	(446.5)	(349.6)	(226.6)

1) FY 2007 expenditures are actual. FY 2008 (revised) and FY 2009 expenditures are as approved by the Legislature at first adjournment, including Omnibus recommendations. Plus, state employee pay plan in Senate Substittue for HB 2916.

2) FY 2008 and FY 2009 receipts reflect the estimates of the Consensus Revenue Estimating Group as of April 16, 2008.

3) FY 2010 and FY 2011 base receipts assume a 4.0 percent growth.

4) $466.2 million in new K-12 Funding FY 2007 - FY 2009 - and $59 Base State Aid Per Pupil increase in FY 2010 in SB 531.

5) FY 2010 and FY 2011 expenditures would include on-going obligations such as social services caseloads, KPERS and school finance, partial restoration of the LAVTRF, and the Regents Deferred Maintenance Plan. In addition, the second and third year of the market pay adjustments for Executive Branch classified state employees (Senate Sub. HB 2916)

6) Keeping Promises Education Trust Fund transfer of $122.7 million out of the State General Fund in FY 2008 and returned to the State General Fund in FY 2009 for the FY 2009 school finance increase amount as provided in the 2006 school finance bill. Keeping Promises Education Trust Fund transfer out of $37.2 million in FY 2009 and in FY 2010 $37.2 million transferred back to the State General Fund.

7) Reserve for tax reductions of $10.0 million in FY 2009, FY 2010, and FY 2011

Prepared at the Request and Direction of Representative Sharon Schwartz
Kansas Legislative Research Department
April 22, 2008

House Omnibus Final FY 2009 SGF Profile - Representative Sharon Schwartz

To: Senate Ways & Means Committee Members
House Appropriation Committee Members

Fr: Mike Beam, Kansas Livestock Association
Alan Pollom, The Nature Conservancy of Kansas
Jason Fizell, Kansas Land Trust

CC: Greg Foley, State Conservation Commission

Date: April 18, 2008

Subj: **Support for FY 08 State Conservation Commission budget – conservation easements**

It is our understanding the Ways and Means/ Appropriation Committees, during omnibus bill discussions, will consider reauthorization of the $266,224 balance remaining in the **FY 08** State Conservation Commission (SCC) budget for the purchase of conservation easements. As we understand your previous FY 08 and FY 09 actions, this appropriation decision was deferred until the omnibus bill(s) action during the wrap-up session.

Last year, the Legislature approved $311,000 in FY 08 state funding, within the SCC budget, for use as a match to the USDA Farm and Ranchland Protection Program (FRPP). These dollars were to be used to leverage the USDA-FRPP funds allocated to Kansas. The federal program (FRPP) provides a 50 percent federal match to purchase conservation easements (on a voluntary basis) to permanently protect farm and ranch land from development. This FY 08 state appropriation included a proviso directing the priority for conservation easements on lands adjacent or near military installations, commonly referred to as the Army Compatible Use Buffer (ACUB) program.

Following last year's appropriation, $744,000 of USDA funds was obligated to the Kansas Land Trust (KLT) and The Nature Conservancy (TNC) for the purchase of two (2) conservation easements on 3,240 acres of native range land in the Flint Hills. The KLT project (1,250 acres) is located in the Ft. Riley ACUB area, thus the Department of Defense has pledged to contribute an additional $177,500 of federal funds for this specific conservation easement purchase.

KLT's agreement with a Riley County landowner includes the expenditure of $177,500 of the State Conservation Commission's FY 08 conservation easement budget for this application.

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Attachment 13

The remaining $88,724 in FY 08 SCC funds ($266,224 SCC balance - $177,500 for the Riley Co. project) **is intended for use by TNC to help match the $194,475 non-federal share of the FRPP conservation easement on a 1,989.5 acre Flint Hills ranch in Chase County, Kansas.**
USDA has obligated $388,950 (50%) for this project if the $194,475 (25%) match is delivered. In this instance, the landowner has agreed to contribute the remaining $194,475 (25%) as a bargain sale agreement.

An appraisal of these two projects has been used to value the conservation easements and **to secure the $744,000 commitment by USDA**.

We respectfully urge you to reauthorize the balance of last year's appropriation ($266,224) in the final FY 08 budget of SCC.

SCC provided the House Appropriations Committee detailed information about the two FRPP projects noted above. We would be happy to provide additional information about these projects upon request.

FY 09 Budget:
We are disappointed the $311,000 in FY 09 conservation easement expenditures were omitted from next year's SCC budget. USDA has recently obligated federal funds for an additional 7,300-plus acres of private ranch land in the Flint Hills. These funds, as proposed in the Governor's FY 09 budget, would help ensure these projects are completed. In addition, the Kansas allocation of USDA-FRPP dollars is driven by demand from states. In recent years Kansas has been awarded a larger allocation because of past FRPP projects in this state, including projects that have received state funding in previous years.

Please consider reviewing this action. We would support the Senate's original proposal for $250,000 next fiscal (FY 09) year for this purpose.

Thank you.

KANSAS

DEPARTMENT OF HEALTH
AND ENVIRONMENT

Kathleen Sebelius, Governor
Roderick L. Bremby, Secretary

www.kdheks.gov

To: Senator Vicki Schmidt

CC: Senate Ways and Means Committee

From: Pat Kuester, Chief Fiscal Officer

Date: April 13, 2008

Subject: Information expanded newborn screening as requested in SWAM

Attached please find the comprehensive 2007, 2008, and 2009 budget request by expenditure category, as well as the breakdown for professional and scientific supplies and capital outlay for the expanded newborn screening. If you have any questions, please do not hesitate to call me at 296-4875.

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Attachment 14

EXPANDED NEWBORN SCREENING

	Expenditure Category	2007	2008 base	XNBS 2008 allocation	Original 2008 request	2009	+/- Diff
1001	Salaries	268,821.04	268,821.04	97,398.00	755,977.00	523,638.00	232,339.00
Total	**Salaries**	**268,821.04**	**268,821.04**	**97,398.00**	**755,977.00**	**523,638.00**	**232,339.00**
2001				3,500.00	3,500.00	6,960.00	3,460.00
2101	Freight and Express	7.15	7.15			1,700.00	1,700.00
2201	Printing and Advertising	25,043.81	25,043.81		19,041.00	1,000.00	-18,041.00
2301	Rents	1,646.90	1,646.90				0.00
2401	Repairing and Servicing	77.50	77.50	106,500.00	106,500.00	31,610.00	-74,890.00
2501	In-State Travel				.	4,000.00	4,000.00
2502	Out-of-State Travel			13,500.00	9,000.00	9,000.00	0.00
2701	Fees - Professional Services	51.00	51.00			54,600.00	54,600.00
Total	**Contractual**	**26,826.36**	**26,826.36**	**123,500.00**	**138,041.00**	**108,870.00**	**-29,171.00**
3601	Professional and Scientific Supplies	249,912.85	249,912.85	431,379.00	870,181.00	1,417,899.00	545,718.00
3701	Stationery	435.02	435.02	14,219.00			
3901	Other Supplies	22.00	22.00				
Total	**Commodities**	**250,369.87**	**250,369.87**	**445,598.00**	**870,181.00**	**1,417,899.00**	**545,718.00**
4001	Equipment, Machinery, Furniture, Fixtures	3,051.16	3,051.16	133,504.00		176,170.00	176,170.00
4131	Microcomputer Systems	1,544.00	1,544.00				
Total	**Capital Outlay**	**4,595.16**	**4,595.16**	**133,504.00**	**0.00**	**176,170.00**	**176,170.00**
	Grand Total	**550,612.43**	**550,612.43**	**800,000.00**	**1,764,199.00**	**2,226,577.00**	**460,378.00**

Salaries

SFY 2007 – 6 FTE

SFY 2008 – 8 FTE

SFT 2009 – 11 FTE This is a reduction from the original request of 13 FTE. We were able to do this by reallocating a few positions and by reassigning duties to existing staff.

EXPANDED NEWBORN SCREENING
PROFESSIONAL AND SCIENTIFIC SUPPLIES

		2007			2008			2009		
	Description	No. Kits	Cost	Total	No. Kits	Cost	Total	No. Kits*	Cost	Total
4 conditions	Delfia THS	80	950	75,981	80	950	76,000			
	Delfia T4	80	868	69,451	80	868	69,440			
	Agarose Gel Kits	16	2,522	40,352	16	2,522	40,352	16	2,648	42,368
	PKU NP-1000	4	735	2,940	4	735	2,940			
	PKU NP-4000	12	3,181	38,172	12	3,181	38,172	12	3,181	38,172
	Consumable Supplies**			23,016			23,017			115,496
Subtotal		192		249,912	192		249,969	28		196,036
XNBS conditions	Delfia THS				15	950	14,250			
	Delfia T4				13	868	11,284			
	Agarose Gel Kits				12	2,522	30,264			
	PKU NP-4000				12	3,181	38,172			
	Consumable Supplies**						28,518			77,184
	Follow up***									166,000
	B005-112 Autodelfia Neo IRT				6	1,829	10,973	55	1,829	100,586
	B032-312 Autodelfia Neo TSH				33	1,412	46,596	55	1,829	100,595
	B048-112 Autodelfia Neo CAH				23	1,929	44,363	55	1,929	106,086
	B065-112 Autodelfia Neo T4				23	1,413	32,490	55	1,829	100,586
	B118-100 Autodelfia Enhance				17	795	13,515	33	795	26,235
	B117-100 Autodelfia Wash Conc.				12	250	3,000	28	250	7,000
	3026-0010 Neogram Amino Acids				10	15,000	150,000	35	15,000	525,000
	Agarose Gel Kits				3	2,648	7,945	4	2,648	10,592
Subtotal					179		431,271	320		1,219,863
Total				**249,912**	**371**		**681,292**	**348**		**1,415,899**

CAPITAL OUTLAY

Blood Spot Punch	1	56,000	56,000
Specimen Gate License Master Lease Payments to be paid over a 6 year period	1	68,933	68,933
Laboratory Cabinetry Master Lease Payments to be paid over a 6 year period	1	51,237	51,237
Total			**176,170**

*In FY2009, many of the kits used to test for the original 4 conditions will be eliminated and replaced with kits used for XNBS.

**Consumable Supplies consist of galt reagents, biotinidase reagents, pipette tips, dilution vessels, and other laboratory consumables not contained in kits.

***Follow up includes medically necessary food and treatment products.

Denotes prices increases

KANSAS CAREER PIPELINE
Your Connection to the Future

Kansas Career Pipeline (KCP) Activities and Accomplishments 7/07 to 4/08

Legislative funds were allocated to support the Kansas Career Pipeline public/private workforce development partnership in FY 2008. These legislative funds continue to support the implementation of KCP's activities. The program was designed to be implemented in two phases.

Phase I included introducing the KCP career development program in the state's public secondary and post-secondary schools. This phase had the timeline of signing up one third of the state's schools in by May 30, 2008. The ultimate goal is to expand services to every student in the state.

Phase I goals have been met and exceeded. Since the KCP was made available in late September 2007:

- Over two thirds of the states secondary and two year post-secondary schools have registered as KCP users. As of April, 26,266 Kansas students have taken the KCP assessments. The use of the system has continued to increase by approximately 1,000 per week, with many schools planning to implement the program beginning the school year in fall of 2008.
- The KCP is already being used in secondary school districts across the state, including Blue Valley, Shawnee Mission, Arkansas City, Chanute, Wichita, McPherson, Dodge City, Liberal, Colby, and Junction City.
- The KCP is receiving strong support in community and technical colleges. Trainings are being held this spring and summer for advisors at these schools.
- Four year universities are being brought on board this spring and summer.
- We anticipate continued expansion in the state's schools throughout the 08-09 school year. Missouri uses the same system, Kuder, which serves 98% of the that state's secondary students

Phase II goals included designing and implementing a web based workforce development system connecting Kansas companies with students and adults across the state. This included the provision of services in smaller communities where career and workforce development opportunities are often lacking. This phase included maintaining and deepening partnerships with the state's workforce centers. Phase II has the long term goal of connecting every student and adult job seeker with every potential employer in the state, assisting employee supply to meet employer demand. The immediate goals were to develop and make the business system available by spring 2008.

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These immediate goals have been met. This can be seen by:

- The development and completion of Connect2Business (C2B), the new business component of the KCP system. C2B is the first system with this capacity in the country. Currently completing final testing, C2B will be available June 1st, 2008.
- The KCP adult assessment became available January 1, 2008. These assessments will allow adult users to connect their career interests with Kansas companies needing employees having these interests. This adult assessment is at no cost to the users and will be promoted statewide after June 1, 2008.
- The first 60 Local Area Workforce center staff were trained in March, 2008, with two additional center trainings scheduled in April. We anticipate all workforce centers will have been trained by fall of 2008.
- The timeline for engagement of the business community as KCP partners and funders was anticipated after the model of the C2B system was available for companies to review. The model now exists and the system is being presented to select Kansas companies in advance of the June roll-out.
- Acceptance of the companies seeing C2B presentations is very positive. These companies are pleased with the system and are committing to providing financial support once contract details are completed. This response is strong and numbers and support of companies to date will be available during Senate committee presentations the week of 4/21/08.

To recap:

- The KCP is currently providing career development services to secondary students, post-secondary students, and adult job seekers across the state.
- The KCP's workforce and economic development program (C2B), linking Kansas companies with their potential employees, will be available June 1, 2008.
- The initial funding provided by the Kansas legislature was $420,120. To date the KCP has drawn down $40,000 of these funds. The balance of these funds will be expended after the Connect2Business component is in place June 1, 2008.
- Funding from private and public sector sources have been and will continue to be arranged to match the FY2008 Kansas legislative funds.
- The KCP is requesting language be added to the FY 2008 legislative funding allowing the dollar for dollar match be made by any funding source, including but not limited to business, and that any FY 2008 legislative funds remaining at the end of FY2008 be re-appropriated to FY 2009.

AFCA
AMERICAN FOOTBALL COACHES ASSOCIATION

In partnership with the
FEDERAL BUREAU
OF INVESTIGATION

National Child Identification Program

National Child ID Program: Kansas

Since its conception in 1997, the AFCA/FBI National Child ID Program has distributed over 16 million ID kits across the U.S. It is our goal to reach all 60 million children in the United States.

- There are 459,400 students enrolled in grades K-12 in the state of Kansas.
- Child ID kits normally cost $1.85/student but the National Child ID Program has secured matching funds making the cost less than $1/child.
- With *matching funds in place, we would need to allocate only **$424,945** in order to provide an ID for every K-12th grade student in the state.
- The ID Kits will be distributed to each parent with the help of local sheriffs and superintendents.
- For your contribution to child safety in the state of Kansas, the AFCA/FBI National Child ID Program will honor Governor Sebelius with the FBI Director's Award for child safety (Texas governor Rick Perry is the only other governor to receive the FBI Director's Award for child safety).

****Matching funds have been extended to October due to the Governor's interest.***

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National Child Identification Program - Talking Points

We have an extraordinary opportunity to help protect hundreds of thousands of children and set aside only a very small amount of existing funding to do it. I am asking for your consideration of this worthy effort.

The National Child Identification Program is one that has the potential to help find missing Kansas children and get them returned to their homes. Sponsored by the American Football Coaches Association (AFCA) in partnership with the Federal Bureau of Investigation (FBI), the Program's unique purpose is to provide parents with an identification kit for each of their children, *which the parents would keep at home unless and until such time as this information is needed*.

Without fingerprints and other identifying information, parents often are at a loss to help law enforcement locate and return their missing child. This program does the following to assist parents and protect children:

- It provides an identification kit, which the parents take home, use, and *keep until they need it*.
- In the kit is an Inkless Fingerprint Identification Card, a clean way to collect a child's fingerprints for safekeeping.
- The kit also contains a DNA collection envelope and swabs, as well as means to gather other identifying information – again, for the parents to keep at home unless and until it is needed.
- If a child goes missing, the parents can then take the completed identification kit to law enforcement authorities, thereby providing a powerful jump-start in locating their child.

The State of Kansas has been offered the opportunity to participate for the sum of approximately $74,000 annually. If the State funds the identification kits for its kindergarten students every year beginning with School Year 2009, the AFCA/FBI National Child ID Program will finance the kits for the remaining students in the higher grades to complete identification of all public school students. **The Kansas Department of Education will cooperate with school districts, state law enforcement, the AFCA and the FBI** to ensure the kits are distributed to parents of all kindergarten students beginning in School Year 2009, and to work out the details of distributing the kits for all older students beginning in School Year 2010.

Child ID Program Points:

- The National Child Identification Program was created by the AFCA in 1997. In December 2001, the FBI joined in partnership with the AFCA, making it the only program of its kind to gain the backing of the FBI.
- Since its conception, the National Child ID Program has distributed over 18 million ID kits across the U.S., making it the largest program of its kind. The program's goal is to reach all 60 million children in the nation. Through the leadership of state officials the program sponsors believe this goal can become a reality.
- (*Source: National Child Identification Program*)

C:\Data\08 Session\ChildIDProgram Letter-1.wpd

Proposal: Participation in the National Child Identification Program

- The state of Kansas will implement an annual kindergarten maintenance program that will provide ID kits to all incoming kindergarten students. The estimated current kindergarten enrollment for the state is 36,500 students. Since the best time to distribute the cards is at enrollment, the Department of Education recommends printing 40,000 cards. At a price of $1.85 per ID kit, the total cost to the state would be approximately $74,000.*
  **cost will vary based on enrollment numbers per year.*

- In return for establishing the annual kindergarten maintenance program, the Child ID Program will provide the funding to complete a 2nd-12th grade distribution in the fall of 2010. This will ensure all students in the State of Kansas receive an ID kit.

- The request is for $74,000 in existing Kansas Department of Education funds to be set aside to fund the annual kindergarten maintenance program for School Year 2009.

Kansas State Department of Education
Highest Priority Item for Review at Omnibus

Fiscal Year 2008	
Juvenile Detention Facilities – State General Fund Reduce estimated number of students receiving educational services from local school districts by 22.0 FTE, from 913.0 FTE to 891.0FTE	($193,722)
Fiscal Year 2009	
Agency Operating Expenditures – State General Fund Finger Print Identification Cards for Kindergarten Students (36,500 students @ $1.85 per identification card)	$74,000
Agency Operating Expenditures – State General Fund Replace lost Title V federal funding (2.0 FTE) used to administer QPA, review state curricular standards and provide technical assistance to local school districts.	$119,722
Net Cost to the State General Fund	$0

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RECOMMENDED/APPROVED AMOUNTS FOR VEHICLES - DEPT. OF CORRECTIONS

	Governor's Recommend.	Legislature Approved
Prisoner transport buses (2) and a van (1)	361,198	-
Replacement fleet vehicles (35 vehicles @$16,285 per vehicle)	570,000	-
Prisoner transport buses, van, and fleet vehicles	-	465,599
	$ 931,198	**$ 465,599**

Because of the need to replace the prisoner transport vehicles, at an estimated cost of $361,198 (two buses @ $170,349 and a van @ $20,500), the remaining amount of $104,401 would only allow for the replacement of six fleet vehicles, based upon a cost of $16,285 per vehicle.

Because almost 94 percent of the operating budget is financed from the State General Fund, the KDOC does not have the same flexibility to shift vehicle purchases to other funding sources that other state agencies have. Consequently, State General Fund resources are needed for vehicle acquisitions.

It is requested that the committee reconsider the reduction of $465,599 so that the number of replacement fleet vehicles can be increased from six to 35.

KDOC
4/21/2008

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Attachment 18

Roger Werholtz

From: Chuck Simmons
Sent: Tuesday, April 22, 2008 11:04 PM
To: Roger Werholtz
Subject: Fw: LCF Bus

Fyi

-----Original Message-----
From: David McKune
To: Chuck Simmons
Sent: Tue Apr 22 20:57:35 2008
Subject: Fw: LCF Bus

FYI

-----Original Message-----
From: Peggy Fortier <peggy.fortier@lcf.doc.ks.gov>
To: Rex Pryor; Ron Baker; John Kozer
CC: James Reeves; Bruce Hollister; David McKune
Sent: Tue Apr 22 20:45:52 2008
Subject: LCF Bus

Tonight the LCF bus broke down by Bonner Springs. I sent vans to pick them up, and local law enforcement was notified. The bus was brought back after the inmates were removed, by adding water and limping it back to the facility. Nathan Conrad was notified. At this time Officers Skidmore, and Tretham have already left the facility and I have not seen an incident report from them.

Pa..age #903 Request for additional funding for agency operations

The agency is requesting an additional $50,000 to compensate for the loss of the funding from the JJA contract. In the past years JJA has contracted with the agency for the juvenile facilities bed space projections. A position was created; however, at that time the funding from JJA was only $25,000 per year, which was not adequate for salary and benefits. Thus, this funding has been used to proportionately pay salaries for staff involved with providing those projections. The contract amount was increase to $50,000 in the previous year and the salary pools were adjusted accordingly. However, due to the non-renewal of that contract, the agency's FY 2009 budget adjusted SGF to pay for the salaries of those key positions, and reduced the amount of other operational budget categories. At the time this enhancement request was entered into the budget system, it was assumed that the agency would have a contract for FY 2008 and that there would be $17,773 carried over to FY 2009. However, at the time of the budget appeal in November, the prospect of that contract had diminished. Therefore, the agency's original budget request of $32,227 was replaced by requesting the entire $50,000. In fact the agency will be $7,127 short of the budgeted amount for FY 2008, as the FY 2008 contract was not renewed.

Senate Bill 418 of the 2008 Session has been introduced, which assigns the responsibility of the projections for the juvenile correctional facilities to KSC. JJA is aware and supportive of this request. The fiscal impact is shown as $50,000 on that bill.

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KANSAS

Kansas State Historical Society
Jennie Chinn, *Executive Director*

KATHLEEN SEBELIUS, GOVERNOR

MEMORANDUM

TO: Senator Umbarger, Chair of Senate Ways & Means
Representative Schwartz, Chair of House Appropriations
Senator Wysong, Chair of Other Education Senate Subcommittee
Representative McLeland, Chair of House Education Budget Committee
FROM: Jennie Chinn, Executive Director
DATE: April 14, 2008
RE: Emergency Request for Capital Improvement Project Funds

The Historical Society would like to make an emergency request for Capital Improvement Project funds for FY 2009. The reason for this request is a result of the recent failure of and continued repairs to the boilers for the steam humidification system in the Kansas Museum of History (KMH) at the Historical Society facilities in Topeka.

The steam humidification system, which is critical to the preservation of the irreplaceable artifacts, was identified in the facility engineered systems report performed by Smith and Boucher Engineers in 2004 as needing replacement within three years of the report. The system, which was installed in 1983, has a life expectancy of twenty years. As a result, we identified replacement of the steam humidification system in our five-year capital budget plan for FY 2009 and 2010. The request was for a total of $476,370, split evenly between both fiscal years. (The DA418B that was submitted last July for this project is attached.)

One boiler is completely down with major repairs or replacement needed. The other boiler for the system is currently functioning but is not reliable even with the major repairs that have been made this year. Fortunately, we are at the time of season where humidity is not required to protect the artifacts. However, decisions regarding what to do with the existing system have to be made now so that we can humidify starting again in the fall.

KMH Humidification Option 1: Repair or replace the existing boilers

Additional repairs to the two boilers, which are now running several thousand dollars a month, are not cost effective. The replacement cost for each boiler is estimated to be $35,000. New steam humidification systems do not use boilers, so putting in replacement ones would be a costly temporary solution since the entire humidification system needs to be replaced within a short time. Due to the poor working condition of the remainder of the components, the historic artifacts are at great risk even if the boilers are replaced. The existing system is not zoned. If any single component fails, the entire system does not function. **The cost for major**

6425 SW Sixth Avenue • Topeka, KS 66615-1099
Phone 785-272-8681 Ext. 205 • Fax 785-272-8682 • Email jchinn@kshs.org • TTY 785-272-8683
www.kshs.org

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repairs or replacement of the boilers is $70,000, but the entire system will still require replacement.

KMH Humidification Option 2: System replacement with single construction contract

The most cost effective replacement option is to install a new electricity-to-steam zoned system under a single construction contract. A new system would provide more even dispersion of the humidity, be more energy efficient, and eliminate the current single-point failure scenario. Since the work would be done in late spring, summer, and early fall when additional humidification is not required, the project funding could be split over fiscal years FY 2009 and FY 2010. In order to provide humidity until then, minimal repairs would be made to the two existing boilers to get us through the coming season until the new system is up and running. **The cost for replacement under a single construction contract is estimated to be $476,370.**

KMH Humidification Option 3: System replacement phased over multiple years

Another replacement option is to phase the work over multiple years. Phasing would complicate the project in order to make the old components work with the new ones. Inflation would also add to the costs. In addition, the system with the old components would be subject to complete failure at any time until all of the components are replaced. In order to have humidification until the new system is in place, both of the existing boilers would have to have major repairs or be replaced at a cost of $70,000. The boilers would then be discarded when the new system was completed. Phasing the project with separate contracts in multiple fiscal years would add at least 20% to the project costs. **The cost for replacement phased over multiple years is $641,644.**

Enclosure: DA 418B

Copy: Aaron Klaassen

KHP
Encl (
Item 12

POLICEPAY.NET, Inc.

Compensation Study and Analysis

Base Pay Only

Kansas Highway Patrol

April 1, 2008

(Updated 4/17/2008)

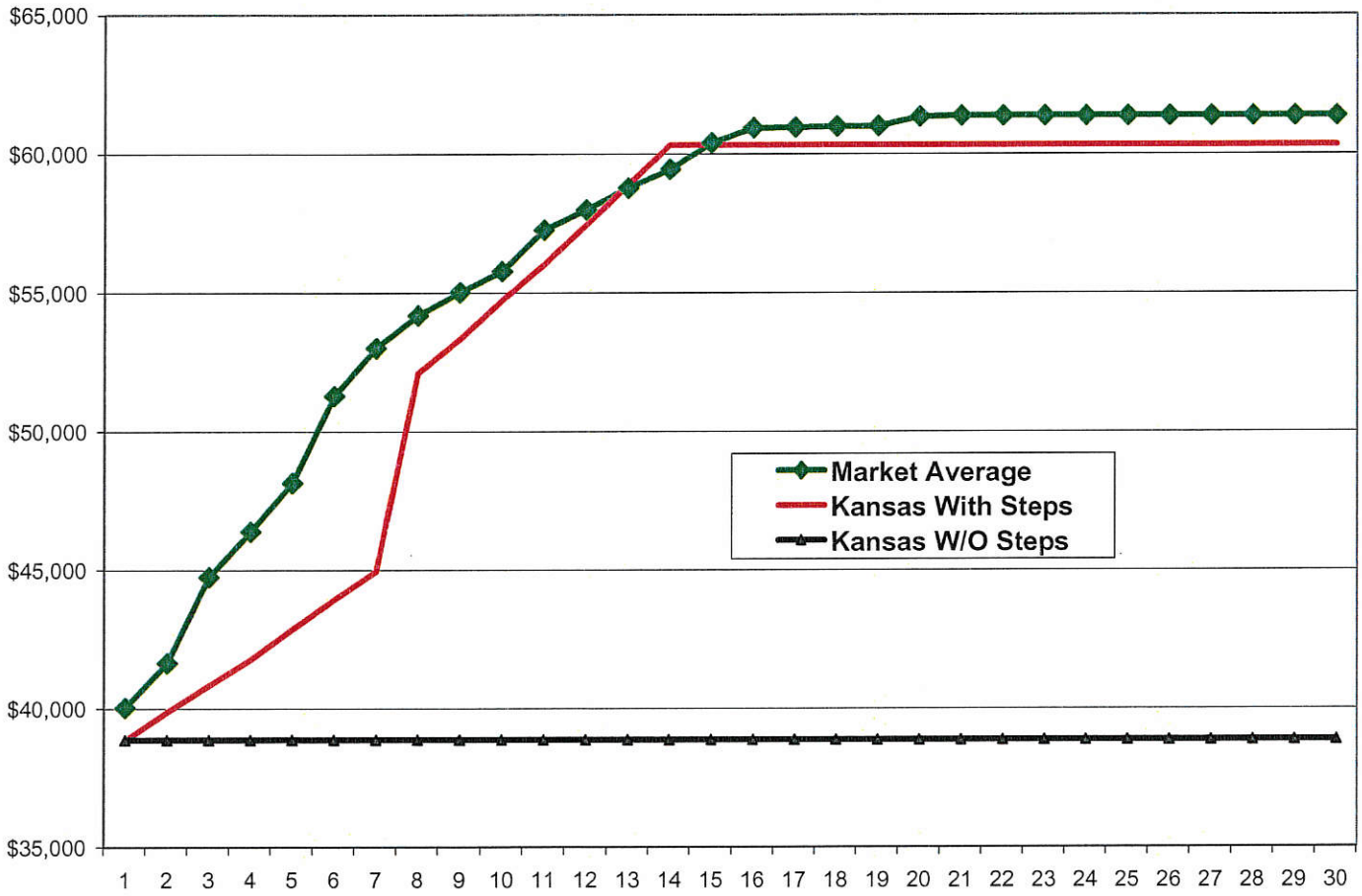
Prepared For:

Kansas State Troopers Association

219 W. Boyd Street, Suite 205 • Norman, OK 73069 • (405) 701-8616 • www.policepay.net

Senate Ways and Means
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Attachment 21

Kansas vs. Market Base Pay



Prepared by: POLICEPAY.NET, Inc.

Kansas State Troopers
Survey of Base Pay

Year	Colorado	Missouri	Nebraska	Oklahoma	Kansas City	Topeka	Wichita	Average	With Steps Kansas	No Steps Kansas
1	$50,004	$40,599	$38,064	$38,000	$37,731	$35,859	$39,936	$40,028	$38,875	$38,875
2	$52,504	$42,991	$39,166	$40,660	$37,731	$37,461	$40,934	$41,635	$39,874	$38,875
3	$55,129	$44,278	$40,269	$43,506	$48,447	$39,666	$41,958	$44,750	$40,851	$38,875
4	$57,886	$45,617	$41,371	$46,552	$48,447	$41,870	$43,007	$46,393	$41,766	$38,875
5	$60,780	$47,008	$42,474	$49,810	$48,447	$44,387	$44,082	$48,141	$42,869	$38,875
6	$63,819	$48,438	$43,576	$53,298	$58,060	$46,571	$45,185	$51,278	$43,930	$38,875
7	$67,010	$49,907	$44,678	$57,028	$58,060	$48,048	$46,314	$53,006	$44,970	$38,875
8	$70,361	$51,441	$45,781	$57,028	$58,060	$49,213	$47,472	$54,194	$52,104	$38,875
9	$71,040	$53,001	$46,883	$57,028	$58,060	$50,502	$48,659	$55,025	$53,352	$38,875
10	$71,040	$54,626	$47,986	$57,028	$58,060	$51,771	$49,875	$55,769	$54,746	$38,875
11	$71,040	$56,290	$49,088	$57,028	$62,563	$53,685	$51,122	$57,259	$56,035	$38,875
12	$71,040	$58,006	$50,190	$57,028	$62,563	$54,746	$52,400	$57,996	$57,450	$38,875
13	$71,040	$59,774	$51,293	$57,028	$62,563	$55,931	$53,710	$58,763	$58,906	$38,875
14	$71,040	$61,594	$52,395	$57,028	$62,563	$56,430	$55,053	$59,443	$60,320	$38,875
15	$71,040	$63,479	$53,498	$57,028	$64,127	$57,096	$56,430	$60,385	$60,320	$38,875
16	$71,040	$67,093	$53,498	$57,028	$64,127	$57,242	$56,430	$60,923	$60,320	$38,875
17	$71,040	$67,093	$53,498	$57,028	$64,127	$57,429	$56,430	$60,949	$60,320	$38,875
18	$71,040	$67,093	$53,498	$57,028	$64,127	$57,595	$56,430	$60,973	$60,320	$38,875
19	$71,040	$67,093	$53,498	$57,028	$64,127	$57,803	$56,430	$61,003	$60,320	$38,875
20	$71,040	$67,093	$53,498	$57,028	$66,321	$57,970	$56,430	$61,340	$60,320	$38,875
21	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
22	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
23	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
24	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
25	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
26	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
27	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
28	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
29	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
30	$71,040	$67,093	$53,498	$57,028	$66,321	$58,136	$56,430	$61,364	$60,320	$38,875
Average	$68,012	$59,448	$49,639	$54,683	$60,384	$53,088	$52,086	$56,763	$55,039	$38,875

Prepared by: POLICEPAY.NET, Inc.

State of Colorado

BASE PAY

January 1, 2008 - June 30, 2008

Rank	Step	After	Annual Rate
Trooper	Min		$50,004
Trooper	Max		$71,040
Trooper III	Min		$52,560
Trooper III	Max		$74,700

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Annual	Multiplier
$50,004.00	1
$71,040.00	1
$52,560.00	1
$74,700.00	1

30 Year Officer	
Year	Pay
1	$50,004
2	$52,504
3	$55,129
4	$57,886
5	$60,780
6	$63,819
7	$67,010
8	$70,361
9	$71,040
10	$71,040
11	$71,040
12	$71,040
13	$71,040
14	$71,040
15	$71,040
16	$71,040
17	$71,040
18	$71,040
19	$71,040
20	$71,040
21	$71,040
22	$71,040
23	$71,040
24	$71,040
25	$71,040
26	$71,040
27	$71,040
28	$71,040
29	$71,040
30	$71,040
Average	$68,012

State of Missouri

BASE PAY

Effective July 1, 2007

Rank	Step	After	Annual Rate
Trooper	A	Start	$40,599
Trooper	B	1 year	$42,991
Trooper	C	2 years	$44,278
Trooper 1st Class	B	3 years	$45,617
Trooper 1st Class	C	4 years	$47,008
Trooper 1st Class	D	5 years	$48,438
Trooper 1st Class	E	6 years	$49,907
Trooper 1st Class	F	7 years	$51,441
Trooper 1st Class	G	8 years	$53,001
Trooper 1st Class	H	9 years	$54,626
Trooper 1st Class	I	10 years	$56,290
Trooper 1st Class	J	11 years	$58,006
Trooper 1st Class	K	12 years	$59,774
Trooper 1st Class	L	13 years	$61,594
Trooper 1st Class	M	14 years	$63,479
Trooper 1st Class	N	15 years	$67,093

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Bi-weekly	Multiplier
$1,561.50	26
$1,653.50	26
$1,703.00	26
$1,754.50	26
$1,808.00	26
$1,863.00	26
$1,919.50	26
$1,978.50	26
$2,038.50	26
$2,101.00	26
$2,165.00	26
$2,231.00	26
$2,299.00	26
$2,369.00	26
$2,441.50	26
$2,580.50	26

30 Year Officer	
Year	Pay
1	$40,599
2	$42,991
3	$44,278
4	$45,617
5	$47,008
6	$48,438
7	$49,907
8	$51,441
9	$53,001
10	$54,626
11	$56,290
12	$58,006
13	$59,774
14	$61,594
15	$63,479
16	$67,093
17	$67,093
18	$67,093
19	$67,093
20	$67,093
21	$67,093
22	$67,093
23	$67,093
24	$67,093
25	$67,093
26	$67,093
27	$67,093
28	$67,093
29	$67,093
30	$67,093
Average	$59,448

State of Nebraska

BASE PAY

July 1, 2007 - June 30, 2008

Rank	Step	After	Annual Rate
Trooper	1	Start	$38,064
	2	1 year	$39,166
	3	2 years	$40,269
	4	3 years	$41,371
	5	4 years	$42,474
	6	5 years	$43,576
	7	6 years	$44,678
	8	7 years	$45,781
	9	8 years	$46,883
	10	9 years	$47,986
	11	10 years	$49,088
	12	11 years	$50,190
	13	12 years	$51,293
	14	13 years	$52,395
	15	14 years	$53,498

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Hourly	Multiplier
$18.30	2,080
$18.83	2,080
$19.36	2,080
$19.89	2,080
$20.42	2,080
$20.95	2,080
$21.48	2,080
$22.01	2,080
$22.54	2,080
$23.07	2,080
$23.60	2,080
$24.13	2,080
$24.66	2,080
$25.19	2,080
$25.72	2,080

30 Year Officer	
Year	Pay
1	$38,064
2	$39,166
3	$40,269
4	$41,371
5	$42,474
6	$43,576
7	$44,678
8	$45,781
9	$46,883
10	$47,986
11	$49,088
12	$50,190
13	$51,293
14	$52,395
15	$53,498
16	$53,498
17	$53,498
18	$53,498
19	$53,498
20	$53,498
21	$53,498
22	$53,498
23	$53,498
24	$53,498
25	$53,498
26	$53,498
27	$53,498
28	$53,498
29	$53,498
30	$53,498
Average	$49,639

State of Oklahoma

BASE PAY

July 1, 2007 - June 30, 2008

Rank	Step	After	Annual Rate
Highway Patrolman	1	Start	$38,000
Highway Patrolman	2	1 year	$40,660
Highway Patrolman	3	2 years	$43,506
Highway Patrolman	4	3 years	$46,552
Highway Patrolman	5	4 years	$49,810
Highway Patrolman	6	5 years	$53,298
Highway Patrolman	7	6 years	$57,028

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Annual	Multiplier
$38,000.00	1
$40,660.00	1
$43,506.00	1
$46,552.00	1
$49,810.00	1
$53,298.00	1
$57,028.00	1

30 Year Officer	
Year	Pay
1	$38,000
2	$40,660
3	$43,506
4	$46,552
5	$49,810
6	$53,298
7	$57,028
8	$57,028
9	$57,028
10	$57,028
11	$57,028
12	$57,028
13	$57,028
14	$57,028
15	$57,028
16	$57,028
17	$57,028
18	$57,028
19	$57,028
20	$57,028
21	$57,028
22	$57,028
23	$57,028
24	$57,028
25	$57,028
26	$57,028
27	$57,028
28	$57,028
29	$57,028
30	$57,028
Average	$54,683

Kansas City, Kansas

BASE PAY

January 1, 2008 - December 31, 2008

Rank	Step	After	Annual Rate
Patrolman III/II	1	Start	$37,731
Patrolman I	2	2 years	$48,447
Senior Patrolman	3	5 years	$58,060
Master Patrolman II	4	10 years	$62,563
Master Patrolman I	5	14 years	$64,127
Senior Master Patrolman	6	19 years	$66,321

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Monthly	Multiplier
$3,144.23	12
$4,037.25	12
$4,838.36	12
$5,213.58	12
$5,343.93	12
$5,526.76	12

30 Year Officer	
Year	Pay
1	$37,731
2	$37,731
3	$48,447
4	$48,447
5	$48,447
6	$58,060
7	$58,060
8	$58,060
9	$58,060
10	$58,060
11	$62,563
12	$62,563
13	$62,563
14	$62,563
15	$64,127
16	$64,127
17	$64,127
18	$64,127
19	$64,127
20	$66,321
21	$66,321
22	$66,321
23	$66,321
24	$66,321
25	$66,321
26	$66,321
27	$66,321
28	$66,321
29	$66,321
30	$66,321
Average	$60,384

Topeka, Kansas

BASE PAY

July 1, 2007 - June 30, 2008

Rank	Step	After	Annual Rate
Police Officer	1	Start	$35,859
Police Officer	2	1 year	$37,461
Police Officer	3	2 years	$39,666
Police Officer	4	3 years	$41,870
Police Officer	5	4 years	$44,387
Police Officer	6	5 years	$46,571
Police Officer	7	6 years	$48,048
Police Officer	8	7 years	$49,213
Police Officer	9	8 years	$50,502
Police Officer	10	9 years	$51,771
Police Officer	11	10 years	$53,685
Police Officer	12	11 years	$54,746
Police Officer	13	12 years	$55,931
Police Officer	14	13 years	$56,430
Police Officer	15	14 years	$57,096
Police Officer	16	15 years	$57,242
Police Officer	17	16 years	$57,429
Police Officer	18	17 years	$57,595
Police Officer	19	18 years	$57,803
Police Officer	20	19 years	$57,970
Police Officer	21	20 years	$58,136

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
hourly	Multiplier
$17.24	2,080
$18.01	2,080
$19.07	2,080
$20.13	2,080
$21.34	2,080
$22.39	2,080
$23.10	2,080
$23.66	2,080
$24.28	2,080
$24.89	2,080
$25.81	2,080
$26.32	2,080
$26.89	2,080
$27.13	2,080
$27.45	2,080
$27.52	2,080
$27.61	2,080
$27.69	2,080
$27.79	2,080
$27.87	2,080
$27.95	2,080

30 Year Officer	
Year	Pay
1	$35,859
2	$37,461
3	$39,666
4	$41,870
5	$44,387
6	$46,571
7	$48,048
8	$49,213
9	$50,502
10	$51,771
11	$53,685
12	$54,746
13	$55,931
14	$56,430
15	$57,096
16	$57,242
17	$57,429
18	$57,595
19	$57,803
20	$57,970
21	$58,136
22	$58,136
23	$58,136
24	$58,136
25	$58,136
26	$58,136
27	$58,136
28	$58,136
29	$58,136
30	$58,136
Average	$53,088

Wichita, Kansas

BASE PAY

Effective 12/16/2006

Rank	Step	After	Annual Rate
Police Officer	A	Start	$39,936
Police Officer	B	1 year	$40,934
Police Officer	C	2 years	$41,958
Police Officer	D	3 years	$43,007
Police Officer	E	4 years	$44,082
Police Officer	F	5 years	$45,185
Police Officer	G	6 years	$46,314
Police Officer	H	7 years	$47,472
Police Officer	U	8 years	$48,659
Police Officer	J	9 years	$49,875
Police Officer	K	10 years	$51,122
Police Officer	L	11 years	$52,400
Police Officer	M	12 years	$53,710
Police Officer	N	13 years	$55,053
Police Officer	O	14 years	$56,430

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Hourly	Multiplier
$19.20	2,080
$19.68	2,080
$20.17	2,080
$20.68	2,080
$21.19	2,080
$21.72	2,080
$22.27	2,080
$22.82	2,080
$23.39	2,080
$23.98	2,080
$24.58	2,080
$25.19	2,080
$25.82	2,080
$26.47	2,080
$27.13	2,080

30 Year Officer	
Year	Pay
1	$39,936
2	$40,934
3	$41,958
4	$43,007
5	$44,082
6	$45,185
7	$46,314
8	$47,472
9	$48,659
10	$49,875
11	$51,122
12	$52,400
13	$53,710
14	$55,053
15	$56,430
16	$56,430
17	$56,430
18	$56,430
19	$56,430
20	$56,430
21	$56,430
22	$56,430
23	$56,430
24	$56,430
25	$56,430
26	$56,430
27	$56,430
28	$56,430
29	$56,430
30	$56,430
Average	$52,086

State of Kansas

BASE PAY

Effective June 17, 2007

Rank	Step	After	Annual Rate
Trooper	4	Start	$38,875
Trooper	5	1 year	$39,874
Trooper	6	2 years	$40,851
Trooper	7	3 years	$41,766
Trooper	8	4 years	$42,869
Trooper	9	5 years	$43,930
Trooper	10	6 years	$44,970
Master Trooper	10	7 years	$52,104
Master Trooper	11	8 years	$53,352
Master Trooper	12	9 years	$54,746
Master Trooper	13	10 years	$56,035
Master Trooper	14	11 years	$57,450
Master Trooper	15	12 years	$58,906
Master Trooper	16	13 years	$60,320

Prepared by: POLICEPAY.NET, Inc.

Stated Pay	
Hourly	Multiplier
$18.69	2,080
$19.17	2,080
$19.64	2,080
$20.08	2,080
$20.61	2,080
$21.12	2,080
$21.62	2,080
$25.05	2,080
$25.65	2,080
$26.32	2,080
$26.94	2,080
$27.62	2,080
$28.32	2,080
$29.00	2,080

30 Year Officer	
Year	Pay
1	$38,875
2	$39,874
3	$40,851
4	$41,766
5	$42,869
6	$43,930
7	$44,970
8	$52,104
9	$53,352
10	$54,746
11	$56,035
12	$57,450
13	$58,906
14	$60,320
15	$60,320
16	$60,320
17	$60,320
18	$60,320
19	$60,320
20	$60,320
21	$60,320
22	$60,320
23	$60,320
24	$60,320
25	$60,320
26	$60,320
27	$60,320
28	$60,320
29	$60,320
30	$60,320
Average	$55,039

Kansas Board of Emergency Medical Services (KBEMS) would request the following amendments to the Senate Omnibus Bill. The amendments are technical in nature, do not add any new funding to the ending balance of the SGF or increase the expenditure limitation of KBEMS, thus could be considered non-controversial.

Changes to 2008 SB 534

The KBEMS Revolving Grant fund is a state funded grant program for Kansas EMS agencies and organizations to provide financial assistance based on demonstrated financial need. Funding is also recommended on the documented need of the specific item being requested. The primary goal of this program is to financially assist EMS agencies and organizations to purchase EMS equipment, vehicles and assist in education and training. Financing is derived from 2.5 percent of fines, penalties and forfeitures through the passage of 2007 SB 8.

1. Creation of Hospitality Fund (2008 SB 534)

The Financial Assistance Review Committee, better known as FARC, is the committee which reviews applications for the KBEMS Revolving and Assistance Fund (KRAF) grants. The purpose of FARC is to review the KRAF grant applications from eligible licensed Emergency Medical Services (EMS) agencies. FARC is composed of seven members, including a chairman, who each represent an EMS region throughout Kansas. FARC reports annually after the funding cycle to the Chief Administrator who will then report to the Kansas Board of Emergency Medical Services and the Legislature. The FARC reports on the number of grant applications received, the total costs of grant applications funded, the number of grant applications denied funding, the nature of the requests, and the reason for denying funding.

Currently, KBEMS does not have authority under the "EMS Revolving Fund" for hospitality fund. A&R has stated that expenditures could not be made by the Kansas Board of Emergency Medical Services (KBEMS) from the "EMS Revolving Fund" for the FARC meetings. The amendment is developed as follows:

For: FY 2008 – $119.00
2 meetings @ 7.50 a person for 7 people (including the Chief Administrator)
2 meetings @ 1.00 a person for drinks (including the Chief Administrator)

For: FY 2009 - $178.50
3 meetings @ 7.50 a person for 7 people (including the Chief Administrator)
3 meetings @ 1.00 a person for drinks (including the Chief Administrator)

All based on the current rate KHP Training center charges for lunch,

2. EMS Regional Council Reporting requirements

Within 2008 SB 534, the following proviso was added:

> *(f) During the fiscal year ending June 30, 2009, if an organization enters into a grant agreement with the emergency medical service board, such organization shall be required to submit pursuant to such grant agreement a written report detailing and accounting for all expenditures and receipts of such organization during such fiscal year. The emergency medical services board shall prepare a written report specifying and accounting for all moneys received by and*

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expended by each individual organization that has reported to the emergency medical services board pursuant to such grant agreement and submit such report to the house of representatives committee on appropriations and the senate committee on ways and means on or before February 1, 2009.

The intent was to ensure that the six (6) EMS Regional Councils submitted information. The wording of the proviso would demand that EMS Regional Councils and **every county and/or EMS service** would have to provide KBEMS with a full financial report of expenditures and receipts of each organization. KBEMS believes the wording "EMS Regional Council" needs to be added to the proviso to ensure intent.

KBEMS would request amending the Senate Omnibus Bill to include the aforementioned changes. If you have any further questions, please do not hesitate to call Patti Artzer or myself at (785) 296-7296.

Cordially,

Robert Waller
Chief Administrator

LANDON STATE OFFICE BUILDING, 900 SW JACKSON STREET, ROOM 1031, TOPEKA, KANSAS 66612-1228
Voice 785-296-7296 Fax 785-296-6212 www.ksbems.org

KANSAS

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM KATHLEEN SEBELIUS, GOVERNOR

April 21, 2008

The Honorable Dwayne Umbarger, Chairperson
Senate Ways and Means Committee
Room 123-S, State Capitol

Re: FY 2009 Postretirement Benefit Options

Dear Chairperson Umbarger:

As a part of the Governor's Fiscal Year 2009 budget recommendations, funding for a proposal to provide the first of three one percent cost of living adjustments (COLA's) for KPERS retirees was included in the KPERS budget. The funding for the first of the three COLA's was deleted from the mega appropriations bill, and the Senate Ways and Means Committee requested KPERS to develop postretirement benefit options for its consideration with respect to the omnibus appropriations bill.

Enclosed is a summary of the Governor's proposal, plus seven one-time and COLA post retirement benefit options as follows:

I. Governor's COLA Proposal (SB 661): Three, successive 1% COLA's in FY 2009, FY 2010, and FY 2011.
Criteria: Retirees retired at least one year. No years of service requirement.

II. Postretirement Benefit Options.

Option A: $300 One-time payment.
Criteria: Retirees retired at least 10 years and with 10 or more years of service.

Option B: One-time payment options.
Criteria: Retirees retired at least 5 years and with 10 or more years of service.

Option C: One-time payment options.
Criteria: Retirees retired at least five years. No years of service requirement.

Option D: One-time payment options.
Criteria: Retirees retired at least one year and with 10 or more years of service.

611 S. Kansas Ave., Suite 100, Topeka, KS 66603-3803 Voice 785-296-1019 Fax 785-296-2422 www.kpers.org

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Option E: One-time payment options.
Criteria: Retirees retired at least one year. No years of service requirement.

Option F: Three, successive 1% COLA's in FY 2009, FY 2010, and FY 2011
Criteria: Retirees retired at least one year. A range of years of service requirements.

Option G: Three, successive 1% COLA's in FY 2009, FY 2010, and FY 2011
Criteria: A range of years since retirement and years of service requirements.

Please feel free to contact me if you need additional information or clarification regarding any of these options.

Sincerely,

Glenn Deck
Executive Director

Enclosures

Governor's Proposal (2008 SB 661)
Estimated Total Annual Payment For Three 1% Ad Hoc COLAs
For Retired KPERS Members
By Fiscal Year

	TOTAL ANNUAL PAYMENT				
	Total UAL (In Millions)	FY 2009 (In Millions)	FY 2010 (In Millions)	FY 2011 (In Millions)	17-Year Total (In Millions)
State & School Retirees & Beneficiaries					
KPERS State Group	$46.0	$1.6	$3.2	$4.9	$73.5
KPERS School Group	132.7	4.5	9.3	14.4	216.0
KP&F	4.3	0.2	0.4	0.6	9.0
Judges	1.6	0.1	0.2	0.3	4.5
Subtotal: State & School	$184.6	$6.4	$13.1	$20.2	$303.0
Local Retirees & Beneficiaries					
KPERS Local Group	$30.5	1.1	2.3	3.6	54.0
KP&F	23.8	0.9	1.8	2.8	42.0
Subtotal: Local	$54.3	$2.0	$4.1	$6.4	$96.0
Total: Retirees & Beneficiaries	$238.9	$8.4	$17.2	$26.6	$399.0

Assumptions

These estimates assume a level-dollar, 15-year amortization for each of the three COLAs.

Based on December 31, 2006, actuarial results and adjusted for 12/31/2007 actuarial assumptions.

	COLA 1	COLA 2	COLA 3
Beginning Benefit Payment:	July 2008	July 2009	July 2010
Must be retired prior to:	July 1, 2007	July 1, 2008	July 1, 2009

KPERS

April 21, 2008

Estimated Cost of One-Time Benefit Payment[(a)]
Retirees Retired at least 10 Years and With 10 or More Years of Service

	Estimated Number	Estimated Cost (in millions) of One-Time Benefit Payment Equal to $300
State & School Retirees & Beneficiaries		
KPERS State Group	7,330	$ 2,199,000
KPERS School Group	14,937	4,481,100
KP&F	274	82,200
Judges	75	22,500
Subtotal: State & School	22,616	$ 6,784,800
Local Retirees & Beneficiaries		
KPERS	5,480	$ 1,644,000
KP&F	1,579	473,700
Subtotal: Local	7,059	$ 2,117,700
Total: Retirees & Beneficiaries	29,675	$ 8,902,500
Total: KPERS Disability Benefit Recipients	874	$ 262,200
Total: All One-Time Payment Recipients	30,549	$ 9,164,700

(a) Estimated cost of one-time benefit payments to retirees, joint annuitants, beneficiaries, and long-term disability recipients who began receiving retirement or disability benefits **before** July 1, 1998.
Note: No length of service requirement is applied to long-term disability recipients.

KPERS

April 21, 2008

Estimated Cost of One-Time Benefit Payment[(a)]
Retirees Retired at least Five Years and With 10 or More Years of Service

	Estimated Number	Estimated Cost (in millions) of One-Time Benefit Payment Equal to... Monthly Benefit Payment	One-Half Monthly Benefit	$100	$300
State & School Retirees & Beneficiaries					
KPERS State Group	10,168	$ 9.57	$ 4.78	$ 1.02	$ 3.06
KPERS School Group	22,646	23.24	11.62	2.26	6.78
KP&F	398	0.85	0.43	0.04	0.12
Judges	113	0.34	0.17	0.01	0.03
Subtotal: State & School	33,325	$ 34.00	$ 17.00	$ 3.33	$ 9.99
Local Retirees & Beneficiaries					
KPERS	8,038	$ 5.61	$ 2.81	$ 0.80	$ 2.41
KP&F	2,169	4.26	2.13	0.22	0.65
Subtotal: Local	10,207	$ 9.87	$ 4.94	$ 1.02	$ 3.06
Total: Retirees & Beneficiaries	43,532	$ 43.87	$ 21.94	$ 4.35	$ 13.05
Total: KPERS Disability Benefit Recipients	1,885	$ 1.34	$ 0.67	$ 0.19	$ 0.57
Total: All One-Time Payment Recipients	45,417	$ 45.21	$ 22.61	$ 4.54	$ 13.62

(a) Estimated cost of one-time benefit payments to retirees, joint annuitants, beneficiaries, and long-term disability recipients who began receiving retirement or disability benefits **before** July 1, 2003.

Note: No length of service requirement is applied to long-term disability recipients.

Option C

Estimated Cost of One-Time Benefit Payment[(a)]
Retirees Retired at least Five Years

	Estimated Number	Estimated Cost (in millions) of One-Time Benefit Payment Equal to... Monthly Benefit Payment	One-Half Monthly Benefit	$100	$300
State & School Retirees & Beneficiaries					
KPERS State Group	11,335	$ 9.86	$ 4.93	$ 1.13	$ 3.39
KPERS School Group	24,757	23.43	11.71	2.48	7.44
KP&F	433	0.88	0.44	0.04	0.12
Judges	141	0.36	0.18	0.01	0.03
Subtotal: State & School	36,666	$ 34.53	$ 17.26	$ 3.66	$ 10.98
Local Retirees & Beneficiaries					
KPERS	9,157	$ 5.79	$ 2.90	$ 0.92	$ 2.76
KP&F	2,479	4.52	2.26	0.25	0.75
Subtotal: Local	11,636	$ 10.31	$ 5.16	$ 1.17	$ 3.51
Total: Retirees & Beneficiaries	48,302	$ 44.84	$ 22.42	$ 4.83	$ 14.49
Total: KPERS Disability Benefit Recipients	1,885	$ 1.34	$ 0.67	$ 0.19	$ 0.57
Total: All One-Time Payment Recipients	50,187	$ 46.18	$ 23.09	$ 5.02	$ 15.06

(a) Estimated cost of one-time benefit payments to retirees, joint annuitants, beneficiaries, and long-term disability recipients who began receiving retirement or disability benefits **before** July 1, 2003.

KPERS

April 21, 2008

Option D

Estimated Cost of One-Time Benefit Payment[(a)]
Retirees Retired at Least One Year and With 10 or More Years of Service

	Estimated Number	Estimated Cost (in millions) of One-Time Benefit Payment Equal to... Monthly Benefit Payment	One-Half Monthly Benefit	$100	$300
State & School Retirees & Beneficiaries					
KPERS State Group	12,959	$ 12.96	$ 6.48	$ 1.30	$ 3.90
KPERS School Group	30,609	33.97	16.98	3.06	9.18
KP&F	484	1.11	0.55	0.05	0.15
Judges	149	0.48	0.24	0.01	0.03
Subtotal: State & School	44,201	$ 48.52	$ 24.25	$ 4.42	$ 13.26
Local Retirees & Beneficiaries					
KPERS	10,859	$ 8.55	$ 4.28	$ 1.09	$ 3.27
KP&F	2,788	6.00	3.00	0.28	0.84
Subtotal: Local	13,647	$ 14.55	$ 7.28	$ 1.37	$ 4.11
Total: Retirees & Beneficiaries	57,848	$ 63.07	$ 31.53	$ 5.79	$ 17.37
Total: KPERS Disability Benefit Recipients	3,024	$ 2.19	$ 1.10	$ 0.30	$ 0.90
Total: All One-Time Payment Recipients	60,872	$ 65.26	$ 32.63	$ 6.09	$ 18.27

(a) Estimated cost of one-time benefit payments to retirees, joint annuitants, beneficiaries, and long-term disability recipients who began receiving retirement or disability benefits **before** July 1, 2007.
Note: No length of service requirement is applied to long-term disability recipients.

KPERS
April 21, 2008

Option E

Estimated Cost of One-Time Benefit Payment[(a)]
Retirees Retired At Least One Year

	Estimated Number	Estimated Cost (in millions) of One-Time Benefit Payment Equal to... Monthly Benefit Payment	One-Half Monthly Benefit	$100	$300
State & School Retirees & Beneficiaries					
KPERS State Group	14,438	$ 13.44	$ 6.72	$ 1.44	$ 4.33
KPERS School Group	33,718	34.23	17.11	3.37	10.12
KP&F	524	1.14	0.57	0.05	0.15
Judges	180	0.50	0.25	0.02	0.06
Subtotal: State & School	48,860	$ 49.31	$ 24.65	$ 4.88	$ 14.66
Local Retirees & Beneficiaries					
KPERS	12,403	$ 8.68	$ 4.34	$ 1.24	$ 3.73
KP&F	3,141	6.27	3.14	0.31	0.93
Subtotal: Local	15,544	$ 14.95	$ 7.48	$ 1.55	$ 4.66
Total: Retirees & Beneficiaries	64,404	$ 64.26	$ 32.13	$ 6.43	$ 19.32
Total: KPERS Disability Benefit Recipients	3,024	$ 2.19	$ 1.10	$ 0.30	$ 0.91
Total: All One-Time Payment Recipients	67,428	$ 66.45	$ 33.23	$ 6.73	$ 20.23

(a) Estimated cost of one-time benefit payments to retirees, joint annuitants, beneficiaries, and long-term disability recipients who began receiving retirement or disability benefits **before** July 1, 2007.

KPERS

April 21, 2008

Estimated State Cost of Three 1% Ad Hoc COLAs For Retired KPERS Members With Options for Minimum Service Requirements *(By Fiscal Year)*

10 Minimum Years of Service

		Total Annual Payment			
	Total UAL (In millions)	FY 2009 (In Millions)	FY 2010 (In Millions)	FY 2011 (In Millions)	17-Year Total (In Millions)
KPERS State Group	$44.9	$1.6	$3.2	$4.9	$73.5
KPERS School Group	131.7	4.4	9.2	14.3	214.4
KP&F	4.2	0.1	0.3	0.4	6.1
Judges	1.6	0.1	0.1	0.2	3.1
TOTAL	$182.4	$6.2	$12.8	$19.8	$297.1

15 Minimum Years of Service

		Total Annual Payment			
	Total UAL (In millions)	FY 2009 (In Millions)*	FY 2010 (In Millions)	FY 2011 (In Millions)	17-Year Total (In Millions)
KPERS State Group	$41.7	$1.4	$2.9	$4.5	$67.5
KPERS School Group	127.0	4.3	8.8	13.7	205.5
KP&F	3.9	0.1	0.3	0.4	6.1
Judges	1.2	0.0	0.1	0.1	1.5
TOTAL	$173.8	$5.8	$12.1	$18.7	$280.6

20 Minimum Years of Service

		Total Annual Payment			
	Total UAL (In millions)	FY 2009 (In Millions)*	FY 2010 (In Millions)	FY 2011 (In Millions)	17-Year Total (In Millions)
KPERS State Group	$37.0	$1.3	$2.6	$4.0	60.0
KPERS School Group	118.8	4.0	8.2	12.9	193.4
KP&F	3.8	0.1	0.3	0.4	5.9
Judges	0.8	0.0	0.1	0.1	1.4
TOTAL	$160.4	$5.4	$11.2	$17.4	$260.7

* The cost of this year's COLAs for Judges rounds to zero.

All projections assume a flat-dollar, 15-year amortization for each of the three COLA's.
All projections are based on December 31, 2006, actuarial results, adjusted for 12/31/07 actuarial assumptions.
Costs to local government employers for their KPERS and KP&F retirees are not included in these projections.

KPERS
April 21, 2008

Estimated State Cost of Three 1% Ad Hoc COLAs For Retired KPERS Members With Options for Minimum Service and Years Retired Requirements *(By Fiscal Year)*

15 Minimum Years of Service; Must be Retired at Least *Five* Years

	Total Annual Payment				
	Total UAL (In Millions)	FY 2009 (In Millions)*	FY 2010 (In Millions)	FY 2011 (In Millions)	17-Year Total (In Millions)
KPERS State Group	$32.2	$1.1	$2.3	$3.5	$52.5
KPERS School Group	92.9	3.1	6.5	10.1	151.5
KP&F	3.0	0.1	0.2	0.3	4.5
Judges	0.9	0.0	0.1	0.1	1.7
TOTAL	$129.0	$4.3	$9.1	$14.0	$210.2

15 Minimum Years of Service; Must be Retired at Least *Ten* Years

	Total Annual Payment				
	Total UAL (In Millions)	FY 2009 (In Millions)*	FY 2010 (In Millions)*	FY 2011 (In Millions)	17-Year Total (In Millions)
KPERS State Group	$18.5	$0.6	$1.3	$2.0	$30.0
KPERS School Group	53.1	1.8	3.7	5.7	85.5
KP&F	1.7	0.1	0.1	0.2	3.1
Judges	0.6	0.0	0.0	0.1	1.0
TOTAL	$73.9	$2.5	$5.1	$8.0	$119.6

20 Minimum Years of Service; Must be Retired at Least *Five* Years

	Total Annual Payment				
	Total UAL (In Millions)	FY 2009 (In Millions)*	FY 2010 (In Millions)*	FY 2011 (In Millions)	17-Year Total (In Millions)
KPERS State Group	$27.5	$1.0	$1.9	$3.0	$44.9
KPERS School Group	86.3	2.9	6.0	9.3	139.5
KP&F	2.8	0.1	0.2	0.3	4.5
Judges	0.6	0.0	0.0	0.1	1.0
TOTAL	$117.2	$4.0	$8.1	$12.7	$189.9

20 Minimum Years of Service; Must be Retired at Least *Ten* Years

	Total Annual Payment				
	Total UAL (In Millions)	FY 2009 (In Millions)*	FY 2010 (In Millions)*	FY 2011 (In Millions)*	17-Year Total (In Millions)
KPERS State Group	$16.0	$0.6	$1.1	$1.7	$25.6
KPERS School Group	46.4	1.6	3.2	5.0	75.1
KP&F	1.7	0.1	0.1	0.2	3.1
Judges	0.3	0.0	0.0	0.0	0.4
TOTAL	$64.4	$2.3	$4.4	$6.9	$104.2

* The cost of this year's COLA for Judges rounds to zero.

All projections assume a flat-dollar, 15-year amortization for each of the three COLA's.
All projections are based on December 31, 2006, actuarial results, adjusted for 12/31/07 actuarial assumptions.
Costs to local government employers for their KPERS and KP&F retirees are not included in these projections.

KPERS
April 21, 2008

Kansas Racing and Gaming Commission

Omnibus Budget Update

- Expanded Gaming regulation start-up costs are being funded by a $3,000,000 loan from the Pooled Money Investment Board. The loan matures 6/30/2009.

- Original budget estimates prepared in September 2007 assumed all management agreements would be signed by the end of FY 2008 (June 2008). As deadlines for filing applications and the Kansas Lottery's review of the applications have been extended, we have extended our cash flow review to December 2008.

- Expenditures for the Lottery Gaming Facility Review Board are estimated to be approximately $1,200,000. These expenses are currently being funded by the operating loan from PMIB. We anticipate being reimbursed for the costs of the LGFRB by the end of June 2008.

- We anticipate management contracts will be signed by the racetracks before the end of June 2008. At that point we will be reimbursed approximately $354,000 in regulatory costs for those facilities, and would have ongoing reimbursements for both direct expenses (those directly attributable to the tracks) and indirect expenses (a total of 16.26% for both tracks of the general overhead and operating costs).

- For the period of July 1, 2007 through December 31, 2008, we estimate total receipts for Expanded Gaming regulation to be $5,364,572 and total expenditures to be $5,754,304, based upon the above stated assumptions and on the approved budget for FY 2009.

- Without additional facility reimbursements by December 2008, we will have a monthly cash deficit of $230,000 to $250,000 for regular operating expenditures.

- Unforeseen delays in the signing of contracts could result in a negative cash flow for the KRGC. Because of this, we are seeking additional loan money as a contingency plan for FY 2009.

- As it currently stands, the Legislature has reduced the Governor's budget to reflect no additional FTE for gaming over the approved amount for FY 2008. In FY 2009, the Legislature provided for a total of 95.5 FTE positions for operations, an increase of 21.25 positions over the approved current year amount. These approved levels are adequate to begin implementation of racinos in the current year and to regulate their operations in FY 2009.

- We currently have 46.33 FTE on staff. We anticipate hiring another 49.0 FTE positions to be ready to regulate racinos in FY 2009, bringing us to just under the approved amount.

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Kansas Racing and Gaming Commission
Cash Flow Analysis - Expanded Gaming
July 2007 - December 2008

Fund 2535	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	January 2008	February 2008	Estimate March 2008	Estimate April 2008
Beginning Cash Balance	-									
Receipts										
Reimbursements										
LGRB Fees										
Facility Reimbursements							-	-	-	-
Other - Loan Proceeds		132,000	-	-	195,000	221,000	420,000	265,000	224,000	400,000
Total receipts	**-**	**132,000**	**-**	**-**	**195,000**	**221,000**	**420,000**	**265,000**	**224,000**	**400,000**
Expenditures										
Salaries					120,786	170,726	279,110	105,489	157,500	157,500
Rents					29,471	23,813	439	43,575	18	
Moving Expense							-	-	1,147	72,740
Ambient Consulting					-	-	38,902	1,933	32,997	
Spectrum Group		131,250				-	-			
Other Contractual Services					21,037	17,394	16,778	47,637	7,692	18,000
Total Contractual Services	-	131,250	-	-	50,508	41,207	56,119	93,145	41,854	90,740
Total Commodities					4,533	5,215	3,827	3,753	5,444	4,000
LGFRB Expenditures						178	5,746	56,958	31,442	194,565
Capital Outlay	-				18,798	3,948	33,131	31,228	10,172	15,000
Total expenditures	**-**	**131,250**	**-**	**-**	**194,626**	**221,275**	**377,933**	**290,572**	**246,412**	**461,804**
Interest Liability to Maturity	-	*20,279*	-	-	*25,347*	*27,179*	*48,193*	*27,084*	*22,008*	*36,458*
Net change in cash	-	750	-	-	374	(275)	42,067	(25,572)	(22,412)	(61,804)
Ending Cash Balance	-	750	750	750	1,124	850	42,917	17,344	(5,067)	(66,872)

Kansas Racing and Gaming Commission
Cash Flow Analysis - Expanded Gaming
July 2007 - December 2008

Fund 2535	Estimate May 2008	Estimate June 2008	Estimate July 2008	Estimate August 2008	Estimate September 2008	Estimate October 2008	Estimate November 2008	Estimate December 2008	Total Jun 07 - Dec 08
Beginning Cash Balance									
Receipts									
Reimbursements									
LGRB Fees		1,200,000							1,200,000
Facility Reimbursements	-	354,614	90,707	97,395	139,528	149,962	155,512	176,854	1,164,572
Other - Loan Proceeds	365,000	300,000				300,000	178,000		3,000,000
Total receipts	**365,000**	**1,854,614**	**90,707**	**97,395**	**139,528**	**449,962**	**333,512**	**176,854**	**5,364,572**
Expenditures									
Salaries	157,500	157,500	206,655	226,595	241,550	256,506	276,446	276,446	2,790,309
Rents	25,600		21,558	21,558	21,558	21,558	21,558	21,558	252,266
Moving Expense									73,887
Ambient Consulting									73,831
Spectrum Group		131,250						131,250	393,750
Other Contractual Services	18,000	18,000	64,782	64,782	64,782	64,782	64,782	64,782	553,231
Total Contractual Services	43,600	149,250	86,340	86,340	86,340	86,340	86,340	217,590	1,346,965
Total Commodities	4,000	4,000	6,154	6,154	6,154	6,154	6,154	6,154	71,695
LGFRB Expenditures	134,060	132,614	170,230	174,470	171,285	30,925	30,925	30,925	1,164,324
Capital Outlay	15,000	15,000	39,789	39,789	39,789	39,789	39,789	39,789	381,011
Total expenditures	**354,160**	**458,364**	**509,168**	**533,348**	**545,119**	**419,714**	**439,654**	**570,904**	**5,754,304**
Interest Liability to Maturity	*30,794*	*23,290*				*15,332*	*7,935*		*283,899*
Net change in cash	10,840	1,396,250	(418,461)	(435,954)	(405,590)	30,248	(106,142)	(394,050)	
Ending Cash Balance	(56,032)	1,340,218	921,757	485,803	80,213	110,461	4,318	(389,732)	

Kansas Racing and Gaming Commission

FTE

	FY 2008 Approved	Current Actual	Revised FY 2008 Gov Rec	FY 2008 Legislative Approved
Topeka	56.00	35.33	56.00	55.75
Woodlands	11.00	11.00	18.50	18.50
Wichita	10.00	-	-	-
Frontenac	-	-	18.50	-
Crawford/Cherokee	-	-	10.50	-
Ford	-	-	8.50	-
Sumner	-	-	10.00	
Wyandotte	-	-	-	
Total	**77.00**	**46.33**	**122.00**	**74.25**

	FY 2009 KRGC Request	FY 2009 Gov Rec	FY 2009 Legislative Approved
Topeka	60.00	57.50	58.50
Woodlands	21.00	18.50	18.50
Wichita	10.00	-	-
Frontenac	21.00	18.50	18.50
Crawford/Cherokee	16.00	10.50	-
Ford	16.00	10.50	-
Sumner	16.00	10.50	-
Wyandotte	16.00	10.50	-
Total	**176.00**	**136.50**	**95.50**

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission

Current FTE

Position	Topeka	Woodlands	**Total**
Executive Total	6.3	-	**6.33**
Administration Total	10.0	-	**10.00**
AES Total	5.0	1.0	**6.00**
Animal Health Total	1.0	4.0	**5.00**
Licensing Total	4.0	1.0	**5.00**
Racing Total	1.0	3.0	**4.00**
Security Total	8.0	2.0	**10.00**
Grand Total	**35.3**	**11.0**	**46.33**

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission

Additional FTE for Racinos

Position	Topeka	Woodlands	Camptown	**Total**
Executive Total	2.0	-	-	**2.0**
Administration Total	11.0	-	-	**11.0**
AES Total	3.0	1.0	2.0	**6.0**
Animal Health Total	-	-	4.0	**4.0**
Licensing Total	1.0	-	1.0	**2.0**
Racing Total	-	-	3.0	**3.0**
Security Total	5.0	7.0	9.0	**21.0**
Grand Total	**22.0**	**8.0**	**19.0**	**49.0**

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission

Additional FTE for Casinos

Position	Topeka	Cherokee	Ford	Sumner	Wyandotte	**Total**
Executive Total	2.0	-	-	-	-	**2.0**
Administration Total	2.0	-	-	-	-	**2.0**
AES Total	1.0	1.0	1.0	1.0	1.0	**5.0**
Licensing Total	1.0	1.0	1.0	1.0	1.0	**5.0**
Security Total	-	8.0	8.0	9.0	8.0	**33.0**
Grand Total	**6.0**	**10.0**	**10.0**	**11.0**	**10.0**	**47.0**

Full-time Equivalent Positions (FTE)

Kansas Racing and Gaming Commission

FTE Planning

	Topeka	Woodlands	Camptown	Wyandotte	Southeast	Sumner	Ford	**Total**
Current	35.33	11.00	-	-	-	-	-	**46.33**
Plus: Racinos	22.00	8.00	19.00	-	-	-	-	**49.00**
Subtotal - with Racinos	57.33	19.00	19.00	-	-	-	-	**95.33**
Plus: Casinos	6.00	-	-	10.00	10.00	11.00	10.00	**47.00**
Subtotal - with Casinos	63.33	19.00	19.00	10.00	10.00	11.00	10.00	**142.33**

Full-time Equivalent Positions (FTE)

KANSAS
OFFICE OF THE GOVERNOR

Kathleen Sebelius, Governor

www.governor.ks.gov

Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill No. 534 with my signature approving the bill, except for the items enumerated below.

Department of Administration

Expanded Lottery Act Revenues Fund

Sections 85(t), 85(u), 85(v), and 85(w) have been line-item vetoed in their entirety.

This portion of the bill unnecessarily creates three new funds to receive monies from the Expanded Lottery Act Revenues Fund. Current law already defines how new receipts from gaming activity will be administered and how they can be spent. Creating additional funds and further stipulations would limit the flexibility of future Legislatures to target gaming receipts toward the most important and pressing needs of the state. For this reason, I find it necessary to veto this portion of the bill.

Kathleen Sebelius

Kathleen Sebelius, Governor

Dated: April 21, 2008

Capitol Building, Room 212S, Topeka, KS 66612-1590 • (785) 296-3232 • Fax: (785) 296-7973
e-mail: governor@ks.gov

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Kansas Department of Transportation (KDOT)

A. Replacement Vehicles (House, Senate and Conference committees). The Conference Committee agreed with both the House and Senate committees to delete $2,258,700, all from the State Highway Fund, in FY 2009 for replacing 123 vehicles, and to review funding at Omnibus.

As of 2/19/08

Moratorium Fleet Count	**1,025**
# of Vehicles Over Mileage Standard	303
# of FY 08 Approved Replacements	(130)
Total Remaining Vehicles Over Mileage	173
Additional Vehicles Projected to be Over Mileage at the end of **FY 08**	39
Additional Vehicles Projected to be Over Mileage at the end of **FY 09**	85
Total	297

B. Short line railroads, natural disaster damages, and financial assistance from KDOT (House and Senate committees). Both the House and Senate committees asked for an Omnibus review of short line railroads in FY 2009 and for information about financial assistance being considered by KDOT to address damages from natural disasters.

Rail Services Improvement Fund

Fund Status

The Rail Service Improvement Fund (RSIF), as part of the Comprehensive Transportation Program (CTP), receives annual funding of $3.0 million from the State Highway Fund. This transfer will sunset on June 30, 2009. The RSIF can be used to make loans and grants to qualified entities for the purpose of facilitating the financing, acquisition or rehabilitation of railroads and rolling stock in the state of Kansas. Loans from the RSIF carry an interest rate of 3 percent, with a repayment term of 10 years. Qualified entities include any Surface Transportation Board certified railroad and port authorities established in accordance with Kansas laws.

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C. Troop F headquarters building construction project (House and Conference committees). The Conference Committee deleted $6,367,000, all from the State Highway Fund, in FY 2009 for construction of the Highway Patrol Troop F Headquarters in Wichita, and asked for the item to be reviewed at Omnibus.

The Kansas Highway Patrol is available to answer any questions regarding this project.

D. Shrinkage and vacant positions (House Committee). The Conference Committee deleted $1,870,870, all from the State Highway Fund, to increase the FY 2009 shrinkage rate to 5.1 percent, the same as in the current fiscal year. The House Committee requested KDOT to prepare a report for Omnibus detailing its vacant positions and the length of time each has been vacant.

Information as of February 2008

FY 2009 "Vacant" Regular Classified Positions as listed in the FY 2009 Budget Document

Hold Positions *	32
Currently Filled	124
Currently Vacant/Actively Recruited	7
Recruited but unfilled	45
FY 2010 CTP	19
Currently Vacant--No Recruitment Action	27
Total	254

* No salary dollars budgeted

Note: Of the 51 FTE positions to be eliminated in FY 2009, 19 are still filled.

KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

TELEPHONE – 785-296-3421
FAX – 785-296-0983
www.kansasregents.org

FOR IMMEDIATE RELEASE
January 9, 2008

BOARD OF REGENTS AND TECHNICAL EDUCATION AUTHORITY AWARD TECHNICAL EDUCATION TECHNOLOGY AND EQUIPMENT GRANTS

22 Institutions Receive Funding To Enhance Technical Education Programs

(TOPEKA) – The Kansas Board of Regents recently adopted the recommendations of the Kansas Postsecondary Technical Authority and awarded $4 million to 22 community colleges, technical colleges, and technical schools as part of the newly-created Technical Education Technology and Equipment Grants program.

"This program will provide these institutions with a tremendous opportunity to obtain the latest technology and equipment available in order to expand program capacity and ultimately increase the number of students they can serve," said Regent Christine Downey-Schmidt, Chair of the Board of Regents. "This funding will have a direct and positive impact our state's workforce needs, and the Board applauds the Legislature for its recognition of the key role our higher education institutions play in meeting the state's ever-changing workforce demands."

"The forward-thinking investment of capital funds by the Kansas Legislature ensures the initial step for the renaissance of technical education," said Joseph Glassman, Chairman of the Kansas Postsecondary Technical Education Authority. "Their belief as is the Regents/Kansas Technical Authority in development of new high tech education programs becomes opportunity for all Kansans from individual to industry."

The program, which was created by the Kansas Legislature in 2007, contained $4 million in funds which were to be used for the purchase of new technology and equipment to enhance technical education programs. Any of the 19 community colleges or 10 technical colleges and schools delivering approved technical education programs were eligible to apply for funding. As part of the program, institutions must also provide a $1 cash match for every $2 of state funds received.

The Authority initially reviewed the 24 institutional proposals that were submitted and recommended that 22 institutions be awarded funding, and the Board adopted the Authority's recommendations. Priority consideration was given to proposals that focused on: 1) High skill, high wage, or high demand occupations; 2) Targeted industry sectors – Aviation and Advanced Manufacturing, Healthcare, Conventional and Renewable Energy, Bioscience, and Communications; 3) Collaborations with business and industry and other postsecondary educational institutions; and 4) Expanding program capacity to meet a current or emerging

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workforce need. The following table outlines the institutions, award amounts, and program areas to be funded:

Institution	Award Amount	Program Area(s) Funded
Barton County Community College	$206,714	Natural Gas Emergency Services
Butler Community College	$519,283	Nursing Information Technology
Cloud County Community College	$300,000	Wind Energy
Coffeyville Community College	$250,000	Welding
Colby Community College	$13,235	Nursing
Cowley County Community College	$420,000	Non-Destructive Testing Mechatronics
Flint Hills Technical College	$84,767	Machine Tool
Fort Scott Community College	$37,127	Nursing
Garden City Community College	$60,000	Food Science/Quality Assurance
Hutchinson Community College	$315,202	Radiology Nursing Paramedic Physical Therapy Electrical Engineering/Manufacturing Engineering Welding
Johnson County Community College	$119,010	Dental Hygiene Practical Nursing Polysomnography Technology
Kansas City Kansas Area Technical School	$184,417	Machine Technology Welding
Kaw Area Technical School	$219,811	Industrial Technology
Labette Community College	$41,463	Nursing Respiratory Therapy
Neosho County Community College	$88,130	Nursing Medical Assisting Medical Coding/Transcription Computer Support Computer-Aided Drafting
North Central Kansas Technical College	$132,635	Nursing
Northeast Kansas Technical College	$58,098	Electrical Technology
Northwest Kansas Technical College	$65,416	Communications Technology Telecommunications Networking Medical Assisting Welding
Pratt Community College	$95,931	Nursing Biofuels

Salina Area Technical School	$80,534	Medical Assisting Computer-Aided Drafting Welding
Seward County Community College	$78,990	Nursing Respiratory Therapy Medical Laboratory Technician Surgical Technologist
Wichita Area Technical College	$629,237	Aerostructures Machining Technology Practical Nursing Welding Mechanical Engineering Technology Composites Fabrication Computer-Aided Drafting Medical Assisting Medical Laboratory Technician Dental Assisting Surgical Technologist

The nine-member Kansas Board of Regents is the governing board of the state's six universities and a coordinating board for nineteen community colleges, ten technical institutions, and a municipal university. In addition, the Board administers the state's student financial aid, adult education, GED, and career and technical education programs. The Board also authorizes private proprietary schools and out-of-state institutions to operate in Kansas, and administers the Kan-ed network, a statewide network that provides broadband Internet access and distance learning capabilities for schools, hospitals, and libraries.

The 12-member Kansas Postsecondary Technical Education Authority was created by the Kansas Legislature in 2007, and is charged with coordinating statewide planning for postsecondary technical education.

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For more information contact
Kip Peterson, Director of Government Relations & Communications, at (785) 296-3421.

Visit the Kansas Board of Regents on the Web at www.kansasregents.org

Visit the Kansas Postsecondary Technical Education Authority on the Web at www.kansasregents.org/techauthority

Kansas Board of Regents			
2008 State Technical Education Technology and Equipment Grants			
Institution	**State Award Amount**	**Required Match for Award**	**Recommended Program Areas**
Barton County Community College	$ 206,714	$ 103,357	Natural Gas, Emergency Services
Butler Community College	519,283	259,642	Nursing, Information Technology
Cloud County Community College	300,000	150,000	Wind Energy
Coffeyville Community College	250,000	125,000	Welding
Colby Community College	13,235	6,618	Nursing
Cowley County Community College	420,000	210,000	Non-destructive Testing, Mechatronics
Flint Hills Technical College	84,767	42,384	Machine Tool
Ft.Scott Community College	37,127	18,564	Nursing
Garden City Community College	60,000	30,000	Food Science/Quality Assurance
Hutchinson Community College	315,202	157,601	Radiology, Nursing, Paramedic, Physical Therapy, Electrical Engineering/Manufacturing Engineering, Welding
Johnson County Community College	119,010	59,505	Dental Hygiene, Practical Nursing, Polysomnography Technology,
Kansas City Kansas Area Technical School	184,417	92,209	Machine Technology, Welding
Kaw Area Technical School	219,811	109,906	Industrial Technology
Labette Community College	41,463	20,732	Nursing, Respiratory Therapy
Neosho County Community College	88,130	44,065	Nursing, Medical Assisting, Medical Coding/Transcription, Computer Support, Computer-Aided Drafting
North Central KS Technical College	132,635	66,318	Nursing
Northeast Kansas Technical College	58,098	29,049	Electrical Technology
Northwest Kansas Technical College	65,416	32,708	Communications Technology, Telecommunications Networking, Medical Assisting, Welding
Pratt Community College	95,931	47,966	Nursing, Biofuels
Salina Area Technical School	80,534	40,267	Medical Assisting, Computer-Aided Drafting, Welding
Seward County Community College	78,990	39,495	Nursing, Respiratory Therapy, Medical Laboratory Technician, Surgical Technologist
Wichita Area Technical College	629,237	314,619	Aerostructures, Machining Technology, Practical Nursing, Welding, Mechanical Engineering Technology, Composites Fabrication, Computer-Aided Drafting, Medical Assisting, Medical Laboratory Technician, Dental Assisting, Surgical Technologist
Totals	**$ 4,000,000**	**$2,000,000**	

Notes:

1. 2007 House Sub for SB 357 (omnibus) contained a new SGF line-item with funding of $4.0 million to be expended in FY 08. Proviso language required institutions to provide a $1 cash match for each $2 of state funds. Priority given to high skill, high wage or high demand occupations; targeted industry sectors - aviation & advanced manufacturuing, healthcare, conventional & renewable energy; bioscience and communications; collaboration with business and industry and other PEI; expand program capacity.

2. The source of match included institutional funds, federal funds, and business and industry contributions (est. $609,906)

3. Eligible institutions that did not submit application or meet grant criteria: Dodge City Community College, Highland Community College, Independence Community College, Kansas City Kansas Community College, Southwest Kansas Area Technical School, Allen County Community College, and Manhattan Area Technical College

NURSING FACILITIES RE-OPENING IN SE KANSAS

April 24, 2008

( ) (1) During the fiscal years ending June 30, 2008, and June 30, 2009, in addition to other purposes for which expenditures may be made by the department on aging from the moneys appropriated from the state general fund or any special revenue fund for the above agency for fiscal year 2008 or fiscal year 2009 as authorized by chapter 167 or chapter 201 of the 2007 Session Laws of Kansas, by 2008 Senate Bill No. 534, or by this or other appropriation act of the 2008 regular session of the legislature, expenditures shall be made by the department on aging from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2008 and fiscal year 2009 to make payments under the state medicaid program to each nursing facility, upon re-opening, as a new nursing facility provider with a nursing facility provider medicaid rate determined under the provisions of K.A.R.30-10-17(b) and K.A.R. 30-10-18(e)(1)(A).

(2) As used in this subsection, "nursing facility" means a nursing facility which is located within a county designated by the United States federal emergency management agency under major disaster declaration FEMA-1711-DR and which was closed for a period of nine months or more as a result of such 2007 disaster caused by the flooding and other severe weather in Southeast Kansas.

Prepared by Jim Wilson, First Assistant Revisor of Statutes

RS– C:\My Files\Docs_____REQUESTS____ 2008 Requests 23apr08__ APPROPRIATIONS_ 2008 OMNIBUS\S W&M\NursingFacilitiesFlooded-Out.wpd (jwilson)

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Coordinating health & health care for a thriving Kansas

KHPA™

KANSAS HEALTH POLICY AUTHORITY

KHPA Priorities and Performance Measures for 2008

Agency Goal (1): To improve consumer communication and provide data rich information in order to improve health and public policy in Kansas.

- **Stakeholder Process through Data Consortium**. Develop health care cost and quality indicators for public reporting through a rigorous public stakeholder process ("Data Consortium").
    - The Data Consortium will recommend numerous public reporting indicators to the KHPA Board; indicators will be selected and included on the Kansas Health Online website by January 2009.
    - The Data Consortium will recommend to the KHPA Board other policies and initiatives that pertain to increased use of data, especially for program improvement and health services research.
- **Provide Consumer Health Care Cost and Quality Information**. Expand the consumer health transparency project ("Kansas Health Online") to provide consumers with additional usable health information, particularly about health care quality and cost. This website will contain links to the health indicators selected by the Data Consortium.
    - Kansas Health Online will contain public reporting indicators for health care cost and quality as recommended to the KHPA Board by the Data Consortium, a health literacy curriculum, and local health resources by January 2009.
- **Integrate and Utilize Health Care Data Sets**. Implement the database software manager ("Data Analytic Interface") with the goal of integrating various KHPA and other data sets to provide researchers and analysts with usable health data.
    - The DAI vendor will be selected by March/April 2008; the Director of Data Policy and Evaluation will update the KHPA Board on the utility of the DAI at the KHPA Board retreat in June 2008. Quarterly reports on the DAI will subsequently be provided to the Board.
- **Offer Health System Education and Outreach**. Strengthen public communications for consumers in order to increase health literacy. Highlight for consumers the relationship between health care costs, health outcomes, and health behaviors.

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220
www.khpa.ks.gov

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health Benefits and Plan Purchasing:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

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- Communications director will develop internal and external communications plan for the agency to include website communications, community outreach (listening tour/townhall meetings), media, stakeholder, and internal staff communications by July 2009.

- **Advance Health Reform Agenda for Kansas.** Educate the public and legislature regarding the 21 health reform recommendations adopted by the KHPA Board on November 1, 2007.

  - Work closely with legislators, Governor, Advisory Councils, and stakeholders to advance health reform options by the end of 2008 legislative session.

Agency Goal (2): To strengthen and improve leadership and organizational development within the agency.

- **Develop Agency Strategic Plan**. Develop a three to five year integrated "agency strategic plan" for presentation and adoption by the KHPA Board.

  - With assistance from a strategic planning consultant, create strategic planning team across agency departments to develop draft strategic plan framework for Board consideration at the Board retreat, June 2008. Final agency strategic plan completed by December 2008.

- **Invest in KHPA Staff Leadership**. Develop and provide staff development and leadership opportunities to KHPA employees at all levels of the agency.

  - Develop staff training and develop plan as part of overall strategic plan; draft strategic plan framework for Board consideration at the Board retreat, June 2008 and inclusion in agency strategic plan (December 2008).

- **Promote Culture of Health and Professionalism**. Define "new culture" for the KHPA, focused on an *integrated* vision – across programs and departments -- of health for all Kansans.

  - Work with executive team and cross-agency planning team to direct an agency vision as part of overall agency strategic plan; draft strategic plan framework for Board consideration at the Board retreat, June 2008 and inclusion in agency strategic plan (December 2008).

- **Support Program Integrity through Communication/Collaboration**. Strengthen internal and interagency communications to ensure program integrity.

  - Continued refinement of the internal control processes and procedures put in place to identify problems, identify who is responsible and accountable, and ensure actions are taken promptly to resolve issues with attention to ongoing internal and external communication with operating agencies, providers, and CMS around critical programmatic issues. This will be included in the draft strategic plan framework for Board consideration at the Board retreat, June 2008 and inclusion in the agency strategic plan (December 2008).

Agency Goal (3): To successfully implement new initiatives and programs, while consistently improving ongoing programs/initiatives

- **Implement Private Insurance Plan for Low Income Families**. Work with legislature to obtain appropriation necessary to successfully implement the first phase of the new premium assistance program as defined by SB 11 ("Kansas Healthy Choices") during 2008 legislative session and begin enrollment of participants in January 2009. With a phase-in subject to annual appropriations, premium

assistance changes the current model of care from seeking treatment when ill to preventing illness, which results in better health outcomes and less costly treatment

- **Implement Integrated Enrollment and Eligibility System**. Develop and begin planning for a new modern eligibility and enrollment system for KHPA programs, together with the Department of Social and Rehabilitation Services.*

  *The SRS system is 20 years old, designed to manage the state's welfare programs, and no longer meets the needs of either agency. System changes are expensive, cannot keep pace with Medicaid eligibility policy, and require KHPA staff to expend significant staff hours to manually "work-around" the SRS system. KHPA's strategy to increase participation in health plans, especially for uninsured children, includes leveraging community resources such as places of worship and clinical settings statewide. The current system does not support web-based applications, limiting where it can be accessed.

  - Work with legislature to obtain appropriations during 2008 legislative session and work with SRS to begin selection of contractor to provided seamless eligibility and enrollment for multiple KHPA and SRS programs.

- **Transform Medicaid through continuous quality improvement**. Identify new policies, performance gaps, and opportunities for quality improvement and savings through systematic reviews and surveillance of alternative programs.

  - Complete and publish a comprehensive annual review of each major Medicaid and SCHIP program to serve as a record of performance and as a means of working with stakeholders in a transparent fashion to develop policies, priorities, budget proposals, and opportunities for savings.

  - Under the direction of staff dedicated to this purpose, complete and implement a comprehensive quality improvement plan for KHPA healthcare programs, including HealthWave, Medicaid fee-for-service, and the State Employee Health Plan.

  - Dedicate staff and resources to ongoing review of healthcare research and other state healthcare programs to identify new opportunities for reform, demonstration projects and major new initiatives, with a specific focus on improved management of high-cost populations, and complete the agency's investment in the Enhanced Care Management pilot program in Sedgewick County and the Medicaid Transformation Grant to improve primary care for the disabled.

- **Advance Medical Home Model and Workforce for Kansas**. Work with stakeholders to analyze, develop and implement "medical home" model of coordinated, team-based, and patient-centered health care; analyze health professions workforce to support that model of care.

  - Work with legislature to obtain support for a process to define a medical home in Kansas. Working closely with the Director of Data and Evaluation, the Medical Director and the Policy Director will develop draft measures for a "medical home" model of health care services (for both Medicaid and the SEHP) for Board review in November 2008.

  - Working closely with KDHE, determine readiness of a health professions workforce plan for Kansas as part of overall strategic plan; draft strategic plan framework for Board consideration at the Board retreat, June 2008. Final strategic plan completed by December 2008.

- **Promote the Use of E-Health Technology**
  - Create an E-Health Advisory Group to the KHPA Board by April 2008 that will develop a plan for a statewide Community Health Record (for Medicaid and the State Employee Health Plan), a resource center for health care providers who want to leverage information technology in their practices, and recommend policies to promote the use of health information exchange between providers.

- **Strengthen State Employee Health Plan**. Continue to enhance the State Employee Health Plan (SEHP) through improved benefit package design and wellness programming.

  - Working under the direction of the Health Care Commission (HCC), implement Phase I and II of the State Employee Health Benefit Plan (SEHBP) wellness, which will provide significant health, wellness and prevention benefits to state employees and their dependents. Consider refinements to the benefit design of the SEHBP offerings, including premium differentials for smoking by March/April 2008.

  - Working under the direction of the Health Care Commission, consider changes to benefit plan offerings (including the High Deductible Health Plan and Health Savings Account) and continue to improve on financial reporting and general oversight of the SEHP.

- **Increase Access to Care for Children**. Increase the number of insured Kansas children through aggressive targeting outreach and enrollment for those children eligible for Medicaid or HealthWave.

  - Work with legislature to obtain appropriations during 2008 legislative session to meet target of adding 20,000 children to Medicaid/Healthwave over the next three years. Build into overall strategic plan; draft strategic plan framework for Board consideration at the Board retreat, June 2008. Final strategic plan completed by December 2008.

Updated March 5, 2008

STATE OF KANSAS

Administration of
Campaign Finance,
Conflict of Interest
& Lobbying Laws

109 West 9th Street, Suite 504
Topeka, Kansas 66612
(785) 296-4219 (phone)
(785) 296-2548 (fax)

GOVERNMENTAL ETHICS COMMISSION
www.kansas.gov/ethics

Senator Dwayne Umbarger, Chairman
Senate Ways & Means Committee
Room 120 S, Statehouse
Topeka, Kansas 66612

April 22, 2008

Representative Sharon Schwartz, Chairwoman
House Appropriations Committee
Room 517 S, Statehouse
Topeka, Kansas 66612

Dear Senator Umbarger and Representative Schwartz:

I was informed by the Division of Budget and Legislative Research today that I should have asked earlier to have an additional fee fund established for the Commission in the megabill that is currently being worked by your committees.

The Commission is hosting the regional Council on Governmental Ethics Laws conference again this year because the next state in line to host the conference backed out. Like last year, we are collecting a registration fee from all participants from other state ethics commissions to cover the cost of hosting the event. Last year a separate fee fund was established for the purposes of holding these registrations fees and subsequently paying the hotel for the food and meeting room rental costs for the conference. This fee fund lapsed at the end of fiscal year 2007.

The language in last year's bill (HB 2368. Chapter 167, Section 21) stated **"On and after the effective date of this act, during the fiscal year ending June 30, 2007, all expenditures made by the above agency for the fiscal year ending June 30, 2007, for the purpose of conducting the heartland council on governmental ethics laws conference shall be in addition to any expenditure limitation imposed on the governmental ethics commission fee fund for fiscal year 2007".**

Since the Commission's fee fund has an expenditure limitation, we need this additional fee fund, once again, to handle the revenue and expenditures for this conference again this year.. I apologize for this oversight and ask that you include this request when you work the megabill tomorrow.

Sincerely,

Carol Williams
Executive Director

cc Kimbra Caywood, Legislative Research

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Senate Omnibus Appropriations Bill

DRAFT

(Reflects Senate Omnibus Adjustments for FY 2008, FY 2009, FY 2010, FY 2011, and FY 2012)

Agency/Item	*State General Fund*	*All Other Funds*	*All Funds*	*FTEs*	
FY 2008					
Kansas Housing Resources Corporation					
1. Appropriate $4.0 million, all from the State Housing Trust Fund, in FY 2008 to add reportable expenditures pursuant to 2008 SB 417 for state housing grants. Also add language to authorize the Kansas Housing Resources Corporation to make expenditures from the State Housing Trust Fund for the purposes specified in 2008 SB 417.	0	4,000,000	4,000,000	0.0	N
Agency Subtotal	*$0*	*$4,000,000*	*$4,000,000*	*0.0*	
Attorney General					
1. Concur in part with GBA No. 1, Item 8, which adds expenditures of $500,000 for enforcement activities related to the tobacco Master Settlement Agreement in FY 2009. Instead of funding from the State General Fund, however, transfer $500,000 from the Kansas Endowment for Youth Fund to a new special revenue fund in FY 2008, and authorize expenditures of the same amount from that fund in FY 2009.	0	0	0	0.0	N
2. Concur with GBA No. 1, Item 10, which deletes expenditures of $41,076 from the Crime Victims Assistance Fund and adds the same amount from the Crime Victims Compensation Fund in FY 2008 to correct an error in the approved FY 2008 budget.	0	0	0	0.0	N
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Kansas Public Employees Retirement System (KPERS)					
1. Increase the amount of the FY 2008 transfer by $7.3 million from the Kansas Endowment for Youth (KEY) Fund to the Children's Initiatives Fund (CIF) in accounting for additional tobacco settlement revenue.	0	0	0	0.0	N
2. Add a transfer of $0.5 million in FY 2008 from the KEY Fund to the Attorney General's Fund for the purpose of funding continued enforcement of the tobacco settlement agreement.	0	0	0	0.0	N
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Governmental Ethics Commission					
1. Add language in FY 2008 authorizing that expenditures made by the agency for the purpose of conducting a governmental ethics law conference shall be in addition to the expenditure limitation imposed by the governmental ethics fee fund.	0	0	0	0.0	C
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Department of Administration					
1. Appropriate the Capitol Area Plaza Authority Planning Fund in FY 2008 with no limit on expenditures. Also authorize the Secretary of Administration to accept gifts, donations, and grants, including a $50,000 grant from the City of Topeka, to match state funds for updating the Capitol Area Plaza Authority's master plan.	0	50,000	50,000	0.0	$250K
2. Add $200,000, all from the State General Fund, in FY 2008 for the purpose of matching the City of Topeka's grant of $50,000 in order to update the Capitol Area Plaza Authority's master plan.	200,000	0	200,000	0.0	$0
Agency Subtotal	*$200,000*	*$50,000*	*$250,000*	*0.0*	
Kansas Technology Enterprise Corp.					
1. Concur with GBA No. 1, Item 4, and add the federal grant funds from the U.S. Small Business Administration with a no-limit expenditure limitation to be used for the Pipeline Entrepreneurship Mentoring Program in FY 2008. Expenditures are estimated at $73,813 in FY 2008.	0	73,813	73,813	0.0	N
Agency Subtotal	*$0*	*$73,813*	*$73,813*	*0.0*	
Commission on Veterans Affairs					
1. Concur with GBA No. 1, Item 17, which adds $27,957, all from special revenue funds, in FY 2008 for a federal reimbursement contract related to the Veteran Services Program.	0	27,957	27,957	0.0	N
Agency Subtotal	*$0*	*$27,957*	*$27,957*	*0.0*	
Department on Aging					
1. Concur with GBA No. 1, Item 11, for human services consensus caseloads in FY 2008.	1,211,000	1,789,000	3,000,000	0.0	N

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A	Item	State General Fund	All Other Funds	All Funds		
2.	Concur with GBA No. 1, Item 16, to transfer the hospital long-term care survey and certification unit from the Department of Health and Environment to the Department on Aging.	22,800	28,412	51,212	0.0	N
	Agency Subtotal	*$1,233,800*	*$1,817,412*	*$3,051,212*	*0.0*	
	Health Policy Authority					
1.	Concur with GBA No. 1, Item 11, for human services consensus caseloads in FY 2008.	14,000,000	3,000,000	17,000,000	0.0	N
	Agency Subtotal	*$14,000,000*	*$3,000,000*	*$17,000,000*	*0.0*	
	Social and Rehabilitation Services					
1.	Concur with GBA No. 1, Item 11, for human services consensus caseloads in FY 2008.	4,466,400	(6,642,843)	(2,176,443)	0.0	N
2.	Concur with GBA No. 1, Item 12, to reflect savings for the Grandparents as Caregivers Program in FY 2008.	(362,426)	0	(362,426)	0.0	N
	Agency Subtotal	*$4,103,974*	*($6,642,843)*	*($2,538,869)*	*0.0*	
	Larned State Hospital					
1.	Add funding of $36,275, all from the State General Fund, in FY 2008 to adjust the categorical aid per eligible teaching unit at the hospital.	36,275	0	36,275	0.0	N
	Agency Subtotal	*$36,275*	*$0*	*$36,275*	*0.0*	
	Osawatomie State Hospital					
1.	Concur with GBA No. 1, Item 13, which increases the fee fund expenditure limitation on the Osawatomie State Hospital Fee Fund to $541,019 in FY 2008. This amount is offset by a transfer of $141,019, all from the State General Fund, to Parsons State Hospital (PSH) in order to cover a fee fund shortfall at PSH.	(141,019)	541,019	400,000	0.0	N
	Agency Subtotal	*($141,019)*	*$541,019*	*$400,000*	*0.0*	
	Parsons State Hospital					
1.	Add funding of $4,690, all from the State General Fund, in FY 2008 to adjust the categorical aid per eligible teaching unit at the hospital.	4,690	0	4,690	0.0	N
2.	Concur with GBA No. 1, Item 13, which decreases the fee fund expenditure limitation on the Parsons State Hospital Fee Fund by $141,019 in FY 2008. Funding of $141,019, all from the State General Fund, was transferred from Osawatomie State Hospital to Parsons State Hospital (PSH) to cover a fee fund shortfall at PSH.	141,019	(141,019)	0	0.0	N
	Agency Subtotal	*$145,709*	*($141,019)*	*$4,690*	*0.0*	
	Department of Education					
1.	Change language on the FY 2008 appropriation for the Kansas Career Pipeline which requires a dollar for dollar match from business and industry to broaden the sources from which the match can be obtained. In addition, add language allowing any unspent FY 2008 funding for the Kansas Career Pipeline to reappropiate to FY 2009.	0	0	0	0.0	N
2.	Delete $193,722, all from the State General Fund, in FY 2008 to reflect a reduction (from 913.0 to 891.0) in the estimated number of students in juvenile detention facilities receiving services from local school districts.	(193,722)	0	(193,722)	0.0	$0
	Agency Subtotal	*($193,722)*	*$0*	*($193,722)*	*0.0*	
	School for the Deaf					
1.	Add $5,000, all from the State General Fund, in FY 2008 for weekend supervision for students unable to return home for the weekend	5,000	0	5,000	0.0	$0
	Agency Subtotal	*$5,000*	*$0*	*$5,000*	*0.0*	
	Juvenile Justice Authority					
1.	Add $306,365, all from the Juvenile Detention Facilities Fund, for FY 2008. The addition raises the expenditure limitation for the juvenile detention facilities fund to accurately reflect the current balance. The Juvenile Justice Authority erroneously reduced the expenditure limitation below the approved level of funding for FY 2008.	0	306,365	306,365	0.0	C
	Agency Subtotal	*$0*	*$306,365*	*$306,365*	*0.0*	
	Highway Patrol					
1.	Add $191,854, all from special revenue funds, for additional trooper pay increases in FY 2008. The funding is the difference between the funding approved by the 2007 Legislature for the FY 2008 pay increases and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.	0	191,854	191,854	0.0	N
2.	Concur with GBA No. 1, Item 25, to add $275,000, all from the State General Fund, in FY 2008 for trooper fuel costs.	275,000	0	275,000	0.0	C

Item	State General Fund	All Other Funds	All Funds	FTE	
3. Concur with GBA No. 1, Item 26, which adjusts the expenditure limitation on the Kansas Highway Patrol Operations Fund in FY 2008 and FY 2009. Reduce the expenditure limitation on the Kansas Highway Patrol Operations Fund by $825,000 in FY 2008 and increase the expenditure limitation in FY 2009 by the same amount. This would move the expenditure authority for the purchase of in-car digital cameras to FY 2009.	0	(825,000)	(825,000)	0.0	N
Agency Subtotal	*$275,000*	*($633,146)*	*($358,146)*	*0.0*	
State Conservation Commission					
1. Add $266,224, all from the State General Fund, in FY 2009 for conservation easements funding for the Department of Defense Army Compatible Use Buffer Program and the United States Department of Agriculture Farm and Ranchlands Protection Program. Also add reappropriation authority for the agency to carry forward any unencumbered balances to FY 2009.	266,224	0	266,224	0.0	$\not{N}$ O
Agency Subtotal	*$266,224*	*$0*	*$266,224*	*0.0*	
Kansas Water Office					
1. Delete both the expenditures from the Water Conservation Projects Fund and accompanying language for FY 2008 that was inadvertently included in SB 534 (Technical Adjustment).	0	0	0	0.0	N
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Department of Wildlife and Parks					
1. Concur with GBA No. 1, Item 27, to add $400,000, all from the Wildlife Fee Fund, in FY 2008 for flood repairs at Cheyenne Bottoms.	0	400,000	400,000	0.0	N
Agency Subtotal	*$0*	*$400,000*	*$400,000*	*0.0*	
Securities Commissioner					
1. Add $34,639, all from special revenue funds, in FY 2008 to fund increased pay for Special Investigators which was increased by Executive Directives No. 07-374 and 07-381.	0	34,639	34,639	0.0	N
Agency Subtotal	*$0*	*$34,639*	*$34,639*	*0.0*	
Department of Corrections					
1. Concur with GBA No. 1, Item 20, which increases federal funds for the inmate health care contract resulting in savings in FY 2008 for the State General Fund.	(74,819)	74,819	0	0.0	N
Agency Subtotal	*($74,819)*	*$74,819*	*$0*	*0.0*	
TOTAL	**$19,856,422**	**$2,909,016**	**$22,765,438**	**0.0**	

FY 2009

Kansas Housing Resources Corporation					
1. Appropriate $4.0 million, all from the State Housing Trust Fund, in FY 2009 to add reportable expenditures pursuant to 2008 SB 417 for state housing grants. Also add language to authorize the Kansas Housing Resources Corporation to make expenditures from the State Housing Trust Fund for the purposes specified in 2008 SB 417.	0	4,000,000	4,000,000	0.0	N
Agency Subtotal	*$0*	*$4,000,000*	*$4,000,000*	*0.0*	
Attorney General					
1. Appropriate the no-limit Sexually Violent Predator Expense Fund in FY 2009 as the result of passage of 2007 SB 52, which outlines the rights and rules of conduct for sexually violent predators while committed to a treatment facility and clarifies the allocation of cost for a procedure to determine whether a person is a sexually violent predator.	0	0	0	0.0	N
2. Concur in part with GBA No. 1, Item 8, which adds expenditures of $500,000 for enforcement activities related to the tobacco Master Settlement Agreement in FY 2009. Instead of funding from the State General Fund, however, transfer $500,000 from the Kansas Endowment for Youth Fund to a new special revenue fund in FY 2008, and authorize expenditures of the same amount from that fund in FY 2009.	0	500,000	500,000	0.0	N
3. Concur with GBA No. 1, Item 9, which authorizes expenditures of $188,790, all from existing resources of the Interstate Water Litigation Fund, in FY 2009 for state operations to allow the agency to add 2.0 FTE positions for in-house water litigation activities.	0	0	0	2.0	C
Agency Subtotal	*$0*	*$500,000*	*$500,000*	*2.0*	

Agency/Item	State General Fund	All Other Funds	All Funds		
Secretary of State					
1. Add $68,292, all from special revenue funds, for 1.0 FTE unclassified Housing Loan Assistant position and necessary supplies. This funding is for House Substitute for Senate Bill 387, which authorizes a pilot investment program for idle funds at the state universities and a State Housing Loan Deposit Program.	0	68,292	68,292	1.0	C
2. Add $13,000, all from special revenue funds, for staff oversight and supplies for the Pooled Money Investment Board. This funding is for House Substitute for Senate Bill 387, which authorizes a pilot investment program for idle funds at the state universities and a State Housing Loan Deposit Program.	0	13,000	13,000	0.0	C
Agency Subtotal	*$0*	*$81,292*	*$81,292*	*1.0*	
Board of Indigents' Defense Services					
1. Concur with GBA No. 1, Item 2, and delete $300,000, all from the State General Fund, to take into account the revised assigned counsel caseload estimates for FY 2009.	(300,000)	0	(300,000)	0.0	N
Agency Subtotal	*($300,000)*	*$0*	*($300,000)*	*0.0*	
Judicial Branch					
1. Add funds in FY 2009 from the Judicial Branch Nonjudiciary Salary Adjustment Fund with a no-limit expenditure limitation on the fund. HB 2968 creates this fund that receives revenue from increased docket fees, an estimated $3.8 million in FY 2009.	0	3,800,000	3,800,000	0.0	C
2. Add $354,679, all from the State General Fund, in FY 2009 for 10.0 new nonjudicial FTE positions, which would include 6.0 clerk of district court staff, 3.0 court service officers, and 1.0 administrative assistant.	354,679	0	354,679	10.0	¥O
Agency Subtotal	*$354,679*	*$3,800,000*	*$4,154,679*	*10.0*	
Kansas Public Employees Retirement System (KPERS)					
1. Concur with GBA No. 1, Item 3, to add a transfer in FY 2009 that shifts any remaining balance (estimated to be $11,018) from the Senior Services Trust Fund to the State General Fund.	0	0	0	0.0	N
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Kansas Corporation Commission					
1. Add $115,200, all from special revenue funds, and 2.0 FTE Building Energy Analyst positions, in FY 2009 for expansion of the Facilities Conservation Improvement Program.	0	115,200	115,200	2.0	N
Agency Subtotal	*$0*	*$115,200*	*$115,200*	*2.0*	
Board of Healing Arts					
1. Add $29,700, all from the Board of Healing Arts Fee Fund, for fingerprint and background check expenditures as authorized by HB 2620. This funding is contingent upon the passage of the bill.	0	29,700	29,700	0.0	C
Agency Subtotal	*$0*	*$29,700*	*$29,700*	*0.0*	
Board of Nursing					
1. Appropriate the Criminal Background and Fingerprinting Fund as a no-limit fund, which would be contingent upon the passage of HB 2620. The bill authorizes the Board of Nursing to require applicants for an original license to be fingerprinted and have their state and national criminal history record checked. The Board could assess the cost for these procedures to the applicant, and the money would be deposited and expended from the fund for this purpose.	0	0	0	0.0	C
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Department of Administration					
1. Reappropriate any unexpended funds from the current fiscal year to FY 2009 for updating the Capitol Area Plaza Authority's master plan.	0	0	0	0.0	¥O
2. Add $11,600, all from the State General Fund, in FY 2009 for one replacement vehicle in the Ombudsman's Office.	11,600	0	11,600	0.0	¥O
3. Add $138,640, including $94,978 from the State General Fund, in FY 2009 for 2.0 FTE positions and related operating expenditures for two new staff in the Long-Term Care Ombudsman's Office to provide additional regional assistance to residents of senior care facilities.	138,640	0	138,640	2.0	¥O
4. Concur with GBA No. 1, Item 1, to add $69,320, all from the State General Fund, in FY 2009 for 1.0 FTE position and related operating expenditures for one new staff in the Long-term Care Ombudsman's Office to assist residents of the Soldiers Home and the Veterans Home.	69,320	0	69,320	1.0	¥O

Item	State General Fund	All Other Funds	All Funds		
5. [illegible] $4.2 million, all from the State General Fund, in FY 2009 to continue funding implementation of the Financial Management System (FMS) project.	4,200,000	0	4,200,000	0.0	$0
6. Add $44,562, all from the State General Fund, in FY 2009 for 1.0 FTE position to assist with implementation of the proposed new pay plans authorized by Senate Sub. For HB 2916.	44,562	0	44,562	1.0	$0
7. Add $0.5 million, all from the State General Fund, in FY 2009 that was recommended by the Governor for the enhancement of funding for formula grants to public radio and TV stations.	500,000	0	500,000	0.0	$0
8. Add $2.3 million, all from the State General Fund, in FY 2009 for equipment grants to individual TV stations for digital conversion costs: KTWU rechanneling $82,904; KPTS rechanneling $474,595; KCPT master control $87,500; KPTS master control $105,060; KCPT main tower $50,000; KTWU cameras $373,444; KCPT cameras $375,000; Smoky Hills cameras $375,000; and KPTS cameras $375,000.	2,298,503	0	2,298,503	0.0	$0
Agency Subtotal	*$7,262,625*	*$0*	*$7,262,625*	*4.0*	
Board of Tax Appeals					
1. Add $165,000, all from the State General Fund, in FY 2009 due to the passage of Sub. For HB 2018 which renames the agency to the State Court of Tax Appeals and creates a chief hearing officer position.	165,000	0	165,000	0.0	N
Agency Subtotal	*$165,000*	*$0*	*$165,000*	*0.0*	
Kansas Racing and Gaming Commission					
1. Generally concur with GBA No. 1, Item 5 to finance FY 2009 expenditures for the Expanded Lottery Regulation Division of the Kansas Racing and Gaming Commission by increasing the loan authority from $3.0 million approved by the 2007 Legislature to $5.0 million. This increase will provide the Commission with authority to borrow money, if needed, up to a maximum of $5.0 million, from the Pooled Money Investment Board (PMIB). Any funds borrowed are to be repaid with interest that will reflect the PMIB rate plus an additional 3.0 percent. In addition, add expenditures of $2.0 million in FY 2009 that were not addressed in the Governor's recommendation since the maximum amount of money that may be borrowed would reflect the agency's total authorized expenditures in FY 2009 expenditures.	0	2,000,000	2,000,000	0.0	N
Agency Subtotal	*$0*	*$2,000,000*	*$2,000,000*	*0.0*	
Department of Commerce					
1. Include in the bill $21,600, all from the Economic Development Initiatives Fund, in FY 2009 in order to correct for the deletion of funds that are to be used for the replacement of three vehicles. This amount was to be included in SB 534. (Technical Adjustment)	0	0	0	0.0	N
2. Include in the bill $150,000, all from the Economic Development Initiatives Fund, in FY 2009 in order to correct the double deletion of funds for the Kansas Innovation Consortium. This amount was to be included in SB 534. (Technical Adjustment)	0	0	0	0.0	N
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Kansas Technology Enterprise Corp.					
1. Concur with GBA No. 1, Item 4, and add the federal grant funds from the U.S. Small Business Administration with a no-limit expenditure limitation to be used for the Pipeline Entrepreneurship Mentoring Program in FY 2009. Expenditures are estimated at $369,067 in FY 2009.	0	369,067	369,067	0.0	N
Agency Subtotal	*$0*	*$369,067*	*$369,067*	*0.0*	
Department of Labor					
1. Add $105,322, all from special revenue funds, in FY 2009 for the Federal Indirect Cost Offset Fund. (Technical Adjustment).	0	105,322	105,322	0.0	N
Agency Subtotal	*$0*	*$105,322*	*$105,322*	*0.0*	
Commission on Veterans Affairs					
1. Concur with GBA No. 1, Item 17, which adds $61,730, all from special revenue funds, in FY 2009 for a federal reimbursement contract related to the Veteran Services Program.	0	61,730	61,730	0.0	N
Agency Subtotal	*$0*	*$61,730*	*$61,730*	*0.0*	
Department on Aging					
1. Approve the addition of 75 slots for the Topeka location of the Program of All Inclusive Care for the Elderly in FY 2009.	0	0	0	0.0	C
2. Add $174,000, all from special revenue funds, for the purchase of 15 vehicles in FY 2009.	0	174,000	174,000	0.0	C

A[illegible]Item	State General Fund	All Other Funds	All Funds	
3. [illegible] $309,888, including $124,203 from the State General Fund, in FY 2009 to increase the protected income level for individuals receiving services from home and community based service waivers from $727 to $738 per month.	124,203	185,685	309,888	[illegible]0.0 $0
4. Add $125,000, all from the State General Fund, in FY 2009 for a grant for the United Cerebral Palsy of Kansas assistive technology initiative.	125,000	0	125,000	0.0 N
5. Add $1,276,891, including $519,950 from the State General Fund, in FY 2009 for a 2.0 percent rate increase for the home and community based services waiver for the frail elderly.	519,950	756,941	1,276,891	0.0 $0
6. Concur with GBA No. 1, Item 11, for human services consensus caseloads in FY 2009.	2,004,000	2,996,000	5,000,000	0.0 N
7. Concur with GBA No. 1, Item 16, to transfer the hospital long-term care survey and certification unit from the Department of Health and Environment to the Department on Aging.	74,949	330,321	405,270	5.0 N
8. Include language regarding reimbursement rates for nursing facilities closed for nine months in SouthEast Kansas as a result of flooding.	0	0	0	0.0 C
Agency Subtotal	*$2,848,102*	*$4,442,947*	*$7,291,049*	*5.0*
Health Policy Authority				
1. Add $100,000, including $50,000 from the State General Fund, in FY 2009 for the enhanced care management pilot program.	50,000	50,000	100,000	0.0 $0
2. Add $450,000, all from the State General Fund, in FY 2009 to implement the provisions of the Health Information Technology Commission, and include language requiring the agency to report back regarding implementation of the recommendations.	450,000	0	450,000	0.0 $0
3. Concur with GBA No. 1, Item 14, to add $6.6 million, all from the State General Fund, in FY 2009 for the MediKan Preferred Drug Formulary. In addition, add $1,321,000, all from the State General Fund, to prevent implementation of a preferred drug formulary.	7,921,000	0	7,921,000	0.0 $1.3mil SGF difference
4. Delete $600,000, all from the State General Fund, to recognize savings from not implementing Premium Assistance authorized in 2007 SB 11 in FY 2009.	(600,000)	0	(600,000)	0.0 $0
5. Add $825,000, including $206,250 from the State General Fund, in FY 2009 for an automated prior authorization system for Medicaid prescriptions.	206,205	618,795	825,000	0.0 $0
6. Concur in part with GBA No. 1, Item 11, for human services consensus caseloads in FY 2009. Delete $860,000, including $344,000 from the State General Fund, to delete duplicative funding for expanded newborn screening in FY 2009.	7,577,000	16,284,000	23,861,000	0.0 $344K SGF difference
Agency Subtotal	*$15,604,205*	*$16,952,795*	*$32,557,000*	*0.0*
Social and Rehabilitation Services				
1. Add $11.1 million, all from the Children's Initiatives Fund, in FY 2009 for an early childhood block grant.	0	11,100,000	11,100,000	0.0 $0 CIF
2. Add $384,324, including $154,037 from the State General Fund, in FY 2009 to increase the protected income level for individuals receiving services from home and community based service waivers from $727 to $738 per month.	154,037	230,287	384,324	0.0 $0
3. Add $118,500, all from the State General Fund, in FY 2009 for the Kansas Youth Empowerment Grant.	118,500	0	118,500	0.0 CIF
4. Add $9,397,156, including $3,802,452 from the State General Fund, in FY 2009 for home and community based service waivers to avoid potential waiting lists.	3,802,452	5,594,704	9,397,156	0.0 $0
5. Add $3.0 million, all from the State General Fund, for funding for child protective services in FY 2009.	3,000,000	0	3,000,000	0.0 $0
6. Add $3,671,742, including $1,664,748 from the State General Fund, for adoption support caseloads in FY 2009.	1,664,748	2,006,994	3,671,742	0.0 $0
7. Add $7,808,816, including $3,179,749 from the State General Fund, in FY 2009 for a 2.0 percent rate increase home and community based service waivers.	3,179,749	4,629,067	7,808,816	0.0 $0
8. Concur with GBA No. 1, Item 11, for human services consensus caseloads in FY 2009.	1,968,646	(11,614,837)	(9,646,191)	0.0 N
9. Add language for the money follows the person proviso (Technical Amendment).	0	0	0	0.0 N
10. Shift $1,852,779 from the State General to the Children's Initiatives Fund for the Early Head Start Program.	(1,852,779)	1,852,779	0	0.0 $0
Agency Subtotal	*$12,035,353*	*$13,798,994*	*$25,834,347*	*0.0*

Item	State General Fund	All Other Funds	All Funds		
Larned State Hospital					
1. Add funding of $41,557, all from the State General Fund, in FY 2009 to adjust the categorical aid per eligible teaching unit at the hospital.	41,557	0	41,557	0.0	N
2. Add funding of $6,183, all from the State General Fund, in FY 2009 to provide an average statewide salary increase of 3.5 percent for teachers at the hospital.	6,183	0	6,183	0.0	N
3. Add funding of $1,070,589, all from the State General Fund, and 22.0 FTE positions, in FY 2009 to expend the Sexual Predator Treatment and Transition Programs due to a rise in patient census.	1,070,589	0	1,070,589	22.0	~~N~~ O
Agency Subtotal	*$1,118,329*	*$0*	*$1,118,329*	*22.0*	
Parsons State Hospital					
1. Add funding of $3,186, all from the State General Fund, in FY 2009 to adjust the categorical aid per eligible teaching unit at the hospital.	3,186	0	3,186	0.0	N
2. Add funding of $12,372, all from the State General Fund, in FY 2009 to provide an average statewide salary increase of 3.5 percent for teachers at the hospital.	12,372	0	12,372	0.0	N
Agency Subtotal	*$15,558*	*$0*	*$15,558*	*0.0*	
Department of Education					
1. Add $25,000, all from the State General Fund, in FY 2009 related to passage of 2008 HB 2714, which creates the Interstate Compact on Educational Opportunity for Military Children.	25,000	0	25,000	0.0	N
2. Add $74,000, all from the State General Fund, in FY 2009 for the National Child ID program.	74,000	0	74,000	0.0	~~N~~ O
3. Add $119,722, all from the State General Fund, in FY 2009 to replace federal Title V-Innovative Program Funds for the salaries of 2.0 existing FTE Education Program Consultants.	119,722	0	119,722	0.0	~~N~~ O
Agency Subtotal	*$218,722*	*$0*	*$218,722*	*0.0*	
State Library					
1. Add $250,000, all from the State General Fund, for the establishment of a statewide delivery system for library materials in FY 2009.	250,000	0	250,000	0.0	C
Agency Subtotal	*$250,000*	*$0*	*$250,000*	*0.0*	
School for the Deaf					
1. Add $20,000, all from the State General Fund, in FY 2009 for weekend supervision for students unable to return home for the weekend	20,000	0	20,000	0.0	C
Agency Subtotal	*$20,000*	*$0*	*$20,000*	*0.0*	
State Historical Society					
1. Add $238,185, all from the State General Fund, in FY 2009 for the replacement of the steam humidification system at the Kansas History Museum. This would be half of the cost to replace the system, with the other half being appropriated in FY 2010.	238,185	0	238,185	0.0	C
2. Add $154,775, all from the Expanded Lottery Act Revenues Fund, for the rehabilitation and repair of the Goodnow House in Manhattan in FY 2009.	0	154,775	154,775	0.0	C
Agency Subtotal	*$238,185*	*$154,775*	*$392,960*	*0.0*	
University of Kansas					
1. Add $45.0 million in bonding authority for the School of Pharmacy expansion in FY 2009, with debt service to be paid from the Expanded Lottery Act Revenue Funds, and if funds are not available, then from the State General Fund.	0	0	0	0.0	C
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Board of Regents					
1. Concur with GBA No.1, Item 8, which adds $3.2 million, all from the State General Fund, for debt service on Postsecondary Education Institutions Infrastructure bonds in FY 2009. Debt service principal payments total $2.5 million, and will be reimbursed by the institutions and transferred to the State General Fund.	3,180,469	0	3,180,469	0.0	N
2. Add $10.1 million, all from the State General Fund, for the unified operating grant increase in FY 2009.	10,083,836	0	10,083,836	0.0	C
3. Add $2.5 million, all from the Kansas Universal Service Fund (KUSF), in FY 2009 for KAN-ED and add language to allow the increase from the statutory $5.5 million to $8.0 million from the KUSF.	0	2,500,000	2,500,000	0.0	C
4. Add $1.7 million, all from the State General Fund, for Postsecondary Aid for Vocational Education in FY 2009.	1,665,997	0	1,665,997	0.0	C

Item	State General Fund	All Other Funds	All Funds		
5. Amend language that directs the Board to distribute Postsecondary Aid for Vocational Education so that no institution gets less than it did in the previous year to include technical schools and community colleges in FY 2009.	0	0	0	0.0	C
Agency Subtotal	*$14,930,302*	*$2,500,000*	*$17,430,302*	*0.0*	
Department of Health and Environment					
1. Add $550,000, all from the State General Fund, in FY 2009 for the Coordinated School Health Program.	550,000	0	550,000	0.0	$1.0 mil C
2. Concur with GBA No. 1, Item 16, and delete $405,270, including $74,949 from the State General Fund, and 5.0 FTE positions in FY 2009 to reflect the transfer of responsibility for the survey and certification of hospital long-term care units from the Department of Health and Environment to the Department on Aging.	(74,949)	(330,321)	(405,270)	(5.0)	N
3. Add $603,964, including $61,654 from the State General Fund, and 38.0 FTE positions in FY 2009 to restore three months of funding related to 2008 SB 584, which transfers responsibility for food and lodging inspection from the Department of Health and Environment to the Department on Aging. The transfer will take place on October 1, 2008, so the Department of Health and Environment needs to retain three months of funding for the duties.	61,654	542,310	603,964	38.0	N
4. Delete $3.5 million, all from the State General Fund, and add the same amount from the Children's Initiatives Fund to replace all State General Fund for the Part C Infant Toddler (Tiny-K) services in FY 2009.	(3,500,000)	3,500,000	0	0.0	$3.5 mil SGF
5. Add $1.0 million, all from the Children's Initiatives Fund in FY 2009, for additional Part C Infant Toddler (Tiny-K) services. This brings total funding for the program to $9.6 million, including $5.7 million from the Children's Initiatives Fund.	0	1,000,000	1,000,000	0.0	N
Agency Subtotal	*($2,963,295)*	*$4,711,989*	*$1,748,694*	*33.0*	
Juvenile Justice Authority					
1. Add $209,424, all from the State General Fund, for salary enhancements for Juvenile Correctional Officer (JCO) I positions for FY 2009.	209,424	0	209,424	0.0	C
2. Add $692,675, including $252,066 from the State General Fund, for a federal sex offender treatment grant for FY 2009.	252,066	440,609	692,675	0.0	N
3. Delete $2,793,099, all from the State Institutions Building Fund, in FY 2009 for the remodel of the administration building at the Kansas Juvenile Correctional Complex and reconsider during the Interim Session.	0	(2,793,099)	(2,793,099)	0.0	C
Agency Subtotal	*$461,490*	*($2,352,490)*	*($1,891,000)*	*0.0*	
Adjutant General					
1. Add $54,013, including $40,511 from the State General Fund, and 1.0 FTE position for a Logistics Specialist in FY 2009.	40,511	13,502	54,013	1.0	C
2. Appropriate the Grant to National Guard Museum Assistance Fund as a new no-limit fund in the Adjutant General's budget for funds received under the year round Kansas Lottery's Veterans' Benefits Game in FY 2009. This money will be expended towards an expansion facility for the 35th Infantry Division Museum and Education Center and is contingent upon the passage of House Substitute for House Bill 2923.	0	0	0	0.0	N
Agency Subtotal	*$40,511*	*$13,502*	*$54,013*	*1.0*	
State Fire Marshal					
1. Concur with GBA No. 1, Item 24, and add language allowing a loan from the State General Fund to the Fire Marshal Fee Fund, upon certification of the Director of the Budget, if there are any cash flow issues during FY 2009.	0	0	0	0.0	N
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Highway Patrol					
1. Concur with GBA No. 1, Item 26, which adjusts the expenditure limitation on the Kansas Highway Patrol Operations Fund in FY 2008 and FY 2009. Reduce the expenditure limitation on the Kansas Highway Patrol Operations Fund by $825,000 in FY 2008 and increase the expenditure limitation in FY 2009 by the same amount. This would move the expenditure authority for the purchase of in-car digital cameras to FY 2009.	0	825,000	825,000	0.0	C
2. Add $503,914, including $382,113 from the State General Fund, for additional trooper pay increases in FY 2009. This funding assumes a 2.5 percent pay increase, and would be the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.	382,113	121,801	503,914	0.0	C
Agency Subtotal	*$382,113*	*$946,801*	*$1,328,914*	*0.0*	

Item	State General Fund	All Other Funds	All Funds	s	
Bureau of Investigation					
1. Add $1.4 million, all from the State General Fund, and 3.0 FTE positions for the Kansas Criminal Justice Information System in FY 2009.	1,353,699	0	1,353,699	3.0	C
2. Add $330,000, all from the State General Fund, for the KBI Complex Site Master Plan in FY 2009. This funding includes $130,000 for higher than expected property acquisition appraisals; $150,000 for a needs assessment for a new forensic science laboratory; and $50,000 for a site master plan to define space utilization, general appearance, traffic flow, utilities, code compliance, and phasing of the KBI Complex.	330,000	0	330,000	0.0	C
Agency Subtotal	*$1,683,699*	*$0*	*$1,683,699*	*3.0*	
Emergency Medical Services Board					
1. Amend reporting requirements proviso in SB 534 for FY 2009, by changing "if any organization" to "if any county, EMS services provider, and EMS Regional Council."	0	0	0	0.0	C
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Department of Agriculture					
1. Add $80,000, all from the State General Fund, and $40,000, all from special revenue funds, in FY 2009 to purchase one large scale test truck.	80,000	40,000	120,000	0.0	N
2. Add $1,811,893, including $184,962 from the State General Fund, and 38.0 FTE positions in FY 2009 to implement provisions in SB 584, that transfers responsibility for the inspections and licensing of food service and lodging facilities from the Department of Health and Environment to the Department of Agriculture. In addition, appropriate each of the two funds associated with the program and add language that provides for expenditures, revenues, and transfers.	184,962	1,626,931	1,811,893	38.0	N
Agency Subtotal	*$264,962*	*$1,666,931*	*$1,931,893*	*38.0*	
State Conservation Commission					
1. Add reappropriation authority for the agency to carry forward any unencumbered balances in funding for the Conservation Reserve Enhancement Program (CREP) in FY 2009.	0	0	0	0.0	C
Agency Subtotal	*$0*	*$0*	*$0*	*0.0*	
Department of Wildlife and Parks					
1. Add $168,640, all from the Parks Fee Fund, in FY 2009 to replace 10 vehicles. Also add language to authorize the agency to retain up to 31 vehicles that are to be replaced in FY 2009 and reallocate them to the state parks for use by seasonal and temporary staff.	0	168,640	168,640	0.0	N
2. Add $27,000, all from special revenue funds, in FY 2009 to purchase insurance for the agency's boating operations as required by 2008 SB 157.	0	27,000	27,000	0.0	N
3. Add $171,500, all from special revenue funds, in FY 2009 and 2.0 FTE positions for one criminal investigator and one technical support consultant.	0	171,500	171,500	2.0	C
Agency Subtotal	*$0*	*$367,140*	*$367,140*	*2.0*	
Kansas Department of Transportation					
1. Add $650,000, all from the State Highway Fund, in FY 2009 for expenditures to contract for the preliminary planning and designing associated with the Troop F Headquarters Building in Wichita Also add language that directs the agency to submit the design plans and estimated costs of the project for review by a future legislative session.	0	650,000	650,000	0.0	N
2. Add $2.3 million, all from the State Highway Fund, in FY 2009 to replace 123 vehicles.	0	2,258,700	2,258,700	0.0	N
3. Add $6.4 million, all from the State Highway Fund, in FY 2009 for constructing the Troop F Headquarters building in Wichita.	0	6,367,000	6,367,000	0.0	C
4. Add $45,920, all from the State Highway Fund, in FY 2009 for manufacture and installation of roadside signs authorized in 2008 SB 523, HB 2071, HB 2659, and HB 2708,	0	45,920	45,920	0.0	N
Agency Subtotal	*$0*	*$9,321,620*	*$9,321,620*	*0.0*	
Securities Commissioner					
1. Add $34,810, all from special revenue funds, in FY 2009 to fund increased pay for Special Investigators which was increased by Executive Directives No. 07-374 and 07-381.	0	34,810	34,810	0.0	N
2. Concur with GBA No. 1, Page 14, Item 7, which adds $66,451, all from special revenue funds, in FY 2009 to maintain pay equity within the agency.	0	66,451	66,451	0.0	N
Agency Subtotal	*$0*	*$101,261*	*$101,261*	*0.0*	

A	Item	State General Fund	All Other Funds	All Funds		
Department of Corrections						
1.	Concur with GBA No. 1, Item 20, which increases federal funds for the inmate health care contract resulting in savings in FY 2009 for the State General Fund.	(74,819)	74,819	0	0.0	N
2.	Concur with GBA No. 1, Item 19, which increases the expenditures from the Inmate Benefit Fund for FY 2009.	0	614,000	614,000	0.0	N
3.	Add $465,599, all from the State General Fund, in FY 2009 to fund the replacement of 29 vehicles.	465,599	0	465,599	0.0	C
4.	Appropriate the Victim's Assistance Fund in the Department of Corrections and change the deposit of inmate fees from the Crime Victim's Compensation Fund in the Attorney General's Office to the Victim's Assistance Fund in the Department of Corrections in FY 2009 as a result of the passage of SB 524.	0	0	0	0.0	N
	Agency Subtotal	*$390,780*	*$688,819*	*$1,079,599*	*0.0*	
TOTAL		**$55,021,320**	**$64,377,395**	**$119,398,715**	**123.0**	

FY 2010

State Historical Society						
1.	Add $238,185, all from the State General Fund, in 2010 for the replacement of the steam humidification system at the Kansas History Museum. This would be the second half of the cost to replace the system.	238,185	0	238,185	0.0	C
	Agency Subtotal	*$238,185*	*$0*	*$238,185*	*0.0*	
TOTAL		**$238,185**	**$0**	**$238,185**	**0.0**	

Assumed Match Based on House and Senate Additions

	State 10%	Federal 75%	Local 15%	Disaster 100%
Conference Recommendation				
FY 2008				
	$34,946,155	$262,096,163	$52,419,233	$349,461,550
FY 2009				
	$38,974,435	$292,308,263	$58,461,653	$389,744,350
Emergency Fund				
	$10,000,000	$75,000,000	$15,000,000	$100,000,000
Total FY 2009	$48,974,435	$367,308,263	$73,461,653	$489,744,350
Grand Total for FY 2008 and FY 2009				
	$83,920,590	$629,404,425	$125,880,885	$839,205,900
Suggested FY 2009 Adjustments				
	($26,934,000)	($202,005,000)	($40,401,000)	($269,340,000)
Adjusted Grand Total for FY 2008 and FY 2009				
	$56,986,590	$427,399,425	$85,479,885	$569,865,900

Senate Ways and Means
4-23-08
Attachment 32