

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades at 9:10 a.m. on February 14, 2011, in Room 346-S of the Capitol.

All members were present

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes
J.G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Cindy O'Neal, Administrative Assistant, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Department of Transportation – Management Budget
- Attachment 2 Department of Commerce, Kansas, Inc and Kansas Technology Enterprise Corp. FY 2012 Budget Committee Reports
- Attachment 3 Legislative Post Audit – Performance Audit Report Highlights
- Attachment 4 Board of Accountancy and Board of Veterinary Examiners FY 2012 and FY 2013 Budget Committee Reports
- Attachment 5 Legislative Research Department – Overview of Salaries and Wages

Chairman Rhoades welcomed committee members and reviewed the meeting agenda. He stated that the Department of Transportation Management Budget, (Attachment 1) has been distributed and addresses additional information requested by committee members.

Representative Feuerborn made a motion to introduce legislation that would raise the cap from \$20,000 to \$25,000 for the Kansas Public Employee Retirement System. The motion was seconded by Representative Gatewood. Motion carried.

Representative Pottorff made a motion to introduce legislation regarding the Container Bottle bill. The motion was seconded by Representative Crum. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources, presented the FY 2012 Department of Commerce Budget Committee Report (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following adjustments: the Secretary of Commerce continues to work to foster a positive and productive business environment; noted the importance of veterinarian medicine, animal research and more Kansas students attending veterinarian school; requested a feasibility report on the America's Job Link Alliance to the Budget Committee by February 1, 2012, the results of the Fair Fares Program conducted by Legislative Division of Post Audit, and a proviso included in the mega appropriations bill that would require an annual report presented in various committees by May 1, 2012.

Representative Schwartz made a motion to adopt the FY 2012 Department of Commerce Budget Committee Report. The motion was seconded by Representative Lane.

Representative Schwartz made a motion for an amendment that would suspend the agency's 20% or up to a maximum \$200,000 in fee receipts to the State General Funds (SGF). The motion was seconded by Representative Mast.

Discussion followed by committee members. It was noted that this amendment would be consistent with other fee funded budget committee recommendations. The concept of a Deal Closing fund was discussed.

The motion to amend was renewed. Motion carried.

Michael Steiner, Kansas Legislative Research Department, responded to questions from committee members. He reviewed the Small Technology Pilot Program and Rural Opportunity Zones.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:10 a.m. on February 14, 2011, in Room 346-S of the Capitol.

Representative Gatewood made a motion for an amendment to remove \$5 million from the Economic Development Initiative Fund (EDIF) and move the funds into SGF, and delete the transfer to the Fair Fares Program. The motion was seconded by Representative Peck.

Discussion followed by committee members regarding rural opportunities, the Fair Fares Program and establishing priorities for a reasonable balance in the SGF. An overview of the State Affordable Airfare Fund, and services provided by Wichita's Mid-Continent Airport and the Manhattan Airport was provided. The impact of air services for the state's economic development was noted.

Representative Gatewood withdrew the amendment with the approval of the second of the motion.

Representative Gatewood made a motion to reduce the amount to \$2.5 million from SGF with the required matching dollars from Sedgwick County, and move the remaining \$2.5 million from EDIF to SGF. The motion was seconded by Representative Peck.

Discussion continued by committee members regarding the impact of the recommendation on local communities and the need to review this recommendation at Omnibus.

Michael Steiner reviewed highlights of the Legislative Post Audit Performance Audit Report, (Attachment 3) for the Regional Economic Area Partnership's (REAP). It was noted that REAP's number were significantly inflated in comparison to the auditor's findings. Emphasis was placed on critical needs that are not being met with the current budget proposal, and local community participation.

The motion was renewed. Motion failed.

Committee members discussed the Rural Opportunities Zone. It was suggested that focus should be placed on targeted rural areas with amenities to attract business and population growth. The impact of KTEC and NIAR were reviewed, and the concern for more Kansas students being accepted into veterinarian schools. A committee member requested information on the process used to determine who is accepted into veterinarian schools and if there is a priority for Kansas students.

Michael Steiner responded to questions from committee members regarding capital improvements. He noted that this transpired in FY 2004 when Workforce Services Division was transferred from the Department of Labor. The debt service principle was for bonds on the Topeka Workforce Center, which will retire in 2021, and there are no SGF dollars used for institutional building funds for capital improvements, he added.

Representative Crum made a motion to add language on the application and acceptance process for students and priorities for Kansas students entering the schools for Veterinarian Medicine. The motion was seconded by Representative Lane. Motion carried.

Discussion continued concerning income tax, student loans and the need for a bill introduction in relation to Rural Opportunity Zones.

Representative Schwartz made a motion to adopt the FY 2012 Department of Commerce Budget Committee Report as amended. The motion was seconded by Representative Lane. Motion carried.

Representative Lane, Member, House Agriculture and Natural Resources Budget Committee presented the FY 2012 Kansas, Inc. Budget Committee Report, (Attachment 2). The Budget Committee concurred with the Governor's recommendation which restructures Kansas, Inc and renames it the Governor's Economic Council, which is a program within the Kansas Department of Administration.

Representative Lane made a motion to adopt the FY 2012 Kansas, Inc. Budget Committee Report. The motion was seconded by Representative Schwartz. Motion carried.

Representative Lane, Member, House Agriculture and Natural Resources Budget Committee presented the FY 2012 Kansas Technology Budget Committee Report (KTEC), (Attachment 2). The Budget Committee concurred with the Governor's recommendation with the following adjustment: review at Omnibus the progress of the proposed reorganization of KTEC into the Department of Commerce and the Kansas Board of Regents.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:10 a.m. on February 14, 2011, in Room 346-S of the Capitol.

Representative Lane made a motion to adopt the FY 2012 Kansas Technology Budget Committee Report. The motion was seconded by Representative Schwartz. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2012 Board of Accountancy Budget Committee Report, (Attachment 4). The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the 20% up to a maximum of \$200,000 of the agency's fee receipts to the SGF, add \$51,920 from the agency's special revenue funds, recommends that the Legislature introduce legislation to replace \$15,000 transfer to the Special Litigation Reserve Fund, and review the decision of increased expenditure limitations at Omnibus.

Representative Schwartz made a motion to adopt the FY 2012 Board of Accountancy Budget Committee Report. The motion was seconded by Representative Lane. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2013 Board of Accountancy Budget Committee Report, (Attachment 4). The Budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the 20% up to a maximum of \$200,000 of the agency's fee receipts to the SGF; add \$49,740 from the agency's special revenue funds, recommends that the Legislature introduce legislation to replace \$15,000 transfer to the Special Litigation Reserve Fund; and review the decision of increased expenditure limitations at Omnibus.

Representative Schwartz made a motion to adopt the FY 2013 Board of Accountancy Budget Committee Report. The motion was seconded by Representative Lane. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2012 Board of Veterinary Examiners Budget Committee Report, (Attachment 4). The Budget Committee concurred with the Governor's recommendation with the following adjustments: requests an audit of the agency, suspension of the 20% up to the maximum of \$200,000 of the agency's fee receipts to the SGF, add \$53,569 for special revenue funds, and review the increased expenditure limitation at Omnibus.

Representative Schwartz made a motion to adopt the FY 2012 Board of Veterinary Examiners Budget Committee Report. The motion was seconded by Representative Lane. Motion carried.

Representative Schwartz, Chair, House Agriculture and Natural Resources Budget Committee, presented the FY 2013 Board of Veterinary Examiners Budget Committee Report, (Attachment 4). The budget Committee concurred with the Governor's recommendation with the following adjustments: suspension of the 20% or up to the maximum of \$200,000 of the agency's fee receipts to the SGF, add \$53,569 from special revenue funds, and review the increased expenditure limitation at Omnibus in FY 2013.

Representative Schwartz made a motion to adopt the FY 2013 Board of Veterinary Examiners Budget Committee Report. The motion was seconded by Representative Lane. Motion carried.

Alan Conroy, Director, Kansas Legislative Research Department, presented an Overview of Salaries and Wages information as requested by committee members, (Attachment 5). The Governor's recommendation includes 39,141.9 full-time positions and 1,543.4 non-full-time equivalent unclassified positions for FY 2012 for salary and wages totaling \$2.6 billion of all funds and \$1.1 billion or 20% of the SGF budget, he reported. He reviewed classification of employees, longevity pay, fringe benefits, and the Governor's recommendations regarding eliminated positions and lay offs.

Alan Conroy responded to questions from committee members. As requested by the committee, additional information will be provided that reflects a break down of full-time and part-time positions and eligible benefits, Department of Commerce staffing update in regards to the recent consolidation, and the number of appeals made through the Civil Service protection. He reviewed the Civil Service protection process involved with unsatisfactory employee ratings, and components involved with shrinkage. Director Conroy noted that agency's have the flexibility in their approved budget to use a funds as needed.


Representative Kelley made a motion to approve committee meeting minutes for January, 19, 20, 24, 25, 26, and 28, and for February 4 and 7. The motion was seconded by Representative Ballard. Motion carried.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:10 a.m. on February 14, 2011, in Room 346-S of the Capitol.

Chairman Rhoades reviewed the agenda for the next committee meeting.

The meeting was adjourned at 11:01 a.m.



Marc Rhoades, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2-14-11

NAME	REPRESENTING
Derek Hein	HEIN LAW FIRM
Rob Merrill	KEARNEY & Assoc.
Deborah Noakes	KACTE
Joanella Lucas	K-ACTE
Jim Means	K-ACTE
Dawn Hindsley	K-ACTE
Kayla Fraley	FCLLA
SUE LEDNICKY	KACTE
Douglas G. Zillinger	KAAE
Karl Presley	Kearney & Associates
Leigh Keck	Capitol Strategies
Gore Meyer	Kansas Reporting
RJ Wilson	KOSE
Jane Carter	KOSE
Stephanie Buntin	Judicial Branch
Ron Secher	KAAA
Danelle Harrison	Dept of Admin DPS

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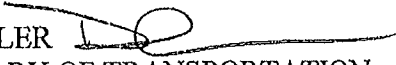
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Deb Miller, Secretary

Kansas Department of Transportation

Sam Brownback, Governor

MEMO TO: HOUSE APPROPRIATIONS COMMITTEE MEMBERS

FROM: DEB MILLER 
SECRETARY OF TRANSPORTATION

DATE: FEBRUARY 11, 2011

SUBJECT: MANAGEMENT BUDGET

In the January 20, 2011 presentation to the committee on the Kansas Department of Transportation (KDOT) operations, a question was raised regarding our agency's management program. For budgeting purposes our expenditures are broken into four main programs; management, local support, maintenance, and construction.

Enclosed please find additional details pertaining to the specific items that are included under management expenditures within KDOT.

Again, I thank you for the opportunity to have presented to the committee and would be happy to address any further inquiries.

Enclosure

Appropriations Committee

Date February 14, 2011

Attachment 1

KDOT Management Program

Program Description

The Management Program encompasses several important functions for KDOT. It establishes the goals and policy direction for the agency and provides general administrative services, such as human resources, financial control, and computer support along with other work that has an agency-wide impact such as the agency's public information and governmental affairs work. The program also includes all of the agency's planning functions (road, rail, and aviation planning activities), including overall program and project management activities. In addition, this program provides administration for the statewide operations of construction and maintenance. The Management Program consists of five subprograms which serve and support a different agency function. Each specific subprogram is defined in detail below:

Administration

This subprogram represents the general administrative support for the entire agency. Functions provided in this subprogram include personnel services, information technology, multimedia services, facilities management and operations, budgeting, accounting and federal billing, financial reporting, procurement, inventory management, contract auditing, cash flow management, debt management, and investment management. This subprogram includes staff from the Director of Administration's Office, Bureau of Personnel Services, Bureau of Computer Services, Office of Support Services, Office of the Budget, Bureau of Fiscal Services, and Office of Financial and Investment Management.

Office of the Secretary

This subprogram establishes goals, provides policy direction for the agency, and manages the agency's public outreach effort. Offices within this subprogram include the Secretary's Office, the Highway Advisory Commission, the Office of Civil Rights, the Office of Chief Counsel, the Office of Inspector General, Director of Public Affairs' Office, Bureau of Transportation Information, and the Office of Governmental Affairs.

Roads, Rails, and Water Planning

This subprogram is responsible for activities that support the planning of road and rail project development including data collection and analysis, rail and public transportation policy development, highway improvement project selection, and annual highway program development. Other critical data-reliant and engineering-based activities in this sub-program include the development and production of all agency maps (city, county, and statewide); traffic monitoring and data collection; development of traffic projections; accident data record management; management of the agency's Geographic Information System (GIS) based initiatives; and overall project and program development and management functions. This subprogram consists of staff from the Division of Planning and Development including the Office of the Director of Planning & Development, the Bureau of Transportation Planning, and the Bureau of Program and Project Management.

Appropriations Committee

Date February 14, 2011

Attachment 1-2

Aviation Planning

This subprogram provides for the necessary resources to support aviation planning and programs. This includes service to the aviation industry through promoting aviation and administering state grants to improve public use airports. Major responsibilities include administering the Kansas Airport Improvement Program, administering the Federal Airport Inspection Program, updating the State Aviation System Plan, protecting the National Air Space above Kansas, and providing technical assistance to local airport officials. This subprogram includes the staff of the Division of Aviation.

Operations Support

This subprogram provides leadership and administrative support for all construction and maintenance activities within KDOT headquarters and field offices statewide that are organizationally assigned within the Division of Operations. Many of the leadership positions within this subprogram are engineering managers who are involved in policy decisions related to the construction and maintenance work of the agency. Additional employees in this subprogram are responsible for support work required for both construction and maintenance functions. This includes human resource management, employee safety program support, accounting, budget management, procurement, and inventory management. This subprogram includes staff from the Director of Operations' Office, the Bureau of Construction and Maintenance, as well as each of the six district offices and 26 area offices around the state.

Expenditure Summary

The Governor recommends \$67.7 million for the Management Program in FY 2012. Of this amount, \$37.6 million is for salaries and wages for 567.00 FTE positions and 38.00 non-FTE positions. The contractual services budget for FY 2012 totals \$22.9 million. Major contractual services expenditures include rents, monumental building surcharges, DISC fees, travel, and professional service contracts (contract programming, planning contracts, etc.) The commodities budget for the Management Program totals \$1.5 million and includes expenditures for motor vehicle parts and supplies; professional and scientific equipment; and office supplies. Capital Outlay expenditures for FY 2012 total \$5.2 million. Major capital outlay expenditures include computers, software, information technology equipment, and vehicles. Finally, \$400,000 is budgeted in other assistance expenditures for claims against the agency.

Appropriations Committee

Date February 14, 2011

Attachment 1-35

KDOT Management Program

FY 2011

	FTE	Salaries	OOE	Total Reportable Expenditures
Administration	200.00	\$12,598,446	\$18,279,406	\$30,877,852
Office of the Secretary	54.00	\$3,918,635	\$1,784,734	\$5,703,369
Roads, Rail, and Water	97.00	\$6,397,494	\$2,078,537	\$8,476,031
Aviation Planning	3.00	\$305,929	\$559,540	\$865,469
Operations Support	213.00	\$12,833,713	\$4,487,099	\$17,320,812
Total	567.00	\$36,054,217	\$27,189,316	\$63,243,533

FY 2012

	FTE	Salaries	OOE	Total Reportable Expenditures
Administration	190.00	\$13,237,281	\$18,972,326	\$32,209,607
Office of the Secretary	54.00	\$4,054,337	\$1,855,692	\$5,910,029
Roads, Rail, and Water	97.00	\$6,711,748	\$2,620,941	\$9,332,689
Aviation Planning	3.00	\$312,294	\$561,126	\$873,420
Operations Support	213.00	\$13,315,288	\$6,030,035	\$19,345,323
Total	557.00	\$37,630,948	\$30,040,120	\$67,671,068

Appropriations Committee

Date February 14, 2011

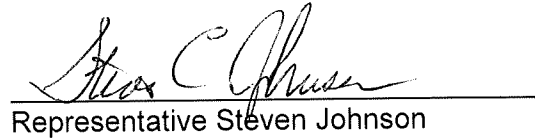
Attachment 1-4


FY 2012

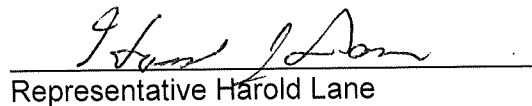
HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

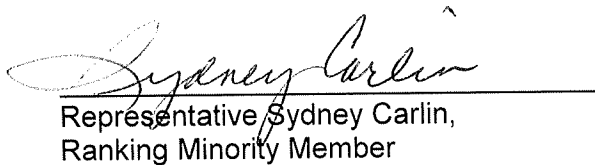
Department of Commerce
Kansas Inc.
Kansas Technology Enterprise Corp.


Representative Sharon Schwartz, Chair


Representative Steven Johnson


Representative Don Schroeder, Vice-Chair


Representative Harold Lane


Representative Sydney Carlin,
Ranking Minority Member


Representative Larry Powell


Representative Dan Collins

Representative Tom Sloan


Representative Carl Holmes

Appropriations Committee

Date February 14, 2011

Attachment 2

House Budget Committee Report

Agency: Kansas Department of Commerce Bill No. --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. --

Budget Page No. 70

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 15,000,000	\$ 0
Other Funds	138,817,338	142,700,481	0
Subtotal	\$ 138,817,338	\$ 157,700,481	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	160,000	160,000	0
Subtotal	\$ 160,000	\$ 160,000	\$ 0
TOTAL	\$ 138,977,338	\$ 157,860,481	\$ 0
FTE positions	314.8	251.8	0.0
Non FTE Uncl. Perm. <u>Pos.</u>	50.0	49.0	0.0
TOTAL	364.8	300.8	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$138,817,338, including \$15,933,419 from the Economic Development Initiatives Fund (EDIF). The agency is not requesting any State General Fund appropriations for FY 2012. The request is an all funds decrease of \$2,860,542, or 2.0 percent, and an EDIF increase of \$275,792, or 1.8 percent, above the agency's FY 2011 request. The all funds decrease is attributable to a reduction in several federal funds, including the Community Development Block Grant (CDBG) and the Workforce Investment Act (WIA) funds. The decrease is offset by an increase in the EDIF due to the agency's \$200,000 enhancement request for a pilot program to recruit small technology companies.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$157,700,481, including \$15,000,000 from the State General Fund and \$17,504,262 from the Economic Development Initiatives Fund (EDIF). The Governor's recommendation is an all funds increase of \$16,584,011, or 11.8 percent, an SGF increase of \$15,000,000, and an EDIF increase of \$1,908,045 or 12.2 percent, above the Governor's FY 2011 recommendation. The all funds increase includes the following adjustments:

Appropriations Committee

Date February 14, 2011

Attachment 2-2

- State General Fund Adjustments:
 - Add \$5.0 million for animal health research;
 - Add \$5.0 million for cancer research; and
 - Add \$5.0 million for aviation research.
- Economic Development Initiatives Fund Adjustments:
 - Add \$885,444 for Rural Opportunity Zones;
 - Add \$100,000 for the Small Technology Pilot Program;
 - Add \$500,000 for Community College Competitive Grants;
 - Add \$1,000,000 for Engineering Expansion Grants;
 - Add \$3,351,604 for the Kansas Technology Enterprise Corporation (KTEC);
 - Delete \$696,331 for the Agriculture Marketing Program and transfer to the Kansas Department of Agriculture;
 - Delete \$184,310 for the Kansas Commission on Disability Concerns and transfer to the Governor's Office;
 - Delete \$1,856,487 for the Travel and Tourism Division and transfer to the Kansas Department of Wildlife and Parks

Also included in the Governor's recommendation for FY 2012 is a transfer of \$5.0 million from the EDIF to the State Affordable Airfare Fund, which provides subsidies for commercial air travel to Wichita's Mid-Continent Airport. For FY 2007 through FY 2011 the program was funded through annual transfers of \$5.0 million from the State Highway Fund.

The Governor recommends eliminating 40.0 vacant FTE positions for FY 2012.

House Budget Committee Recommendation

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

1. The Budget Committee would like to note that the Secretary of Commerce is working on fostering a positive and productive business environment in Kansas and the Department of Commerce is committed to growing all sectors of the Kansas economy with a focus on advanced manufacturing, value-added agriculture, biosciences, energy, and professional services. Additionally, the Committee is also confident that Secretary George will ensure a smooth and seamless transition as the grant programs of the Kansas Technology Enterprise Corporation are integrated into the Kansas Department of Commerce.
2. The Budget Committee would like to note the importance of veterinarians in Kansas, in particular large animal veterinarians. The Budget Committee encourages the Secretary of Commerce to work with Kansas State University and use a portion of the \$5.0 million grant for Kansas State University, which will be used for animal health research, to expand the KSU College of Veterinary Medicine, which would allow more Kansas students to attend veterinarian school in the state. It should be noted that in 2009 only 45 of the 132 students who began at the College of Veterinary Medicine at KSU were Kansas students.
3. The Budget Committee requests the Secretary of Commerce study and report back to the House Agriculture and Natural Resources Budget Committee by February 1, 2012 the feasibility of turning the America's Job Link Alliance (AJLA) into a not-for-profit entity.

Appropriations Committee

Date February 14, 2011

Attachment 2-3

AJLA is a consortium of state workforce agencies which provide information technology and systems support for several state workforce agencies. AJLA is housed within the Kansas Department of Commerce and is funded entirely through special revenue funds, including federal funds from the U.S. Department of Labor.

4. The Budget Committee would like to note the results and recommendations of the performance audit released by the Legislative Division of Post Audit on February 9, 2011 regarding the Fair Fares Program. The Budget Committee would like to acknowledge that while the Fair Fares Program has been successful in lowering passenger fares at Wichita's Mid-Continent Airport, the claims asserted by the Regional Economic Area Partnership (REAP) contained numerous inconsistencies and inaccuracies. The Budget Committee recognizes that there is a lack of oversight and accountability and as a result of the performance audit, the Budget Committee recommends that the Legislature enact new procedures to ensure greater accountability and oversight of REAP. The Committee would also like to note that the original intent of the legislation was to provide access to affordable airfares for residents of western Kansas in addition to the residents of Wichita.

In an effort to bring greater accountability to REAP, the Budget Committee recommends that a proviso be included in the mega appropriations bill. The proviso would require REAP to submit an annual report and appear in person to the House Committee on Economic Development, the House Committee on Appropriations, the Senate Committee on Commerce, and the Senate Committee on Ways and Means before May 1, 2012. Additionally, the proviso would require the Department of Commerce to conduct an independent review of the financial reports submitted by REAP as well as an analysis of the statistics and data used by REAP. The Department of Commerce would present the findings of its review to the House Committee on Economic Development, the House Committee on Appropriations, the Senate Committee on Commerce, and the Senate Committee on Ways and Means before May 1, 2012. The proviso would allow the Secretary of Commerce to develop the necessary procedures to conduct such a review.

Appropriations Committee

Date February 14, 2011

Attachment 2-4

House Budget Committee Report

Agency: Kansas, Inc.

Bill No. --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. --

Budget Page No. 90

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
Econ. Dev. Initiatives Fund	\$ 351,979	\$ 0	\$ 0
Other Funds	220,242	0	0
Subtotal	\$ 572,221	\$ 0	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 572,221	\$ 0	\$ 0
FTE positions	4.5	0.0	0.0
Non FTE Uncl. Perm. <u>Pos.</u>	1.0	0.0	0.0
TOTAL	5.5	0.0	0.0

Agency Request

The **agency** requests \$572,221 for FY 2012 operating expenditures, an increase of \$38,376, or 7.2 percent, above the FY 2011 estimate. The estimate includes \$351,979 from the Economic Development Initiatives Fund (EDIF) and \$220,242 from the Kansas, Inc. Private Fund. The increase is attributable to increased state contributions for group health insurance and hospitalization and Kansas Public Employees Retirement System (KPERS) contributions. The agency request maintains the 4.5 FTE positions from FY 2011.

Governor's Recommendation

The **Governor** recommends restructuring Kansas, Inc. and renaming it the Governor's Economic Council. All economic development policy research, program evaluation, and strategic planning of the State of Kansas will continue to be performed by the Governor's Economic Council as a program within the Kansas Department of Administration.

House Budget Committee Recommendation

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

Appropriations Committee

Date February 14, 2011

Attachment 2-5

House Budget Committee Report

Agency: Kansas Technology Enterprise Corporation

Bill No. --

Bill Sec. --

Analyst: Steiner

Analysis Pg. No. --

Budget Page No. 90

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
Econ. Dev. Initiatives Fund	\$ 7,855,272	\$ 0	\$ 0
Other Funds	1,864,950	0	0
Subtotal	\$ 9,720,222	\$ 0	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 9,720,222	\$ 0	\$ 0
FTE positions	14.7	0.0	0.0
Non FTE Uncl. Perm. <u>Pos.</u>		0.0	0.0
TOTAL	14.7	0.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$9,720,222, including \$7,855,272 from the EDIF. The request is an all funds increase of \$1,122,195, or 13.1 percent, and an EDIF increase of \$1,607,195, or 25.7 percent above the FY 2011 revised estimate. The request includes three enhancements totaling \$1,851,055. Without the enhancement packages, the request would be a decrease of \$728,860, or 8.5 percent, below the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** recommends eliminating KTEC as a state agency and transferring the programs previously managed by KTEC to the Kansas Department of Commerce and the Board of Regents for FY 2012.

House Budget Committee Recommendation

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

Appropriations Committee

Date February 14, 2011

Attachment 2-6

1. Review at Omnibus the progress of the Governor's proposed reorganization of the programs within the Kansas Technology Enterprise Corporation. In particular, the Committee would like an update on whether HB 2054, which authorizes the transfer of all current policies, assets, and necessary employees to the Department of Commerce and the Kansas Board of Regents, makes all of the required statutory changes.

Appropriations Committee

Date February 14, 2011

Attachment 2-7



Legislative Post Audit Performance Audit Report Highlights

Highlights

Affordable Airfares: Reviewing the Benefits
Claimed as a Result of State Funding to Lower Airfares

Report Highlights

February 2011 • 10PA15

Audit Concern

Since 2008, Regional Economic Area Partnership (REAP) officials have presented an annual report summarizing the expenditures of the State annual grant and local matching funds and the results obtained. Recently, legislators have expressed an interest in knowing whether those reports present an accurate assessment of what is being accomplished with the money.

Other Relevant Facts for the Question

The City of Wichita created its own affordable airfare program known as Fair Fares in 2001. This was a partnership with private and public interests.

Since fiscal year 2007, the State has contributed \$5 million annually to the State Affordable Airfares Fund.

The funding was intended to accomplish three main goals:

- More flight options
- More competition for air travel
- Affordable air fares for Kansas, including a regional airport in western Kansas

AirTran entered the Wichita market in May 2002 and Frontier entered the market in December 2007. Both airlines had revenue guarantee contracts to provide low-cost air services at Mid-Continent airport in Wichita.

AUDIT QUESTION: *Has the Regional Economic Area Partnership used reasonable methods to evaluate the effectiveness of the program, and do its reports accurately present what is being accomplished with the State grants?*

AUDIT ANSWER and KEY FINDINGS:

- Since Wichita's original program began in 2002, fares have decreased while passengers and flights have increased.
 - In 2002 average round trip airfares in Wichita were more than 20% above the national average. Fares have fluctuated over the years in relation to the national average. By 2009, the average fare in Wichita was about 5% the national average.
 - Both the number of passengers flying out of Wichita and the number of available flights increased. The numbers of passengers and flight options have fluctuated over the years, but not as dramatically as fares.
- The Regional Economic Area Partnership's (REAP) annual reports on the program contains numerous inconsistencies and inaccuracies.
 - They used 2001 as the baseline year for showing program impact in 2007 and 2000, as the baseline in the next year.
 - REAP reported a 17% decrease in fares from 2000 to 2007, while the U.S. Department of Transportation data shows a 12.7% decrease.
 - REAP reported a 23% increase in passengers in 2009 over 2000 while the U.S. Department of Transportation data actually showed a 38% increase.
- REAP claims the annual investment of State and local moneys has resulted in more than 9,700 average annual jobs and a return on investment for the State of \$5.25 for every \$1 invested. These impacts are more than double what they should be because of key methodological errors and the use of inaccurate data. Despite this it still appears the State is getting a positive return from the State Affordable Airfares Fund.
- We also found that overall accountability for the State funds is lacking.
 - REAP officials provide information to the Legislature based on unverified data.
 - No one appears to review the REAP annual financial reports.

Appropriations Committee

Date February 14, 2011

Attachment 3

We Recommended

- The Legislature should consider ways to verify that the information it receives is correct.
- REAP officials should simplify the data they report, report on all key indicators, be consistent and explain any changes or corrections in data from year to year.

Agency Response: In general, the Department of Commerce agreed with the report and our recommendations,

REAP agreed with our overall assessment of the program but did not agree with all of our recommendations.

The Center for Economic Development and Business Research at Wichita State University raised numerous concerns regarding our critique of its 2008 economic impact study. After careful review of their response, we continue to think our analysis is correct and the economic impact of both jobs and return on investment are overstated.

HOW DO I GET AN AUDIT APPROVED?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the Division must be approved by the Legislative Post Audit Committee, a 10-member committee that oversees the Division's work. Any legislator who would like to request an audit should contact the Division directly at (785) 296-3792.

LEGISLATIVE DIVISION OF POST AUDIT

800 SW Jackson
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Website:
<http://kansas.gov/postaudit>

Scott Frank,
Legislative Post Auditor

For more information about this
audit report, please contact

Lynn Retz
(785) 296-3792
Lynn.Retz@lpa.ks.gov

Appropriations Committee

Date February 14, 2011

Attachment 3-2

FY 2012
FY 2013

HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Board of Accountancy
Board of Veterinary Examiners



Representative Sharon Schwartz, Chair



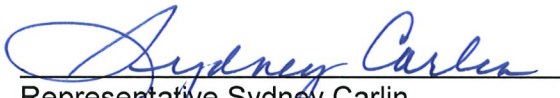
Representative Steven Johnson



Representative Don Schroeder, Vice-Chair



Representative Harold Lane



Representative Sydney Carlin,
Ranking Minority Member



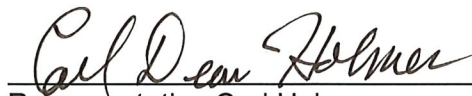
Representative Larry Powell



Representative Dan Collins



Representative Tom Sloan



Representative Carl Holmes

Appropriations Committee

Date February 14, 2011

Attachment 4

House Budget Committee Report

Agency: Board of Accountancy

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 478

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	349,051	318,266	51,920
Subtotal	\$ 349,051	\$ 318,266	\$ 51,920
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 349,051	\$ 318,266	\$ 51,920
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. <u>Pos.</u>	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **agency** requests \$349,051, all from special revenue funds, for FY 2012 operating expenditures. The request is an increase of \$36,027, or 11.5 percent, above the FY 2011 revised estimate. The increase is due to an enhancement request of \$25,000 for contract counsel to conduct disciplinary hearings, increased contributions for group health and hospitalization and KPERS (Kansas Public Employee Retirement System) expenditures. The increase is also related to elevated expenditures for computer systems management related to the new agency servers and rent and fees for the Board of Accountancy office. The request includes 3.0 FTE positions.

Governor's Recommendation

The **Governor** recommends \$318,266, all from special revenue funds, for FY 2012 operating expenditures. The recommendation is an increase of \$5,242, or 1.7 percent, above the FY 2011 Governor's recommendation. The increase is for state contributions to group health and hospitalization and KPERS benefits. The recommendation is a decrease of \$30,785, 8.8 percent, below the FY 2012 agency request. The reduction from the agency request is attributable to not recommending adoption of the enhancement and a reduction in contractual services expenditures for out of state travel and computer systems management fees.

Appropriations Committee

Date February 14, 2011

Attachment 4-2

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. The Budget Committee recommends the suspension of the statutory requirement to remit 20.0 percent up to a maximum of \$200,000 of the agency's fee receipts to the State General Fund for FY 2012. This would result in an estimated decrease of \$51,920 to the State General Fund for FY 2012.
2. Add \$51,920, all from the agency's special revenue funds, to increase the agency expenditure limitation by the amount of the revenue transfer reduction to the State General fund in FY 2012.
3. The Budget Committee recommends the Legislature introduce legislation to replace the \$15,000 transfer to the Special Litigation Reserve Fund, which is done by proviso in the appropriations bill, with substantive legislation.
4. The Budget Committee recommends that the Committee review the decision of increasing the expenditure limitation for FY 2012 at Omnibus.

Appropriations Committee

Date February 14, 2011

Attachment 4-3

House Budget Committee Report

Agency: Board of Accountancy

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 478

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	359,509	321,732	49,740
Subtotal	\$ 359,509	\$ 321,732	\$ 49,740
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 359,509	\$ 321,732	\$ 49,740
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. <u>Pos.</u>	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **agency** requests \$359,509, all from special revenue funds, for FY 2013 operating expenditures. The recommendation is an increase of \$10,458, or 3.0 percent, above the FY 2012 agency request. The agency has projected increased expenditures in both salaries and contractual services expenditures. The request also includes \$25,000 for contract counsel to conduct disciplinary hearings. The request includes 3.0 FTE positions.

Governor's Recommendation

The **Governor** recommends \$321,732, all from special revenue funds, for FY 2013 operating expenditures. The recommendation is an increase of \$3,466, or 1.1 percent, above the FY 2012 Governor's recommendation. The increase is for state contributions to group health and hospitalization and KPERs benefits. The recommendation is a decrease of \$37,777, or 10.5 percent, below the FY 2013 agency request. The reduction from the agency request is attributable to not recommending adoption of the enhancement and a reduction in contractual services expenditures for out of state travel and computer systems management fees.

Appropriations Committee

Date February 14, 2011

Attachment 4-4

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. The Budget Committee recommends the suspension of the statutory requirement to remit 20.0 percent up to a maximum of \$200,000 of the agency's fee receipts to the State General Fund for FY 2012. This would result in an estimated decrease of \$49,740 to the State General Fund for FY 2013.
2. Add \$49,740, all from the agency's special revenue funds, to increase the agency expenditure limitation by the amount of the revenue transfer reduction to the State General fund in FY 2013.
3. The Budget Committee recommends the Legislature introduce legislation to replace the \$15,000 transfer to the Special Litigation Reserve Fund, which is done by proviso in the appropriations bill, with substantive legislation.
4. The Budget Committee recommends that the Committee review the decision of increasing the expenditure limitation for FY 2013 at Omnibus.

Appropriations Committee

Date February 14, 2011

Attachment 4-5

House Budget Committee Report

Agency: Board of Veterinary Examiners

Bill No. ---

Bill Sec. ---

Analyst: Morrow

Analysis Pg. No. ---

Budget Page No. 516

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	268,132	268,132	0
Subtotal	\$ 268,132	\$ 268,132	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 268,132	\$ 268,132	\$ 0
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **agency** requests expenditures in FY 2012 of \$268,132, all from the Veterinary Examiners Fee Fund. The request is an increase of 2,610, or 1.0 percent, above the revised FY 2011 estimate.

Governor's Recommendation

The **Governor** concurs with the agency request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendations with the following amendment:

1. The Budget Committee requests an audit of the agency to fully clarify the furlough policy and corresponding use of salaries and wages funding by the Board of Veterinary Examiners staff.
2. The Budget Committee recommends the suspension of the statutory requirement to remit 20.0 percent up to the maximum of \$200,000 of the agency's fee receipts to the

Appropriations Committee

Date February 14, 2011

Attachment 4-6

State General Fund for FY 2012. This would result in an estimated decrease of \$53,569 to the State General Fund for FY 2012.

3. Add \$53,569, all from special revenue funds, to increase the agency expenditure limitation by the amount of the revenue transfer reduction to the State General Fund in FY 2012.
4. The Budget Committee recommends that the Committee review the decision of increasing the expenditure limitation for FY 2012 at Omnibus.

Appropriations Committee

Date February 14, 2011

Attachment 4-7

House Budget Committee Report

Agency: Board of Veterinary Examiners

Bill No. ---

Bill Sec. ---

Analyst: Morrow

Analysis Pg. No. ---

Budget Page No. 516

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	272,132	268,132	0
Subtotal	\$ 272,132	\$ 268,132	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 272,132	\$ 268,132	\$ 0
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **agency** requests expenditures in FY 2013 of \$272,132, all from the Veterinary Examiners Fee Fund. The request is an increase of 4,000, or 1.5 percent, above the FY 2012 request. The increase is attributable to an increase in salaries and wages.

Governor's Recommendation

The **Governor** recommends expenditures of \$268,132 for FY 2013. This is a decrease of \$4,000, or 1.5 percent, below the agency's request. The Governor does not recommend the increase in salaries and wages.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendations with the following amendments:

1. The Budget Committee recommends the suspension of the statutory requirement to remit 20.0 percent up to the maximum of \$200,000 of the agency's fee receipts to the State General Fund for FY 2012. This would result in an estimated decrease of \$53,569 to the State General Fund for FY 2013.

Appropriations Committee

Date February 14, 2011

Attachment 4-8

2. Add \$53,569, all from special revenue funds, to increase the agency expenditure limitation by the amount of the revenue transfer reduction to the State General Fund in FY 2013.
3. The Budget Committee recommends that the Committee review the decision of increasing the expenditure limitation for FY 2013 at Omnibus.

Appropriations Committee

Date February 14, 2011

Attachment 4 sep

Overview of Salaries and Wages

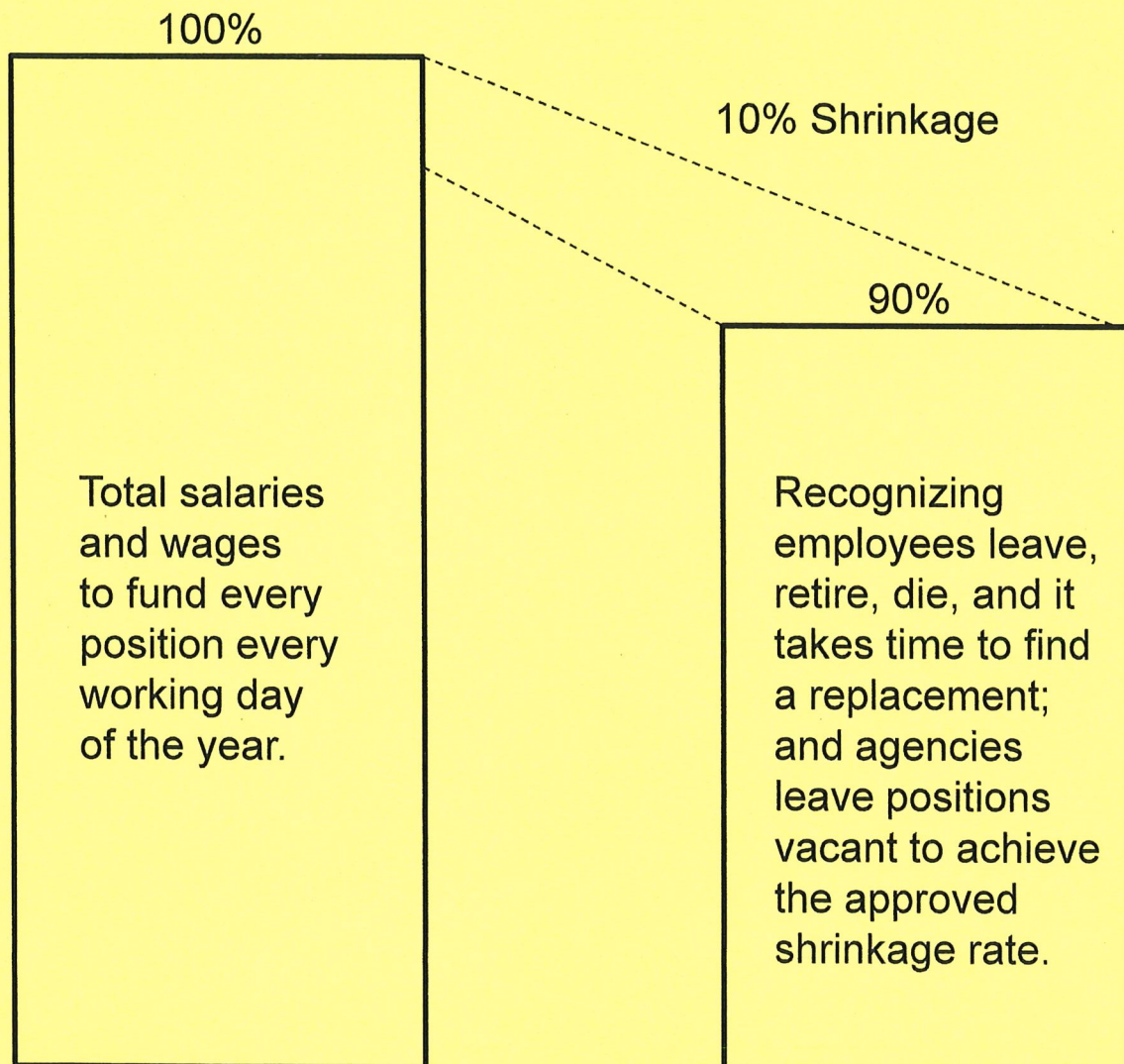
- Statewide salaries and wages in FY 2012 will account for \$2.6 billion of all funds (including some off-budget employees in the Department of Administration). The State General Fund portion is \$1.1 billion or nearly 20 percent of the State General Fund budget.
- The Governor recommends 39,141.9 full-time equivalent (FTE) positions in FY 2012. The Governor also recommends 1,543.4 non-full-time equivalent unclassified positions.
- In FY 2010 the:
 - Average classified employee:
 - 47 years old;
 - 14 years of service;
 - \$38,049 annual salary.
 - Average unclassified employee:
 - 47 years old;
 - 12 years of service;
 - \$61,830 annual salary.
- Classified state employees are in the Executive Branch of State Government and have Civil Service protection.
- Unclassified employees do not have Civil Service protection and generally serve at the pleasure of their appointing authority.
- Full-time equivalent positions are permanent full-time or regular part-time positions equated to full-time.
- Non-full-time equivalent positions are not subject to an agencies position limitation and are treated as unclassified temporary positions by the state personnel and payroll system.
- An agency may or may not have a position limitation imposed on it by the Legislature. Regents, the Judicial Branch, and Legislative Branch are examples of agencies that do not have a position limitation imposed upon them.
- Shrinkage reduces the available amount of funding for salaries and wages. Shrinkage is the difference, expressed as a percentage, between the cost of fully funding salaries and wages in a budget assuming all positions are filled all of the time, and actual salary costs, taking vacancies into account. Shrinkage in FY 2012 (Governor's recommendation) totals an estimated \$155.3 million or 5.5 percent of total salaries and wages.

Appropriations Committee

Date February 14, 2011

Attachment 5

Salary and Wage Shrinkage



Appropriations Committee

Date February 14, 2011

Attachment 5-2

INCREASES IN SALARIES FOR STATE CLASSIFIED EMPLOYEES FY 1987-FY 2012 (Gov. Rec.)

Fiscal Year	Step Movement*	Base Salary Adjustment	Base Salary Increase Excluding Longevity	Longevity Bonus Payment**	Percent Increase CPI-U***
1987	2.5% ^a	3.0%	5.5%	No	2.2%
1988	2.5 ^b	2.0 effective 12/18/87	4.5	No	4.1
1989	2.5 ^c	4.0	6.5	No	4.6
1990	2.5 ^d	3.0	5.5	\$400 to \$1,000	4.8
1991	2.5 ^e	1.5	4.0	\$400 to \$1,000	5.5
1992	2.5	--	2.5	\$400 to \$1,000	3.2
1993	2.5	1.0 effective 12/18/92	3.5	\$400 to \$1,000	3.1
1994	2.5 ^f	0.5	3.0	\$400 to \$1,000	2.6
1995	2.5 ^g	1.5 effective 9/18/94	4.0	\$400 to \$1,000	2.9
1996	2.5	1.0	3.5	\$400 to \$1,000	2.7
1997	2.5	--	2.5	\$400 to \$1,000	2.9
1998	2.5	1.0	3.5	\$400 to \$1,000	1.8
1999	2.5	1.5	4.0	\$400 to \$1,000	1.6
2000	2.5	1.0	3.5	\$400 to \$1,000	2.2
2001	2.5	--	2.5	\$400 to \$1,000	2.8
2002	--	1.5 effective 6/10/01; 1.5 effective 12/9/01	3.0	\$400 to \$1,000	1.6
2003	--	--	--	\$400 to \$1,000	2.3
2004	--	1.5 effective 7/20/03	1.5	\$400 to \$1,000	2.3
2005	--	3.0	3.0	\$400 to \$1,000	3.4
2006	--	1.25 effective 6/5/05 1.25 effective 12/4/05	2.5	\$400 to \$1,000	3.2
2007	2.5 effective 9/10/06	1.5	4.0	\$400 to \$1,000	2.7
2008	--	2.0 ^h (Plus a one-time bonus payment of \$860 paid on December 14, 2007)	4.0 (4.0 average including bonus payment approved)	\$500 to \$1,250	2.9
2009 (i)	--	2.5	2.5	\$500 to \$1,250	(0.4)
2010 (i)	--	--	--	\$500 to \$1,250	1.6
2011 (i)	--	--	--	\$500 to \$1,250	1.6 (est.)
2012 (Gov. Rec.)	--	--	--	\$500 to \$1,250	2.4 (est.)

Employer Paid Health Insurance Costs

For FY 2012 the employer's paid health insurance costs in the budget contains an annual single member health insurance premium of \$6,507, plus an annual dependent health insurance premium of \$3,011. The FY 2012 total budgeted health insurance premium for each state employee with dependents that the state pays is \$9,518.

Employer Contributions

The following employer contributions will be made for state employees in FY 2012:

Kansas Public Employees Retirement System (Assumes membership in KPERS-Regular)	9.77%
FICA (Composite Rate for OASDI and Medicare)	7.65
Workers Compensation Assessment*	1.28
Unemployment Insurance Assessment	0.26
State Leave Payment Assessment	0.54
TOTAL	19.50%

* Actual rate is experienced-based by agency.

Appropriations Committee

Date February 14, 2011

Attachment 5-3

On the average (FY2010) classified state employee's salary of \$38,049, the above employer costs for fringe benefits would total an average of \$7,419. These employer costs, when combined with employer health insurance (member and dependent), would bring the total fringe benefits costs for an average state employee to \$16,937.

Vacation and Sick Leave

State employees earn vacation leave hours based on the number of years of service with the state. For an employee with less than five years of service the individual earns 12 days a year. For an employee with 15 or more years of service the individual earns 21 days of vacation leave a year. State employees all earn 12 days of sick leave a year. Employees when they retire who have at least eight years of service and who have accumulated 100 days or more of sick leave may receive compensation for their sick leave upon retirement. The compensation ranges from 30 days to 60 days of salary depending on the years of service with the state.

Paid Vacation Days

For calendar year 2011 state employees receive ten paid holidays, including a discretionary day.

Footnotes

- * Increase is granted on the employee's anniversary of state service, assuming satisfactory performance.
- ** Longevity of \$40 a year for each year of service for those employees that have at least ten years (\$400) of service up to a maximum of 25 years (\$1,000). The estimated additional salary on average translates into 1 percent additional pay. The Governor has recommended for FY 2008 an increase in the longevity bonus payment to \$50 per year of service, still with the same years of required service (ten-year minimum – \$500, and 25-year maximum – \$1,250).
- *** Consumer Price Index – All Urban Consumers. Calendar year for 2010, 2011, and 2012.
- a) In addition, salary upgrades for the clerical job series were approved beginning last six months of FY 1987. (Phase I of salary upgrade program.)
- b) Plus salary upgrades for the mechanics, repairers, and operators job classes, and for registered nurses and licensed therapists; all effective mid-FY 1988. (Phase II of salary upgrade program.)
- c) Plus salary upgrades for employees in direct care and other service worker classes (effective mid-FY 1989). (Phase III of salary upgrade program.)
- d) Plus salary upgrades for security and law enforcement personnel. (Phase III of salary upgrade program.) The Legislature also replaced the three-year time-on-step requirement for steps above step D in each pay range with a one-year requirement and added two additional steps at the top of each pay range. An employee starting at step A should reach the top step after 13 years of elapsed time instead of the previous 23 years, assuming no changes occur in the employee's pay range assignment.
- e) Plus salary upgrades for licensed practical nurses.
- f) Plus salary upgrades for employees in health, scientific, and engineering job classes (effective 6/18/93), and information technology job classes (effective 12/18/93).
- g) Plus salary upgrades for accountants and auditors, human resource professionals, purchasing and marketing professionals, general administrative job classes, social scientists, attorneys (effective 6/18/94), and of management classes (effective 12/18/94).

- h) Plus a 5.0 percent targeted base increase, effective at the beginning of FY 2008, for classified employees who are more than 25 percent below market rate, based on the recent Hay Compensation Study. The increase will move targeted classified employees up one pay grade, remaining on the same pay step. The increase would apply to 1,533 classified employees. Job classes include: microbiologists, environmental technologists, legal assistants, graphic designers, rehabilitation support workers, storekeepers, grounds maintenance supervisors, power plant operators, plumbers, electricians, lock systems specialists, automotive drivers, computer operators, network control technicians, food service workers and supervisors, cooks, custodial workers and supervisors, and utility workers.
- i) For FY 2009, FY 2010, and FY 2011, undermarket funding for selected job classes were approved. The State General Fund appropriation for each year was \$8.5 million. The all funds cost totals an estimated \$16.0 million for each year.

Statewide Salaries & Wages

	FY 2010 Actual	FY 2011 Gov. Estimate	FY 2012 Base Budget	FY 2012 Enhance. Pkg.	FY 2012 Gov. Rec.
Authorized Positions					
Classified Regular	733,558,120	865,053,801	864,221,591	22,999,227	860,990,822
Classified Temporary	8,500,350	10,024,217	9,213,322	--	8,991,281
Unclassified Regular	926,249,764	1,075,400,513	1,076,297,249	1,498,295	1,071,062,605
Other Unclassified	238,747,846	142,118,808	139,839,002	1,462,711	139,636,173
Authorized Total	\$ 1,907,056,080	\$ 2,092,597,339	\$ 2,089,571,164	\$ 25,960,233	\$ 2,080,680,881
Shift Differential	3,185,713	3,484,973	3,481,507	15,117	3,487,747
Overtime	12,245,458	11,744,777	11,268,758	53,627	11,308,314
Holiday Pay	58,144,814	3,860,376	3,871,555	--	3,871,555
Longevity	12,137,835	11,793,439	12,621,182	4,195	12,607,524
Total Base Salaries	\$ 1,992,769,900	\$ 2,123,480,904	\$ 2,120,814,166	\$ 26,033,172	\$ 2,111,956,021
Employee Retirement					
KPERS	73,763,074	92,723,653	101,817,259	385,432	101,554,074
Deferred Compensation	422,148	365,814	380,334	--	380,334
TIAA	59,452,976	69,607,859	71,613,319	--	70,987,515
Kansas Police & Fire	5,875,269	5,690,866	6,387,408	243,222	6,387,408
Judges Retirement	5,625,506	5,466,356	6,005,674	--	6,005,674
Security Officers	6,745,217	7,849,152	8,556,841	2,898	8,556,841
Retirement Total	\$ 151,884,190	\$ 181,703,700	\$ 194,760,835	\$ 631,552	\$ 193,871,846
Other Fringe Benefits					
FICA	134,517,685	149,234,904	149,575,004	327,867	148,978,952
Workers Compensation	30,751,617	26,958,609	27,883,870	120,367	27,849,399
Unemployment	3,398,315	8,229,654	5,242,316	15,146	5,217,116
Retirement Sick & Annual Leave	11,410,311	12,022,176	11,386,739	38,833	11,336,106
Health Insurance	222,412,621	270,418,092	309,846,857	1,094,381	308,977,062
Total Fringe Benefits	\$ 554,374,739	\$ 648,567,135	\$ 698,695,621	\$ 2,228,146	\$ 696,230,481
Subtotal: Salaries & Wages	\$ 2,547,144,639	\$ 2,772,048,039	\$ 2,819,509,787	\$ 28,261,318	\$ 2,808,186,502
(Shrinkage)	--	(141,361,256)	(137,582,533)	3,240,928	(155,337,744)
Total Salaries & Wages	\$ 2,547,144,639	\$ 2,630,686,783	\$ 2,681,927,254	\$ 31,502,246	\$ 2,652,848,758
State General Fund Total	\$ 1,053,407,733	\$ 1,070,533,410	\$ 1,137,548,196	\$ 26,267,955	\$ 1,116,312,098
FTE Positions	41,226.60	41,147.14	41,130.99	141.75	39,141.91
Non-FTE Unclassified Perm. Pos.	1,686.06	1,587.94	1,562.44	(6.50)	1,543.44
Total State Positions	42,912.66	42,735.08	42,693.43	135.25	40,685.35

Dollar amounts include all Off Budget expenditures for the Department of Administration.

State General Fund Total does not include KPERS debt services payment in the Board of Regents.

Appropriations Committee

Date February 14, 2011

Attachment 5-6

Agency	Eliminated Positions	How many people will be laid off?	Any layoffs due to an ERO?	Footnotes
	FY 2012	FY 2012	FY 2012	
Abstracters Board	0.0	0.0	No	
Adjutant General	20.0	0.0	No	
Animal Health	0.0	25.0	Yes	1
Arts Commission	8.0	6.0	Yes	
Atchison Juvenile Correctional Facility	0.0	0.0	No	
Attorney General	3.0	0.0	No	
Behavioral Sciences Regulatory Board	0.0	0.0	No	
Beliot Juvenile Correctional Facility	0.0	0.0	No	
Board of Accountancy	0.0	0.0	No	
Board of Barbering	0.0	0.0	No	
Board of Cosmetology	1.0	0.0	No	
Board of Healing Arts	2.0	2.0	No	
Board of Indigent's Defense	10.0	0.0	No	
Board of Nursing	3.0	2.0	No	
Board of Optometry	0.0	0.0	No	
Board of Pharmacy	0.0	0.0	No	
Board of Regents System	0.0	0.0	No	
Board of Regents Universities	n/a	n/a	n/a	
Board of Technical Professions	0.0	0.0	No	
Board of Vet. Medical Examiners	0.0	0.0	No	
Commerce	40.0	22.0	Yes	2
Conservation Commission	0.0	11.0	Yes	3
Corrections System	48.0	7.0	No	
Court of Tax Appeals	6.0	0.0	No	4
CURB	2.0	0.0	No	
Dental Board	0.0	0.0	No	
Department of Administration	189.8	0.0	No	
Department of Agriculture	21.0	0.0	No	
Department of Credit Unions	0.0	0.0	No	
Department of Education	37.3	0.0	No	
Department of Labor	53.0	0.0	No	
Department on Aging	50.0	0.0	No	
Division of Post Audit	0.0	0.0	No	
Emergency Medical Services Board	1.0	0.0	No	
Fire Marshal	5.0	0.0	No	
Governmental Ethics Commission	0.0	0.0	No	
Health Care Stabilization Fund	1.0	0.5	No	
Hearing Instruments Board	0.0	0.0	No	
Home Inspection Registration Board	0.0	0.0	No	
Insurance Department	15.0	0.0	No	
Judicial Branch	0.0	0.0	No	
Judicial Council	0.0	0.0	No	
Juvenile Justice Authority	13.0	3.0	No	
Kansas Commission on Veterans' Affairs	160.0	0.0	No	
Kansas Department of Health and Environment	20.0	1.0	No	5
Kansas Department of Wildlife and Parks	0.0	0.0	No	
Kansas Development Finance Authority	0.0	0.0	No	
Kansas Guardianship Program	0.0	0.0	No	
Kansas Highway Patrol	8.0	0.0	No	
Kansas Historical Society	15.0	3.0	No	
Kansas Human Rights Commission	12.0	3.0	Yes	
Kansas Inc.	0.0	3.0	Yes	6
Kansas Juvenile Correctional Complex	6.0	0.0	No	
Kansas Parole Board	3.0	3.0	Yes	
Kansas Real Estate Commission	2.0	0.0	No	
Kansas Securities Commission	0.0	0.0	No	
Kansas Water Office	2.0	2.0	No	
KBI	24.0	0.0	No	
KCC	2.0	0.0	No	
KCPOST	0.0	0.0	No	
KDOT	197.0	0.0	No	
KHPA	71.1	38.8	Yes	7

Appropriations Committee

Date February 14, 2011

Attachment 5-7

Agency	Eliminated Positions	How many people will be laid off?	Any layoffs due to an ERO?	Footnotes
	FY 2012	FY 2012	FY 2012	
KPERS	1.0	0.0	No	
KTEC	9.0	9.0	No	
Larned Juvenile Correctional Facility	8.0	0.0	No	
Legislative Coordinating Council	0.0	0.0	No	
Legislative Research Department	0.0	0.0	No	
Legislature	0.0	0.0	No	
Lottery Commission	0.0	0.0	No	
Mortuary Arts Board	0.0	0.0	No	
Office of Administrative Hearings	0.0	0.0	No	
Office of the Governor	0.4	0.0	No	8
Office of the Lieutenant Governor	0.0	0.0	No	
Racing and Gaming Commission	26.0	0.0	No	
Real Estate Appraisal Board	0.0	0.0	No	
Revenue	50.0	0.0	No	
Revisor of Statutes	0.0	0.0	No	
School for the Blind	11.0	0.5	No	
School for the Deaf	23.0	5.5	No	9
Secretary of State	3.0	0.0	No	
Sentencing Commission	0.0	0.0	No	
SRS	550.0	0.0	No	
SRS Hospitals (5)	294.0	0.0	No	10
State Bank Commissioner	0.0	0.0	No	
State Fair	0.0	0.0	No	
State Library	1.0	0.0	No	
State Treasurer	8.0	2.0	No	
Totals	2035.6	149.3		

1) Animal Health and the Department of Agriculture are affected by an ERO eliminating 33.0 FTE, but there are 8.0 FTE vacant; the reorganization plan is not yet complete.

2) Commerce was impacted by three EROs; 22.0 FTE represents the maximum layoffs that could occur; the agency has not yet completed its reorganization plan.

3) The Conservation Commission is affected by an ERO eliminating 11.0 FTE positions, but there are 2.0 vacant. The reorganization plan is not yet complete.

4) For the Court of Tax Appeals, the Governor's recommended budget may result in future layoffs absent statutory changes.

5) KDHE reorganization-related changes are reflected in KHPA numbers.

6) For Kansas Inc., the ERO would be enacted in FY 2011; three layoffs would occur as of June 30, 2011.

7) For KHPA, 38.8 FTE positions represents the maximum number of layoffs that there could be in this transition; KDHE has not yet completed its reorganization plan.

8) In the Governor's Office, the reduction of 0.4 FTE positions is due to an ERO, but there are no layoffs.

9) At the School for the Deaf, 23.0 eliminated FTE positions are vacant; the 5.5 layoffs were positions recommended by the Governor to be 'vacated.'

10) In SRS Hospitals, each individual hospital has yet to complete a revised staffing plan; new staffing plans could result in layoffs at individual hospitals even though the overall system-wide FTE level may remain the same.

Appropriations Committee

Date February 14, 2011

Attachment 5-8