

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades on April 18 & 19, 2011, in Room 346-S of the Capitol.

All members were present.

Committee staff present:

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

Others attending:

See attached list.

April 18, 2011
10:07 a.m.

Chairman Rhoades welcomed committee members and reviewed the meeting agenda.

Overview of Items for Omnibus and Financial Reports

J.G. Scott, Legislative Research Department, provided an overview of the Items for Omnibus Consideration document (Attachment 1) which is incorporated into these minutes. He stated that based on the April 15, 2011 Consensus Revenue Estimates the FY 2011 ending balance is \$86 million and the ending balance for FY 2012 is \$80 million.

Amy Deckard, Legislative Research Department, provided an overview of the Consensus Caseload Estimates for FY 2011 and FY 2012, (Attachment 1). She stated that the combined increase for FY 2011 and FY 2012 is \$46.9 million in all funds and \$10.1 million in SGF. The FY 2011 estimate is an increase from all funding sources of \$2.2 million and a decrease of \$1.2 million from the SGF as compared to the Governor's recommended budget. The FY 2012 estimate is an increase of \$44.6 million for all funding sources and includes \$11.3 million from the SGF.

Amy Deckard responded to questions from committee members regarding the base Medicaid matching rate and caseload expenditures. She stated that the last caseload estimate in November, 2011 in all funds was \$49.3 million, and the difference between FY 2011 and FY 2012 represents a \$248 million increase in SGF. As entitlement programs caseloads are fully funded, however payments to providers could be suspended until the next fiscal year. She provided an explanation of the federal government's Medicaid funding and the Cost Containment and Recovery Contract.

Dylan Dear, Legislative Research Department, provided an overview of the Consensus Revenue Estimate for ELARF (Attachment 1). He stated that the FY 2011 estimate is \$33.5 million and is an increase of approximately \$374,000 due in part to increased revenues from the SW gaming zone. All ELARF revenue is transferred to the SGF for FY 2011 and is included in the Governor's recommendations for FY 2012. The FY 2012 revenue estimate is \$33.9 million, Dylan added.

Dylan Dear responded to questions from committee members regarding factors for determining projected revenues. Committee members requested additional information regarding revenues coming in to and going out of state, the number of jobs and employees, and the economic impact. He reviewed the phases involved with expanded gaming.

Alan Conroy, Director, Legislative Research Department, provided an overview of the Consensus Estimating Group Estimates, (Attachment 1). He discussed the impact of the federal tax legislation, which is estimated to reduce SGF revenues by \$77 million total for FY 2011 and FY 2012. The estimates were

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Minutes of the House Appropriations Committee on April 18 & 19, 2011, in Room 346-S of the Capitol. based on data collected for Kansas personal income and disposable income, inflation rates, unemployment rates, agricultural plantings report and prices, livestock, crops, oil and gas, and aviation manufacturing. Director Conroy noted that the \$200 million transfer from the State Highway Fund to the SGF, which was approved by the House and Senate, has not been acted into law and therefore is not reflected in this report.

Alan Conroy responded to questions from committee members regarding unemployment, tax receipts, accelerated depreciation and federal tax changes. The inflation rate was based on the national rate, Director Conroy stated. The SGF Receipts, expenditures and balances as recommended by the Governor, Senate and House was reviewed and includes the human services caseloads and expanded gaming -revenues. The House recommendations for FY 2012 reflects a positive ending balance of \$54.3 million, the Senate recommendations reflect a \$17 million deficient balance, and the Governor's recommendation reflects a \$9 million deficient balance.

Chairman Rhoades stated that lunch has been provided and that members will caucus to discuss Omnibus items. The committee meeting will reconvene at 1:00 p.m. It was noted that the Minority party will meet in Representative Davis' conference room.

The meeting was recessed at 11:40 a.m.

Chairman Rhoades called the meeting to order at 1:30 p.m. He noted that committee action on Omnibus items would require a new House bill to include any approved amendments.

Representative Feuerborn made a motion to introduce the Omnibus Bill. The motion was seconded by Representative Kelley. Motion carried.

Items for Omnibus Consideration

(For purposes of clarity, the "Items for Omnibus Consideration" report (Attachment 1), prepared by Legislative Research Department, has been included in these minutes which follows the FY 2012 recommendations of the Budget Committees and actions taken by the full Appropriations Committee.)

Department of Agriculture

Representative Schwartz made a motion for an amendment to add \$40,000 for a veterinarian position from the Animal Disease Control fund. The motion was seconded by Representative Carlin. Motion carried.

Kansas Corporation Commission

Discussion followed by committee members regarding the Federal American Recovery and Reinvestment Act (ARRA) fund expenditures. It was noted that \$34 million remains in ARRA funds which is to be expended by April 2012.

Laura Younker, Legislative Research Department, provided an overview on the Efficiency Kansas Residential/Small Business Revolving Loan Program. She stated that the allocation of \$15 million has benchmarks for expenditures and any unspent dollars would go into the Kansas Department of Commerce Renewable Energy Development Initiatives.

Citizens' Utility Ratepayer Board

Michael Steiner, Legislative Research Department, stated that this is a fee funded agency. The agency use of money collected from utility companies for review of administrative rules and regulations was discussed. Appropriate use of these funds was in question and a recommendation from the Governor's offices has not been received, it was noted. The Executive Order would still be in effect, which did not include a budgetary recommendation. He added that funding for the amendment could be utilized through existing resources within the Department of Administration.

Representative Schwartz made a motion for an amendment that would include language that no expenditures for the Executive Order shall be made from the Citizens' Regulatory Review Board. The motion was seconded by Representative Lane.

Discussion was held by committee members regarding the function of the board and funding sources.

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The motion was renewed. Motion carried.

Kansas Guardianship Program

Michael Wales, Legislative Research Department, stated that the committee review at Omnibus was to look at adding the funding back for the reduced resources package. He responded to questions from committee members and noted that under the current reduced resources package caregivers would receive a stipend of \$30 and payment would be stopped for reports that have not been received within 90 days. Currently there are 11 FTE positions and the Governor's recommendation would eliminate 1 FTE position.

Amy Deckard, Legislative Research Department, provided an overview of the Children's Initiative Fund, (Attachment 1). She stated that the tobacco settlement estimated for FY 2011 and FY 2012 was \$60.5 million. The revised estimate for FY 2011 is \$57 million and the FY 2012 revenue estimate is \$55.8 million. There is ongoing litigation concerning payments owed by the tobacco companies, and she reviewed the timeframe for payment of expenditures and funding sources.

Department of Social and Rehabilitation Services

Committee members discussed the House position, which added \$1.5 million to the SGF for the Developmental Disabilities Day and Residential grants, and \$2 million for the waiting list. The funding for the Mental Health State Aid, and the impact of a 5% budget reduction to SRS was reviewed. The House position restores \$7 million, it was noted. Discussion continued regarding Medicaid and grant funding for mental health facilities.

Amy Deckard, Legislative Research Department, responded to questions from committee members regarding the impact of budget reductions for Mental Health facilities. She stated that in FY 2010 – FY 2011, \$28.6 million was received in grant funding, the Governor's recommendation is \$13.4 million for FY 2012 and the committee's recommendation was to restore \$7.24 million. Additional information regarding plans to implement a 5% department reduction will be forthcoming, it was noted.

Department of Health and Environment – Health Care Finance/Kansas Health Policy Authority

It was noted that a review of cost savings for prescription drugs is underway. The expansion of Home and Community Based services and federal requirements was discussed. It was suggested that additional information would be helpful prior to implementation of the programs. The Funeral Assistance program was discussed.

Representative Ballard made a motion to reimburse \$400 or a total of \$509,000 for funeral assistance for participating funeral homes for individuals on public assistance. The motion was seconded by Representative Feuerborn. Motion failed.

Committee members reviewed information on **HB 2035**, **SB 210** and **SB 36** as contained in the material provided.

Representative Carlin made a motion for an amendment that would create and appropriate funds as referred to in **SB 210**. The motion was seconded by Representative Henry. Motion carried.

Leah Robinson, Legislative Research Department, responded to questions from committee members regarding claims against the State. She stated that funds are transferred from SGF into the Tort Claims fund as needed to meet obligations.

Representative DeGraaf made a motion for an amendment that the agency would absorb costs for funding **SB 36** and **HB 2035** from existing resources. The motion was seconded by Representative Mast. Motion carried.

Representative DeGraaf made a motion for an amendment that would sweep \$400,000 from the Crime Victims Fund into the Domestic Violence and Sexual Assault fund. The motion was seconded by Representative Mast.

Leah Robinson, Legislative Research Department, provided clarification on the funding directive. She stated that this is a no limit fund and the agency could be directed to expend this amount, which would

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Minutes of the House Appropriations Committee on April 18 & 19, 2011, in Room 346-S of the Capitol. increase the all funds accordingly.

The motion was renewed. Motion carried.

Representative DeGraaf made a motion to fund HB 2035 from existing resources within the Attorney General's budget. The motion was seconded by Representative Feuerborn. Motion carried.

Leah Robinson, Legislative Research Department, responded to questions from committee members. She provided an overview of the Sexually Violent Predator provision contained in **HB 2010**. This fund does not have a consistent revenue source and works through the claims process, she added.

Secretary of State

It was noted that if **SB 128** does not pass, a Presidential Primary election would be held and that there is no funding for this cost. This is also contained in **HB 2280**, which is in Conference Committee.

Sara Arif, Director of Public Affairs, Department on Aging, responded to questions from committee members regarding staff layoffs. Further details will be available at the end of the month. She noted that surveyors in the Lawrence and Topeka regions have been combined, and staff has been moved to Topeka. A savings of \$4.5 million has been realized through reduced staffing and administrative changes, the elimination of the Partnership Loan program, and interest from loans to assist with funding the Senior Care Act Nutrition program. It was noted that the impact on services with regards to staffing reductions will be forthcoming.

Meeting recessed at: 3:14 p.m.

Chairman Rhoades called the meeting to order at 3:38 p.m.

Discussion was held regarding the Governmental Ethics Commission Fee Fund, and the importance of passing Senate Substitute **HB 2080** was expressed. It was noted that another funding source has been identified for Rainbow Mental Health Facility and subcontracting services was reviewed. It was noted that the surveyors determined the need for units and this was not the facility's recommendation.

Estelle Montgomery, Legislative Research Department, stated that if the House budget passes the amendment, the Rainbow Mental Health Facility would reopen in FY 2012. She stated that the information requested by committee members regarding this closure has been provided (Attachment 2).

Department of Commerce

Committee members discussed the Veterinary Medicine application process in regards to demographics and tuition rates. Additional information will be forthcoming regarding the program.

Board of Healing Arts

Representative Schwartz made a motion for an amendment that would allow the Board of Healing Arts to raise fees for a part-time Medical Director.

The motion was tabled in order to review additional funding options.

Sentencing Commission

Representative Mast made a motion for an amendment for the Sentencing Commission to be funded within existing funds. The motion was seconded by Representative DeGraaf.

Jarod Waltner, Legislative Research Department, provided clarification in regards to capacity issues. He added that if no action was taken, the funding would come from current resources.

Representative Gatewood made a substitute motion to add \$46,672 for the Sentencing Commission and \$30,000 to the Board of Indigents' Defense Services for the estimated costs totaling \$76,672. The motion was seconded by Representative Carlin. Motion carried.

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Minutes of the House Appropriations Committee on April 18 & 19, 2011, in Room 346-S of the Capitol.
State Bank Commissioner

It was noted that the vehicle replacement for FY 2012 was not recommended for funding under the Governor's recommendation.

Representative DeGraaf made a motion for an amendment that vehicles with 150,000 miles or more and and in need of \$5,000 or more in safety related repairs would not be repaired, and only fee funded agencies could expand expenditures for authorized vehicle replacement. The motion was seconded by Representative Crum.

Discussion followed by committee members. It was noted that this amendment would allow increase spending authority only for purchasing vehicles that met the criteria of 150,000 or more and safety needed repairs costing \$5,000 or more. It was recommended that extended warranty options should be explored.

The motion was renewed. Motion carried.

Board of Indigents' Defense Services

Dylan Dear, Legislative Research Department, provided an overview of the assigned counsel caseload estimates.

Department of Labor

Shirley Morrow, Legislative Research Department, reported that the department has borrowed \$163.7 million. A document has been prepared and will be presented to committee members by Deputy Director Sparks, she added.

Kathy Sparks, Deputy Director, Kansas Department of Labor, provided an overview of the Benefits, Contributions & Trust Fund document that has been distributed (Attachment 3). She reviewed the House and Senate positions for FY 2015. The projected loan payoff date is at the beginning of FY 2015, and tax rates for employers reflects a positive balance in both the House and Senate version of **SB 77**, she noted. As of today \$167.8 million has been borrowed and by the end of the year the department's projection will be close to \$230 million as anticipated. A significant decrease in first time unemployment claims has been experienced and new labor statistics will be available tomorrow, she added.

Commission on Peace Officers' Standards and Training

Representative Crum made a motion for an amendment that would appropriate funds for this department from existing resources. The motion was seconded by Representative Mast. Motion carried.

Department of Transportation

Aaron Klaussen, Legislative Research Department, stated the provisions of **HB 2003, HB 2172**, which allows the department to receive donations and increase expenditure limitations.

Representative Mast made a motion for an amendment to increase the department's expenditure limitations to expend donations. The motion was seconded by Representative Lane. Motion carried

Chairman Rhoades reviewed the committee meeting agenda for tomorrow's meeting.

The meeting adjourned at: 4:38 p.m.

April 19, 2011

The meeting was reconvened by Chairman Rhoades at 10:18 a.m. He reviewed the meeting agenda.

Representative Schwartz made a motion to introduce legislation that would house the Agri-tourism in the Department of Agriculture. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Gordon provided additional information on the Board of Healing Arts regarding the request for hiring a medical director.

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Minutes of the House Appropriations Committee on April 18 & 19, 2011, in Room 346-S of the Capitol. Representative Gordon made a motion for an amendment that would increase the Board of Healing Arts fee fund expenditure limitation by \$160,000 for FY 2012 and FY 2013 and the board would raise fees to match this increase for the purpose of hiring a part-time contracted medical director (Attachment 4). The motion was seconded by Representative Lane.

Discussion followed by committee members regarding the board's flexibility to raise fees for this position.

Dorothy Hughes, Legislative Research Department, responded to questions from committee members regarding salary issues and job responsibilities. Without additional expenditure authority the board would not be able to access additional money. She added that only clinical staff and no medical doctor have been hired to date, the salary and support staff needs has not been identified. The board has approved the proposal, she added.

Representative Gordon withdrew the motion with the approval of the second to the motion.

Representative Gordon made a motion for an amendment that would allow the Board of Healing Arts to raise expenditure limitations to \$100,000 and raise fees to \$60,000 for the purpose of hiring a part-time contracted medical director. Representative Lane seconded the motion. Motion carried.

Children's Initiative Fund

Representative Crum reported that members of the subcommittee met and decided that the Conference Committee would be in a better position to work with budget issues for this fund, due to the timeframe.

Representative Henry reported that the Children's Cabinet should make the recommendations for the committee's consideration.

Veterinary Medicine Application Process

Audrey Dunkel, Legislative Research Department, presented additional information on the College of Veterinary Medicine (Attachment 5), as requested by committee members. The graduation rate for the program is 98%. Additional information was requested by members regarding; out-of-state tuition rates as compared to Kansas rates, the number of Kansas applicants interviewed and offered positions, rural veterinarians working with large animal care, and the number of graduates who remain in Kansas will be forthcoming, she noted. A scholarship program is available for rural veterinarians, there are 28 veterinarian schools in the state and Kansas receives the lowest in-state support in the nation, she added.

Department of Agriculture

Representative Schwartz made a motion for a proviso that would charge fees for laboratory testing services provided by the Department of Agriculture. (Attachment 6). The motion was seconded by Representative Lane.

Representative Schwartz noted that this fee service could come from other states as well as Kansas.

Jim Wilson, Office of the Revisor of Statutes, stated that a clause was omitted from the proviso. The proviso should include that the proceeds from the fees would be deposited to the credit of special revenue funds as designated by the Secretary of Agriculture.

Representative Schwartz included in the motion for a proviso that fees would be deposited to the credit of special revenue funds as designated by the Secretary of the Department of Agriculture.

The motion was renewed. Motion carried.

State Water Plan Fund

Representative Schwartz discussed the budget shortfall of \$270,000 for the State Water Plan Fund, which was a technical error in drafting of a House floor amendment.

Representative Schwartz made a technical amendment to correct the State Water Plan Fund which should reflect a shortfall of \$170,000. The motion was seconded by Representative Carlin.

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Minutes of the House Appropriations Committee on April 18 & 19, 2011, in Room 346-S of the Capitol. Jim Wilson, Office of the Revisor of Statutes, stated that last session there was \$300,000 authorized and transferred to the new special revenue fund but was never used as it was not appropriated. The supplemental provisions of the bill placed the money in the Water Fund – abolishing the fund and transferring the obligation to a standard fund. The language in the bill would restore the money from the State Water Plan Fund from the Standardized Data Repository Fund. He reviewed the floor amendment which was a different approach from a different funding source.

The motion was renewed. Motion carried.

Department on Aging

Representative Henry requested an update from the Secretary of the Department on Aging regarding layoffs and departmental plans in order to fulfill budget requirements.

Chairman Rhoades stated an update by the secretary will be scheduled for next week.

Kansas Commission on Peace Officers Standards and Training

Representative Gatewood reviewed the Fiscal Note for **SB 82**. He noted that **SB 93** has **SB 82** provisions included in the bill and is currently in Conference Committee. This includes the request for 1.5 FTE positions for the Kansas Commission on Peace Officers Standards and Training (CPOST) and additional expenditures of approximately \$95,000 for salary, wages and operating expenses he added.

Representative Gatewood made a motion for an amendment to adopt the Fiscal Note adding the expenditures from the CPOST fund for the 1.5 FTE positions. The motion was seconded by Representative Kelley.

Representative Gatewood responded to questions from committee members. He stated that CPOST funding sources come from docket fees assessed by municipal courts and the ending balance reflects \$341,000. Discussion continued regarding investigative procedures.

The motion was renewed. Motion failed.

Human Services Caseloads

Representative Crum stated that an additional \$11.3 million would be required to fund the Human Service Caseloads for FY 2012, based on the revised budget.

Representative Crum made a motion for an amendment that would fund the Human Service Caseloads increase of approximately \$11.3 million from SGF by reducing the base state aid per pupil K -12 by \$17. The motion was seconded by Representative Mast.

Discussion followed by committee members. It was noted that there may be savings forthcoming in the way that Medicaid is funded. The motion would reduce the base state aid per pupil to \$3,745 from the current proposal of \$3,762 for a total reduction in the base of \$267.00.

The motion was renewed. Motion failed.

Social Rehabilitation Services

Gary Haulmark, Legislative Director, Social Rehabilitation Services, reviewed options for the department's reductions (Attachment 7). He stated that no decisions have been made at this time, the list is not prioritized and represents approximately \$20 million in budget reductions, which has been reviewed by Secretary Siedlecki. A review and discussion of these cost savings items would need to take place with the stakeholders in order to meet the budget objectives as have been determined by the Appropriations Committee, he added.

Gary Haulmark responded to questions from committee members regarding possible staff reductions within the state hospitals. He stated that the department would comply with the CMS requirements to meet staffing levels, guidelines and mandates. All programs will be reviewed by the secretary and stakeholders, and budget reductions identified based on final legislative action. The impact on programs and services with any budget reductions will be provided to the committee prior to implementation. All viable options

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Minutes of the House Appropriations Committee on April 18 & 19, 2011, in Room 346-S of the Capitol. will be taken into consideration, he added.

Discussion followed by committee members regarding budget crisis within the state finances and the impact on critical needs of the state's most vulnerable citizens.

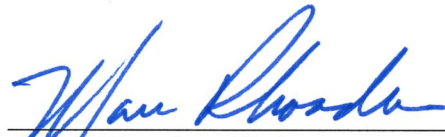
Chairman Rhoades stated that changes for the next session will include a priority based budget template for every department that will be completed and submitted to the committee. This will assist committee members as they address specific issues, he added.

Expanded Lottery Funds

Representative Gatewood requested additional information from the budget director on the Governor's recommendation directing dollars from the SGF for the expanded lottery funds.

Chairman Rhoades reviewed the agenda for next week. He stated that the next committee meeting will be held on Wednesday, April 27 and will include continued work on the Omnibus Bill and a hearing on **HB 2149**.

Meeting adjourned at: 11:34 a.m.



Marc Rhoades, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-18-11

NAME	REPRESENTING
Roddie Wellshar	Ad Astra Group
KAB MEALY	KEARNEY & Assoc.
Jessica Clatterbuck	TFI Family Services, Inc.
Kim Fowler	Judicial Branch
Ron Seiber	KIFA
Heather Mergon	VMY
Dick Kowak	KDWP
Derek Hen	HEN LAW FIRM
Marilyn Jacobso	Dept of Admin
Come Meyer	KANSAS REPORTER
Leslie Kaufman	Ks Coop Council
Jim Ron	KCSL
Kois Weeks	SRS
Nancy Bryant	SOS
Bill Bredy	CS
Bucci Brown	KID
Sean Miloe	CAPITOL STRATEGIES
Phil Harnar	K-State
Sue Peterson	K-State

Justin McFarland

KDOV

Kathleen S. Sieblerhippert

KSBHA

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-18-11

NAME	REPRESENTING
Mary Jane Hankiewicz	KGFA
Maria DeTetti	KMTA
DICK CANTEN	JCCC
Meliss Waymann	KAC
DAVID HUTCHINGS	KBI
Ed Pradeaux	7184
D Clement	DCCA
Bernie Rod	KEPC
Victoria White	Pitt State U
John Faber	PEAK
Brian R. Thompson	PEAK
RT Wilson	KOSI
Wigh Keck	Capitol Strategies
Sara Arif	KDDA
Craig Kaberline	K4A
Rep. Grosserode	
Rep. Brett Hildabrand	

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-19-11

NAME	REPRESENTING
ROB MENLY	KENNEDY & Assoc.
Leslie Kaufman	Ks Co-op Council
Ken Seiber	KGFA
Mary Jane Stankiewicz	KGFA
Jessica Clatsone	TFI
Ed Kump	KARP/KPOA/KSA
Derek Hein	HEIN LAW FIRM
Michelle Butler	Cap. Strategies
Alan Burr	SECRETARY OF STATE
RJ Wilson	ICOSE
Kim Fowler	Judicial Brand
Stephanie Buntin	Judicial Branch
Travis Lowe	Little Cat Relations
Dodie Wellshear	Ad Astra Group
DAVID HUTCHINGS	KBI
Justin McFarland	KIDOL
Marilyn Jacobsen	Dept of Adm.
John Kiefhaber	Ks. Chiropractic Assoc.
Dale Koenig	KDWR

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 4-19-11

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KANSAS LEGISLATIVE RESEARCH DEPARTMENT

68-West-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 • FAX (785) 296-3824

kslegres@klrd.ks.gov

<http://www.kslegislature.org/klrd>

April 15, 2011

ITEMS FOR OMNIBUS CONSIDERATION

Department of Agriculture

A. Continuation of the Conservation Reserve Enhancement Program (CREP) (House Committee). The House Committee recommended review of the possible addition of language for the continuation of the Conservation Reserve Enhancement Program (CREP) for FY 2012 and the possible addition of language to authorize the agency to make expenditures from the Water Transition Assistance Program (WTAP) account for CREP for FY 2012.

B. Funding for Additional Veterinarian Position (House Committee). The House Committee recommended review of funding for an additional veterinary position for the Animal Disease Control Program for FY 2012.

The Committee supported the need for an additional veterinary position in western Kansas within the Animal Disease Control Program and suggests sharing the position with the Meat and Poultry Program within the Department of Agriculture. The Committee recommended the review of the Department of Agriculture working with the Animal Health Department to restore the veterinary position for the Animal Disease Control Program. This veterinary position is significant due to the retirement of an United States Department of Agriculture inspector in western Kansas.

Kansas Corporation Commission

A. Abandoned Oil and Gas Fund (House Committee). The House Committee recommended review of the restoration of the \$400,000 statutory transfer from the State General Fund to the Abandoned Oil and Gas Well Fund for FY 2012.

The agency receives transfers from the State General Fund, State Water Plan Fund, and other funds, which are deposited in the Abandoned Oil and Gas Well Fund for well-plugging activities. By law, the agency is to receive \$400,000 per fiscal year from the State General Fund, State Water Plan Fund, the Conservation Fee Fund, and 50.0 percent of the state's share of the Federal Mineral Leasing Program. It should be noted, however, that State General Fund transfers have not been made to the fund from FY 2004 through FY 2011. The Governor's FY 2012 recommendation does not include the \$400,000 transfer from the State General Fund to the Abandoned Oil and Gas Well Fund.

K.S.A. 55-192 provides for the plugging of abandoned wells and the remediation of contamination sites related to pre-July 1, 1996, oil and gas activities that have no responsible

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Attachment 1

parties. Currently, there are 5,665 abandoned wells that need to be plugged at an average cost of \$4,500 per well and 58 active remediation sites. The agency asserts that a well left unplugged can impact surface and ground water and be a general threat to public health. Since 1997, the Kansas Corporation Commission has plugged over 8,400 abandoned wells.

B. Vehicle Purchases (House Committee). The House Committee recommended review of vehicles the agency requested to replace.

The agency requests \$651,100, all from special revenue funds, for FY 2012 for the replacement of 34 agency vehicles, all of which have met the mileage threshold. A large number of vehicles were requested due to requests from past fiscal years not being authorized. The vehicles requested to be replaced include:

- Utilities. \$105,700 from the Public Service Regulation Fund, Pipeline Fee Fund, and Pipeline Safety Federal Fund to replace seven vehicles;
- Conservation. \$404,000 from the Conservation Fee Fund to replace twenty four-wheel drive trucks;
- Transportation. \$121,200 from the Motor Carrier License Fee Fund to replace six SUV's; and
- Energy. \$20,200 from the Facilities Conservation Improvement Program Fund to replace one SUV.

The following is a list of six vehicles within the agency's fleet that the agency is requesting be replaced. The maintenance and repair cost information is based on agency records from FY 2007 to the present. There were maintenance and repair expenses prior to 2007 associated with the vehicles identified, but the agency does not have the complete detailed expense reports as this function was performed by the Department of Administration's Central Motor Pool.

The Conservation Division's staff trucks are driven off-road (fields, gravel roads, lease roads, etc.) and as such the agency cannot utilize the statewide Enterprise Vehicle Rental Contract as the contract does not allow off-road use.

Vehicles Requested to Be Replaced

TAG #	TYPE	MODEL YEAR	ODOMETER READING FEBRUARY 2011	EXPENSE AND REPAIRS FY 2007 – PRESENT
1449 Offerle*	COMPACT CAR	2002	158,121	\$ 4,393.15
9077 Hays	TRUCK	2002	202,329	8,175.87
9182 Chanute	TRUCK	2002	225,464	11,988.15
9515 Dodge City	TRUCK	2002	193,993	8,283.55
9561 Dodge City	TRUCK	2002	195,740	9,215.38
9569 Chanute	TRUCK	2002	187,363	10,095.22

*The **compact car** is parked and not currently used as it needs numerous repairs including: electrical short in odometer, cracked windshield, inoperable horn, inaccessible trunk, broken muffler hanger bracket, two missing hubcaps, replacement of two front tires, daylight gap between door and door post on driver's side (takes in road dust), and significant hail damage.

C. Federal American Recovery and Reinvestment Act (ARRA) Fund Expenditures (House Committee). The House Committee recommended a review of the agency's alternatives for ensuring the expenditure of \$34.0 million in remaining federal ARRA funds by April 2012.

The ARRA requires that the State Energy Program funds provided to the Kansas Energy Office must be expended by April 2012. Current projections, provided by a federal Department of Energy finance specialist, indicate that the Efficiency Kansas program will utilize the full funding allotted to it well within the April 2012 time frame. However, in the event that these projections are not met, the Kansas Energy Office has developed the following plans to redirect \$17.0 million in State Energy Program funds from the approximate \$34.0 million remaining in the program. These contingency plans meet the Energy Office's goal of achieving cost-effective, whole-building improvements and must be approved by the Department of Energy prior to expenditure.

Commercial Lighting Loan Program (\$10.0 million)

Lighting is one of the largest uses of energy in commercial facilities and typically has a payback of less than five years. This program would allow utilities and lenders to make loans to commercial facilities for lighting improvements. The maximum loan term for this loan would be five to seven years. This project would be implemented as a pilot project with Midwest Energy.

Funding Facility Conservation Improvement Program Projects (\$5.0 million)

Using the existing Facility Conservation Improvement Program, this program would provide financing for a project. With the agency's existing relationship with Partner Lenders, the Kansas Energy Office can provide funds to Partner Lenders, and the lender makes the low-interest loan.

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This program would be implemented on a small scale in the last quarter of CY 2011, funding up to \$5.0 million by December 2011. A second round of funding in the first half of 2012 may be made available if the Efficiency Kansas program is projected to spend less.

Multi-Family Housing - Weatherization (\$1.5 million)

The Kansas Housing Resources Corporation directed some of its ARRA funds to its Multi-Family Weatherization Assistance Program. This program targets the United States Department of Agriculture Rural Development, Tax Credit, and the United States Department of Housing and Urban Development properties for weatherization improvements. The KHRC plans to direct additional funds to this program. The Kansas Housing Resources Corporation indicates that this is the maximum amount that it could receive and spend by April 2012.

Use of ARRA funds requires a lengthy approval process from the Department of Energy. Prior to contracting with subgrantees, the United States Department of Energy must first approve the scope of the activity, which must fall within certain market title categories (e.g., energy efficiency retrofits). The agency states that this process has been taking a long time. The agency submitted a proposal for a new activity in October 2010 and still does not have approval. The agency indicates that this nearly six month turnaround is incredibly cumbersome and frustrating.

All projects that use ARRA funding must meet certain federal requirements. The first of these is the Davis-Bacon Act, which requires contractors to pay prevailing wages. Additionally, the Davis-Bacon Act requires that contractors submit certified weekly payroll reports to the agency. The subgrantee and the Kansas Energy Office must review these reports and interview workers to verify that the appropriate wage was paid.

The National Environmental Policy Act requires that each project have its environmental impact assessed prior to approval by the Department of Energy. While not all projects require this approval, any project that will be breaking ground or is of any substantial size, may trigger this requirement. In some cases, a formal environmental assessment is required, which the agency states can take six months.

Projects using ARRA funds must also meet the "Buy American" provisions of ARRA and ensure that the equipment installed is made in the United States.

Finally, all projects must be approved by the Kansas State Historical Society for compliance with Historical Preservation Guidelines.

Board of Regents Possible Energy Projects

The agency requested a copy of the Board of Regents' deferred maintenance capital improvement project list for review. The Kansas Energy Office is working with the Board of Regents to determine if there are deferred maintenance projects that will successfully and timely meet ARRA requirements. Each campus has provided the agency with additional information, including projected payback, calculations, and applicability to the energy efficiency criteria furnished by the Kansas Corporation Commission. The campuses are aware of the federal deadlines and believe they will complete the projects within the prescribed time. The agency has included these projects in the ARRA project plan.

University Projects

Emporia State University Subtotal - \$900,000

Kansas State University

Campus Utility Meters Installation

Waters Complex Window Replacement

Kansas State University Subtotal - \$2.6 million

University of Kansas

Murphy Hall Heating, Ventilating, and Air Conditioning Improvements Phase 2

Strong Hall Window Replacement

Kansas University Subtotal - \$1.5 million

Total campus projects - \$5.9 million

Regents Facility Conservation Improvement Program Projects

The agency asserts that more than \$50.0 million worth of Facility Conservation Improvement Program projects are currently under construction at Kansas State University, the University of Kansas, and Wichita State University, with a project under consideration at Pittsburg State University. The projects are detailed in the following table:

FACILITY NAME	PROJECT STATUS	TOTAL PROJECT COST	ANNUAL SAVINGS
Pittsburg State University	Energy Audit	\$ Unknown	\$ Unknown
Wichita State University – Housing	Under Construction	1,548,989	109,294
University of Kansas – Deferred Maintenance	Under Construction	25,596,490	2,017,439
Kansas State University – Water	Under Construction	3,942,618	404,720
Kansas State University – Phase II	Under Construction	19,459,752	1,512,056
University of Kansas – Campus	Complete	18,393,010	1,723,488
Pittsburg State University	Complete	4,500,000	385,152
Fort Hays State University	Complete	4,887,301	348,816
Kansas State University – Housing	Complete	2,418,169	356,097
University of Kansas – Medical Center	Complete	12,289,489	964,768
Pittsburg State University – Nation Hall	Complete	1,550,401	90,425
Kansas State University – Campus	Complete	21,090,000	1,629,935
Wichita State University	Complete	12,316,635	1,118,277
TOTAL		\$ 127,992,854	\$ 10,660,467

The Facility Conservation Improvement Program is housed at the Kansas Energy Office and works on the principal of Energy Savings Performance Contracting. By working with Energy Service Companies, the Facility Conservation Improvement Program can guarantee the avoided utility costs a facility will save as a result of energy efficiency improvements.

The Facility Conservation Improvement Program is a program that allows Kansas municipalities, counties, public schools, community colleges, and other public entities to enter into contracts with private companies. The Kansas Energy Office provides oversight and consultation throughout the entire process - from the initial contact with the Energy Service Companies, to the end of the energy savings verification period, as long as 30 years. The State of Kansas has negotiated contracts with ten Energy Service Companies. These national companies all have offices in Kansas and extensive experience in energy performance contracting.

The Energy Service Company guarantees to cover the financing for projects implemented under the Facility Conservation Improvement Program. If the savings don't materialize, the Energy Service Company, not the customer, is obligated to make up the difference. The contract signed by the Energy Service Company and the customer includes a guarantee of savings. Based on product performance, utility cost models, and detailed knowledge of the industry, Energy Service Companies are able to know exactly how a building performs, how often the building is used, and how much money it will cost to run the equipment installed in the building.

The money saved from the utility bill is used as a means to pay for those improvements. The payments made on the debt incurred from the project matches the guarantee of savings. No start up capital costs are required by the customer in most cases. Payments made on the equipment come from the avoided energy costs. After the debt has been paid by the customer, all additional savings are an added bonus to the customer.

Potential Project with the Department of Commerce

Further, the agency has worked with the Department of Commerce to develop several projects that may meet the Department of Energy requirements. The Department of Commerce is currently preparing project applications that will be submitted to the Department of Energy for review and approval. At this time the agency has redirected approximately \$10.8 million to fund these projects. If the Kansas Efficiency Revolving Loan program does not meet expenditure benchmarks (August 1, October 1 and December 1) additional funds will be shifted to the Department of Commerce initiatives that have received Department of Energy approval.

Kansas Corporation Commission ARRA Projects (April 2009 – April 2012)	
Program	Budgeted Amount
Kansas Energy Office Administrative Expenses	\$ 1,592,576
Take Charge Challenge – 16-city energy saving competition	212,262
Efficiency Kansas Residential/Small Business Revolving Loan Program	15,741,327
Efficiency Kansas \$500 Audit Rebate Promotion (ends 9/30/2011)	1,350,000
Efficiency Kansas \$500 Thermal Rebate Promotion (ends 12/31/2012)	284,000
Efficiency Kansas \$350 Rebates – Phase 1 – Completed	9,100
Efficiency Kansas \$250 Loan Fee Rebates Promotion to Banks (15 banks, over 100 locations)	58,500
Efficiency Kansas Energy Auditor Training Institutions and Scholarships	181,088
Efficiency Kansas New Auditor Business Initiative (Residential Audit Equipment)	248,055
Efficiency Kansas Advertising and Promotion	500,000
Kansas Housing Resources Corporation Multi-Family Housing Weatherization	1,000,000
Board of Regents Campus Energy Efficiency Projects	5,900,000
Building Operator Certification for Municipal and Cooperative Utilities	85,000
Dynamic Pricing Study for Kansas Corporation Commission	320,000
Kansas Department of Commerce Renewable Energy Development Initiatives	10,802,092
Total	\$ 38,284,000

D. House Substitute for Senate Bill 50. (Conference Committee). House Sub. for SB 50 would enact new law relating to 911 emergency phone calls. Provisions of the bill would apply to all modes of service, including telephone, cell phone, Voice over Internet Protocol (VoIP), prepaid wireless, and other services capable of contacting a public safety answering point (PSAP). Major provisions of the bill affect the payment and collection of 911 fees, prepaid wireless service, distribution of fee moneys, use of fee moneys, 911 coordinating council, immunity to rules and regulations, audits and reviews, cost recovery, 911 state grant fund, 911 federal grant fund, and the dissolution of the current process. The fiscal note for the original bill prepared by the Division of the Budget indicates that the Department of Revenue would have start-up programming costs of \$70,000 which the bill allows to be reimbursed from retained fees. The Department estimated ongoing administrative costs of approximately \$20,000 annually. The League of Kansas Municipalities indicates the bill will have a fiscal effect on cities but the amount cannot be determined. The Governor's Grants Office which administers the current grant fund would presumably no longer administer the grants.

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Citizens' Utility Ratepayer Board

A. Citizens' Regulatory Review Board (House Committee). The House Committee requested that the Governor provide a funding recommendation for expenses incurred by Citizens' Utility Ratepayer Board (CURB) to carry out newly-created regulatory oversight duties for review during Omnibus. No recommendation had been made at the time this document was written.

Executive Order 11-02 charged CURB with the additional function of serving as the Citizens' Regulatory Review Board to provide citizen oversight for administrative rules and regulations. No budgetary recommendation was included in the Executive Order. The agency and the Committee expressed reservations about paying for the new duties out of existing resources because CURB's sole source of funding is the Utility Regulatory Fee Fund, which is drawn from an assessment on utility companies. The agency and Committee suggested it would be an inappropriate source for expenditures unrelated to utilities.

Kansas Guardianship Program

A. Funding Restoration (Senate Committee and House Committee). Both the House Committee and Senate Committee requested a review of the Guardianship Program budget during Omnibus. The agency requested operating expenditures of \$1,199,407, which is \$85,560, or 7.7 percent, above the Governor's recommendation. The agency's request also included 11.0 FTE positions, 1.0 FTE position more than the Governor's recommendation. The additional position was deleted in the reduced resources package. Both the House and Senate Committees of the Whole concurred with the Governor's FY 2012 recommendation, which is a decrease of \$44,418, or 3.8 percent, below the FY 2011 recommendation.

The House Committee recommended that the agency be given a high priority for any available funds to restore all or part of the agency's request. The enactment of the reduced resources package required the agency to eliminate its administrative assistant position.

The Senate Committee recommended a review of possible additional funding for the agency. The Committee also expressed concern that the provisions of the reduced resources package would not result in adequate savings to meet the 5.0 percent reduction target. In particular, the Committee expressed doubts that the contractual services item would be sufficiently reduced by stopping the payment of volunteer stipends for monthly reports more than 90 days old.

Children's Initiative Fund/Tobacco Revenue

A. Revenue Estimate. The Division of the Budget, Legislative Research Department and the Attorney General's Office met on April 14, 2011 to discuss revenues from the tobacco master settlement agreement. The group revised downward the expected revenues from the tobacco companies for both FY 2011 and FY 2012. The decrease in anticipated revenues is due to a large tobacco manufacturer choosing to withhold a portion of the yearly payment, as allowed in the settlement agreement. The actual payment from the tobacco settlement agreement was anticipated on April 15th, however, the payment had not yet been received when this memo was completed.

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Revenues for both FY 2011 and FY 2012 had been projected at \$60.5 million. The revised revenue estimate for FY 2011 is \$57.0 million, a decrease of \$3.5 million. The revised revenue estimate for FY 2012 is \$55.8 million, a decrease of \$4.7 million.

There is ongoing litigation concerning the payments owed by the tobacco companies and the state's obligations under the agreement. More information should be available before the start of the 2012 Legislative Session concerning payments by the tobacco companies. It is possible that actual receipts for FY 2012 will be significantly less than the revised estimate.

Department of Social and Rehabilitation Services

A. Review of Programs for which Funding was Eliminated (House Committee). The House Committee recommended a review of Department of Social and Rehabilitation programs for which all funding had been eliminated. These programs including Developmental Disabilities Day and Residential grants and the General Assistance program.

Developmental Disabilities Day and Residential Grants

The elimination of State General Funds in the Developmental Disabilities Day and Residential grants would have the following impacts on persons:

The Department indicated that the elimination of funding for the Developmental Disabilities day and residential grants will result in the loss of services to 2,450 individuals. The Department further indicated the following impacts from this elimination:

- Persons receiving Residential Supports would no longer have access to the necessary staff to assist them in their homes. These staff currently assist persons throughout their day by providing assistance, supervision or full support with those typically occurring activities such as showering/bathing, toileting, dressing, feeding, taking medications, cooking, cleaning, grocery shopping and the provision of necessary supervision to assure each persons' health and safety.
- Persons receiving Day Supports would no longer have access to the necessary staff that provide them assistance with accessing and sustaining employment, accessing pre-vocational services aimed at preparing a person for paid and volunteer employment opportunities, and developing socialization skills to help the person become a more productive and independent person in his/her community.

In addition, State General Funds are used to assist persons and their families with the purchase of diapers, chucks, respite care services, adaptive equipment and other items. Without State General Fund appropriations, this assistance would no longer be available to individuals.

If this funding is eliminated, these families would be referred to other possible community resources. The Community Developmental Disability Organizations (CDDOs) have access to some county mill levy funding for possible use, but that amount varies greatly by county. Some CDDOs may also utilize their State Aid funding. When they do that, they most likely would discontinue other services in their area such as transportation and early childhood services.

General Assistance Program

The Department indicated that the elimination of the General Assistance program, including cash assistance, will result in the loss of benefits to 2,000 individuals. The General Assistance program serves extremely low-income single adults and childless couples that have been determined to meet a standard of disability. The program has inherently served two purposes: primarily to serve as a bridge while the recipient is pursuing a Social Security Disability benefit and ultimately, as a short term safety net program for disabled Kansans that do not qualify for any other public benefit program.

The current General Assistance caseload (1,939 cases) does not rely solely upon the cash portion of the program. In addition to accessing the cash benefit, current General Assistance recipients also access other SRS programs to the following extent:

- 100 percent of the recipients receive a medical benefit – either Medicaid or MediKan;
- 94 percent currently receive a food assistance benefit averaging \$213 per month; and
- 16 percent have accessed the Low Income Energy Assistance Program (LIEAP) with an average benefit of \$275.

These benefits will continue to be available to the current and future caseload even with the termination of the General Assistance cash benefit. The specific medical program for future applicants will be dependent upon a presumptive medical determination process which assesses the severity of their disability as it relates to Social Security Disability standards. There are not any other cash assistance programs available for this population through the Department of Social and Rehabilitation Services.

The termination of the cash benefit will result in this caseload accessing community helping agencies and faith-based organizations in their respective communities to assist in filling the resulting gap in their resources. SRS staff currently do and will continue to, work with this caseload to make them aware of these community agencies in addition to the other benefit programs already mentioned that they will continue to be able to access. These community services could include food banks, homeless shelters, mental health resources, and clothing banks as well as other services specifically available in the individual community.

The cost of continuing the cash benefit for the General Assistance caseload for FY 2012 is projected to be slightly more than \$3.1 million, all from the State General Fund.

B. Review of funding for Mental Health State Aid (House Committee). The House Committee recommended a review of the funding for mental health state aid. The Governor's FY 2012 recommendation eliminated all funding for community mental health state aid, totaling \$10.2 million, all from the State General Fund. As of April 1, 2011 the House restored \$7,240,000, all from the State General Fund, in 2011 HB 2383, and the Senate restored \$10,233,297, all from the State General Fund, in 2011 SB 234. The FY 2011 level of funding for mental health state aid under the Governor's recommendation is \$10,233,297.

C. Spring Human Services Consensus Caseloads. The Division of the Budget, Department of Social and Rehabilitation Services, Kansas Health Policy Authority, Department on Aging, Juvenile Justice Authority, and the Legislative Research Department, met on April 14.

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2011, to revise the estimates on caseload expenditures for FY 2011 and FY 2012. The caseload estimates include expenditures for Nursing Facilities, Regular Medical Assistance, Temporary Assistance to Families, General Assistance, the Reintegration/Foster Care Contracts, Psychiatric Residential Treatment Facilities, and JJA Out of Home Placements. As the starting point for the current estimate the group used the Governor's budget recommendation as adjusted by the Governor's Budget Amendment No.1 and the State General Fund allotment that took effect on April 8, 2011.

For FY 2011, the estimate is an all funds increase of \$2.2 million and a State General Fund decrease of \$1.2 million as compared to the Governor's recommended budget. The previous caseload estimate included \$64.1 million from all funding sources to account for funds generated by the nursing facility provider assessment. However, after implementation of the program, it was realized that a portion of the FY 2011 assessment revenue would actually be expended in FY 2012. Therefore, FY 2011 expenditures for the program were reduced by \$13.5 million. The previous caseload estimate also included State General Fund savings of \$17.3 million to account for the Cost Containment and Recovery Contract. The new estimate includes savings of only \$32,000 requiring \$17.3 million from the State General Fund to be added. However, because the new estimate for the Regular Medical Program utilizes unanticipated fee fund receipts and includes changes in the distribution of populations served and funding sources available to those clients, the net result for FY 2011 is State General Fund savings of \$1.2 million for all caseload programs.

	FY 2011 Adjustments	
	All Funds	State General Fund
Regular Medical Assistance-Health Policy Authority	\$ 27,810,000	\$ (1,363,439)
Nursing Facilities - Aging	(17,416,156)	1,216,779
Aging Targeted Case Management	(146,760)	(47,301)
Psychiatric Residential Treatment Facilities - JJA	55,996	18,047
Out of Home Placements- JJA	954,674	856,349
Temporary Assistance for Families- SRS	(1,343,120)	0
General Assistance -SRS	(83,167)	(83,167)
Reintegration/Foster Care- SRS	(562,064)	(326,876)
Mental Health -SRS	(7,097,605)	(1,540,618)
Nursing Facilities Mental Health - SRS	0	0
Community Supports and Services -SRS	(746,400)	(240,565)
Addiction and Prevention Services -SRS	821,388	264,733
TOTAL	\$ 2,246,786	\$ (1,246,058)

For FY 2012, the estimate is an increase of \$44.6 million from all funding sources, including \$11.3 million from the State General Fund. These adjustments include decreases for the Department on Aging's Targeted Case Management Program, the Juvenile Justice Authority's Psychiatric Residential Treatment Facilities, and the Department of Social and Rehabilitation Services' Temporary Assistance to Families, Foster Care, Mental Health, Community Supports and Services and Addiction and Prevention Services. All of these programs are still expected to increase over FY 2011 expenditures, but beneficiaries and

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program expenditures are not expected to increase as much as was originally estimated. The estimate for JJA Out of Home placements is increased.

The overall estimate for Nursing Facilities is slightly increased from the fall, but the State General Fund portion is \$2.0 million lower. The estimate for the number of clients is actually decreased, but costs are increased to reflect additional funding from the provider assessment. The estimate for Regular Medical is an increase of \$52.9 million, including \$13.8 million from the State General Fund. The previous caseload estimate included State General Fund savings of \$10.0 million to account for the Cost Containment and Recovery Contract. The new estimate includes revenues of only \$2.7 million requiring \$7.3 million from the State General Fund to be added. However, because the new estimate for the Regular Medical Program utilizes unanticipated fee fund receipts and includes changes in the distribution of populations served and funding sources available to those clients, the additional amount needed from the State General Fund is not as large.

The portion of expenditures anticipated to be funded by the federal government for the Medicaid program have decreased due to the conclusion of the American Recovery and Reinvestment Act (ARRA) funding at the end of June 2011. The increased amount of State General Fund required for matching in FY 2012 for caseload expenditures was estimated to be \$175.6 million in the fall. The portion of the increase in the current estimate that is attributable to the loss of ARRA funding is \$4.1 million, bringing the total to \$179.7 million for caseload programs. The total amount of funding needed to replace federal funds for caseload and non-caseload programs as a result of the elimination of ARRA enhanced Medicaid funding totals \$220.1 million in FY 2012.

The base Medicaid matching rate for federal contribution, excluding ARRA funding, was reduced by 1.6 percent between FY 2011 and FY 2012. The estimated impact of this reduction in FY 2012 in the fall was \$35.3 million for caseload expenditures. The portion of the increase in the current estimate that is attributable to the reduction in the base Medicaid matching rate for federal contribution is \$757,306, bringing the total to \$36.1 million for caseload programs. The impact of the base federal match rate on non-caseload items is estimated to be increased State General Fund expenditures of \$9.1 million in FY 2012.

The remaining increases reflect caseload growth, for both increased individuals and cost increases, totaling \$44.6 million from all funding sources and \$15.2 million from the State General Fund in FY 2012. Regular Medical expenses for KHPA were increased by \$13.8 million from the State General Fund and \$52.9 million from all funds due largely to estimated increases in the number of persons served. This estimate includes an increase in fee fund expenditures for the state match and a corresponding decrease of State General Fund expenditures attributable to unanticipated fee fund revenues for the Kansas Health Policy Authority for FY 2012. Nursing Facility expenditures from all funding sources were increased slightly, but the State General Fund portion is decreased due to an increased estimate for the second year of the provider assessment expenditures.

	FY 2012 Adjustments	
	All Funds	State General Fund
Regular Medical Assistance-KDHE	\$ 52,900,000	\$ 13,807,868
Nursing Facilities - Aging	1,207,575	(1,970,645)
Aging Targeted Case Management	(132,629)	(56,447)
Psychiatric Residential Treatment Facilities - JJA	(212,401)	(90,398)

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Out of Home Placements- JJA	574,980	375,843
Temporary Assistance for Families -SRS	(2,740,400)	0
General Assistance - SRS	0	0
Reintegration/Foster Care -SRS	(170,336)	(324,958)
Mental Health -SRS	(6,060,609)	(80,955)
Nursing Facilities Mental Health -SRS	0	0
Community Supports and Services -SRS	(594,544)	(253,038)
Addiction and Prevention Services -SRS	(145,956)	(62,119)
TOTAL	\$ 44,625,680	\$ 11,345,151

Department of Health and Environment - Health Care Finance/ Kansas Health Policy Authority

A. Opportunities for Savings in the Prescription Drug Program (House Committee). The Social Services Budget Committee encouraged the agency to explore all opportunities for savings in the prescription drug program, including expenditures for both the state Medicaid program and the State Employee Health Plan. Specifically, the Budget Committee recommended that the agency work with providers to identify opportunities for potential savings, including: drug rebates; increased utilization of generic drugs, including antidepressants and atypical antipsychotic medications which are or will soon be available in generic form; enhanced use of e-prescribing technology; use of actual acquisition costs as the benchmark for drug reimbursement; and enhanced cost-sharing concepts on Medicaid-covered services such as different co-payments for preferred and non-preferred drugs. Any savings which can be identified should be reinvested in the program and the agency should report back on the status of this review during Omnibus.

The Kansas Health Policy Authority indicated the agency began implementation of a number of discrete, non-integrated targeted pharmacy initiatives aimed at cost reductions in FY 2011. Those initiatives included elimination of coverage of certain over-the-counter medications, limiting the first fill of a name brand prescription, a limit of four name brand prescriptions per month, and implementation of an automated Prior Authorization system. The agency noted that over the years, implementation of similar independent incremental pharmacy policies has resulted in a piecemeal approach to improving the efficiency and cost effectiveness of the pharmacy management program and an absence a cohesive pharmacy management strategy lacking complimentary strategies for prudent spending.

KHPA has recently initiated a review of the total Medicaid pharmacy program, including all policies related to pricing, utilization, drug mix, and complex condition management. An independent outside evaluation team from the University of Kansas Medical Center's Department of Preventive Medicine has begun a review of existing Kansas Medicaid pharmacy benefit coverage policies, including prior authorization, drug utilization review, and reimbursement incentives for common/and-or high cost care items. The evaluation team will review current Kansas Medicaid pharmacy management practices against national standards and the practices of other states and make recommendations for changes in current pharmacy policy to maximize program efficiency and improvement in health outcomes. The agency indicated that other pharmacy program efficiencies will be explored as part of the broader Medicaid reform effort this summer.

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B. Federal Section 1915(i) and (k) Options (House Committee). The Social Services Budget Committee requested the agency consider the opportunities available to the state under federal section 1915(i) and (k) options. The Budget Committee noted that these Medicaid options have the potential for increased federal match for home and community based services, and should be reviewed to determine what potential benefits are available to Kansas. The Budget Committee requested the agency report back at Omnibus on the potential implications of participation in either option.

The Kansas Health Policy Authority consulted with the Department on Aging and the Department of Social and Rehabilitation Services regarding Section 1915 (i) and (k) options. Kansas currently requires an institutional level of care score to receive home and community based services. Changes to the 1915(i) option in the federal health reform law would allow people with lower level of care scores to be eligible for home and community based services. Section 1915(k) creates the Community First Choice Option.

1915 (i) State Plan Options Changes Under the Affordable Care Act

The Affordable Care Act removed limitations for the 1915(i) option established under the Deficit Reduction Act of 2005:

- Can now cover any service that could be approved in a 1915(c) waiver;
- Coverage went from 150.0 percent of the federal poverty level to 300.0 percent of Supplemental Security Income benefits rate;
- Allows those who would qualify for a 1915(c) waiver to get a different amount, duration or scope of services under a 1915(i) option than others who are receiving 1915(i) services.
- The state can target services on the 1915(i) to specific populations and to factor the type, amount, duration and scope to specific populations.
- Five year period will be renewed for another five years.
- Eliminated ability to cap enrollment in 1915(i) – can change eligibility criteria without approval, but those on the waiver that continue to meet the old criteria are grandfathered in as long as they meet the old eligibility criteria.

Agency Noted Considerations:

- What would be the impact of instituting the 1915(i) provision? Could Kansas reduce the number of people on the Home and Community Based Services Waiver for individuals with a physical disability by offering a limited amount of less costly services such as these listed below and reduce the amount the state spends:
 - Independent living skills
 - Home maker services
 - Assistive services
- Under the current guidance it is not clear how much the federal Centers for Medicare and Medicaid Services would allow a state to limit the target population to receive the 1915(i) services. This could potentially open up these services to a much wider range of beneficiaries than have previously received these services on the 1915(c) waiver. With the elimination of the ability to cap enrollment in a 1915(i) program the State could end up spending more money on these services than it did on the 1915(c) waiver.

Community First Choice Option

The Community First Choice Option is a new home and community based program. The primary focus is the removal of barriers that prevent individuals from returning to the community or remaining in the community, thus avoiding unnecessary or premature institutionalization.

When using this option states must define qualifications for providers of attendant services and supports under the agency model.

Services Offered Must Include:

- Self directed plans of care;
- Assistance with activities of daily living and instrumental activities of daily living and health related tasks;
- Teaching the skills necessary of the individual to accomplish activities of daily living and instrumental activities of daily living tasks;
- Back-up systems or mechanisms to ensure continuity of services;
- Voluntary training on how to select, manage and dismiss attendants;
- Cannot mandate training program for home care attendants;
- Planning process would:
 - include people chosen by the individual;
 - provide necessary support to ensure that the individual has a meaningful role;
 - occur at times and locations of convenience to the individual;
 - reflect cultural considerations;
 - include strategies for solving conflict of interest concerns among planning participants;
 - include opportunities for plan updates; offer choices regarding the services and supports they receive and from whom.

Agency Noted Limitations/Considerations

- State would receive a 6-percent federal medical assistance percentage increase; for the first full year of implementation, the State must maintain or exceed the level of Medicaid expenditures from the previous year.
- Does not allow a state to choose only specific categories or types of home and community-based attendant services and supports to be included in the overall service benefit.
- The services would be an entitlement, as the State could not place a ceiling on enrollment, establish waiting lists, or target populations.
- At a minimum, the State must permit expenditures for transition costs (rent, utilities, bedding, kitchen supplies or any other supplies required to transition out of a nursing facility).
- The State can pre-approve expenditures, require approval for all expenditures or only require approval for some expenditures.
- Cannot use for: room and board; special education or services provided under the federal Individuals with Disabilities Education Act; vocational rehabilitation; assistive technology; medical supplies and equipment; home modifications.
- Persons can become eligible for this program without taking an assessment if their income is 150% or less of the federal poverty level.
- Must verify income annually.

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- Must conduct an assessment of individual's functional need on which to base the person-centered service plan. Must be reassessed every 12 months or when the individual's needs or circumstances change.
- Must be serviced by vouchers, direct cash payments, or use of a fiscal agent to assist in obtaining services.
- The State must develop and approve a service budget, which would include specific items, such as the specific dollar amount, how the individual is informed of the amount, and the procedures for how the individual may adjust the budget.
- The State must collaborate with a Development and Implementation Council.
- Must employ measures for program performance and quality of care, standards for delivery models, mechanisms for discovery and remediation, and quality improvements proportionate to the benefit and number of individuals served.

C. Review Topics Regarding Potential Savings Through Medicaid Reform Strategies (House Committee). The House Appropriations Committee directed the agency to review the following topics related to potential Medicaid reform savings.

The agency noted it is actively engaged in supporting the comprehensive review of the Medicaid program, led by the Lieutenant Governor, to improve the quality of services provided and reduce state costs to ensure sustainability. So far, through this process, the state has received a great many suggestions to improve the program, including many of the items raised by the committee. KHPA is helping to coordinate an interagency and public stakeholder review of these ideas and suggestions. A listing of the reform ideas is available on the KHPA website: http://www.khpa.ks.gov/medicaid_proposals/default.htm

The process is expected to result in a coordinated package of reforms later this year. The agency is providing a status report in each area:

1. A review of optional benefits and cost sharing opportunities:

A review of optional medical care benefits reveals limited opportunities for significant savings due to the likelihood that the most expensive optional services, if eliminated, could lead to substitution of these services by other, more expensive and mandatory Medicaid services, such as inpatient care. Reductions in some optional services should not be ruled out, however, and these services remain open for review through the Medicaid reform process this summer.

2. Managing care for high-cost enrollees more effectively:

Coordination and management of medical care, behavioral health, and long-term care is a central objective of the Medicaid program reform efforts and will be thoroughly reviewed with the aid and assistance of outside consultants and stakeholders. A variety of approaches are possible. Innovations in this area will receive significant consideration in the Medicaid reform process led by the Lieutenant Governor.

3. Opportunities available through the establishment of "Benchmark" and "Benchmark Equivalent" plans:

The agency is exploring these options with the aid of privately funded outside consultants and expects options to be available for public review and consideration later this year.

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4. Minimizing fragmented care for dual-eligible individuals covered by both Medicare and Medicaid:

KHPA submitted a proposal to achieve significant reforms and savings for dually enrolled Medicaid and Medicare recipients earlier this year, but it was not selected by federal Centers for Medicaid and Medicare Services. Nevertheless, these enrollees reflect a substantial percentage of spending in Kansas' Medicaid program, and KHPA expects that reforms in this area will receive significant attention in the Medicaid reform process.

5. Assuring program integrity through audits of providers as well as beneficiaries, including pursuing additional opportunities for outside audit contracts:

The agency indicated that this is an option under Kansas' existing Medicaid audit contract (the RAC audits), and will be pursued by the contractor if it is found cost-effective.

6. A review of Home and Community and Based Services to assure that those in the greatest need are provided support:

Home and Community Based Services (HCBS) were created to provide medical and non-medical services to children and adults in their home, assisted living or residential care facility. Services are designed to provide individuals with the least intensive level of care, who may otherwise be placed in a nursing home, mental or acute care hospital, rehabilitation facility, or intermediate care facility for the mentally retarded.

Persons must have a medical need for the special care. There must be an open space in the HCBS program, and the individual must be determined eligible for Medicaid. The resource limit is \$2,000 for single persons, with special resource provisions for married individuals. Persons with income more than \$747 a month help pay for their care. People on HCBS also get a case manager to oversee medical care.

For the frail and elderly population, a nursing home level of care score is required to receive HCBS, administered by the Department on Aging.

The Department of Social and Rehabilitation Services administers six HCBS waivers serving individuals with disabilities. The chart below includes details on eligibility and services. There are currently waiting lists for three of the waivers (excluding Traumatic Brain Injury, Technology Assisted, and Seriously Emotionally Disturbed waivers). For the Developmental Disability Waiver and the Physical Disability Waiver, Kansas uses a first-come, first-serve approach to the waiting list. In addition, Kansas has established crisis exception criteria for these waiting lists. This ensures those on the waiting list who are at risk of harm, which would be those in most need of services, have access to the waivers. The autism waiver waiting list is addressed only in a first-come, first-serve manner.

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Overview of Medicaid Home & Community Based Services Waivers Operated by the Department of Social and Rehabilitation Services

WAIVER	AUTISM	DEVELOPMENTAL DISABILITY	PHYSICAL DISABILITY	TECHNOLOGY ASSISTED	TRAUMATIC BRAIN INJURY	SERIOUSLY EMOTIONALLY DISTURBED (SED)
Institutional Equivalent	State Mental Health Hospital Services	Intermediate Care Facility for Persons with Mental Retardation	Nursing Facility	Acute Care Hospital	Head Injury Rehabilitation Facility	State Mental Health Hospital
Eligibility	<ul style="list-style-type: none"> ▶ Time of diagnosis through 5 years of age ▶ Diagnosis of an Autism Spectrum Disorder or PDD-NOS ▶ Meet functional eligibility ▶ Eligible for State Institutional 	<ul style="list-style-type: none"> ▶ Individuals age 5 and up ▶ Meet definition of mental retardation or developmental disability ▶ Eligible for ICF/MR level of care 	<ul style="list-style-type: none"> ▶ Individuals age 16-64* ▶ Determined disabled by SSA ▶ Need assistance with the activities of daily living. ▶ Eligible for nursing facility care <p><i>*Those on the waiver at the time they turn 65 may choose to stay on the waiver</i></p>	<ul style="list-style-type: none"> ▶ Children under age 22 ▶ Dependent upon intensive medical technology ▶ Medically fragile ▶ Requires the level of care provided in an acute hospital 	<ul style="list-style-type: none"> ▶ Individuals age 16-65 ▶ Have traumatic, non-degenerative brain injury resulting in residual deficits and disabilities ▶ Eligible for in-patient care in a Head Injury Rehabilitation Hospital 	<ul style="list-style-type: none"> ▶ Children 4-18; under 4 /over 18 if age exception approved ▶ Choose HCBS ▶ Determined Seriously Emotionally Disturbed by CMHC ▶ Meet admission criteria for State Hospital
Waiting list as of April 2011	259	Unserved: 2,501 Underserved: 1,053	3,950	No waiting list	No waiting list	No waiting list
Cost in FY 2012 to eliminate waiting list	\$4,953,980 All Funds \$2,112,670 SGF	\$121,155,339 All Funds \$51,563,712 SGF	\$61,008,144 All Funds \$25,965,066 SGF	No waiting list	No waiting list	No waiting list

7. Information on what the state has committed itself to regarding maintenance of effort for ongoing programs by acceptance of federal American Recovery and Reinvestment Act funding and what impact those commitments may have for the agency's budget going forward.

The agency indicated that since maintenance of effort provisions went into effect (2008 - 2010) Kansas Medicaid enrollment grew nearly 18 percent, and spending will reach nearly \$2.8 billion, an almost 17 percent increase.

The maintenance of effort commitment established under federal American Recovery and Reinvestment Act was renewed in the Affordable Care Act with a different penalty. Once federal American Recovery and Reinvestment Act funding expires on June 30, 2011, a violation of the MOE will induce a withholding of all federal matching funds for Medicaid, but will not entail a return of previously accepted federal American Recovery and Reinvestment Act stimulus funding.

In a February 25, 2011 letter to state Medicaid directors, the federal Centers for Medicare and Medicaid Services (CMS) indicated, "The maintenance of effort provisions in the Affordable Care Act generally ensure that States' coverage for adults under the Medicaid program remains in place pending implementation of coverage changes that become effective in January 2014. The Medicaid maintenance of effort provisions relating to adults expire when the Secretary determines that an Exchange established by the State under section 1311 of the Affordable Care Act is fully operational. The maintenance of effort provisions for children under age 19, in both Medicaid and Children's Health Insurance Program are effective through September 30, 2019."

D. SB 210 Developmental Disabilities Provider Assessment (Governor). 2011 SB 210 would establish a provider assessment on the gross revenues received by entities providing services to individuals with developmental disabilities. The proceeds of the provider assessment would be used to draw down additional federal funds for the Medicaid Home and Community Based Services Waiver for Individuals with Developmental Disabilities (HCBS/DD). The increased funding would be utilized to increase provider reimbursement rates for HCBS/DD waiver providers. The bill would authorize an assessment for the fiscal year that approval is achieved and the subsequent four fiscal years. The bill would become effective upon publication in the Kansas Register.

If the provider assessment was approved and implemented for the entire fiscal year, revenues from the provider assessment for FY 2012 would be \$19.9 million. This revenue would be used to draw down an additional \$26.9 million in federal funds for total increased expenditures of \$46.8 million for FY 2012. The bill would create the "Quality based community fee fund" within the Kansas Health Policy Authority.

E. Spring Human Services Consensus Caseloads. The FY 2011 Spring Consensus Caseload Estimate for the Regular Medical program is an increase of \$27.8 million, but a State General Fund decrease of \$1.3 million from the State General Fund. The previous caseload estimate also included State General Fund savings of \$17.3 million to account for the Cost Containment and Recovery Contract. The new estimate includes savings of only \$32,000 and \$17.3 million from the State General Fund was added to replace fee fund revenues not realized. However, because the new estimate for the Regular Medical Program utilizes unanticipated fee fund receipts and includes changes in the distribution of populations served and funding sources available to those clients, the net result for FY 2011 is State General Fund savings of \$1.3 million.

The FY 2012 Spring Consensus Caseload Estimate for the Regular Medical program is an increase of \$52.9 million, including \$13.8 million from the State General Fund. The previous caseload estimate included State General Fund savings of \$10.0 million to account for the Cost Containment and Recovery Contract. The new estimate includes revenues of only \$2.7 million requiring the addition of \$7.3 million from the State General Fund. However, because the new estimate for the Regular Medical Program utilizes unanticipated fee fund receipts and includes changes in the distribution of populations served and funding sources available to those clients, the additional amount needed from the State General Fund is not as large.

More information on the Spring Human Services Consensus Caseload Estimates is included under the Department of Social and Rehabilitation Services, Item C, Page 10.

Dept. of Health and Environment - Health

A. Provision of Adequate Dental Services Across the State (House Committee).

The Social Services Budget Committee requested that the agency review the cost effectiveness of providing adult dental services, provide an update on dental issues in rural areas of the state, and provide information on the agency's continued commitment to a state dental officer to respond to these and other ongoing dental issues. 2011 SB 132, currently referred to the Senate Public Health and Welfare Committee, would create the Kansas Comprehensive Oral Health Initiative Act. Under the Act, the Kansas Health Policy Authority (KHPA) would be required to include dental coverage for all Medicaid beneficiaries. The fiscal note on that bill indicates that the program would require additional expenditures totaling \$10.6 million, including \$4.4 million from the State General Fund. These amounts assume that of 198,583 beneficiaries who may not have access to dental services, 114,127 or 57.0 percent would use the services at a rate of \$7.69 per consumer per month. The Kansas Health Policy Authority notes that these estimates do not include likely savings from the health complications that emerge from untreated dental conditions, and indicates that such savings may significantly reduce the net cost of the expansion. KHPA does not have a specific estimate of these savings, but provided a review which included items to be considered in an expansion of dental services.

KHPA states that the cost of not providing a dental benefit for Medicaid-eligible adults is paid in complications people with chronic disease experience and an increased use of hospital emergency departments. In addition, the agency notes that medical and dental researchers are showing the interaction between oral disease and other systemic diseases, like diabetes, cardiovascular disease, and rheumatoid arthritis. KHPA also notes that states are moving away from reductions in coverage of optional services as a means of cost control because costs for these services are often pushed into more costly settings such as the emergency room. The agency indicates that the absence of dental care in the Kansas Medicaid program disrupts the continuity of care. Dental services, if accessible, are primarily preventive in nature. For example, a dental visit can detect the signs of a chronic disease or the worsening of that disease. Lack of access to dental care can lead to more damaging and more costly health conditions.

The Department of Health and Environment also provided information on its oral health activities. The Bureau of Oral Health provides the state with current data on the oral health status of Kansas children. According to the Bureau, 21.9 percent of Kansas children statewide attended school with active, untreated dental decay. In some parts of the state, however, the rate was almost twice that high. The Bureau also expressed concern about the state of Kansas' dental work force. Kansas has 1,425 dentists with a practice address in the state, but 15

counties in the state have no full time dentist. The Bureau also highlights concerns with access to dental care for uninsured adults. The Bureau of Oral Health notes its major programs as: the utilization of extended care permit hygienists to provide preventive services to at-risk children in schools; dental recruitment assistance to rural areas; promotion of dental careers to rural and minority high school students; support for rural dental safety net clinic staff; using non-dental personnel for oral health preventive services; and data collection.

B. Report on Increasing Pressures on Emergency Room Services Provided by Hospitals Across the State (House Committee). The Social Services Budget Committee directed the agency to work with the Kansas Hospital Association to develop information on emergency room utilization and report back to the Budget Committee during Omnibus with a plan or some manner of addressing this concern. In March, the Legislative Division of Post Audit released its Performance Audit Report reviewing the use of emergency room services by Medicaid clients. The report analyzed emergency room claims data from the Kansas Health Policy Authority's Medicaid Management Information System from January 1, 2008, to December 31, 2009. The report found that about two-thirds of emergency room claims were for conditions that did not require emergency room treatment. However, because KHPA reduces payments for unnecessary emergency room use, limiting the direct savings that can be achieved through additional policy intervention, the report concluded that "under the most optimistic assumptions, the State could potentially save about \$625,000 per year by reducing the number of emergency room visits for non-urgent conditions." The report included seven cost-saving strategies Kansas should consider implementing, but the report did not quantify potential costs or savings. Those measures included the following:

1. Operate a 24-7 phone line staffed by nurses who could assess callers' needs and direct them to the appropriate place to receive treatment;
2. Pay primary care providers for services currently not reimbursed, such as traveling to rural areas to visit patients, consulting with specialists over the phone, or seeing patients on the same day an appointment is made;
3. Educate the public about various aspects of preventive medicine and the health care system, such as how to spot and take action for common ailments or symptoms, or what health care resources are available in the community;
4. Use existing technology to analyze emergency room claims data for general patterns in usage, to track high-frequency users specifically, and to provide that information to medical providers on a regular basis;
5. Provide case management services for frequent users of the emergency room;
6. Draft regulations or guidelines for hospital emergency rooms which market themselves as "Express Care Centers" with short wait times; and
7. Send reminders to doctors and other medical professionals on when to refer patients to the emergency room and how to talk about it with their patients.

The Department indicates that it and the Kansas Hospital Association believe that adoption of a secure health information exchange will improve information-sharing among primary care providers and hospitals, potentially leading to improved outcomes, coordination of care, and reduced repeat emergency department utilization. The agency and association continue to discuss the issue and anticipate a range of strategies that could affect emergency

department utilization being part of this summer's Medicaid reform public input and stakeholder consultation process.

C. House Bill 2035 (Law). HB 2035 amends current law regarding late-term abortions. As it relates to the Department of Health and Environment, KDHE would be required to include additional information in its abortion reporting; and law enforcement officials would be granted access to KDHE reports. The Department of Health and Environment indicates that passage of the bill would increase expenditures for FY 2012 by \$70,380 from all funding sources, including \$20,380 from the State General Fund and \$50,000 from agency special revenue funds. The expenditures would include: changes to the Woman's Right to Know website (\$20,380); Vital Statistics Information System changes (\$25,000); consultation with medical and legal professionals (\$20,000); and changes to paper forms; drafting of regulations, and training (\$5,000).

D. House Substitute for Senate Bill 36 (Conference Committee). House Sub. for SB 36, as recommended by the House, would provide for the licensing of abortion clinics by the Kansas Department of Health and Environment (KDHE). Any facility that performs any second or third trimester abortion, or five or more first trimester abortions within a month would have to be licensed. KDHE would be required to adopt and enforce regulations and would collect an initial and subsequent annual fee of \$500 from each licensee. The Department would also establish classes of violations and corresponding fines for those violations. Inspections would be required twice per year. SB 36, as passed by the Senate, would have updated the exemptions from creditors provided for individual retirement accounts or account plans to include plans added to the federal Internal Revenue Code since the exemptions were originally enacted. The House substituted provisions originally contained in HB 2337. The Department originally indicated that passage of HB 2337 would increase State General Fund expenditures by \$1,259,481 and require the addition of 12.5 FTE positions. The estimate is based on the fact that it is possible every general or special hospital or ambulatory surgery center in the state could perform abortions, and would have to be licensed. Currently, there are 67 general or special hospitals, one ambulatory surgery center which performs abortions, and two other locations that performed abortions in FY 2010. The agency also calculated revenue from licensing fees at \$35,000, based on 70 facilities being licensed at \$500 per facility. Subsequently, a revised fiscal note for HB 2337 was submitted by the Director of the Budget. The Director disagreed with KDHE's assessment of the fiscal effect of HB 2337, and estimated a fiscal effect of \$67,165 and 1.0 FTE position. The Budget Director assumed instead that only the three facilities which currently perform abortions would need to be licensed. The Budget Director did not believe it likely that any other facilities would perform five or more abortions per month and require a license.

Dept. of Health and Environment - Environment

A. New Vehicle Request (House Committee). The House Agriculture and Natural Resources Budget Committee noted that the agency requested 19 new vehicles (at a total cost of \$428,900, all from special revenue funds) for the Environment portion of the budget for FY 2012. The Budget Committee requested that the agency further prioritize the vehicle request and attempt to reduce the number of vehicles and amount of expenditures requested and report back during Omnibus. The agency indicates that a total of eight vehicles, including one van, five trucks, one four-wheel drive sport utility vehicle, and one heavy duty geoprobe truck are the highest priority for FY 2012. The vehicles range from 150,000 miles to over 183,000 miles. The

revised estimate of expenditures for these vehicles totals \$205,100, all from special revenue funds.

B. Waste Tire Management Grant Program (House Committee). The House Agriculture and Natural Resources Budget Committee requested Omnibus review of the Waste Tire Management Program. The program began in FY 2004. According to the agency, a major goal of this grant program is to stimulate the production and sale of commercial products made from recycled Kansas waste tires including playground cover, park benches, and picnic tables. Local units of government and school districts are eligible to apply for funding, which will provide up to 50.0 percent of the total cost to purchase and install eligible products made from waste tires. The program is funded from a \$0.25 excise tax on all new tires sold in Kansas. A seven-member Solid Waste Grants Advisory Committee prioritizes projects and make recommendations on competitive grant selection and disbursements. Based on the past two rounds of grants, 79 out of 84 cities, counties, and schools that purchased products made from recycled tires using grant funds bought them from Kansas companies. The agency notes that many of these Kansas companies are distributors of products made in other states, but every one of those out-of-state manufacturers utilized at least some Kansas waste tires as the raw material for their products. Some of the match goes for product installation as well as product purchases, so an estimate of the total business benefit in Kansas of this grant program for the past two grant rounds, according to the agency, was about \$1.4 million.

Office of the Governor

A. Consolidation of Fund for Domestic Violence Prevention Programs in One Agency (House Committee). The General Government Budget Committee noted in its report that it would further explore the issue of funding for domestic violence prevention programs and give consideration at Omnibus to consolidating all of the funding for domestic violence prevention grants in one agency. Currently, most domestic violence prevention funding is included in two budgets, the Office of the Attorney General and the Office of the Governor. In addition, funding specifically geared toward domestic violence programs for Temporary Assistance for Needy Families (TANF) recipients is included in the budget of the Department of Social and Rehabilitation Services. The following table reflects FY 2012 funding included in each of the three budgets.

Agency/Program	House Recommendation FY 2012	
	State General Fund	All Funds
Office of the Governor		
Domestic Violence Prevention Grants	\$ 3,426,934	\$ 3,426,934
Domestic Violence Prevention Grant Administration	140,011	140,011
Total-Office of the Governor	3,566,945	3,566,945
Office of the Attorney General	\$ 200,000	\$ 350,000
Department of Social and Rehabilitation Services		
Domestic Violence Child Welfare Specialist	\$ 0	\$ 66,102
Domestic Violence and Sexual Assault Programs for Temporary Assistance for Needy Families work program participants	0	1,695,884
Total-SRS	\$ 0	\$ 1,761,986
GRAND TOTAL	<u>\$ 3,766,945</u>	<u>\$ 5,678,931</u>

Attorney General

A. Consolidation of Fund for Domestic Violence Prevention Programs in One Agency .

See item A, under Office of the Governor, on page 23.

B. Funding for the Human Rights Commission (House Committee). The General Government Budget Committee noted in its report that the Governor's FY 2012 recommendation for the agency including transferring the responsibilities of the Kansas Human Rights Commission to the Office of the Attorney General. The agency's FY 2012 budget included funding of \$1.6 million, including \$1.2 million from the State General Fund, and 22.0 FTE positions associated with the move of the Commission. No Executive Reorganization Order was ever submitted. The Budget Committee noted that if no legislation passed to accomplish the transfer, consideration would have to be given at Omnibus to deleting the funding from the Attorney General's budget and restoring funding to the Kansas Human Rights Commission. Governor's Budget Amendment No. 1, issued March 16, 2011, reversed the Governor's original recommendation and recommended restoring funding for the Human Rights Commission as a separate agency. Both the House and Senate concurred with the Governor's Budget Amendment and restored funding to the separate agency.

C. House Bill 2035 (Law). HB 2035 amends current law regarding late-term abortions. As it relates to the Attorney General's budget, the Attorney General or a district or county attorney for a county where any violation of the late-term abortion restrictions occur would be authorized to prosecute the criminal offense. The Office of the Attorney General estimates a fiscal impact of \$220,000, all from the State General Fund for FY 2012 because the Attorney General is authorized to prosecute any criminal offense related to the late-term abortion restrictions in the bill. This includes funding for the salaries of 2.5 FTE positions, 1.0 FTE Attorney, 1.0 FTE Investigator, and a 0.5 FTE Secretary, and would also include funding for expert witness fees.

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D. House Bill 2010 (Conference Committee). HB 2010, as amended by the Senate Committee of the Whole, includes a provision originally contained in 2011 SB 217. That section provides that when a person is committed as a sexually violent predator and files a habeus corpus petition, the costs incurred as part of the prosecution and defense of the petition would be assessed to the county responsible for the costs, which would be defined in the bill as the county where the person was determined to be a sexually violent predator. A county could refuse to approve payment of the costs assessed by the court if it is not the county responsible for the costs and could file a claim against the debtor county, which would have to be paid within 120 days. The county responsible for the costs would be reimbursed for the costs by the Attorney General from the Sexually Violent Predator Expense Fund. The statute governing this fund would be amended to allow for such expenditures. If the fund's balance was insufficient to cover the costs, the county could file a claim against the state for reimbursement. The Attorney General estimates that required reimbursements from the Sexually Violent Predator Fund, which has no consistent revenue source, would total \$18,000 to \$50,000 per year.

E. Senate Bill 93 (Conference Committee). SB 93 would prohibit a law enforcement officer from using racial or other biased-based policing, allow community advisory boards to be established, and under the Senate version of the bill, would require written policies and annual reports, data collection, and procedures for the investigation and disposition of a racial or other biased-based policing complaint. The Senate Committee of the Whole amended the bill to require that individuals be informed of their right to file a complaint with the Attorney General, and include in data collection and the annual report whether the law enforcement agency collects pedestrian stop data. The Attorney General's office states that enactment of the bill would require \$82,000 and 1.0 new FTE position to review and investigate allegations of racial profiling and notify local agencies and the Kansas Commission on Peace Officers Standards and Training.

Secretary of State

A. Funding for the 2012 Presidential Preference Primary (Senate Committee and House Committee). Both the House and Senate Committees noted that 2011 SB 128, currently referred to the House Elections Committee, delays the next scheduled Presidential Preference Primary from 2012 to 2016. Should this legislation not be enacted, the Secretary of State estimates expenditures of \$1.3 million, all from the State General Fund, will be required to cover the Secretary of State's costs and to reimburse counties for primary election related costs. No funding was included in the Governor's recommendation for these costs. The Committees recommended that the issue of funding be reviewed at Omnibus, after the outcome of the legislation to delay the Presidential Preference Primary had been determined. The legislation has passed the House but is currently in the Senate Elections Committee.

B. House Bill 2240 (Conference Committee). House Bill 2240 establishes a new Cemetery Maintenance and Merchandise Fee Fund. Two fees collected by the Secretary of State, one related to the agency's responsibility to audit cemetery merchandise, burial products, or services preneed contracts (a fee not to exceed \$30 on each pre-need merchandise contract sold after January 1, 2011, and its responsibility to audit cemetery permanent maintenance trust funds (a fee not to exceed \$30 on each interment sold as of January 1, 2011) would be authorized by the bill, and the bill would require these fees be deposited in the new fund. The Secretary of State would be required to promulgate rules and regulations fixing the fees to be charged and collected. The new fee fund is created under both the House and Senate versions

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of the bill, and would need to be appropriated in the appropriations bill to provide authority for expenditure of the fees collected.

Department on Aging

A. Department on Aging Reorganization (House Committee). The House Committee recommended Omnibus review of a report from the Secretary of the Kansas Department on Aging to the Committee pertaining to the proposed reorganization and downsizing of agency operations to restore the reduced programs and fund the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver caseloads.

B. Restorations of Reduced Resources (House Committee). The House Committee recommended Omnibus review of the agency's plan to utilize any savings realized through the proposed reorganization and downsizing of agency operations to restore the reduced resource items of a Senior Care Act reduction of \$1,333,949, all from the State General Fund, and a Nutrition Program reduction of \$300,000, all from the State General Fund for FY 2012.

C. Home and Community Based Services for the Frail Elderly (HCBS/FE) Waiver Caseload (House Committee). The House Committee recommended Omnibus review of the remainder of the agency's enhancement request not recommended by the Governor for \$9,393,567, including \$3,847,109 from the State General Fund, to fund an increase in the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver caseload by 787 persons at a cost of \$1,150 per person for FY 2012. The agency has indicated that without the enhancement, the HCBS/FE program would need to start a waiting list to stay within the available resources.

D. Spring Human Services Consensus Caseloads. The Division of Budget, Legislative Research Department, and the Kansas Department on Aging met on April 14, 2011 to estimate the caseload expenditures for FY 2011 and FY 2012. The consensus estimates for the Kansas Department on Aging includes expenditures for Nursing Facilities and Targeted Case Management.

In FY 2011, the Nursing Facility estimate is a State General Fund increase of \$1.2 million as compared to the Governor's recommended budget. The previous Nursing Facility caseload estimate included \$64.1 million from all funding sources to account for funds generated by the nursing facility provider assessment in FY 2011. However, after implementation of the nursing facility provider assessment, it was realized that a portion of the FY 2011 assessment revenue would actually be expended in FY 2012. Therefore, FY 2011 expenditures for the program were reduced by \$13.5 million. In addition, adjustments decreased the Targeted Case Management Program by \$146,760, including \$47,301 from the State General Fund.

The FY 2012 adjustment includes a decrease of \$132,629, including \$56,447 from the State General Fund, for the Targeted Case Management program which is still expected to increase over FY 2011 expenditures, but beneficiaries and program expenditures are not expected to increase as much as was originally estimated. For FY 2012, the overall estimate for Nursing Facilities is slightly increased from the fall, but the State General Fund portion is \$2.0 million lower than the Governor's budget but an increase of \$1.2 million for all funds. The estimate for the number of clients is actually decreased, but costs are increased to reflect additional funding from the provider assessment.

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Governmental Ethics Commission

A. Governmental Ethics Commission Fee Fund (Senate Committee and House Committee). The House and Senate Committees recommend Omnibus review of the Governor's FY 2012 recommendation of \$669,147, including \$180,656 from the State General Fund. Traditionally, the agency's main source of revenue is the State General Fund and a portion of its revenue comes from the Governmental Ethics Commission Fee Fund. However, the Governor's FY 2012 recommendation requires the agency's main source of revenue to come from the Governmental Ethics Commission Fee Fund. Currently, the Governmental Ethics Commission Fee Fund balance and fee structure will not be in future years enough to fully off-set the State General Fund reductions. Therefore, the Governor's recommendation assumed the agency requests for a statutory fee increase would be granted by the 2011 Legislature and is not possible without this assumption. However, the current fee increase located in Senate Substitute for House Bill 2080 is currently awaiting House action. The agency indicates it will not be able to fund the Governor's FY 2012 recommendation operations in FY 2012 without the passage of Senate Substitute for House Bill 2080.

The agency requests FY 2012 operating expenditures of \$690,760, including \$432,269 from the State General Fund.

B. Governmental Ethics Commission Fee Fund (Senate Committee and House Committee). The House and Senate Committees recommend review of the Governor's FY 2013 recommendation of \$691,133, including \$201,567 from the State General Fund. Traditionally, the agency's main source of revenue is the State General Fund and a portion of its revenue comes from the Governmental Ethics Commission Fee Fund. However, the Governor's FY 2013 recommendation requires the agency's main source of revenue to come from the Governmental Ethics Commission Fee Fund. Currently, the Governmental Ethics Commission Fee Fund balance and fee structure will not be in future years enough to fully off-set State General Fund reductions to maintain operating levels. Therefore, the Governor's recommendation assumed the agency requests for a statutory fee increase would be granted by the 2011 Legislature and is not possible without this assumption. However, the current fee increase located in Senate Substitute for House Bill 2080 is currently awaiting awaiting House action. Further, the current fee structure in Senate Substitute for House Bill 2080 only funds the agency at the recommended level through FY 2012. The agency indicates that it will not be able to fund the Governor's FY 2013 recommendation operations in FY 2013 with the current form of Senate Substitute for House Bill 2080.

The agency requests FY 2013 operating expenditures of \$713,321, including \$443,755 from the State General Fund.

Rainbow Mental Health Facility

A. Closure of 14.0 beds (House Committee). The House Committee recommended Omnibus review of a detailed report provided by the Secretary of the Department of Social and Rehabilitation Services (SRS) pertaining to the closure of 14.0 beds at Rainbow Mental Health Facility in FY 2011.

The Department of Social and Rehabilitation Services (SRS) has indicated that it recently closed 14.0 of the 50.0 beds provided by the agency due to findings of a recent federal

Centers for Medicare and Medicaid Services (CMS) survey. While previous CMS surveys found the facility operating at acceptable client to staff ratios, the recent survey concluded that the facility is operating four units instead of two. Thus, the agency is considered understaffed according to the survey. Therefore, the agency would have to reduce the number of individuals served or provide additional levels of RN staffing and expenditures of \$812,000, all from the State General Fund, to staff above levels that had previously been found acceptable by CMS surveys. Corrected action alternative plans submitted by the agency were rejected by CMS. In the current fiscal year, 11.0 additional beds have been opened at Larned State Hospital. Therefore, the closure of the Rainbow Mental Health Facility beds will have an overall reduction of 3.0 beds in the state mental health hospital system in the current fiscal year.

Department of Commerce

A. Kansas State University School of Veterinary Medicine Application Process (House Committee). The House Committee recommended Omnibus review of the application process for the Kansas State University School of Veterinary Medicine and the Committee noted the importance of admitting students from Kansas. The data below outlines the admissions processes, including factors considered for acceptance and the number of in-state versus out-of-state students.

Admission Requirements

An applicant must have at least a 2.8 GPA on the Kansas State University's School of Veterinary Medicine 64 hours of prerequisite courses, at least a 2.8 GPA on his or her last 45 hours of undergraduate course work, and must be able to complete all prerequisites by the end of the spring semester prior to the fall during which he or she desires to matriculate. Qualified applicants are ranked based on composite GRE scores, science GPA, and interview scores. During the interview animal experience, veterinary experience, prior involvement in one's community, written and oral communication skills, professionalism, career goals, etc. are evaluated. At least three letters of reference are required. The admissions committee is committed to identifying applicants who possess the following characteristics:

- A strong desire to be a veterinarian;
- A compassion for people and animals and a respect for life;
- Personal integrity and high ethical standards;
- Strong written and oral communication skills ;
- Problem solving and critical thinking skills ;
- A commitment to the betterment of humanity and the improvement of one's community, society, and profession;
- An understanding of the world and its cultures;
- Documented strong academic ability in the sciences;
- A commitment to lifelong learning.

Decisions on Admissions

The Associate Dean for Academic Programs, Admissions, and Diversity facilitates the admissions process for a college admissions committee composed of six faculty members.

Students being considered for acceptance undergo a personal interview with an interview team. Each interview team is composed of two College of Veterinary Medicine faculty members and one private veterinary practitioner practicing in Kansas. Interviews for Kansas residents are conducted during mid-December. Interviews for non-resident applicants are conducted in January. The associate dean prepares academic evaluations, schedules interviews, and provides ranking summary information for the admissions committee. The admissions committee uses this information to advise the dean about which applicants should be given letters of offer, which applicants should be placed on an alternate list, and which applicants should not be admitted. The dean makes the final decisions regarding the admission status for each applicant.

In-State versus Out-of-State Students

- 2005 admissions cycle - 49 Kansas residents and 56 nonresidents (105 total)
- 2006 admissions cycle - 45 Kansas residents and 60 nonresidents (105 total)
- 2007 admissions cycle - 46 Kansas residents and 62 nonresidents (108 total)
- 2008 admissions cycle - 45 Kansas residents and 67 nonresidents (112 total)
- 2009 admissions cycle - 45 Kansas residents and 78 nonresidents (123 total)

Tuition Rates

The tuition and fees for Kansas residents are approximately \$20,000 per year and the tuition and fees for nonresidents are approximately \$40,000 per year.

B. House Bill 2125 - Kansas Professional Regulated Sports Act. (Law). HB 2125, as recommended by the Senate Committee of the Whole would make revisions to the Kansas Professional Regulated Sports Act and to the powers of the Athletic Commission. The bill would authorize the Athletic Commission to impose a civil penalty which would be limited to a maximum of \$10,000 per day per violation. The section would outline procedures for the imposition of the penalty and an appeals process, including appeal to district court if necessary. Penalty funds would be deposited into the Athletic Fee Fund.

The bill would increase revenue in the Athletic Fee Fund by \$5,000 in FY 2011 and \$25,000 in FY 2012. The Department did not anticipate any increase in expenditures. For FY 2012 the Athletic Fee Fund had revenue of \$120,117 and a projected ending balance of \$59,760.

Kansas Public Employees Retirement System (KPERs)

A. Senate Sub for HB 2194 - Increased Employee and Employer Contribution Rates and Benefit Formula Multiplier (Conference Committee). Senate Sub for HB 2194 would modify the Kansas Public Employees Retirement System (KPERs) retirement plan for current public employees who are KPERs members and for future public employees of the state, school, and local groups.

Increased Employer Contributions - The annual cap on state and school participating employer KPERs contributions would increase from 0.6 percent per year to 1.1 percent per year, beginning July 1, 2013. For local participating employers, the 1.1 percent cap in contribution increases would begin on January 1, 2014.

Increased Employee Contributions - Rates for KPERS Tier 1 and certain Tier 2 members would increase by 1.0 percent in each of two calendar years, beginning January 1, 2014. By calendar year 2015, the contribution for Tier 1 employees would reach 6.0 percent and the contribution rate for certain Tier 2 employees would reach 8.0 percent. Subject to Internal Revenue Service approval, an election would be offered to Tier 2 members to opt out of the rate increase if they would give up the cost-of-living adjustment (COLA) in their plan. If a Tier 2 member opted to give up the COLA, then the Tier 2 employee contribution rate would remain 6.0 percent. All Tier 2 members hired after July 1, 2013 would have an employee contribution rate of 6.0 percent, but would not receive a COLA. The current contribution rate is 4.0 percent for Tier 1 employees and 6.0 percent for Tier 2 employees.

Increased Benefit Multiplier for Future Service - Beginning January 1, 2014, the KPERS retirement benefit formula multiplier would increase from 1.75 percent to 1.85 percent for all future years of service credited to KPERS Tier 1 members and certain Tier 2 members who elect to have their contribution increased to 8.0 percent. Members of Tier 2 who opt to remain at 6.0 percent for the employee contribution rate would continue to have a multiplier of 1.75 percent for future service. All Tier 2 members hired on or after July 1, 2013 would have a 1.75 multiplier.

KPERS Study Commission - The bill also would establish a KPERS Study Commission that is directed to review certain topics and to submit a report by December 15, 2011 for the 2012 Legislature. In order for the other statutory changes in the bill to become effective, the 2012 Legislature must take action within 180 days of the report being issued. The implementation of the increases in employer and employee contributions, as well as the increase in benefit multiplier, would be contingent upon the 2012 Legislature acting upon the report's recommendations.

Kansas Technology Enterprise Corp.

A. Funding for the Kansas Technology Enterprise Corporation for FY 2012 (Senate Committee). The Senate Committee recommended that if SB 42, which allows the transfer of the Kansas Technology Enterprise Corporation (KTEC) programs to the Kansas Department of Commerce and the Kansas Board of Regents did not pass, then funding should be restored which would allow KTEC to be an independent and stand-alone agency for FY 2012. The Senate Committee recommended that KTEC should be funded at the amount recommended by the Governor for FY 2011. For FY 2011, the Governor recommended \$8,226,601 including \$5,876,651 from the Economic Development Initiatives Fund. Included in the Governor's FY 2011 recommendation is funding for 9.0 FTE.

SB 42 was dually referred to the Senate Committee on Commerce and the Senate Committee on Ways and Means and the bills are currently in both committees. House Bill 2382 and Senate Bill 234 do not maintain funding for KTEC as a separate state agency. The funding for the KTEC programs are included in both the Kansas Department of Commerce and the Kansas Board of Regents.

B. HB 2054 (House Committee). The House Committee recommended review of HB 2054 which would abolish the Kansas Technology Enterprise Corporation (KTEC) and transfer most of its duties and responsibilities to the Department of Commerce and the Secretary of Commerce and the Kansas Board of Regents. The House Committee wanted to ensure that

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HB 2054 made all of the necessary statutory changes. HB 2054 was passed by the House and referred to the Senate Committee on Commerce. A hearing was held on the bill on March 16, 2011.

Board of Healing Arts

A. Potential Fee Increases for Part-Time Contractual Medical Director (House Committee). The House Committee requested Omnibus review of potential revenue to be gained from fee increases for FY 2012 and FY 2013. The following chart identifies whether such revenue may be adequate to support a part-time contractual medical director in those fiscal years.

**Potential Revenue to be Gained From Fee Increases
For Purposes of Paying for a Part-Time Contractual Medical Director**

License Type	Statutory Limit	Regulation. Fee	Amount Available	Option 1	Option 2	Option 3
Number of Renewals, Active and Federal/Active: 8,000	\$500	Paper: \$330 Online: 320	Paper: \$170 Online: \$180	Paper: \$400 Online: \$330 Potential revenue increase: \$80,000	Paper: \$400 Online: \$340 Potential revenue increase: \$160,000	Paper: \$400 Online: \$350 Possible revenue increase: \$240,000
Number of Late Renewals, Active and Federal/Active: Unknown	\$500.00	Paper: \$350 Online: \$339	Paper: 150 Online: \$161	Paper: \$450 Online: \$400 The goal is to reduce or eliminate late renewals; therefore, they are not a reliable revenue source.		
Number of Renewals, Inactive/Exempt: 2,000	\$150.00	Paper: \$150 Online: \$150	\$0	Proposed reduction: Paper: \$150 Online: \$100		
Number of Late Renewals, Inactive/Exempt: Unknown	\$150.00	Paper: \$150 Online: \$150	\$0	Proposed reduction: Paper: \$150 Online: \$125		

In summary, the Board of Healing Arts states that a \$10 increase in active license fees could increase revenues by \$80,000 annually, a \$20 increase could increase revenues by \$160,000 annually, and a \$30 increase could increase revenues by \$240,000, annually.

The Board also proposes decreasing online renewal fees for inactive/exempt licenses in order to incentivize timely renewal.

Information provided by the Kansas State Board of Healing Arts.

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Commission on Veterans Affairs

A. Prioritization of Capital Improvements Items (Senate Committee). The Senate Capital Improvements Subcommittee requested an Omnibus review of the Kansas Commission on Veterans' Affairs capital improvements requests for FY 2011 and FY 2012. The Committee requested the agency prioritize their projects and provide that information to the Committee.

The Kansas Commission on Veterans Affairs has reprioritized the capital improvements budget for FY 2011 and 2012 and has volunteered the following reductions outlined below.

Governor's Recommendations

The FY 2011 Kansas Soldiers' Home (located at Fort Dodge) capital improvements as recommended by the Governor are:

- Rehab & Repair \$150,000;
- Storm Damage \$833,856;
- Barn Roof Replace \$ 33,630;
- Street Repair \$200,000;
- Stone/Foundation Repair \$130,000;
- Pershing Windows \$38,279.

The FY 2011 the Kansas Soldiers' Home capital improvements budget as originally recommended by the Governor totals \$1,385,765, all from the State Institutions Building Fund. Rehab and repair expenditures can be reduced to \$106,350 by reducing the number of hot water heaters, floor coverings, and plumbing and bathroom repairs in FY 2011. The Pershing windows project can also be deferred into FY 2013. This would result in a revised FY 2011 request of \$1,303,836 for a reduction of \$81,929 below the original request in FY 2011.

The FY 2012 Kansas Soldier' Home capital improvements as recommended by Governor are:

- Rehab & Repair \$150,000;
- Street Repair \$124,585.

The FY 2012 Kansas Soldiers' Home capital improvements budget as originally recommended by the Governor totals \$274,585, all from the State Institutions Building Fund. Rehab and repair expenditures can be reduced to \$104,350 by reducing the number of hot water heaters, floor coverings, and plumbing and bathroom repairs for FY 2012. This would result in a revised FY 2012 request of \$228,935 for a reduction of \$45,650 below the original request for FY 2012.

The FY 2011 Kansas Veterans' Home (located in Winfield) capital improvements as recommended by the Governor are:

- Rehab & Repair \$100,000;
- Fire Alarm Panels \$ 45,000;
- Nurse Call Station \$ 20,000;
- Carpet Replacement \$ 31,000;
- Donlon Window Replacement \$176,505.

The FY 2011 KVH capital improvements budget as originally recommended by the Governor totals \$372,505, all from the State Institutions Building Fund. The start of the Donlon window replacement can be deferred until FY 2012. This would result in a revised FY 2011 request of \$196,000 for a reduction of \$176,505 below the original request in FY 2011.

The FY 2012 Kansas Veterans' Home capital improvements as recommended by Governor are:

- Update Fire Alarm System \$12,000;
- Repair & Rehab \$100,000;
- Carpet Replace \$220,000;
- Sprinkler System \$65,000;
- Donlon Window Replace \$176,505.

The FY 2012 Kansas Veterans' Home capital improvements budget as originally recommended by the Governor totals \$573,505, all from the State Institutions Building Fund. The agency does not expect to reduce any of these originally recommended amounts. There is no change to the total FY 2012 request of \$573,505.

Agency Priorities by Project

The Kansas Soldiers' Home projects, in order of priority importance in FY 2011:

1. Rehab & Repair \$106,350
2. Storm Damage \$833,856
3. Barn Roof Replace \$ 33,630
4. Street Repair \$200,000
5. Stone/Foundation Repair \$130,000

Total: \$1,303,836, all from the State Institutions Building Fund.

The Kansas Soldiers' Home projects, in order of priority importance for FY 2012:

1. Rehab & Repair \$104,350;
2. Street Repair \$124,585.

Total: \$228,935, all from the State Institutions Building Fund.

The Kansas Veterans' Home projects, in order of priority importance in FY 2011:

1. Fire Alarm Panels \$ 45,000;
2. Nurse Call Station \$ 20,000;
3. Rehab & Repair \$100,000;
4. Carpet Replacement \$ 31,000.

Total: \$196,000, all from the State Institutions Building Fund.

The Kansas Veterans' Home projects, in order of priority importance for FY 2012:

1. Update Fire Alarm Sys \$ 12,000;
2. Repair & Rehab \$100,000;
3. Carpet Replace \$220,000;
4. Sprinkler System \$ 65,000;
5. Donlon Window Replace \$176,505.

Total: \$573,505, all from the State Institutions Building Fund.

Insurance Department

A. House Bill 2076 - Amend Time Requirements for Municipal Pools and Group-Funded Workers Compensation and Enact the Surplus Lines Insurance Multi-State Compliance Compact (Conference Committee). House Bill 2076 would make amendments to certain statutory time requirements specified for municipal pools and group funded workers compensation pools; extend the sunset provision that allows anti-fraud plans to remain confidential from July 1, 2011, to July 1, 2016; enact the Surplus Lines Insurance Multi-State Compliance Compact; and make amendments to the current law governing the allocation of surplus lines' premium tax revenue. The fiscal note on the bill initially indicated no fiscal impact. However, the provisions of the bill that were added related to the Multi-State Compliance Compact bring the state into compliance with the federal Dodd-Frank Wall Street Reform Act, which protects the state from a potential loss of \$2.0 million in revenue. The Senate has adopted the conference committee report for this bill, and it is pending in the House.

B. House Bill 2075 - Enact the Surplus Lines Insurance Multi-State Compliance Compact and Amend the Governing of Surplus Lines' Premium Tax Revenue (Conference Committee). House Bill 2075, as amended, would enact the Surplus Lines Insurance Multi-State Compliance Compact and make amendments to the current law governing the allocation of surplus lines' premium tax revenue. The model compact legislation (known as SLIMPACT-Lite, a National Conference of Insurance Legislators (NCOIL initiative) is intended to comply with requirements of the Nonadmitted and Reinsurance Reform Act of 2010 (the NRRRA), legislation enacted in Title V, Subtitle B of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Passage of the bill has the potential to protect the State General Fund from revenue loss. Kansas currently collects approximately \$10.0 million in surplus lines premium taxes each year. The Department estimates that as much as \$2.0 million of this revenue could be lost to the State if a bill is not passed to comply with the Dodd-Frank Wall Street Reform Act.

Board of Regents

A. Senate Bill 143 (Conference Committee). SB 143 would make technical corrections and updates related to postsecondary technical education. The bill would update terminology, remove definitions for terms no longer used, eliminate vocational school references, add individual institution specific references, update and remove obsolete sections of identified statutes, and repeal statutes no longer needed.

The bill would create the Postsecondary Tiered Technical Education State Aid Act (the Act), replacing the current funding structure. Beginning with FY 2012, and in each fiscal year thereafter, each community college and technical college and the Washburn Institute of Technology would be eligible for postsecondary tiered technical education state aid from the State General Fund for credit hours approved by the State Board of Regents, using a credit hour cost calculation model, that would include all of the following concepts:

- Arrange into categories or tiers, technical education programs, recognizing cost differentials. (For example, programs with similar costs comprise one of six tiers.)
- Consider target industries critical to the Kansas economy.
- Respond to program growth. Consider local taxing authority for credit hours generated by in-district students.
- Include other factors and considerations determined necessary by the State Board of Regents.

The State Board of Regents would establish the rates to be used as the state's share in a given year, as well as in the actual distribution. The bill would prohibit receipt of both tiered technical education state aid and non-tiered course state aid for any one credit hour. (A non-tiered course would be a general education course.)

The bill would provide for fund accounting and management requirements related to state aid received under the Act. The bill would authorize the State Board of Regents to adopt policies necessary or desirable to implement and administer the Act.

The bill would provide that each community college and technical college is eligible for a grant from the State General Fund, in an amount determined by the State Board of Regents for non-tiered course credit hours approved by the Board of Regents after discussions with community college and technical college presidents.

The bill is subject to appropriations, and would have no fiscal impact without action by the Legislature. However, the passage of the bill would require the creation of two new funds and the elimination of three existing funds, contingent upon the passage of SB 143 as follows:

Strike community college operating grant.....	\$97,166,602
Strike technical college aid for technical education	18,892,718
Strike other institutions aid for technical education	<u>12,205,692</u>
TOTAL	\$128,265,012

Insert postsecondary tiered technical education state aid.....	\$47,502,198
Insert non-tiered course credit hour grant	<u>80,762,814</u>
TOTAL	\$128,265,012

State Universities

A. House Bill 2020 (Conference Committee). HB 2020 would allow revenues from rents, boarding fees, and other charges related to university student housing at state universities, to go to either the Housing System Suspense Fund or directly to the Housing System Operations Fund, at the discretion of the university. In addition, the bill would allow interest earned from the Housing System Operations Fund and Housing System Repairs Fund

to be transferred into those funds. (Current law allows interest earned from the Housing System Suspense Fund to be transferred into that Fund.) The change would have no fiscal impact.

The bill would also require that the interest earnings from the Johnson County Education Research Triangle sales tax be transferred from the State General Fund to the Johnson County Education Triangle Fund of the University of Kansas, the University of Kansas Medical Center, and Kansas State University. The bill would require that the interest earnings be transferred by the tenth day of each month, and would be determined by the average daily balance in each of the respective funds in the preceding month, and the net earnings rate for the Pooled Money Investment Board portfolio for the preceding month. The fiscal impact of this change would be increased revenues for the universities of \$4,320, and decreased revenues to the State General Fund of the same amount.

The bill would continue the new categories and fee levels established for FY 2011 that the Board of Regents may charge private and out-of-state postsecondary educational institutions in order to carry out the Board's statutory and regulatory responsibilities through July 1, 2012. The fiscal impact of this change is unknown at this time. The fees listed in the bill would be the maximum allowable amounts, which are currently being charged by the Kansas Board of Regents.

The bill would also remove the requirement in existing law that second year Kansas State University veterinary medical students who perform spay or neuter surgeries at animal shelters be supervised by a faculty member of Kansas State University's Veterinary Medical Center. The bill would require that such students performing spay or neuter surgeries would do so as part of a spay or neuter program as part of curriculum under the direct supervision of a licensed veterinarian. In addition, the bill would limit students to performing spay or neuter surgeries on dogs or cats belonging to a pound or animal shelter, and not dogs or cats belonging to a member of the public. This portion of the bill dealing with veterinary students would become effective upon publication in the Kansas Register. The fiscal impact of this change is unknown at this time.

Department of Education

A. Senate Bill 11 - Ft. Leavenworth Unified School District No. 207 Transportation (Law). Senate Bill 11, as amended, would provide funding to Fort Leavenworth Unified School District No. 207 to transport students in grades 10 through 12 who reside at Ft. Leavenworth to Leavenworth High School (Unified School District No. 453). The bill would require related transportation weighting to be calculated using only students counted on September 20. The bill also would redefine non-resident pupil as a student or member of the student's family who lives 2.5 or more miles from the attendance center the student would attend in the district where the student resides. Current law defines a non-resident pupil as a student or member of the student's family who lives ten miles or more from the resident attendance center. In addition, the bill would clarify that provisions of the bill would not apply to school districts located in Johnson, Sedgwick, Shawnee, or Wyandotte counties. According to the fiscal note, there are approximately 100 students who live on the Fort Leavenworth military reservation who are eligible for transportation to Unified School District No. 453 (Leavenworth). Since these students currently are not counted in the enrollment of Unified School District No. 207 (Fort Leavenworth), these students would be added to the transportation weighting to Unified School District No. 207 (Fort Leavenworth), which would result in approximately \$550 in state aid per

student for FY 2012. As a result, enactment of SB 11 would require an additional \$55,000, all from the State General Fund.

Department of Corrections

A. Offender Management Information System/Total Offender Activity and Document System (OMIS/TOADS) Replacement (House Committee). The Committee recommended review of the Department's Offender Management and Offender Activity System, which is used to track all offender activity for inmates in the custody of the Secretary of Corrections. Some of the offender activities include sentencing information, movement between facilities, vocational and education program participation, and disciplinary actions.

The Offender Management and Offender Activity System is nearly 30 years old and is thought to be the second oldest offender management system in the country and the Department is having increased difficulty in finding qualified staff and replacement parts as staff retire and as the computer hardware and software become older and more out-of-date. The 2008 Legislature included \$3.0 million to being the replacement of the Offender Management and Offender Activity System but the Department lapsed the funds during FY 2009 due to budget reductions. The Department of Corrections included an enhancement request totaling \$3.0 million, all from the State General Fund, in FY 2012 to begin the replacement of the Offender Management and Offender Activity System. The total cost of replacement was estimated to be \$12.0 million but that estimate has not been updated since 2008. The Department states that the \$3.0 million will include a feasibility study and the request for proposal (RFP) and when those are completed a more accurate total cost of replacement will be available.

Sentencing Commission

A. HB 2023 - Amending the Drug Schedule by Adding Additional Unlawful Substances (Law). HB 2023 adds substances to each of the five controlled substance schedules currently in statute. The addition of the substances brings the statute into agreement with the federal schedule.

The Sentencing Commission estimates HB 2023 would increase the inmate population in the Department of Corrections by between 2 to 7 inmates. Since the Department of Corrections is currently above capacity for male inmates, this has the potential to further complicate the matter of capacity and could necessitate additional construction or contract beds to alleviate overcrowding at the facilities. However, the affect of an additional 7 inmates is not likely to be the necessitating factor in the decision to pursue new construction or contract prison beds.

The Sentencing Commission estimates that HB 2023 will translate into more offenders eligible for 2003 SB 123 drug treatment services and estimates an additional \$46,672, all from the State General Fund, would be needed to cover the additional treatment services.

In addition, the Board of Indigents' Defense Services estimates that HB 2023 will increase the number of cases handled by public defenders by as much as 126 cases per year and estimates the need for an increase of \$30,000 and 0.5 FTE attorney position to handle the increase.

B. HB 2049 - Adding Cannabinoids to Schedule I of the Controlled Substances Statute (Conference Committee). HB 2049 would amend the controlled substances schedule I by moving Tetrahydrocannabinols (THC) to a new subsections addressing cannabinoids and adding several substances to the new subsection, including the synthetic marijuana commonly known as K-3.

The Sentencing Commission estimates HB 2049 would increase the inmate population in the Department of Corrections by 2 to 8 inmates. Since the Department of Corrections is currently above capacity for male inmates, this has the potential to further complicate the matter of capacity and could necessitate additional construction or contract beds to alleviate overcrowding at the facilities. However, the affect of an additional 8 inmates is not likely to be the necessitating factor in the decision to pursue new construction or contract prison beds.

The Sentencing Commission estimates that HB 2049 will translate into more offenders eligible for 2003 SB 123 drug treatment services and estimates an additional \$178,120, all from the State General Fund, would be needed to cover the additional treatment services.

In addition, the Kansas Bureau of Investigation (KBI) estimates that \$6,000, all from the State General Fund, would be needed to purchase a known standard of each of the new substances added by HB 2049. The known standards are used by the KBI laboratories for comparison purposes when testing unknown substances.

Juvenile Justice Authority

A. Prevention Block Grant Program Funding (Senate Committee). The Senate Committee noted that revenues from expanded lottery funds are reviewed in April by the consensus caseload estimating group. The Committee recommended that consideration be given to adding funding to the prevention block grant program once revised revenue estimates are available. (See Item B, below for results of caseload estimates).

The Committee also recommended that reconsideration be given to the agency's ability to add an additional \$500,000, all from within the agency's FY 2012 existing resources, to the prevention block grant program.

The Governor recommended the agency's reduced resources budget, totaling \$2,724,765, all from the State General Fund, which was entirely derived from the prevention block grant program. The agency indicates that prevention funding, which is directed toward youth who are at risk of offending, does not produce immediate measurable results, but eventually results in a decrease in the number of youth who offend and are placed in JJA custody.

B. Spring Human Services Consensus Caseload Estimates. The Division of Budget, Juvenile Justice Authority, and the Legislative Research Department met on April 14, 2011 to estimate the caseload expenditures for FY 2011 and FY 2012. The consensus estimates for the

Juvenile Justice Authority include expenditures for Psychiatric Residential Treatment Facilities (PRTF's) and Out-of-Home Placement contracts.

For FY 2011 the estimate includes expenditures of \$6,732,858 for Psychiatric Residential Treatment Facilities, including \$2,170,000 from the State General Fund. This is an all funds increase of \$55,996, or 0.8 percent, and a State General Fund increase of \$18,047, or 0.8 percent, above the Governor's recommendation for FY 2011. Out-of-Home placements were estimated at \$22,576,774, including \$18,700,000 from the State General Fund. This is an all funds increase of \$954,674, or 4.2 percent, and a State General Fund increase of \$856,349, or 4.8 percent, above the Governor's recommendation for FY 2011.

For FY 2012 the estimate includes expenditures of \$6,787,599 for Psychiatric Residential Treatment Facilities, including \$2,888,802 from the State General Fund. This is an all funds decrease of \$212,401, or 3.0 percent, and a State General Fund decrease of \$90,398, or 3.0 percent, below the Governor's recommendation for FY 2012. The decrease from the Governor's recommendation is due to stable population trends from FY 2011 to FY 2012. Out-of-Home placements were estimated at \$22,574,980, including \$19,375,843 from the State General Fund. This is an all funds increase of \$574,980, or 2.6 percent, and a State General Fund increase of \$375,843, or 2.0 percent, above the Governor's recommendation for FY 2012. The increase is due to rising population projections in Out-of-Home placements.

These items are included in the Spring Consensus Caseload Item C, page 10, in the Department of Social Rehabilitation Services section.

State Bank Commissioner

A. Vehicle Replacement for FY 2012 (House Committee). The House Committee recommended review of the agency's enhancement request for \$20,900, all from the Bank Commissioner Fee Fund, for the replacement of one agency van for FY 2012.

The agency stated that this request is warranted in order to continue maintaining a fleet of vehicles for use in the agency's main office and seven field offices. The agency's fleet consists of 13 vehicles, and the FY 2012 request would replace a 2001 Dodge Caravan with an odometer reading that exceeds 125,000 miles. The agency included this item as a Bank Commissioner Fee Fund enhancement in the FY 2012 budget request, but the funding was not recommended by the Governor. Neither the House nor the Senate has recommended funding in the FY 2012 appropriation bills.

B. Vehicle Replacement for FY 2013. (House Committee). The House Committee recommended Omnibus review of the agency's enhancement request for \$43,200, all from the Bank Commissioner Fee Fund, for the replacement of two agency vans for FY 2013.

The agency stated that this request is warranted in order to continue maintaining a fleet of vehicles for use in the agency's main office and seven field offices. The agency's fleet consists of 13 vehicles, and the FY 2013 request would replace a 2002 Dodge Caravan with an odometer reading that exceeds 125,000 miles, and a 2006 Dodge Grand Caravan with an odometer reading that exceeds 110,000 miles. The agency included this item as a Bank Commissioner Fee Fund enhancement in the FY 2013 budget request, but the funding was not

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recommended by the Governor. Neither the House nor the Senate has recommended funding in the FY 2012 appropriation bills.

Board of Indigents' Defense Services

A. Assigned Counsel Caseload Estimate. During the fall of 2010, the agency, the Division of Budget, and the Legislative Research Department developed a caseload estimate for the Assigned Counsel Program, of \$8,103,156, all from the State General Fund for FY 2011 that is identical to that originally developed in the Spring of 2010. The caseload estimates reflect a reduction in the pay rates established for Assigned Counsel from \$80 per hour to \$62 per hour. The updated estimate from the April 13, 2011 meeting is \$8,600,000, an increase of \$496,844, or 6.1 percent above the fall estimate. The increase reflects the fact that the original estimate did not recognize that hourly rate reductions do not impact fees charged by assigned counsel for costs incurred, transcripts, expert witnesses, or travel. Additionally, the long timeframe for the litigation of some cases has delayed the impact of the rate reduction.

The estimate for FY 2012 is \$8,580,000, a decrease of \$20,000, or 0.2 percent below the FY 2011 projected amount. The estimate allows for an increase of 2.38 percent in the number of hours for assigned counsel and an increase of 7.0 percent in expenses. The increases are reflective of historical trends for the agency. However, the estimate also assumes that the new FY 2011 rate of \$62 per hour for assigned counsel will be fully implemented in FY 2012 and captures those savings.

Judicial Branch

A. Senate Bill 97 - Concerning courts; relating to court fees and costs; relating to the Judicial Branch Surcharge Fund. (House Committee). SB 97 would extend for one year the judicial surcharge the Legislature authorized in 2010 Senate Sub. for HB 2476 to fund non-judicial personnel. The bill would also increase the Judicial Branch Surcharge by 25.0 percent in FY 2012. The agency indicated that the additional surcharge would increase revenue to the Judicial Branch Surcharge Fund by \$1,994,336. Total Judicial Branch Surcharge revenue for FY 2012 is estimated to be \$10,995,360.

The bill also would delay the expansion of the Court of Appeals from 13 to 14 judges for one year, until December 31, 2012. Both the House and Senate appropriations bills recommend deleting the appropriation for the 14th Court of Appeals judge in FY 2012.

Department of Labor

A. Federal Funds and the Unemployment Insurance Trust Fund (House Committee). The House Committee recommended the Secretary of the Department of Labor review the borrowing of federal funds from the Unemployment Insurance Trust Fund and provide recommendations to the House Appropriations Committee on how to avoid borrowing funds in the future, during Omnibus.

As of April 2, 2011, the Department of Labor has borrowed \$159.7 million. The first interest payment to the federal government is due September 30, 2011. 2011 SB 77, currently in conference committee, provides a mechanism for the repayment of the loan and interest. The bill would authorize the creation of the Employment Security Interest Assessment Fund that would be administered by the Secretary of Labor. The Interest Assessment Fund would be used to pay interest and principal owed to the U.S. Department of Labor for advances received by the Kansas Employment Security Trust Fund.

B. Substitute for House Bill 2134 (Governor). Substitute for HB 2134 would amend current law regarding the Kansas Workers Compensation Act. The bill would make several amendments to the requirements for workers reporting injuries. The bill would change and create new standards for definitions of what constitutes an injury. In addition, the bill would increase the maximum level of benefits for temporary and permanent disabilities and death cases.

The fiscal note on the bill notes that according to the Department of Labor, enactment of HB 2134 would reduce the number a weekly mailings to injured workers that the agency is required to distribute. The agency estimates that approximately 60,000 mailings would be eliminated each year, for a savings of \$39,288 for FY 2012, all from the Workers Compensation Fund. However, part of this savings for FY 2012 would be offset by additional one-time training costs of approximately \$8,700 to train agency employees on the various changes to the Workers Compensation Act.

C. Senate Bill 77 (Conference Committee). SB 77 would establish the Employment Security Interest Assessment Fund. This fund would allow the Secretary of Labor to deposit funds collected from the surcharge paid by eligible negative balance contributing employers to be used to pay principal and interest payments for the Unemployment Insurance Trust Fund advances made by the federal government. The bill would allow the Kansas Department of Labor to collect delinquent employer tax contribution payments, payments in lieu of contributions, and filing of quarterly wage reports for the purposes of the Unemployment Insurance trust fund loan principal and interest payments. The bill would also re-establish the "waiting week" for unemployment benefits. Retroactive compensation for the first week of benefits would no longer be available. Individuals who leave work because of a relocating spouse would not be eligible for Unemployment Insurance benefits but members of the United States Armed Services would be exempt from this change.

The fiscal note on the bill indicates that according to the Kansas Department of Labor, enactment of SB 77 would reduce Unemployment Insurance trust fund expenditures by \$13,388,731 for FY 2012, including a savings of \$1,936,694 from the elimination of the relocating spouse provision and \$11,452,037 from the reinstatement of the waiting week for Unemployment Insurance benefits. The Department of Labor also estimates that the Employment Security Interest Assessment would collect approximately \$9.0 million from employer surcharges for FY 2012, with a corresponding payment of interest to the federal government for interest payments on Unemployment Insurance Trust Fund advances. However, the FY 2012 Governor's Budget Report has accounted for the interest payment to the federal government for FY 2012, totaling \$9.0 million from all funding sources.

Real Estate Commission

A. Reclassification of Two Current FTE Positions (House Committee). The House Committee recommended review of reclassifying and providing additional funds for two existing positions within the Real Estate Commission for FY 2012. The agency requests reorganization and reclassifying two existing positions with 1.0 FTE attorney position and 1.0 FTE legal assistant position. No new FTE positions are added. Due to the reclassification of the positions, additional funding of \$49,325, all from special revenue funds would be necessary. The Governor did not recommend the additional funding but did recommend that the Commission proceed with the position reclassification as long as the agency is able to fund the changes with existing resources.

The Real Estate Commission indicates that it has experienced an increase in complaints. Licensure orders are drafted before audit and complaint orders because licensure orders require a quicker turnaround due to statutory constraints. This has resulted in a backlog of complaint and audit orders.

State Historical Society

A. Repair and Replace Lighting Fixtures (Senate Committee). The Senate Committee recommends review of the Joint Building Committee's recommendation to increase the FY 2012 capital improvement budget by \$50,000, all from the State General Fund, to repair and replace lighting fixtures which have been causing electrical fires in the Historical Society headquarters and museum building. The Historical Society's available capital improvement funds were depleted from repairs to the roof of the Fort Hays Visitor Center after a severe storm in 2010. The Governor did not recommend this additional capital improvement expenditure.

Kansas Bureau of Investigation

A. House Substitute for Senate Bill 37 (Conference Committee). House Sub for SB 37 would make several changes to the Kansas Offender Registration Act (the Act) to bring Kansas into compliance with the federal Adam Walsh Sex Offender Registration and Notification Act (SORNA). First, the bill would amend KSA 22-4902(a) by limiting the definition of "offender" to sex offenders, violent offenders, and drug offenders, all of which would be defined in the bill, in addition to persons required to register in other states or by a Kansas court for a crime that is not otherwise an offense requiring registration. The definitions of sex offenders, violent offenders, and drug offenders would incorporate the crimes removed from the current definition of "offender." The bill also would define other key terms.

The KBI indicates passage of the bill would add 2,150 offenders to the Offender Registry, which it oversees. The agency is requesting \$41,807, all from the State General Fund, for FY 2012 for one-time staff time and database set-up costs.

B. Review KBI Additional Funding Requests (Senate Committee).

The Senate Committee recommended review of the agency's additional funding requests for FY 2012, none of which were recommended by the Governor. These requests total \$595,653, all from the State General Fund, for FY 2012 and include:

- Replacement of laboratory funding reduced as part of the Governor's recommended State General Fund reduction for FY 2012 totaling \$227,343. The agency states that the laboratory funding reduction would result in more than 9,000 arrestee DNA samples not being profiled;
- Funding to retain a trained part-time DNA scientist for \$41,640, all from the State General Fund, for FY 2012. The agency states that the trained part-time DNA scientist processed 109 cases in CY 2010 and if not retained would result in a backlog increase of the same amount; and
- Replacement of American Reinvestment and Recovery Justice Assistance Grant federal funds (\$326,670, all from the State General Fund) that would provide for 3.0 special agent FTE positions for case investigations and 1.0 special investigator FTE position. The agency states that these positions would be used for case investigations and statutory gubernatorial and judicial background investigations.

Kansas Commission on Peace Officers' Standards and Training

A. House Bill 2001 (Law). House Bill 2001 was introduced to make technical changes concerning spending that were not made when Kansas Commission on Peace Officers' Standards and Training (KCPOST) separated from the Kansas Law Enforcement Training Center. House Bill 2001 would amend the statutes governing the Law Enforcement Training Reimbursement Fund to require that all expenditures made from the Fund be in accordance with appropriation acts upon warrants of the Director of Accounts and Reports pursuant to vouchers approved by the Kansas Commission on Peace Officers' Standards and Training (KCPOST) or designee of the commission. This language would give KCPOST the authority to expend money from that fund. The fund receives \$1 from the \$20 assessment imposed by KSA 12-4117(a) in each case filed in municipal court other than a non-moving traffic violation, where there is a finding of guilt, plea of guilty, plea of no contest, forfeiture of bond, or a diversion.

Municipalities that currently operate approved local law enforcement training programs may be reimbursed for the training costs, subject to some limitations, from the Local Law Enforcement Training Center Fund currently maintained by the Kansas Law Enforcement Training Center. House Bill 2001 would move the operation of the fund from the Kansas Law Enforcement Training Center to the KCPOST. The agency indicated that there would be no fiscal effect to agency operations.

Language in the bill would be adjusted to reflect the movement of the Local Law Enforcement Training Reimbursement Fund from the University of Kansas to the KCPOST as a no limit fund.

Kansas Department of Transportation

A. House Bill 2003 (Law). House Bill 2003 would designate a portion of K-18 Highway, from US-81 to the western boundary of Lincoln County, as the Medal of Honor Recipient Donald K. Ross Memorial Highway.

The bill would establish these provisions related to signage:

- Require the Secretary of Transportation to place suitable signs to indicate the designation;
- Preclude the signs from being erected until the Secretary has received sufficient moneys from gifts and donations to reimburse the Secretary for the cost of placing the signs and an additional 50.0 percent of the initial cost to defray future maintenance or replacement of the signs; and
- Allow the Secretary to accept and administer gifts and donation to aid in obtaining and installing suitable signs.

The fiscal note prepared by the Division of the Budget states that the Kansas Department of Transportation reported that the agency would have to receive \$2,160 in donations before installing the signs. Of the expenditures, \$1,440 for the cost of a set of signs including installation and an additional 50.0 percent, \$720, for future maintenance. The agency is requesting an operating expenditure increase of \$1,440, all from the State Highway Fund, for FY 2012.

B. House Bill 2192 (Governor). House Bill 2192 combines various provisions regulating traffic.

Vehicle identification number (VIN) inspection fees (Section 1). The bill would increase the fee per hour and the minimum fee paid for inspection of a VIN from \$10 to \$15 in FY 2012 and to \$20 beginning in FY 2013. It would allow the Kansas Highway Patrol (KHP) to receive 10.0 percent (changed from \$1) of the fees for each inspection conducted by a program designee or new vehicle dealer.

Signature at registration renewal (Section 2). The bill would remove a requirement that an applicant for renewal of a vehicle's registration sign a certification that the applicant has and will maintain financial security (insurance) on the vehicle. A signature on such a certification statement would continue to be required at a vehicle's initial registration.

"Dead red" (Section 3). The bill would allow the driver of a motorcycle or the rider of a bicycle to proceed through a steady red signal, subject to other traffic rules governing right of way, if the red light has failed to change to green within a reasonable period of time because the signal has malfunctioned or has failed to detect the vehicle. The driver or rider must yield the right of way to any vehicle in the intersection or approaching so as to constitute an immediate hazard, to any pedestrian lawfully within an adjacent crosswalk, and to any other traffic lawfully using the intersection.

Passing bicycles (Section 4). The bill would require the driver of a vehicle overtaking a bicycle to pass that bicycle on the left no less than three feet away from the bicycle. It would allow the vehicle to pass a bicycle in a no-passing zone only when it is safe to do so.

Speed Limit to 75 miles per hour (mph) (Sections 5, 6, 7). The bill would increase the maximum lawful speed limit from 70 miles per hour to 75 miles per hour on any separated multilane highway, as designated by the Secretary of Transportation. The bill would increase 70 mph to 75 mph in two additional statutes: a violation of a speed limit of 55 mph up to 75 mph (increased from 70 mph) by not more than 10 mph could not be construed as a moving violation, nor could it be reported by the Division of Vehicles to an insurance company or considered by any insurance company in determining the rate to be charged for an automobile liability insurance policy.

Seat belt law into the Uniform Act Regulating Traffic (Sections 8, 9, 10). The bill would include the Safety Belt Use Act in the Uniform Act Regulating Traffic. It would clarify that no court costs are to be applied to seat belt violations and would remove outdated language. It also would remove language redundant to the Child Passenger Safety Act.

The only provision within the bill with a fiscal effect requiring appropriations is the Speed Limit to 75 mph. The fiscal note prepared on the original bill (HB 2034) states the Kansas Department of Transportation said passage would require modification to highway signs, at a cost of \$16,500 to \$24,750. The agency is requesting an expenditures limitation increase of \$24,750, all from the State Highway Fund, for signage changes in FY 2012.

C. House Bill 2172 (Conference Committee). HB 2172 would designate the junction of U.S. 24 and K-7 highways in Wyandotte County as the Representative Margaret Long Interchange.

The bill also would designate a portion of I-70 as the Truman/Eisenhower Presidential Highway: from the Missouri state line west to the junction with K-15, at Abilene. (The bill would allow the name of the highway to be modified from, but be substantially similar to, the name given above.) The designation would be contingent on the State of Missouri designating a portion of I-70 similarly.

The bill would modify the designation of the Blue Star Memorial Highway, currently US-40 from the Missouri state line to the Colorado state line, to exclude the portion from the west city limits of Topeka (where US-40 joins with I-70) to the junction of I-70/US-40 and K-15. This modification also would be contingent on the State of Missouri designating the Truman/Eisenhower Presidential Highway.

The bill would establish these provisions related to signage for each of the designations:

- Require the Secretary of Transportation to place suitable signs to indicate the designation;
- Preclude the signs from being erected until the Secretary has received sufficient funds from gifts and donations to reimburse the Secretary for the cost of placing the signs and an additional 50 percent of the initial cost to defray future maintenance or replacement of the signs; and
- Allow the Secretary to accept and administer gifts and donations to aid in obtaining and installing suitable signs.

The Conference Committee replaced the contents of HB 2172 with the contents of HB 2169/SB 58 (bills with identical contents, designating an intersection for former Representative Long) and the contents of SB 225 (Truman/Eisenhower Presidential Highway).

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Designation of intersection for former Representative Long:

The fiscal note prepared by the Division of the Budget says that the Kansas Department of Transportation reported that the agency would have to receive \$11,400 from donations before installing the signs: \$7,600 for the cost of a set of signs including installation and an additional 50.0 percent, \$3,800, for future maintenance. The agency is requesting an operating expenditure increase of \$7,600, all from the State Highway Fund, for FY 2012.

Designation of Truman/Eisenhower Presidential Highway:

The fiscal note prepared by the Division of the Budget says that the Kansas Department of Transportation reported that the agency would have to receive \$9,780 from donations before installing the signs: \$6,520 for the cost of a set of signs including installation and an additional 50.0 percent, \$3,260, for future maintenance. The agency is requesting an operating expenditure increase of \$6,520, all from the State Highway Fund, for FY 2012.

Cumulatively, the agency is requesting an expenditure limitation increase of \$14,120, all from the State Highway Fund, for FY 2012 to expend donations received for these designations.

Special Revenue Fund Transfers to State General Fund

A. Senate Bill 229 - Fee agencies; implementing a 10.0 percent transfer for FY 2012 then repealing the 20.0 percent transfer requirement. (Governor). SB 229 would modify current law which provides for the deposit of 20.0 percent of certain fee revenue up to a maximum of \$200,000 to the State General Fund. For FY 2012, the 20.0 percent of fee revenue deposited in the State General Fund would be reduced to 10.0 percent and the maximum would be reduced to \$100,000. The bill contains two provisions requiring the Department of Administration to report to the Legislature no later than January 1, 2012. First, to provide a complete accounting and legal basis for each charge currently assessed to state agencies and second to provide a complete accounting and legal basis for the actual cost to provide any and all governmental services to state agencies that currently are not being assessed.

Based on the actual revenue received by the fee agencies in FY 2010, the bill would reduce State General Fund Revenue for FY 2012 by \$1.69 million and these funds would remain with the agencies. The bill would not necessarily have an effect on agency expenditures from the special revenue funds. The agencies would have to request additional expenditure authority through the budget process to utilize the funds.



Steven J. Anderson, CPA, MBA, Director

Division of the Budget

Sam Brownback, Governor

MEMORANDUM

TO: Governor Sam Brownback and Legislative Budget Committee

FROM: Kansas Division of the Budget and Kansas Legislative Research Department

DATE: April 18, 2011

SUBJECT: Consensus Caseload Estimates for FY 2011 and FY 2012

The Division of the Budget, Department of Social and Rehabilitation Services, Kansas Health Policy Authority, Department on Aging, Juvenile Justice Authority, and the Legislative Research Department met on April 14, 2011, to revise the estimates on caseload expenditures for FY 2011 and FY 2012. The caseload estimates include expenditures for Nursing Facilities, Regular Medical Assistance, Temporary Assistance to Families, General Assistance, the Reintegration/Foster Care Contracts, Psychiatric Residential Treatment Facilities, and Out of Home Placements. As the starting point for the current estimate the group used the Governor's budget recommendation as adjusted by the Governor's Budget Amendment No. 1 and the State General Fund allotment that took effect on April 8, 2011. A chart summarizing the estimates for FY 2011 and FY 2012 is included at the end of this memorandum. The estimate for FY 2011 is increased by \$2.2 million from all funding sources. However, the estimate for State General Fund caseload expenditures is decreased by \$1.2 million. The new estimate for FY 2012 then increases by \$11.3 million from the State General Fund, and \$44.6 million from all funding sources. **The combined increase for FY 2011 and FY 2012 is an all funds increase of \$46.9 million and a State General Fund increase of \$10.1 million.**

FY 2011

For FY 2011, the estimate is an all funds increase of \$2.2 million and a State General Fund decrease of \$1.2 million as compared to the Governor's recommended budget. The previous caseload estimate included \$64.1 million from all funding sources to account for funds generated by the nursing facility provider assessment. However, after implementation of the program, it was realized that a portion of the FY 2011 assessment revenue would actually be expended in FY 2012. Therefore, FY 2011 expenditures for the program were reduced by \$13.5 million. The previous caseload estimate also included State General Fund savings of \$17.3 million to account for the Cost Containment and Recovery Contract. The new estimate includes savings of only \$32,000 requiring \$17.3 million from the State General Fund to be added. However, because the new estimate for the Regular Medical Program utilizes unanticipated fee fund receipts and includes changes in the distribution of populations served and funding sources available to those clients, the net result for FY 2011 is State General Fund savings of \$1.2 million for all caseload programs.

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FY 2012

For FY 2012, the estimate is an increase of \$44.6 million from all funding sources, including \$11.3 million from the State General Fund. These adjustments include decreases for the Department on Aging's Targeted Case Management (TCM) Program, the Juvenile Justice Authority's Psychiatric Residential Treatment Facilities, and the Department of Social and Rehabilitation Services' Temporary Assistance to Families, Foster Care, Mental Health, Community Supports and Services and Addiction and Prevention Services. All of these programs are still expected to increase over FY 2011 expenditures, but beneficiaries and program expenditures are not expected to increase as much as was originally estimated. The estimate for JJA Out of Home Placements is increased.

The overall estimate for Nursing Facilities is slightly increased from the fall, but the State General Fund portion is \$2.0 million lower. The estimate for the number of clients is actually decreased, but costs are increased to reflect additional funding from the provider assessment. The estimate for Regular Medical is an increase of \$52.9 million, including \$13.8 million from the State General Fund. The previous caseload estimate included State General Fund savings of \$10.0 million to account for the Cost Containment and Recovery Contract. The new estimate includes revenues of only \$2.7 million requiring \$7.3 million from the State General Fund to be added. However, because the new estimate for the Regular Medical Program utilizes unanticipated fee fund receipts and includes changes in the distribution of populations served and funding sources available to those clients, the additional amount needed from the State General Fund is not as large.

The portion of expenditures anticipated to be funded by the federal government for the Medicaid program have decreased due to the conclusion of the American Recovery and Reinvestment Act (ARRA) funding at the end of June 2011. The increased amount of State General Fund required for matching in FY 2012 for caseload expenditures was estimated to be \$175.6 million in the fall. The portion of the increase in the current estimate that is attributable to the loss of ARRA funding is \$4.1 million, bringing the total to \$179.7 million for caseload programs. The total amount of funding needed to replace federal funds for caseload and non-caseload programs as a result of the elimination of ARRA enhanced Medicaid funding totals \$220.1 million in FY 2012.

The base Medicaid matching rate for federal contribution, excluding ARRA funding, was reduced by 1.6 percent between FY 2011 and FY 2012. The estimated impact of this reduction in FY 2012 in the fall was \$35.3 million for caseload expenditures. The portion of the increase in the current estimate that is attributable to the reduction in the base Medicaid matching rate for federal contribution is \$757,306, bringing the total to \$36.1 million for caseload programs. The impact of the base federal match rate on non-caseload items is estimated to be increased State General Fund expenditures of \$9.1 million in FY 2012.

The remaining increases reflect caseload growth, for both increased individuals and cost increases, totaling \$44.6 million from all funding sources and \$15.2 million from the State General Fund in FY 2012. Regular Medical expenses for KHPA were increased by \$13.8 million from the State General Fund and \$52.9 million from all funds due largely to estimated increases in the number of persons served. This estimate includes an increase in fee fund expenditures for the state match and a corresponding decrease of State General Fund expenditures attributable to unanticipated fee fund revenues for the Kansas Health Policy Authority for FY 2012. Nursing Facility expenditures from all funding sources were increased slightly, but the State General Fund portion is decreased due to an increased estimate for the second year of the provider assessment expenditures.

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April 2011 Consensus Caseload Estimates

		FY 2011 Governor's Rec.	April Revised FY 2011	Difference from Governor's Rec.	FY 2012 Governor's Rec.	April Revised FY 2012	Difference from Governor's Rec.
Regular Medical	SGF	\$379,859,598	\$378,496,159	(\$1,363,439)	\$546,192,132	\$560,000,000	\$13,807,868
	AF	1,344,600,000	1,372,410,000	27,810,000	1,410,000,000	1,462,900,000	52,900,000
Nursing Facilities	SGF	123,000,000	124,216,779	1,216,779	166,000,000	164,029,355	(1,970,645)
	AF	445,706,642	428,290,486	(17,416,156)	437,900,247	439,107,822	1,207,575
Aging Targeted Case Management	SGF	1,634,935	1,587,634	(47,301)	2,200,000	2,143,553	(56,447)
	AF	5,072,712	4,925,952	(146,760)	5,169,173	5,036,544	(132,629)
Psychiatric Residential Treatment Facilities	SGF	2,151,953	2,170,000	18,047	2,979,200	2,888,802	(90,398)
	AF	6,676,862	6,732,858	55,996	7,000,000	6,787,599	(212,401)
Out-of-Home Placements	SGF	17,843,651	18,700,000	856,349	19,000,000	19,375,843	375,843
	AF	21,622,100	22,576,774	954,674	22,000,000	22,574,980	574,980
Temporary Assist. to Families	SGF	29,821,028	29,821,028	--	29,821,028	29,821,028	--
	AF	54,500,000	53,156,880	(1,343,120)	57,500,000	54,759,600	(2,740,400)
General Assistance	SGF	3,024,000	2,940,833	(83,167)	--	--	--
	AF	3,024,000	2,940,833	(83,167)	--	--	--
Reintegration/Foster Care Contract	SGF	91,000,000	90,673,124	(326,876)	86,479,948	86,154,990	(324,958)
	AF	139,000,000	138,437,936	(562,064)	144,450,000	144,279,664	(170,336)
Mental Health	SGF	77,700,000	76,159,382	(1,540,618)	100,760,000	100,679,045	(80,955)
	AF	248,163,791	241,066,186	(7,097,605)	248,000,000	241,939,391	(6,060,609)
Nursing Facilities Mental Health	SGF	14,000,000	14,000,000	--	14,500,000	14,500,000	--
	AF	18,562,101	18,562,101	--	18,742,269	18,742,269	--
Community Supports & Services	SGF	10,979,653	10,739,088	(240,565)	14,600,000	14,346,962	(253,038)
	AF	34,066,560	33,320,160	(746,400)	34,304,511	33,709,967	(594,544)
Addiction and Prevention Services	SGF	6,300,000	6,564,733	264,733	9,000,000	8,937,881	(62,119)
	AF	19,547,006	20,368,394	821,388	21,146,617	21,000,661	(145,956)
Total SGF		\$757,314,818	\$756,068,760	(\$1,246,058)	\$991,532,308	\$1,002,877,459	\$11,345,151
Total AF		\$2,340,541,774	\$2,342,788,560	\$2,246,786	\$2,406,212,817	\$2,450,838,497	\$44,625,680

SGF - State General Fund

AF - All Funds

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Consensus Revenue Estimate for ELARF

April 2011

Revenue Source	[See Note 6]								
	FY 2009 Actual	FY 2010 Actual	October 2010 FY 2011 Estimate	April 2011 FY 2011 Estimate	October 2010 FY 2012 Estimate	April 2011 FY 2012 Estimate	April 2011 FY 2013 Estimate	April 2011 FY 2014 Estimate	April 2011 FY 2015 Estimate
Lottery Gaming Facility Privilege Fees									
NE - Kansas Entertainment L.L.C.	\$ --	\$ 25,000,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
SW - Butler National	\$ 5,500,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
SC - Peninsula Gaming, L.L.C.	\$ --	\$ --	\$ 25,000,000	\$ 25,000,000	\$ --	\$ --	\$ --	\$ --	\$ --
SE - ???	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Transfer to ELARF (100%)	\$ 5,500,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ --	\$ --	\$ --	\$ --	\$ --
NE Gaming Zone - Net Revenue Estimate [See Note 1]	\$ --	\$ --	\$ --	\$ --	\$ 44,000,000	\$ 58,500,000	\$ 178,778,460	\$ 182,354,029	\$ 186,001,110
Transfer to ELARF (22%)	\$ --	\$ --	\$ --	\$ --	\$ 9,680,000	\$ 12,870,000	\$ 39,331,261	\$ 40,117,886	\$ 40,920,244
Problem Gambling & Addictions Grant Fund (2%)	\$ --	\$ --	\$ --	\$ --	\$ 880,000	\$ 1,170,000	\$ 3,575,569	\$ 3,647,081	\$ 3,720,022
Cities & Counties (3%)	\$ --	\$ --	\$ --	\$ --	\$ 1,320,000	\$ 1,755,000	\$ 5,363,354	\$ 5,470,621	\$ 5,580,033
Lottery Reimbursement (1.2%)	\$ --	\$ --	\$ --	\$ --	\$ 528,000	\$ 702,000	\$ 2,145,342	\$ 2,188,248	\$ 2,232,013
Lottery Gaming Facility Manager (71.8%)	\$ --	\$ --	\$ --	\$ --	\$ 31,592,000	\$ 42,003,000	\$ 128,362,934	\$ 130,930,193	\$ 133,548,797
SW Gaming Zone - Net Revenue Estimate [See Note 2]	\$ --	\$ 20,663,987	\$ 37,000,000	\$ 38,700,000	\$ 38,000,000	\$ 39,500,000	\$ 40,655,160	\$ 41,468,263	\$ 42,297,628
Transfer to ELARF (22%)	\$ --	\$ 4,484,021	\$ 8,140,000	\$ 8,514,000	\$ 8,360,000	\$ 8,690,000	\$ 8,944,135	\$ 9,123,018	\$ 9,305,478
Problem Gambling & Addictions Grant Fund (2%)	\$ --	\$ 378,487	\$ 740,000	\$ 774,000	\$ 760,000	\$ 790,000	\$ 813,103	\$ 829,365	\$ 845,953
Cities & Counties (3%)	\$ --	\$ 649,071	\$ 1,110,000	\$ 1,161,000	\$ 1,140,000	\$ 1,185,000	\$ 1,219,655	\$ 1,244,048	\$ 1,268,929
Lottery Reimbursement (1.2%)	\$ --	\$ 183,309	\$ 444,000	\$ 464,400	\$ 456,000	\$ 474,000	\$ 487,862	\$ 497,619	\$ 507,572
Lottery Gaming Facility Manager (71.8%)	\$ --	\$ 14,969,099	\$ 26,566,000	\$ 27,786,600	\$ 27,284,000	\$ 28,361,000	\$ 29,190,405	\$ 29,774,213	\$ 30,369,697
SC Gaming Zone - Net Revenue Estimate [See Note 3]	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 56,500,000	\$ 147,145,370	\$ 163,290,780	\$ 188,748,002
Transfer to ELARF (22%)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 12,430,000	\$ 32,371,981	\$ 35,923,972	\$ 41,524,561
Problem Gambling & Addictions Grant Fund (2%)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,130,000	\$ 2,942,907	\$ 3,265,816	\$ 3,774,960
Cities & Counties (3%)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,695,000	\$ 4,414,361	\$ 4,898,723	\$ 5,662,440
Lottery Reimbursement (1.2%)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 678,000	\$ 1,765,744	\$ 1,959,489	\$ 2,264,976
Lottery Gaming Facility Manager (71.8%)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 40,567,000	\$ 105,650,376	\$ 117,242,780	\$ 135,521,066
SE Gaming Zone - Net Revenue Estimate [See Note 4]	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Distribution of Lottery Gaming Facility Revenue									
Transfer to ELARF	\$ --	\$ 4,484,021	\$ 8,140,000	\$ 8,514,000	\$ 18,040,000	\$ 33,990,000	\$ 80,647,378	\$ 85,164,876	\$ 91,750,283
Problem Gambling & Addictions Grant Fund	\$ --	\$ 378,487	\$ 740,000	\$ 774,000	\$ 1,640,000	\$ 3,090,000	\$ 7,331,580	\$ 7,742,261	\$ 8,340,935
Cities & Counties	\$ --	\$ 649,071	\$ 1,110,000	\$ 1,161,000	\$ 2,460,000	\$ 4,635,000	\$ 10,997,370	\$ 11,613,392	\$ 12,511,402
Lottery Reimbursement [See Note 5]	\$ --	\$ 183,309	\$ 444,000	\$ 464,400	\$ 984,000	\$ 1,854,000	\$ 4,398,948	\$ 4,645,357	\$ 5,004,561
Lottery Gaming Facility Managers	\$ --	\$ 14,969,099	\$ 26,566,000	\$ 27,786,600	\$ 58,876,000	\$ 110,931,000	\$ 263,203,715	\$ 277,947,186	\$ 299,439,560
Lottery Gaming Facility Privilege Fees	\$ 5,500,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ --	\$ --	\$ --	\$ --	\$ --
Lottery Gaming Facility Revenue-ELARF	\$ --	\$ 4,484,021	\$ 8,140,000	\$ 8,514,000	\$ 18,040,000	\$ 33,990,000	\$ 80,647,378	\$ 85,164,876	\$ 91,750,283
Total Available in ELARF	\$ 5,500,000	\$ 29,484,021	\$ 33,140,000	\$ 33,514,000	\$ 18,040,000	\$ 33,990,000	\$ 80,647,378	\$ 85,164,876	\$ 91,750,283

Assumptions:

Note 1 - Assumes Hollywood Casino at the Kansas Speedway will open Phase I gaming operations on March 1, 2012 and no date certain for full operations.

Note 2 - Boot Hill Casino & Resort opened Phase I gaming operations on December 15, 2009 and no date certain for full operations.

Note 3 - Assumes Kansas Star Casino will open Phase I gaming operations on February 1, 2012, Phase II gaming operations on February 1, 2013, and full operations on February 1, 2015.

Note 4 - Unknown if there will be a manager willing to pay the \$25.0 million privilege fee and make a minimum investment of \$225.0 million for this zone.

Note 5 - The Lottery makes payments to GTECH for the central computer system and is reimbursed for these expenditures out of the manager's share of revenue.

Note 6 - Please note the estimates for FY 2013, FY 2014, FY 2015, and FY 2016 are for planning purposes only and are not an official estimate. Future estimates assume a 2.0 percent growth rate.

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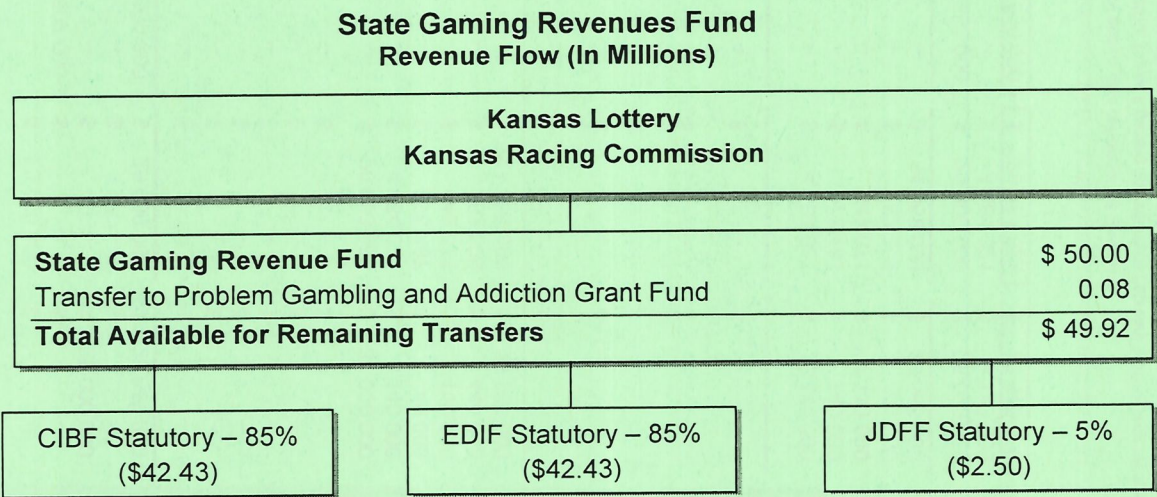
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GAMING REVENUES

The Kansas Lottery historically has generated revenue for the state through the sales of lottery tickets and online games. With the passage of 2007 SB 66, the Kansas Lottery will begin transferring new revenue to the state that will be in addition to the traditional (or old) lottery money. The new lottery money will be generated by fees and gaming at race track and casino facilities authorized by 2007 SB 66. The two different funds associated with old and new lottery money are in the new two sections.

State Gaming Revenues Fund (SGRF) Overview

The statutes governing the SGRF provide that it shall be used to make transfers to the correctional institutions building fund (CIBF), the Juvenile Detention Facilities Fund (JDFF), and the State Economic Development Initiatives Fund (EDIF). The SGRF was created by 1986 legislation which created the Kansas Lottery. A portion of state revenue from both the Lottery and parimutuel wagering is transferred to the SGRF. That fund is used essentially as a clearing fund from which further transfers are made on a monthly basis. No more than \$50.0 million may be credited to the SGRF in any fiscal year. Amounts in excess of \$50.0 million are credited to the State General Fund. The Governor estimates \$72.0 million in FY 2011 and FY 2012 will accrue to the SGRF, with transfers to the State General Fund estimated at \$22.0 million for both fiscal years, which would be in addition to the statutory transfers shown below.



KANSAS LEGISLATIVE RESEARCH DEPARTMENT

68-West-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ♦ FAX (785) 296-3824

kslegres@klrd.ks.gov

<http://www.kslegislature.org/klrd>

April 15, 2011

To: Governor Sam Brownback and Legislative Budget Committee

From: Kansas Legislative Research Department
Kansas Division of the Budget

Re: Initial SGF Memo for Revised FY 2011 and FY 2012 Estimates

The Consensus Estimating Group met today to revise the November 2 estimates for FY 2011 and FY 2012. The revised estimates incorporate the fiscal impact of all 2011 legislation signed into law thus far. The impact of all other Kansas legislation becoming law after April 15 will be quantified in a separate legislative adjustments report prepared at the conclusion of the *sine die* adjournment. A far more detailed memo will be available next week which contains the economic forecast for Kansas upon which the forecasts are based, as well as a discussion of other factors influencing the individual source estimates.

The overall estimate for both fiscal years was decreased by a combined \$31.7 million.

For FY 2011, the estimate was decreased by \$10.2 million, or 0.2 percent, below the November estimate. The estimate for total taxes was decreased by \$1.3 million, while the estimate for other revenues was decreased by \$8.9 million. The overall revised SGF estimate of \$5.775 billion represents an 11.2 percent increase above final FY 2010 receipts. The increase includes the impact of the retail sales and compensating use tax increase enacted last year.

The revised estimate for FY 2012 of \$5.789 billion was decreased by \$21.5 million, or 0.4 percent below the November estimate. The estimate for total taxes was decreased by \$15.7 million, while the estimate for other revenues was decreased by \$5.8 million. The new forecast for FY 2012 represents a 0.2 percent increase above the newly revised FY 2011 figure.

Significant adjustments for both years include the impact of the new federal tax legislation approved in December, which is estimated to reduce SGF revenues for the two fiscal years by a total of \$77.0 million (\$24.0 million in FY 2011 and \$53.0 million in FY 2012). The new federal tax provisions for expensing, bonus depreciation, removal of limitations on itemized deductions by high-income taxpayers, expansion of dependent care credits, and expansion of earned income tax credits are estimated to affect SGF revenues because calculations for state income taxes are based on the federal income tax system.

Table 1 compares the new FY 2011 and FY 2012 estimates with actual receipts from FY 2010. Tables 2 and 3 show the revisions in the estimates for each fiscal year.

Appropriations Committee

Date April 18-19, 2011

Attachment 1-53

Table 1
Consensus Revenue Estimate for Fiscal Years 2011 and 2012
and FY 2010 Actual Receipts
(Dollars in Thousands)

	FY 2010 (Actual)		FY 2011 (Revised)		FY 2012 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	\$ 24,993	(14.6) %	\$ 25,500	2.0 %	\$ 27,000	5.9 %
Income Taxes:						
Individual	\$2,418,208	(9.8) %	\$2,595,000	7.3 %	\$2,726,000	5.0 %
Corporation	224,940	(6.4)	231,000	2.7	231,000	--
Financial Inst.	16,515	(36.9)	21,000	27.2	21,500	2.4
Total	\$2,659,663	(9.8) %	\$2,847,000	7.0 %	\$2,978,500	4.6 %
Estate Tax	\$ 8,396	(62.7) %	\$ 500	(94.0) %	\$ --	(100.0) %
Excise Taxes:						
Retail Sales	\$1,652,037	(2.2) %	\$1,990,000	20.5 %	\$2,080,000	4.5 %
Compensating Use	205,540	(12.5)	283,000	37.7	297,000	4.9
Cigarette	99,829	(6.9)	94,000	(5.8)	92,000	(2.1)
Tobacco Products	6,352	10.9	6,500	2.3	6,700	3.1
Cereal Malt Bev.	1,989	(4.8)	1,850	(7.0)	1,850	--
Liquor Gallonage	17,953	(1.4)	18,800	4.7	19,200	2.1
Liquor Enforcement	54,827	1.9	57,000	4.0	58,000	1.8
Liquor Drink	8,930	(2.3)	9,000	0.8	9,100	1.1
Corp. Franchise	41,462	(0.6)	24,000	(42.1)	8,000	(66.7)
Severance	81,870	(34.1)	102,900	25.7	107,700	4.7
Gas	39,988	(45.8)	41,600	4.0	41,600	--
Oil	41,882	(17.0)	61,300	46.4	66,100	7.8
Total	\$2,170,788	(5.1) %	\$2,587,050	19.2 %	\$2,679,550	3.6 %
Other Taxes:						
Insurance Prem.	\$ 120,375	0.7 %	\$ 132,000	9.7 %	\$ 133,000	0.8 %
Miscellaneous	1,655	(7.7)	1,800	8.8	2,000	11.1
Total	\$ 122,030	0.5 %	\$ 133,800	9.6 %	\$ 135,000	0.9 %
Total Taxes	\$4,985,870	(7.8) %	\$5,593,850	12.2 %	\$5,820,050	4.0 %
Other Revenues:						
Interest	\$ 24,629	(61.6) %	\$ 18,400	(25.3) %	\$ 13,000	(29.3) %
Net Transfers	128,586	261.4	113,700	(11.6)	(95,100)	(183.6)
Agency Earnings	53,365	(34.0)	49,000	(8.2)	51,200	4.5
Total	\$ 206,579	14.3 %	\$ 181,100	(12.3) %	\$ (30,900)	(117.1) %
Total Receipts	<u>\$5,192,449</u>	<u>(7.1) %</u>	<u>\$5,774,950</u>	<u>11.2 %</u>	<u>\$5,789,150</u>	<u>0.2 %</u>

Appropriations Committee

Date April 18-19, 2011

Attachment 1-54

Table 2
State General Fund Receipts
FY 2011 Revised
Comparison of November 2010 Estimate to April 2011 Estimate
(Dollars in Thousands)

	FY 2011 CRE Est. Revised 11/02/10	FY 2011 CRE Est. Revised 04/15/11	Difference	
			Amount	Pct. Chg.
Property Tax:				
Motor Carrier	\$ 26,000	\$ 25,500	\$ (500)	(1.9) %
Income Taxes:				
Individual	\$ 2,577,175	\$ 2,595,000	\$ 17,825	0.7 %
Corporation	260,000	231,000	(29,000)	(11.2)
Financial Inst.	20,770	21,000	230	1.1
Total	\$ 2,857,945	\$ 2,847,000	\$ (10,945)	(0.4) %
Estate Tax	\$ 3,000	\$ 500	\$ (2,500)	(83.3) %
Excise Taxes:				
Retail Sales	\$ 2,000,000	\$ 1,990,000	\$ (10,000)	(0.5) %
Compensating Use	280,000	283,000	3,000	1.1
Cigarette	97,000	94,000	(3,000)	(3.1)
Tobacco Product	6,600	6,500	(100)	(1.5)
Cereal Malt Beverage	1,900	1,850	(50)	(2.6)
Liquor Gallonage	18,800	18,800	--	--
Liquor Enforcement	58,000	57,000	(1,000)	(1.7)
Liquor Drink	9,300	9,000	(300)	(3.2)
Corporate Franchise	18,000	24,000	6,000	33.3
Severance	92,800	102,900	10,100	10.9
Gas	38,700	41,600	2,900	7.5
Oil	54,100	61,300	7,200	13.3
Total	\$ 2,582,400	\$ 2,587,050	\$ 4,650	0.2 %
Other Taxes:				
Insurance Premiums	\$ 124,000	\$ 132,000	\$ 8,000	6.5 %
Miscellaneous	1,800	1,800	--	--
Total	\$ 125,800	\$ 133,800	\$ 8,000	6.4 %
Total Taxes	\$ 5,595,145	\$ 5,593,850	\$ (1,295)	(0.0) %
Other Revenues:				
Interest	\$ 17,400	\$ 18,400	\$ 1,000	5.7 %
Net Transfers	116,300	113,700	(2,600)	(2.2)
Agency Earnings	56,320	49,000	(7,320)	(13.0)
Total Other Revenue	\$ 190,020	\$ 181,100	\$ (8,920)	(4.7) %
Total Receipts	\$ 5,785,165	\$ 5,774,950	\$ (10,215)	(0.2) %

Appropriations Committee

Date April 18-19, 2011

Attachment 1-55

Table 3
State General Fund Receipts
FY 2012 Revised
Comparison of November 2010 Estimate to April 2011 Estimate
(Dollars in Thousands)

	FY 2012 CRE Est. Revised 11/02/10	FY 2012 CRE Est. Revised 04/15/11	Difference	
			Amount	Pct. Chg.
Property Tax:				
Motor Carrier	\$ 27,000	\$ 27,000	\$ --	-- %
Income Taxes:				
Individual	\$ 2,705,000	\$ 2,726,000	\$ 21,000	0.8 %
Corporation	275,000	231,000	(44,000)	(16.0)
Financial Inst.	21,000	21,500	500	2.4
Total	\$ 3,001,000	\$ 2,978,500	\$ (22,500)	(0.7) %
Estate Tax	\$ --	\$ --	\$ --	-- %
Excise Taxes:				
Retail Sales	\$ 2,090,000	\$ 2,080,000	\$ (10,000)	(0.5) %
Compensating Use	295,000	297,000	2,000	0.7
Cigarette	97,000	92,000	(5,000)	(5.2)
Tobacco Product	6,800	6,700	(100)	(1.5)
Cereal Malt Beverage	1,900	1,850	(50)	(2.6)
Liquor Gallonage	19,200	19,200	--	--
Liquor Enforcement	59,000	58,000	(1,000)	(1.7)
Liquor Drink	9,500	9,100	(400)	(4.2)
Corporate Franchise	8,000	8,000	--	--
Severance	94,300	107,700	13,400	14.2
Gas	39,400	41,600	2,200	5.6
Oil	54,900	66,100	11,200	20.4
Total	\$ 2,680,700	\$ 2,679,550	\$ (1,150)	(0.0) %
Other Taxes:				
Insurance Premiums	\$ 125,000	\$ 133,000	\$ 8,000	6.4 %
Miscellaneous	2,000	2,000	--	--
Total	\$ 127,000	\$ 135,000	\$ 8,000	6.3 %
Total Taxes	\$ 5,835,700	\$ 5,820,050	\$ (15,650)	(0.3) %
Other Revenues:				
Interest	\$ 11,800	\$ 13,000	\$ 1,200	10.2 %
Net Transfers	(93,700)	(95,100)	(1,400)	(1.5)
Agency Earnings	56,800	51,200	(5,600)	(9.9)
Total Other Revenue	\$ (25,100)	\$ (30,900)	\$ (5,800)	(23.1) %
Total Receipts	\$ 5,810,600	\$ 5,789,150	\$ (21,450)	(0.4) %

Appropriations Committee

Date April 18-19, 2011

Attachment 1-586

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

68-West-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 • FAX (785) 296-3824

kslegres@klrd.ks.gov

<http://www.kslegislature.org/klrd>

April 18, 2011

To: House Appropriations Committee
Senate Ways and Means Committee

From: Alan D. Conroy, Director

Re: April, 2011 State General Fund Consensus Revenue Estimates

There will be distributed in a few days a long memorandum on the Consensus Revenue estimates that were made on April 15, 2011. Pending the completion of that long memorandum, I thought I would share with you some of the factors that the Consensus Group were made of aware of as we finalized our revenue estimates.

- Kansas Personal Income (an individual's total annual gross earnings coming from wages, business enterprises and various investments):
 - 2010 - 2.5 percent.
 - 2011 - 4.1 percent, up from the previous estimate of 3.4 percent.
 - 2012 - 5.4 percent, down from the previous estimate of 5.6 percent.
- Kansas Disposable Income (amount of money that households have available for spending and savings after income taxes):
 - 2010 - 2.9 percent.
 - 2011 - 3.0 percent, up from the previous estimate of 2.5 percent.
 - 2012 - 3.7 percent, down from the previous estimate of 4.3 percent.
- Inflation Rate (Consumer Price-Index for All Urban Consumers - CPI-U):
 - 2010 - 1.6 percent;
 - 2011 - 2.2 percent, up from the previous estimate of 1.6 percent.
 - 2012 - 2.2 percent, down from the previous estimate of 2.4 percent.
- Kansas Annual Unemployment Rate:
 - 2008 - 4.5 percent;
 - 2009 - 7.1 percent;
 - 2010 - 7.0 percent;
 - 2011 (estimated) - 6.8 percent (recent historic high);
 - 2012 (estimated) - 6.1 percent.

Appropriations Committee

Date April 18-19 2011

Attachment 1-587

- Agricultural Plantings Report:

- As of March 31, Kansas farmers **expect to plant** 20.4 million acres of the four major crops (wheat, sorghum, corn, and soybeans) for the 2011 crop year, up 2.5 percent from 2010.
- **Wheat seeded** in the fall of 2010 totaled 8.8 million acres, up 5 percent from the previous year. This is the second lowest seeded wheat acres since 1957 when 7.2 million acres were seeded.
- Corn planting intentions totaled 5.1 million acres, up 5 percent from the 2010 acreage. If realized, this would be the largest area planted to corn since 1936 and the second year that Kansas farmers will plant more corn and soybeans than wheat.
- Soybean planted acreage is expected to be 4.0 million acres, down 7.0 percent from last year. However, this would be the second largest soybean acreage in Kansas history.
- Sorghum acreage expected to be planted, at 2.5 million acres, is up 6 percent from a year ago and still the largest acres in the nation.

- Agricultural Prices:

- All Crops Index in March, at 245 percent of the 1990-1992 base, is down 19 points from February but up 88 points from 2010.
- Mid-March wheat prices at \$7.0 per bushel, are down 94 cents from February but \$2.71 above last March.
- Mid-March corn prices at \$5.80 per bushel, are down 31 cents from February but \$2.28 above last March.
- Mid-March grain sorghum at \$9.95 per hundred weight, down 85 cents from February but \$4.42 above last March.
- Mid-March soybeans at \$12.30 per bushel, down 90 cents from February but \$3.06 above last March.
- All hay prices averaged \$107 per ton in Mid-March, up \$3 from February and \$9 higher than last year.

- Livestock:

- All cattle and calves on Kansas farms and ranches on January 1, 2011 totaled 6.3 million head, up 5 percent from a year earlier.
- Cattle on feed in Kansas feedlots with 1,000 head or more capacity as of March 1, 2011 totaled 2.22 million head, unchanged from a year ago, but down 2 percent from February 1st.
- Hogs and pigs on Kansas farms March 1, 2011 totaled 1.82 million head, up 2 percent from a year ago and 1 percent above December, 2010.

- Crop Progress and Condition:

- Condition of the wheat crop was rated:
 - 34 percent poor to very poor (last year 6 percent);

- 35 percent fair (last year 25 percent); and
 - 31 percent good to excellent (last year 69 percent).
 - Topsoil moisture:
 - 18 percent very short;
 - 23 percent short;
 - 51 percent adequate; and
 - 8 percent surplus.
 - Subsoil moisture:
 - 19 percent very short;
 - 25 percent short;
 - 51 percent adequate; and
 - 5 percent surplus.
 - Great variance within state in topsoil moisture:
 - East Central - 96 percent adequate to surplus (on April 3rd);
 - Southeast - 37 percent surplus;
 - West and Southwest - 91 percent short to very short;
 - Southwest - 65 percent very short.
- Oil and Gas
 - Oil - 40 million barrels in FY 2011 and 41 million in FY 2012, both up from the previous estimate of 39 million barrels;
 - Oil price per barrel - \$77.00 in FY 2011 and \$82.00 in FY 2012, up from \$73.00 and \$75.00 in the previous estimate.
 - Gas - Price per mcf of \$3.85 in FY 2011 and \$4.15 in FY 2012, both up from \$3.60 and \$3.95, respectively in the previous estimate.
 - Gas - Estimated taxable value of \$1.232 billion in FY 2011 and \$1.245 billion in FY 2012.
 - Aviation Manufacturing
 - General aviation remains weak. It is estimated that manufactures will not increase employment significantly until the national economy shows signs of sustained growth.
 - Commercial aviation continues to grow. Spirit AeroSystems has been able to maintain its workforce of roughly 10,000. Spirit produces 70 percent of the Boeing 737 fuselage and demand for that aircraft remains strong.
 - Military aviation shows signs of growth. In February, the Boeing Company was awarded the U.S. Air Force's \$35 billion tanker contract. Although, it might be 2013 before an major tangible impact.

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
GOVERNOR'S RECOMMENDATION
 In Millions

	Actual FY 2010	Gov. Rec. FY 2011	Gov. Rec. FY 2012
Beginning Balance	\$ 49.6	\$ (27.1)	\$ 29.3
Receipts (April 2011 Consensus)*	5,191.2	5,775.4	5,805.0
Governor's Recommended Receipt Adjustments	0.0	4.7	234.1
Adjusted Receipts	5,191.2	5,780.1	6,039.1
Total Available	\$ 5,240.8	\$ 5,753.0	\$ 6,068.4
Human Services Caseload	0.0	(1.2)	11.3
Less All Other Expenditures**	5,268.0	5,724.9	6,066.2
Ending Balance	\$ 27.1	\$ 29.3	\$ (9.0)
Ending Balance as a Percentage of Expenditures	(0.5) %	0.5 %	(0.3) %

AS RECOMMENDED BY THE SENATE
 In Millions
 (Reflects Senate Action on all Appropriation Bills)

	Actual FY 2010	Senate FY 2011	Senate FY 2012
Beginning Balance	\$ 49.6	\$ (27.1)	\$ 79.3
Receipts (April 2011 Consensus)*	5,191.2	5,775.4	5,805.0
Governor's Recommended Receipt Adjustments	0.0	4.7	234.1
Senate Receipt Adjustments	0.0	1.0	12.7
Adjusted Receipts	5,191.2	5,781.1	6,051.8
Total Available	\$ 5,240.8	\$ 5,754.0	\$ 6,131.1
Human Services Caseload	0.0	(1.2)	11.3
Less All Other Expenditures**	5,268.0	5,675.9	6,136.7
Ending Balance	\$ (27.1)	\$ 79.3	\$ (17.0)
Ending Balance as a Percentage of Expenditures	(0.5) %	1.4 %	(0.4) %

AS RECOMMENDED BY THE HOUSE
 In Millions
 (Reflects House Action on all Appropriation Bills)

	Actual FY 2010	House FY 2011	House FY 2012
Beginning Balance	\$ 49.6	\$ (27.1)	\$ 77.3
Receipts (April 2011 Consensus)*	5,191.2	5,775.4	5,805.0
Governor's Recommended Receipt Adjustments	0.0	4.7	234.1
House Receipt Adjustments	0.0	(0.8)	12.1
Adjusted Receipts	5,191.2	5,779.3	6,051.2
Total Available	\$ 5,240.8	\$ 5,752.2	\$ 6,128.5
Human Services Caseload	0.0	(1.2)	11.3
Less All Other Expenditures**	5,268.0	5,676.1	6,062.9
Ending Balance	\$ (27.1)	\$ 77.3	\$ 54.3
Ending Balance as a Percentage of Expenditures	(0.5) %	1.3 %	0.8 %

* Includes transfer of \$0.4 million in FY 2011 and \$16.0 million in FY 2012 for increased Expanded Lottery Act Revenue Fund receipts.

** Includes the Governor's March Allotment reduction of \$7.1 million, and the Governor's Budget Amendment 1.

Appropriations Committee

Date April 18-19, 2011

Attachment 1-5960

Children's Initiatives Fund

FY 2010 - FY 2012

House Committee of the Whole Adjustments

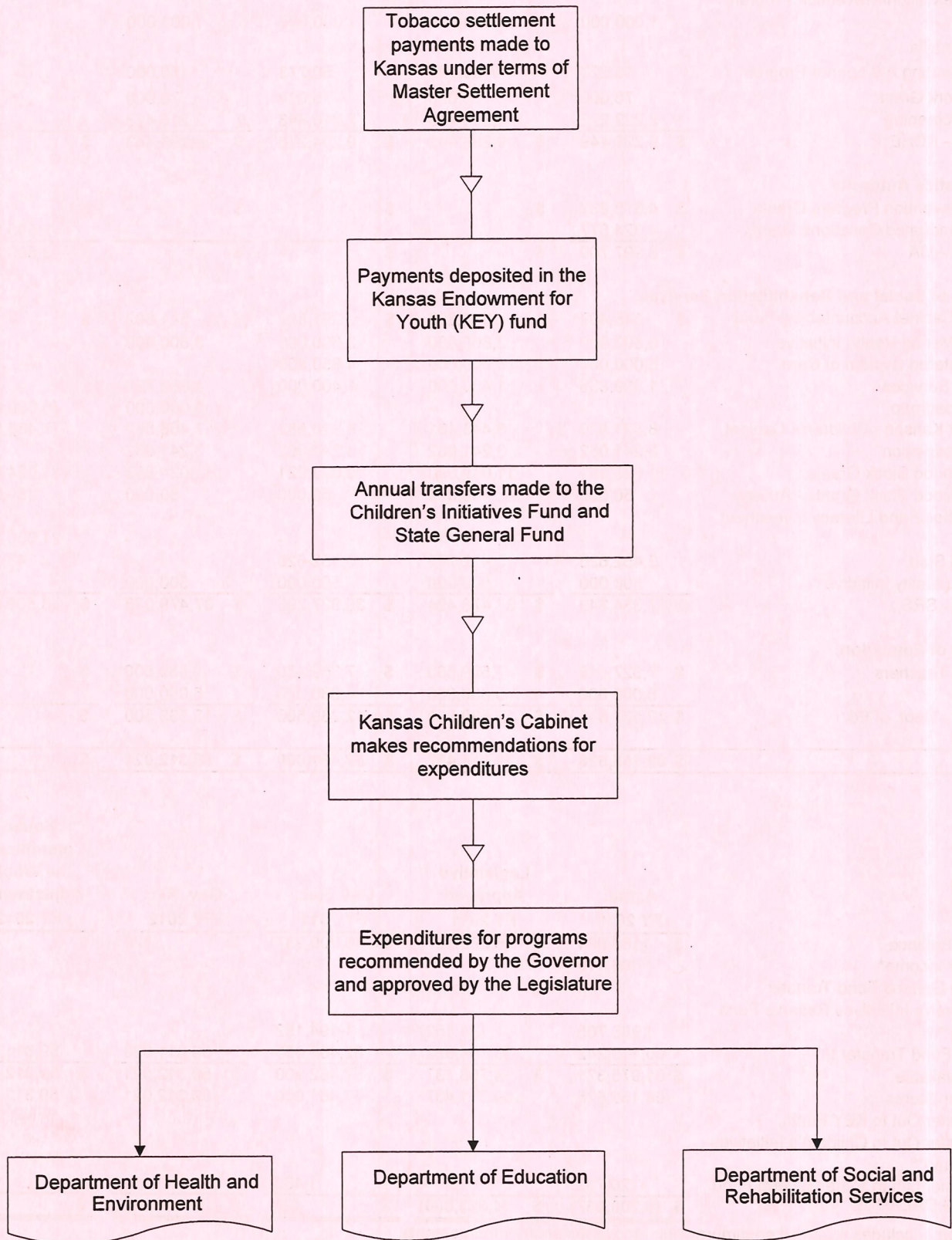
	Actual FY 2010	Legislative Approved FY 2011	Gov. Rec. FY 2011	Gov. Rec. FY 2012	House Committee of the Whole Adjustments FY 2012
Department of Health and Environment					
Healthy Start/Home Visitor	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Infants and Toddlers Program (Tiny K)	5,700,000	5,700,000	5,700,000	5,700,000	-
Smoking Cessation/Prevention Program Grants	1,000,000	1,000,000	1,000,000	1,000,000	-
PKU/Hemophilia	-	-	-	-	-
Newborn Hearing Aid Loaner Program	49,227	50,000	50,773	50,000	-
SIDS Network Grant	75,000	75,000	75,000	75,000	-
Newborn Screening	2,222,222	2,218,443	2,218,443	2,218,443	-
Subtotal - KDHE	\$ 9,296,449	\$ 9,293,443	\$ 9,294,216	\$ 9,293,443	\$ -
Juvenile Justice Authority					
Juvenile Prevention Program Grants	\$ 4,673,032	\$ -	\$ -	\$ -	\$ -
Juvenile Graduated Sanctions Grants	4,324,677	-	-	-	3,500,000
Subtotal - JJA	\$ 8,997,709	\$ -	\$ -	\$ -	\$ 3,500,000
Department of Social and Rehabilitation Services					
Children's Cabinet Accountability Fund	\$ 545,407	\$ 541,802	\$ 291,802	\$ 541,802	\$ -
Children's Mental Health Initiative	3,800,000	3,800,000	3,800,000	3,800,000	-
Family Centered System of Care	5,000,000	5,000,000	4,850,000	-	-
Child Care Services	1,399,836	1,400,000	1,400,000	4,852,779	-
Reading Roadmap	-	-	-	6,000,000	(6,000,000)
Smart Start Kansas - Children's Cabinet	8,321,820	8,443,161	8,318,582	7,468,582	(7,468,582)
Family Preservation	3,241,062	3,241,062	3,241,062	3,241,062	-
Early Childhood Block Grants	11,023,599	11,049,690	10,023,221	11,024,853	(11,024,853)
Early Childhood Block Grants - Autism	50,000	50,000	50,000	50,000	(50,000)
Early Childhood and Literacy Investment Grant	-	-	-	-	21,000,000
Early Head Start	3,452,625	3,452,779	3,452,626	-	43,435
Child Care Quality Initiative	500,000	500,000	500,000	500,000	-
Subtotal - SRS	\$ 37,334,349	\$ 37,478,494	\$ 35,927,293	\$ 37,479,078	\$ (3,500,000)
Department of Education					
Parents as Teachers	\$ 7,527,019	\$ 7,539,500	\$ 7,359,130	\$ 7,539,500	\$ -
Pre-K Pilot	5,000,000	5,000,000	4,880,370	5,000,000	-
Subtotal - Dept. of Ed.	\$ 12,527,019	\$ 12,539,500	\$ 12,239,500	\$ 12,539,500	\$ -
TOTAL	\$ 68,155,526	\$ 59,311,437	\$ 57,461,009	\$ 59,312,021	\$ -

	Actual FY 2010	Legislative Approved FY 2011	Gov. Rec. FY 2011	Gov. Rec. FY 2012	House Committee of the Whole Adjustments FY 2012
Beginning Balance	\$ 165,984	\$ (6,200,937)	\$ (6,200,937)	\$ 428	\$ 428
Plus: Other Income*	406,440	-	-	-	-
State General Fund Transfer	-	-	-	-	-
Children's Initiatives Reserve Fund	-	-	-	-	-
Transfer In**	1,283,705	1,194,152	1,194,152	-	-
KEY Fund Transfer In	60,119,242	59,764,922	62,469,685	59,311,593	59,311,593
Total Available	\$ 61,975,371	\$ 54,758,137	\$ 57,462,900	\$ 59,312,021	\$ 59,312,021
Less: Expenditures	68,155,526	59,311,437	57,461,009	59,312,021	59,312,021
Transfer Out to KEY Fund	-	-	-	-	-
Transfer Out to Children's Initiatives	-	-	-	-	-
Reserve Fund**	-	-	-	-	-
Transfer Out to State General Fund	20,782	-	1,463	-	-
ENDING BALANCE	\$ (6,200,937)	\$ (4,553,300)	\$ 428	\$ -	\$ -

* Other Income includes released encumbrances, recoveries and reimbursements.

Staff Note: The Governor's recommendation for FY 2011 transfers \$475,985 from the Kansas Endowment for Youth Fund to the Attorney General. The Governor's recommendation for FY 2012 recommends a transfer from the KEY fund to the Attorney General of \$485,593.

Flow of Tobacco Settlement Dollars in Kansas



**COMPARISON OF FY 2011-FY 2012 RECOMMENDED EXPENDITURES
GOVERNOR'S RECOMMENDATION* AND HOUSE COMMITTEE RECOMMENDATION
Reflects House Action through March 31, 2011**

FY 2011:

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation*	\$ 5,724,879,007	\$ 14,771,062,343	41,147.1
House Adjustments	\$ (48,816,296)	\$ (23,208,065)	0.0
House Committee Recommendation	<u>5,676,062,711</u>	<u>14,747,854,278</u>	<u>41,147.1</u>
<i>Difference From Governor's Recommendation</i>	<u>\$ (48,816,296)</u>	<u>\$ (23,208,065)</u>	<u>0.0</u>

FY 2012:

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation*	\$ 6,066,155,005	\$ 13,893,716,616	39,144.9
House Adjustments	\$ (3,254,123)	\$ (16,890,810)	31.0
House Committee Recommendation	<u>6,062,900,882</u>	<u>13,876,825,806</u>	<u>39,175.9</u>
<i>Difference From Governor's Recommendation</i>	<u>\$ (3,254,123)</u>	<u>\$ (16,890,810)</u>	<u>31.0</u>
Two-Year Change from Governor's Recommendation	\$ (52,070,419)	\$ (40,098,875)	

* Includes the Governor's March Allotment reduction of \$6.3 million, and the Governor's Budget Amendment 1.

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS RECOMMENDED BY HOUSE COMMITTEE
In Millions
(Reflects House Committee Action on all Appropriation Bills)**

	<u>Actual FY 2010</u>	<u>House Comm. Rec. FY 2011</u>	<u>House Comm. Rec. FY 2012</u>
Beginning Balance	\$ 49.6	\$ (27.1)	\$ 85.9
Receipts (November 2010 Consensus)	5,191.2	5,785.2	5,810.6
Governor's Recommended Receipt Adjustments	0.0	4.7	234.1
Less Revenue Increases Requiring Legislation	0.0	0.0	0.0
House Comm. Recommended Receipt Adjustments	0.0	(0.8)	12.1
Adjusted Receipts	5,191.2	5,789.1	6,056.8
Total Available	\$ 5,240.8	\$ 5,762.0	\$ 6,142.7
Less Expenditures	5,268.0	5,676.1	6,062.9
Ending Balance*	<u>\$ (27.1)</u>	<u>\$ 85.9</u>	<u>\$ 79.8</u>
Ending Balance as a Percentage of Expenditures	-0.5%	1.5%	1.3%

* Includes the Governor's March Allotment reduction of \$6.3 million, and the Governor's Budget Amendment 1.

Appropriations Committee

Date April 18, 19-2011Attachment 1-63

**State General Fund Revenue Adjustments
As Recommended by the House Committee
(Reflects House Committee Action on all Appropriation Bills)**

FY 2011:

None (800,000)

FY 2012:

Fee Sweep Suspension	\$ (3,380,245)
KCC Civil Assessment Program Fines Transfer	766,499
EDIF Transfer for Fair Fares Reduction	5,000,000
Health Premium Surcharge	3,147,686
State Highway Fund Transfer	862,000
Judicial Branch Surcharge	778,518
Department of Revenue Oil and Gas Valuation Depletion Trust	3,500,000
Reduce Cap in Bioscience Authority Development Fund Transfer	1,400,000

Total FY 2012 \$ 12,074,458

Appropriations Committee

Date April 18, 19, 2011Attachment 1-684

House 2011 Appropriations Bills, HB 2382, HB 2383
(Reflects House Committee Adjustments for FY 2011, FY 2012, and FY 2013)

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2011				
<u>Real Estate Commission</u>				
1. Transfer \$200,000, all from the Real Estate Revolving Recovery Fund, to the Real Estate Fee Fund, in FY 2011 to allow the agency to have sufficient carry over balance to start FY 2013.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Securities Commissioner</u>				
1. Delete the Governor's recommended transfer of \$800,000, all from the Investor Education Fee Fund, to the State General Fund in FY 2011. The Investor Education Fee Fund is a no-limit fund that is financed by civil penalties received from settlements in enforcement cases.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Legislature</u>				
1. Delete language that would lapse funding initially appropriated to the Legislative Coordinating Council for FY 2010, which reappropriated to the Legislature's budget in FY 2011 (Technical amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Administration</u>				
1. Add language requiring the Secretary of Administration to prioritize the sale of 10.0 percent of state assets and report to the Governor and Legislature on those priorities by March 31, 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Technology Enterprise Corp.</u>				
1. Add \$71,426, all from the Economic Development Initiatives Fund (EDIF), in FY 2011. This would restore funding for the PIPELINE Program in FY 2011. The PIPELINE program is a mentoring program for emerging entrepreneurs.	0	71,426	71,426	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$71,426</i>	<i>\$71,426</i>	<i>0.0</i>
<u>Commission on Veterans Affairs</u>				
1. Increase the expenditure limitations on the Kansas Soldiers' Home Medicaid Fund and the Kansas Soldiers' Home Medicare Fund to no limit to allow for expenditure of federal funds received in FY 2011.	0	0	0	0.0
2. Increase the expenditure limitations on the Kansas Veterans' Home Medicaid Fund and the Kansas Veterans' Home Medicare Fund to no limit to allow for expenditure of federal funds received in FY 2011.	0	0	0	0.0
3. Add language in FY 2011 to allow the Executive Director to transfer funds between State General Fund accounts and also between special revenue accounts.	0	0	0	0.0
4. Transfer \$25,000 from the Scratch Lotto-Veterans Services account to the Vietnam War Era Veterans' Recognition Award Fund in FY 2011. Require the agency, by June 30, 2011, to acquire and send all appropriate medallions and certificates to all qualifying veterans whose applications have been received by June 1, 2011.	0	0	0	0.0
5. Add language requiring the agency to expend \$20,000, all from existing resources, in FY 2011 to purchase Medicare billing software.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Dept. of Health and Environment - Health</u>				
1. Add \$100,000, all from the State General Fund, in FY 2011 for the Senator Stan Clark Pregnancy Maintenance Initiative. The 2010 Legislature directed the agency to expend \$199,113 from existing resources in FY 2011 to fund the program. The addition increases the total available for the program to \$299,113.	100,000	0	100,000	0.0
2. Add \$100,000, all from the State General Fund, in FY 2011 for the Teen Pregnancy Prevention Program. The 2010 Legislature appropriated \$199,113, all from the State General Fund, in FY 2011 for the program. The addition increases the total available for the program to \$299,113 in FY 2011.	100,000	0	100,000	0.0
<i>Agency Subtotal</i>	<i>\$200,000</i>	<i>\$0</i>	<i>\$200,000</i>	<i>0.0</i>

<i>Agency</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Department on Aging</u>				
1. Add language authorizing the Secretary of Aging, acting as the agent of the Kansas Health Policy Authority, to collect the quality care assessment under K.S.A. 2010 Supp. 75-7435, and deposit the revenue into the Nursing Facility Quality Care Fund in FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Health Policy Authority</u>				
1. Add language to limit increased operating expenditure limitations in the State Workers Compensation Self-Insurance Fund, the Cafeteria Benefits Fund, and the Dependent Care Assistance Program Fund from being utilized for salaries and wages and limit the ability to convert contract employees to state employees in FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Parsons State Hospital</u>				
1. Delete \$63,618, all from the State General Fund, for capital improvement debt service payments for an energy conservation program on the Parsons State Hospital and Training Center campus and replace it with State Institutions Building Fund in FY 2011.	(63,618)	63,618	0	0.0
<i>Agency Subtotal</i>	<i>(\$63,618)</i>	<i>\$63,618</i>	<i>\$0</i>	<i>0.0</i>
<u>Board of Regents</u>				
1. Delete \$300,000, all from the State General Fund, from the Board of Regents Postsecondary Education Infrastructure (PEI) account in FY 2011 to fund the Standardized Water Data Repository at the University of Kansas (Floor amendment).	(300,000)	0	(300,000)	0.0
<i>Agency Subtotal</i>	<i>(\$300,000)</i>	<i>\$0</i>	<i>(\$300,000)</i>	<i>0.0</i>
<u>Kansas State University</u>				
1. Add \$5.3 million, all from special revenue funds, for the construction of an animal suite at the Large Animal Research Center in FY 2011.	0	5,300,000	5,300,000	0.0
2. Add \$5.2 million, all from special revenue funds, for the construction of the Justin Hall Addition in FY 2011.	0	5,200,000	5,200,000	0.0
3. Add \$300,000, all from special revenue funds, for the first stage of a project to remove the Old Chemical Waste Landfill in FY 2011.	0	300,000	300,000	0.0
4. Add \$1.2 million, all from special revenue funds, for upgrades to West Hall in FY 2011.	0	1,200,000	1,200,000	0.0
5. Add \$2.0 million, all from special revenue funds, to construct the Southeast Research-Extension Center in Parsons, Kansas in FY 2011.	0	2,000,000	2,000,000	0.0
6. Add \$2.0 million, all from special revenue funds, for the renovation of chemical engineering lab space in Durland Hall in FY 2011.	0	2,000,000	2,000,000	0.0
7. Add \$600,000, all from special revenue funds, to remodel the Technology Assistance Center on the Salina Campus in FY 2011.	0	600,000	600,000	0.0
8. Add \$550,000, all from special revenue funds, for upgrades to the John C. Pair Center in Wichita in FY 2011.	0	550,000	550,000	0.0
9. Add language allowing the university to enter into a lease purchase agreement with the Kansas State University Foundation for a new Grain Science Center Feed Mill in FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$17,150,000</i>	<i>\$17,150,000</i>	<i>0.0</i>
<u>University of Kansas</u>				
1. Add \$300,000, all from the State General Fund, for the Standardized Water Data Repository in FY 2011 (Floor amendment).	300,000	0	300,000	0.0
2. Delete expenditure authority for the State Water Plan - Standardized Data Water Repository Fund in FY 2011 (Floor amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$300,000</i>	<i>\$0</i>	<i>\$300,000</i>	<i>0.0</i>

Appropriations Committee

Date April 15-19, 2011

Attachment 1-686

<i>Agency</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Department of Education</u>				
1. Add \$21.2 million, all from the State General Fund, to ensure the state meets federal Special Education maintenance of effort in FY 2011.	21,240,000	0	21,240,000	0.0
2. Add language in FY 2011 allowing the federal maintenance of effort amount for special education to be adjusted by certification of the Commissioner of Education, the Director of the Budget, and the Director of Legislative Research. If more than the \$21.2 million appropriated above is necessary, the increased amount would be transferred from the KPERs-School account.				
3. Delete \$69.2 million, all from the State General Fund, to delay the April 15th KPERs-School payment in FY 2011 to FY 2012.	(69,201,035)	0	(69,201,035)	0.0
<i>Agency Subtotal</i>	<i>(\$47,961,035)</i>	<i>\$0</i>	<i>(\$47,961,035)</i>	<i>0.0</i>
<u>School for the Blind</u>				
1. Delete \$30,509, all from the State General Fund, in FY 2011 and replace it with State Institutions Building Funds for principal payments on the Facilities Conservation Improvement Project.	(30,509)	30,509	0	0.0
<i>Agency Subtotal</i>	<i>(\$30,509)</i>	<i>\$30,509</i>	<i>\$0</i>	<i>0.0</i>
<u>School for the Deaf</u>				
1. Concur with Governor's Budget Amendment (GBA) No. 1, Item 3, to add \$279,449, all from the State Institutions Building Fund, in FY 2011 for architect fees associated with the renovation of the west wing of the Roth Dormitory in order to accommodate an anticipated increase in the number of students.	0	0	0	0.0
2. Delete \$63,850, all from the State General Fund, in FY 2011 and replace it with State Institutions Building Fund for principal payments on the Facilities Conservation Improvement Project.	(63,850)	63,850	0	0.0
<i>Agency Subtotal</i>	<i>(\$63,850)</i>	<i>\$63,850</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Corrections</u>				
1. Add language to require that expenditures made from the Kansas Correctional Industries be included in the reportable budget in FY 2011.	0	8,485,417	8,485,417	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$8,485,417</i>	<i>\$8,485,417</i>	<i>0.0</i>
<u>Kansas Bureau of Investigation</u>				
1. Concur with Governor's Budget Amendment (GBA) No. 1, Item 4, to add \$150,000, all from the State General Fund, to provide funding for meth lab cleanup in FY 2011.	0	0	0	0.0
2. Add language creating the Project Safe Neighborhoods Fund, with an expenditure limitation of \$114,408 in FY 2011. This will allow the agency to expend federal grant funds received for the Project Safe Neighborhoods grant. Grant funds will be used for one Special Assistant US Attorney position, with the goal to continue to prevent a backlog of indictable gang and firearms related cases across the state.	0	114,408	114,408	0.0
3. Add language creating the Social Security Administration Reimbursement - Federal Fund, with a no limit expenditure authority in FY 2011. The agency has two special agent positions that are working with the Social Security Administration, and are receiving reimbursement for their services. This will allow the agency to expend any reimbursements received in FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$114,408</i>	<i>\$114,408</i>	<i>0.0</i>
<u>State Conservation Commission</u>				
1. Lapse \$1,019,668, all from the State Water Plan Fund, in FY 2011 for the Conservation Reserve Enhancement Program (CREP) (Technical amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Wildlife, Parks and Tourism</u>				
1. Add \$60,542, all from the State General Fund, in the Reimbursement for Annual Licenses Issued to Kansas Disabled Veterans account, to adjust the Governor's recommended lapse from \$73,240 to \$12,698 in FY 2011.	60,542	0	60,542	0.0
2. Add \$4,290, all from the State General Fund, in the Reimbursement for Annual Licenses Issued to National Guard Members account, to adjust the Governor's recommended lapse from \$11,290 to \$7,000 in FY 2011.	4,290	0	4,290	0.0

<i>Agency Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
3. \$2,748, all from the State General Fund, in the Reimbursement for Annual Park Permits Issued to National Guard Members account, to adjust the Governor's recommended lapse from \$6,748 to \$4,000 in FY 2011.	2,748	0	2,748	
4. Add language to appropriate \$473,000, including \$70,950 from the Parks Fee Fund, \$378,400 from the Wildlife Fee Fund, and \$23,650 from the Boating Fee Fund, for the Pratt Operations Office sewer line upgrade in FY 2011 (Technical amendment).	0	0	0	0.0
5. Add language to appropriate \$260,000, for FY 2012 all from the Wildlife Restoration Fund, for rehabilitation and repair for Clark State Fishing Lake dam repair in FY 2011 (Technical amendment).	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$67,580</i>	<i>\$0</i>	<i>\$67,580</i>	<i>0.0</i>
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Title X Family Planning Funds

1. Add language for FY 2011 to provide that, subject to federal law, any grants of money from federal Title X moneys for family planning services be made according to the following priorities: first priority to public entities (state, county, local health departments and health clinics) and if any moneys remain, second priority to non-public entities which are hospitals or federally qualified health centers that provide comprehensive primary and preventative care in addition to family planning services.	0	0	0	0.0
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<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
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Other Statewide Adjustments

1. Add language for the remaining months in FY 2011 prohibiting State General Fund expenditures by any state agency for membership dues and subscriptions and lapse any resulting State General Fund savings.	0	0	0	0.0
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<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
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State Employee Pay

1. Delete \$1,335,861, including \$964,864 from the State General Fund, for a 7.5 percent pay reduction for state officers (legislators, justices, judges, statewide elected officials, statutory agency heads and other constitutional officers of the state) for an estimated six pay periods in FY 2011.	(964,864)	(370,997)	(1,335,861)	0.0
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<i>Agency Subtotal</i>	<i>(\$964,864)</i>	<i>(\$370,997)</i>	<i>(\$1,335,861)</i>	<i>0.0</i>
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TOTAL	(\$48,816,296)	\$25,608,231	(\$23,208,065)	0.0
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FY 2012

State Bank Commissioner

1. Add \$196,958, all from special revenue funds, for salaries and wages for FY 2012. The increase in salaries and wages is to reduce the agency's shrinkage rate from 5.0 percent, to 2.5 percent for FY 2012	0	196,958	196,958	0.0
2. Add \$150,000, all from special revenue funds, for contractual services for FY 2012. The majority of expenditures in this category are for travel to examination locations and training for examination staff.	0	150,000	150,000	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$346,958</i>	<i>\$346,958</i>	<i>0.0</i>
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Board of Nursing

1. Add \$25,943, all from special revenue funds, to increase the expenditure limitation to the agency FY 2012 request of \$2,068,954.	0	25,943	25,943	0.0
2. Add 3.0 FTE positions for FY 2012, for a total of 24.0 FTE positions, to increase the number of FTE positions to the agency FY 2012 request. These positions are for an Education Specialist, an Assistant Attorney General, and a Senior Administrative Assistant.	0	0	0	3.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$25,943</i>	<i>\$25,943</i>	<i>3.0</i>
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Legislative Coordinating Council

1. Delete \$43,680, all from the State General Fund, and 1.0 FTE position to eliminate the position of Director of Computer Services for FY 2012. The Governor recommended a reduction of \$69,288 from the agency's requested budget. The net reduction of \$43,680 restores the Governor's reduction of \$69,288 (which allows the remaining positions to be fully funded) and then deletes the total salaries and benefits for the Director of Computer Services of \$112,968.	(43,680)	0	(43,680)	(1.0)
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<i>Agency Subtotal</i>	<i>(\$43,680)</i>	<i>\$0</i>	<i>(\$43,680)</i>	<i>(1.0)</i>
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1. Add \$129,840, all from the State General Fund, and shift \$209,410 from existing agency funds to fill 4.0 new FTE positions, fill and reclassify 2.0 existing FTE positions for the legislative information system (Floor amendment).	129,840	0	129,840	4.0
<i>Agency Subtotal</i>	<i>\$129,840</i>	<i>\$0</i>	<i>\$129,840</i>	<i>4.0</i>
<u>Legislative Research Department</u>				
1. Add \$220,000, all from the State General Fund, to fund the costs associated with redistricting, excluding additional computer equipment for FY 2012.	220,000	0	220,000	0.0
<i>Agency Subtotal</i>	<i>\$220,000</i>	<i>\$0</i>	<i>\$220,000</i>	<i>0.0</i>
<u>Revisor of Statutes</u>				
1. Add \$100,000, all from the State General Fund, to staff the agency in order to provide the drafting of legislation in a timely manner with the amount not restored to be reduced in contractual services for FY 2012.	100,000	0	100,000	0.0
2. Delete \$129,840, all from the State General Fund, for computer services associated with previous mainframe usage. This was used to fund additions in the Legislature's budget for the new computer system (floor amendment).	(129,840)	0	(129,840)	0.0
<i>Agency Subtotal</i>	<i>(\$29,840)</i>	<i>\$0</i>	<i>(\$29,840)</i>	<i>0.0</i>
<u>Division of Post Audit</u>				
1. Add \$337,587, all from the State General Fund, to staff the agency in order to provide the audits in a timely manner for FY 2012.	337,587	0	337,587	0.0
<i>Agency Subtotal</i>	<i>\$337,587</i>	<i>\$0</i>	<i>\$337,587</i>	<i>0.0</i>
<u>Attorney General</u>				
1. Concur with Governor's Budget Amendment (GBA) No. 1, Item 1, and delete \$1,627,111, including \$1,189,084 from the State General Fund, and 22.0 FTE positions for FY 2012 to eliminate funding for the transfer of the duties of the Kansas Human Rights Commission to the Attorney General's Office. The Governor's original recommendation transferred the functions of the Kansas Human Rights Commission, with associated funding and FTE positions, to the Office of the Attorney General. The Governor's amendment retains the Human Rights Commission as a separate agency.	0	0	0	0.0
2. Add \$150,000, all from the Crime Victims Assistance Fund, for FY 2012 for grants to domestic violence prevention programs. This brings total domestic violence prevention grants in the agency's budget to \$350,000, including \$200,000 from the State General Fund.	0	150,000	150,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$150,000</i>	<i>\$150,000</i>	<i>0.0</i>
<u>State Treasurer</u>				
1. Add 2.0 FTE positions, for a total of 46.5 FTE positions for FY 2012, so that only unfilled positions are eliminated from this agency. One of the eliminated positions processes bonds, and the other position is an IT specialist.	0	0	0	2.0
2. Delete \$300,000, all from special revenue funds, to eliminate funding for the Kansas Investment Development Scholars (KIDS) matching grants in the Postsecondary Education Savings Program for FY 2012.	0	(300,000)	(300,000)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$300,000)</i>	<i>(\$300,000)</i>	<i>2.0</i>
<u>Health Care Stabilization Fund Board</u>				
1. Add 1.0 FTE position, for a total of 18.0 FTE positions for FY 2012, to increase the number of FTE positions to the agency request. The FTE position is currently occupied by a paralegal responsible for processing Open Records Act requests.	0	0	0	1.0
2. Increase the expenditure limitation on official hospitality to no limit for FY 2012.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>1.0</i>
<u>Judicial Council</u>				
1. Transfer \$778,518, all from the Judicial Performance Fund, to the Judicial Branch Surcharge Fund in the Judicial Branch for FY 2012.	0	0	0	0.0
2. Delete 3.0 FTE positions for FY 2012 associated with the provision of Judicial Performance Reviews.	0	0	0	(3.0)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(3.0)</i>

<i>Agency</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Board of Indigents' Defense Services</u>				
1. Delete \$93,073, all from the State General Fund, to reduce state support to the Legal Services for Prisoners non-profit corporation. The action leaves \$200,000 state funding for the corporation for FY 2012.	(93,073)	0	(93,073)	0.0
<i>Agency Subtotal</i>	<i>(\$93,073)</i>	<i>\$0</i>	<i>(\$93,073)</i>	<i>0.0</i>
<u>Judicial Branch</u>				
1. Delete \$588,839 and 3.0 FTE positions, all from the State General Fund, to remove the operating (\$389,340) and capital improvement (\$199,499) expenditures for implementation of the 14th Court of Appeals judge and staff for FY 2012.	(588,839)	0	(588,839)	(3.0)
2. Delete \$5,955,735, all from the State General Fund, for FY 2012 to hold the agency FY 2012 budget to the FY 2011 approved amount.	(5,955,735)	0	(5,955,735)	0.0
3. Transfer \$778,518, all from the Judicial Branch Surcharge Fund, to the State General Fund for FY 2012.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>(\$6,544,574)</i>	<i>\$0</i>	<i>(\$6,544,574)</i>	<i>(3.0)</i>
<u>Kansas Human Rights Commission</u>				
1. Concur with GBA No. 1, Item 1, to add \$1,627,111, including \$1,189,084 from the State General Fund, to keep the Commission as a separate agency with 25.0 FTE positions for FY 2012.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Corporation Commission</u>				
1. Add language to provide that the fines and penalties associated with the civil assessment program be deposited directly into the State General Fund. The agency estimates that it will collect \$766,499 in fines and penalties associated with the civil assessment program for FY 2012. Add language reducing the transfer from the Kansas Corporation Commission's Motor Carrier Fee Fund to the Kansas Highway Patrol's Motor Carrier Safety Assistance Program State Fund from \$1.3 million to \$533,501.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Citizens' Utility Ratepayer Board</u>				
1. Add 2.0 FTE positions to the Governor's recommendation to correct for the deletion of filled rather than vacant positions to maintain the current staffing level for FY 2012.	0	0	0	2.0
2. Delete language to eliminate a fund transfer process no longer needed for FY 2012 (Technical amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>2.0</i>
<u>Department of Administration</u>				
1. Delete \$666,211, all from the Department of Administration Systems Account of the State General Fund, for FY 2012.	(666,211)	0	(666,211)	0.0
2. Add \$18,000, all from the State General Fund, for FY 2012 for the General Administration program to reflect a technical adjustment to the bill (Technical amendment).	0	0	0	0.0
2. Delete \$812,000, all from the Department of Administrations Systems Account of the State General Fund, to restore 14 beds at the Rainbow Mental Health Facility for FY 2012 (Floor amendment).	(812,000)	0	(812,000)	0.0
<i>Agency Subtotal</i>	<i>(\$1,478,211)</i>	<i>\$0</i>	<i>(\$1,478,211)</i>	<i>0.0</i>
<u>Court of Tax Appeals</u>				
1. Add language authorizing the creation of a commission to study the loser-pay option in regards to decisions rendered by the Court of Tax Appeals. The Commission would have nine members consisting of the following: Director of the Budget, Speaker of the House or designee, President of the Senate or designee, Minority Leader of the Senate or designee, Minority Leader of the House of Representatives or designee, the Executive Director of the Court of Tax Appeals or designee, and three members of the business community appointed by the Governor. The Commission would be funded within existing resources from the Court of Tax Appeals.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

Department of Revenue

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|--|---|---|---|-----|
| 1. Transfer \$3.5 million from the Oil and Gas Valuation Depletion Trust Fund (OGVDTF) to the State General Fund for FY 2012. The OGVDTF is funded through severance taxes and is to be used as a trust fund for counties with at least \$100,000 in severance tax receipts in FY 2005 or any future year. For FY 2012 the ending balance in the OGVDTF is \$21.0 million (Floor amendment). | 0 | 0 | 0 | 0.0 |
|--|---|---|---|-----|

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
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Department of Commerce

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|---|---|-------------|-------------|-----|
| 1. Add language requiring the Regional Economic Area Partnership (REAP) to submit an annual report to the Legislature before May 1, 2012. The proviso would also require the Kansas Department of Commerce to conduct an independent review of the financial reports submitted by REAP and submit a report to the Legislature before May 1, 2012. | 0 | 0 | 0 | 0.0 |
| 2. Delete \$5.0 million, all from the Economic Development Initiatives Fund, from the Fair Fares Affordable Airfare Fund in the Department of Commerce for FY 2012 and transfer the same amount to the State General Fund for FY 2012. | 0 | (5,000,000) | (5,000,000) | 0.0 |

<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$5,000,000)</i>	<i>(\$5,000,000)</i>	<i>0.0</i>
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Department of Labor

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|---|---|---|---|-----|
| 1. Add \$2,000 to the operating expenditures account of the State General Fund for FY 2012 (Technical amendment). | 0 | 0 | 0 | 0.0 |
| 2. Delete the language for FY 2012 establishing a pilot program of alternatives to layoffs, in accordance with the provisions of the Kansas Administrative Regulation No. 1-1-5, which establishes alternatives to layoffs for FY 2012. | 0 | 0 | 0 | 0.0 |
| 3. Delete the language for FY 2012 allowing expenditures from the Employment Security Administration Fund for capital improvements from moneys made available to the state under 903(d) of the federal Social Security Act for FY 2012. | 0 | 0 | 0 | 0.0 |

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
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Commission on Veterans Affairs

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|--|---|---|---|-----|
| 1. Increase the expenditure limitations on the Kansas Soldiers' Home Medicaid Fund and the Kansas Soldiers' Home Medicare Fund to no limit to allow for expenditure of federal funds received for FY 2012. | 0 | 0 | 0 | 0.0 |
| 2. Increase the expenditure limitations on the Kansas Veterans' Home Medicaid Fund and the Kansas Veterans' Home Medicare Fund to no limit to allow for expenditure of federal funds received for FY 2012. | 0 | 0 | 0 | 0.0 |
| 3. Add language for FY 2012 to allow the Executive Director to transfer funds between State General Fund accounts and also between special revenue accounts. | 0 | 0 | 0 | 0.0 |

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
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Dept. of Health and Environment - Health

- | | | | | |
|---|-------------|---|-------------|-----|
| 1. Delete \$2.2 million, all from the State General Fund, for FY 2012 to reduce the agency's State General Fund expenditures, excluding expenditures used to match federal funding or for federal maintenance of effort issues, by 15.0 percent. The agency-wide total deletion (including the Division of Environment) is \$2.7 million. | (2,218,986) | 0 | (2,218,986) | 0.0 |
|---|-------------|---|-------------|-----|

<i>Agency Subtotal</i>	<i>(\$2,218,986)</i>	<i>\$0</i>	<i>(\$2,218,986)</i>	<i>0.0</i>
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Dept. of Health and Environment - Environment

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|--|-----------|---|-----------|-----|
| 1. Delete \$480,511, all from the State General Fund, for FY 2012 to reduce the agency's State General Fund expenditures, excluding expenditures used to match federal funding or for federal maintenance of effort issues, by 15.0 percent. The agency-wide total deletion (including the Division of Health) is \$2.7 million. | (480,511) | 0 | (480,511) | 0.0 |
| 2. Add language for FY 2012 which requires the Department of Health and Environment to work with the City of Eudora to solve a sewer water contamination problem on certain property in the city. | 0 | 0 | 0 | 0.0 |

<i>Agency Subtotal</i>	<i>(\$480,511)</i>	<i>\$0</i>	<i>(\$480,511)</i>	<i>0.0</i>
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<i>A. Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Department of Health and Environment - Health Care Finance</u>				
1. Add language for FY 2012 directing the agency and the Kansas Department of Revenue to design and implement a process to verify income eligibility for each income-based program operated by the Department of Health and Environment for FY 2012. This would include the Medicaid and Children's Health Insurance programs. The process should include confirmation of the income level reported for tax purposes to the Department of Revenue and information provided by the recipient to the Department of Health and Environment. In addition, authorize up to \$50,000 from existing resources to fund an audit of the process.	0	0	0	0.0
2. Add language prohibiting the establishment of a preferred drug list for mental health medication for FY 2012.	0	0	0	0.0
3. Add language to impose a five percent surcharge on state employee health premiums for the 2012 plan year which begins January 2012 and transfer the estimated proceeds of \$3,147,686 to the State General Fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Social and Rehabilitation Services</u>				
1. Delete \$1.0 million, all from the State General Fund, for FY 2012 to reduce Administration Program expenditures.	(1,000,000)	0	(1,000,000)	0.0
2. Delete \$3.5 million, all from the Children's Initiatives Fund, for FY 2012 by creating a new \$21.0 million Early Childhood and Literacy Investment Grant in place of the \$24.5 million for the following three separate line items: Early Childhood Block Grant, Smart Start, and Reading Roadmap.	0	(3,543,435)	(3,543,435)	0.0
3. Delete \$1.0 million, all from the State General Fund, from the Adoption Support Program for FY 2012, and add the same amount from federal funds.	(1,000,000)	1,000,000	0	0.0
4. Delete \$17.0 million, including \$7.2 million from the State General Fund, from the Prepaid Ambulatory Health Plan (PAHP) for FY 2012 as a result of cost saving efforts.	0	0	0	0.0
5. Add \$7.2 million, all from the State General Fund, for Mental Health State Aid for FY 2012.	7,240,000	0	7,240,000	0.0
6. Delete \$3.1 million, all from the Child Care Development Federal Fund, for FY 2012 for the child care assistance program.	0	(3,106,020)	(3,106,020)	0.0
7. Delete \$9.9 million, all from the State General Fund, for FY 2012 to reflect a five percent reduction on State General Fund expenditures excluding human services consensus caseload programs and the Medicaid Home and Community Based Services waivers.	(9,896,582)	0	(9,896,582)	0.0
8. Delete \$3,197,688, including \$2,827,606 from the State General Fund, for FY 2012 associated with maintaining foster care contract rates at the FY 2011 level.	(2,827,606)	(370,082)	(3,197,688)	0.0
9. Add \$1.5 million, all from the State General Fund, for FY 2012 for day and residential grants for individuals with developmental disabilities (Floor amendment).	1,500,000	0	1,500,000	0.0
10. Adjust proviso language to reflect the elimination of the General Assistance program for FY 2012 (Technical amendment).	0	0	0	0.0
11. Add \$4.7 million, including \$2.0 million from the State General Fund, for FY 2012 for the Home and Community Based Services Waiver for individuals with developmental disabilities (Floor amendment).	2,000,000	2,699,248	4,699,248	0.0
12. Add \$11.3 million, including \$43,435 from the Children's Initiatives Fund, for the Early Head Start Program for FY 2012. The remainder of the funding is from the federal Child Care Development federal block grant (Floor amendment).	0	11,342,397	11,342,397	0.0
13. Add \$704,887, including \$300,000 from the State General Fund, for FY 2012 for the Home and Community Based Services autism waiver (Floor amendment).	300,000	404,887	704,887	0.0
<i>Agency Subtotal</i>	<i>(\$3,684,188)</i>	<i>\$8,426,995</i>	<i>\$4,742,807</i>	<i>0.0</i>

Rainbow Mental Health Facility

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|--|---------|---|---------|------|
| 1. Add \$812,000, all from the State General Fund, and 12.0 FTE positions to restore 14.0 of the 50.0 beds recently closed by Rainbow Mental Health Facility (RMHF) due to findings of a recent Centers for Medicare and Medicaid Services (CMS) survey. While previous CMS surveys found the facility operating at acceptable client to staff ratios, the recent survey concluded that the facility is operating four units instead of two. Thus, the agency is considered understaffed according to the survey. Therefore, the agency had to reduce the number of individuals served or provide additional levels of RN staffing and expenditures above levels that had previously been found acceptable by CMS surveys (Floor amendment). | 812,000 | 0 | 812,000 | 12.0 |
|--|---------|---|---------|------|

<i>Agency Subtotal</i>	<i>\$812,000</i>	<i>\$0</i>	<i>\$812,000</i>	<i>12.0</i>
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Kansas Neurological Institute

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|---|---------|---|---------|-----|
| 1. Add \$277,039 all from the State General Fund, to restore State General Fund savings the Governor estimated as a result of a recommendation to begin closure of the Kansas Neurological Institute (KNI) facility for FY 2012. This addition would fund the operations of the facility at an adequate level to maintain current operations and eliminate the current plan to close KNI (Floor amendment). | 277,039 | 0 | 277,039 | 0.0 |
| 2. Add language for FY 2012 directing an independent audit to evaluate the overall management and service structure of Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (PSH&TC). The purpose of the audit would be to identify additional efficiencies that can be implemented to create cost-savings at the facilities. In addition, the independent audit would identify additional programs the facilities could implement to assist the entire developmental disability community and help reduce the Home and Community Based Services waiver for individuals with Developmental Disabilities (HCBS/DD) expenditures (Floor amendment). | 0 | 0 | 0 | 0.0 |

<i>Agency Subtotal</i>	<i>\$277,039</i>	<i>\$0</i>	<i>\$277,039</i>	<i>0.0</i>
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Parsons State Hospital

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|---|----------|--------|---|-----|
| 1. Delete \$66,279 all from the State General Fund, for capital improvement debt service payments for an energy conservation program on the Parsons State Hospital and Training Center campus and replace it with State Institutions Building Fund for FY 2012. | (66,279) | 66,279 | 0 | 0.0 |
|---|----------|--------|---|-----|

<i>Agency Subtotal</i>	<i>(\$66,279)</i>	<i>\$66,279</i>	<i>\$0</i>	<i>0.0</i>
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Board of Regents

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|---|-------------|--------------|--------------|-----|
| 1. Delete \$10.0 million, all from special revenue funds, to remove funding for KAN-ED for FY 2012. | 0 | (10,000,000) | (10,000,000) | 0.0 |
| 2. Delete \$5.5 million, all from the State General Fund, to reduce the Municipal University Operating Grant for FY 2012. The action leaves \$5.5 million for the operating grant for FY 2012. | (5,543,982) | 0 | (5,543,982) | 0.0 |
| 3. Delete \$400,000, all from the State General Fund, from the Board of Regents Postsecondary Education Infrastructure (PEI) account for FY 2012 to fund the Standardized Water Data Repository at the University of Kansas (\$100,000) and the Autism Waiver in the Department of Social and Rehabilitation Services (\$300,000)(Floor amendment). | (400,000) | 0 | (400,000) | 0.0 |

<i>Agency Subtotal</i>	<i>(\$5,943,982)</i>	<i>(\$10,000,000)</i>	<i>(\$15,943,982)</i>	<i>0.0</i>
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Kansas State University

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|---|---|-----------|-----------|-----|
| 1. Add \$3.7 million, all from special revenue funds, for the second stage of the project to remove the Old Chemical Waste Landfill for FY 2012. | 0 | 3,700,000 | 3,700,000 | 0.0 |
| 2. Add \$2.0 million, all from special revenue funds, and create a new Advanced Manufacturing Institute - Kansas State University Fund for FY 2012 (Floor amendment). | 0 | 2,000,000 | 2,000,000 | 0.0 |
| 3. Add \$2.0 million, all from special revenue funds, and create a new Heartland Plant Innovations - Kansas State University Fund for FY 2012 (Floor amendment). | 0 | 2,000,000 | 2,000,000 | 0.0 |

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$7,700,000</i>	<i>\$7,700,000</i>	<i>0.0</i>
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University of Kansas

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|--|---------|---|---------|-----|
| 1. Add \$100,000, all from the State General Fund, for the Standardized Water Data Repository for FY 2012 (Floor amendment). | 100,000 | 0 | 100,000 | 0.0 |
|--|---------|---|---------|-----|

Appropriations Committee

Date April 18-19, 2011

Attachment 1-73

<i>Agency Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
2. Add \$2.0 million, all from special revenue funds, and a new Biotechnology Innovation and Optimization Center - University of Kansas Fund for FY 2012 (Floor amendment).	0	2,000,000	2,000,000	0.0
3. Add \$2.0 million, all from special revenue funds, and a new Kansas Alliance for Bioenergy and Biorefining - University of Kansas Fund for FY 2012 (Floor amendment).	0	2,000,000	2,000,000	0.0
4. Add \$2.0 million, all from special revenue funds, and a new Information and Telecommunication Technology Center - University of Kansas Fund for FY 2012 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$100,000</i>	<i>\$6,000,000</i>	<i>\$6,100,000</i>	<i>0.0</i>
<u>Fort Hays State University</u>				
1. Add \$1.3 million, all from housing revenue funds, for replacement of exterior doors and windows for FY 2012.	0	1,300,000	1,300,000	0.0
2. Add \$4.0 million, all from special revenue funds, for an indoor practice facility for FY 2012.	0	4,000,000	4,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$5,300,000</i>	<i>\$5,300,000</i>	<i>0.0</i>
<u>Pittsburg State University</u>				
1. Add \$1.5 million, all from special revenue funds, for the demolition of the existing President's Home and to replace it with a new University House for FY 2012.	0	1,500,000	1,500,000	0.0
2. Add \$2.0 million, all from special revenue funds, and create a new Kansas Polymer Research Center - Pittsburg State University Fund for FY 2012 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$3,500,000</i>	<i>\$3,500,000</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Add language for FY 2012 allowing expenditures from the Economic Development Initiatives Fund Aviation Infrastructure account for both training and equipment for the National Center for Aviation Training.	0	0	0	0.0
2. Add \$2.0 million, all from special revenue funds, and a new National Institute for Aviation Research - Wichita State University Fund for FY 2012 (Floor amendment).	0	2,000,000	2,000,000	0.0
3. Add \$2.0 million, all from special revenue funds, and a new Center of Innovation for Biomaterials in Orthopaedic Research - Wichita State University Fund for FY 2012 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>
<u>Department of Education</u>				
1. Add \$69.2 million, all from the State General Fund, for FY 2012 for the April 15, 2011 KPERS-School payment which was deleted in FY 2011.	69,201,035	0	69,201,035	0.0
2. Add \$52,287, all from the State General Fund, for school food assistance for FY 2012. The state match allows approximately \$97.0 million in national school lunch funds to be drawn down from the U.S. Department of Agriculture.	52,287	0	52,287	0.0
3. Delete \$11.9 million, all from the State General Fund, in the General State Aid account for FY 2012. This is the \$21.2 million anticipated to be certified for Special Education maintenance of effort in FY 2011, less savings of \$9.3 million which were identified in various agencies. This reduction would equate to approximately an \$18 reduction in the Base State Aid Per Pupil, or \$3,762 for FY 2012.	(11,917,245)	0	(11,917,245)	0.0
<i>Agency Subtotal</i>	<i>\$57,336,077</i>	<i>\$0</i>	<i>\$57,336,077</i>	<i>0.0</i>
<u>School for the Blind</u>				
1. Delete \$31,979, all from the State General Fund, for FY 2012 and replace it with State Institutions Building Funds for principal payments on the Facilities Conservation Improvement Project.	(31,979)	31,979	0	0.0
<i>Agency Subtotal</i>	<i>(\$31,979)</i>	<i>\$31,979</i>	<i>\$0</i>	<i>0.0</i>
<u>School for the Deaf</u>				
1. Concur with Governor's Budget Amendment (GBA) No. 1, Item 3, to add \$1.9 million, all from the State Institutions Building Fund, to renovate the west wing of the Roth Dormitory for FY 2012.	0	0	0	0.0

Appropriations Committee

Date April 18-19, 2011

Attachment 1-7 B4

Item	State General Fund	All Other Funds	All Funds	
2. Add \$66,520, all from the State General Fund, for FY 2012 and replace it with State Institutions Building Funds for principal payments on the Facilities Conservation Improvement Project.	(66,520)	66,520	0	0.0
<i>Agency Subtotal</i>	<i>(\$66,520)</i>	<i>\$66,520</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Corrections</u>				
1. Add language to require that expenditures made from the Kansas Correctional Industries be included in the reportable budget for FY 2012.	0	9,062,356	9,062,356	0.0
2. Add \$750,000, all from the State General Fund, for FY 2012 for offender programming. The addition increases total State General Fund expenditures for offender programming to \$47.7 million, which is an increase of \$136,035, or 0.3 percent, above the FY 2011 Governor's recommendation.	750,000	0	750,000	0.0
3. Add \$2.0 million, all from the State General Fund, in FY 2012 for Community Corrections grants. This restores funding for the Community Corrections grants to the FY 2011 Governor's recommendation. \$1.5 million of the \$2.0 million was added in a floor amendment.	2,000,000	0	2,000,000	0.0
4. Add \$1.4 million, all from the State General Fund, for FY 2012 to fund 40.0 parole officer positions for the Department of Corrections (Floor amendment).	1,400,000	0	1,400,000	0.0
<i>Agency Subtotal</i>	<i>\$4,150,000</i>	<i>\$9,062,356</i>	<i>\$13,212,356</i>	<i>0.0</i>
<u>Juvenile Justice Authority</u>				
1. Add \$500,000, all from the State General Fund, for tertiary community programs for FY 2012. Tertiary community programs are designed for juveniles who have touched the juvenile justice system, but were not adjudicated as an offender.	500,000	0	500,000	
2. Delete \$57,998, all from the State General Fund, for salaries and wages, and 1.0 FTE position for FY 2012.	(57,998)	0	(57,998)	(1.0)
3. Delete \$10,000, all from the State Institutions Building Fund, for FY 2012, from the enhancement request to raze the pig barn at the Kansas Juvenile Correctional Complex.	0	(10,000)	(10,000)	0.0
4. Delete \$328,139, all from the State Institutions Building Fund, for FY 2012, from the enhancement request for construction of a warehouse at the Larned Juvenile Correctional Facility.	0	(328,139)	(328,139)	0.0
5. Delete \$3,500,000, all from the State General Fund, and add the same amount from the Children's Initiatives Fund, for FY 2012 for Prevention and Graduated Sanctions Community Grants (\$1.5 million is a House floor amendment).	(3,500,000)	3,500,000	0	0.0
<i>Agency Subtotal</i>	<i>(\$3,057,998)</i>	<i>\$3,161,861</i>	<i>\$103,863</i>	<i>(1.0)</i>
<u>State Fire Marshal</u>				
1. Delete \$80,748, all from the Fire Marshal Fee Fund, to reduce budgeted purchases for paper based supplies from \$150,748 to \$70,000 for FY 2012.	0	(80,748)	(80,748)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$80,748)</i>	<i>(\$80,748)</i>	<i>0.0</i>
<u>Highway Patrol</u>				
1. Add \$862,000, all from the State General Fund, to provide for a trooper trainee class of 15 for FY 2012. This would increase the transfer from the State Highway Fund to the State General Fund by a corresponding amount for FY 2012.	862,000	0	862,000	0.0
<i>Agency Subtotal</i>	<i>\$862,000</i>	<i>\$0</i>	<i>\$862,000</i>	<i>0.0</i>
<u>Kansas Bureau of Investigation</u>				
1. Concur with GBA No. 1, Item 4, to add \$450,000, all from the State General Fund, to provide funding for meth lab cleanup for FY 2012.	0	0	0	0.0
2. Add \$326,670, all from the State General Fund, to replace federal American Reinvestment and Recovery Act: Federal Edward Byrne Memorial Justice Assistance Grant (ARRA/JAG) funding, to retain 3.0 special agent and 1.0 special investigator FTE positions for FY 2012.	326,670	0	326,670	0.0
3. Add \$167,000, all from the State General Fund, to restore funding for 2.0 of the 3.0 unclassified FTE investigative polygraph and digital forensic examination positions that were part of the agency's reduced resources budget that was recommended by the Governor for FY 2012.	167,000	0	167,000	0.0

Appropriations Committee

Date April 18-19, 2011

Attachment 1-25

<i>A</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
4. 12.0 FTE positions for FY 2012, to add back half of the FTE positions reduced under the Governor's FY 2012 recommendation. This would allow the agency to keep 3.0 newly hired FTE positions and increase the agency's FTE limitation from the Governor's recommended 197.0 FTE positions to 209.0 FTE positions for FY 2012.	0	0	0	
<hr/>				
<i>Agency Subtotal</i>	<i>\$493,670</i>	<i>\$0</i>	<i>\$493,670</i>	<i>12.0</i>
<hr/>				
<u>Emergency Medical Services Board</u>				
1. Add 1.0 FTE position, for a total of 14.0 FTE positions, to increase the number of FTE positions to the agency FY 2012 request. This maintains a Deputy Director position that was eliminated in the Governor's recommendation.	0	0	0	1.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>1.0</i>
<hr/>				
<u>Kansas Commission on Peace Officers' Standards and Training (KCPOST)</u>				
1. Add \$5,500, all from the KCPOST Fund, for FY 2012 to partially restore operating expenditure reductions recommended as part of the Governor's FY 2012 recommendation (partial restorations included: gasoline, hospitality, out-of-state travel, and subsistence for out-of-state travel for FY 2012).	0	5,500	5,500	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$5,500</i>	<i>\$5,500</i>	<i>0.0</i>
<hr/>				
<u>Department of Agriculture</u>				
1. Add \$179,785, including \$89,910, from fee funds, and \$89,875, from federal funds, for the replacement of vehicles for FY 2012.	0	179,785	179,785	0.0
2. Add \$75,000, all from the Grain Warehouse Inspection Fund, for grain warehouse inspections for FY 2012.	0	75,000	75,000	0.0
3. Add \$55,000, all from the State Water Plan Fund, for FY 2012 for streamgage monitoring in western Kansas to assure that Colorado is in compliance with the Arkansas River Compact.	0	55,000	55,000	0.0
4. Add \$20,000, all from the Livestock Market Reporting Fund, for FY 2012 for livestock market reporting.	0	20,000	20,000	0.0
5. Add \$175,000, all from the Feral Swine Eradication Fund, for FY 2012 for feral swine eradication.	0	175,000	175,000	0.0
6. Add language that requires the agency to make every effort to ensure services performed in the Grain Warehouse Inspection Program will not be compromised by budget reductions for FY 2012.	0	0	0	0.0
7. Add language that allows the agency to pro-rate license fees and/or alter license due dates as needed in order to transition to online license applications and renewals for FY 2012.	0	0	0	0.0
8. Add language for FY 2012 creating the Compliance Education Fee Fund, where civil penalties and fines may be deposited for the purpose of compliance education.	0	0	0	0.0
9. Add language for FY 2012 to allow for up to 6.0 percent of the appropriated amount for FY 2012 from the Water Resources Cost Share account be expended for contractual technical expertise and/or non-salary State Conservation Commission administration expenditures. This language was included in the FY 2011 appropriations bill 2010 House Substitute for Senate Bill 572.	0	0	0	0.0
10. Add language for FY 2012 detailing four specific expenditures within items funded by the State Water Plan Fund. This language was included in the FY 2011 appropriations bill 2010 House Substitute for Senate Bill 572.	0	0	0	0.0
11. Add language to include the Watershed Protect Approach/WTR RSRCE MGT Fund and the NRCS Contribution Agreement 2002 Farm Bill- Federal Fund as no-limit funds for FY 2012 (Technical amendment).	0	0	0	0.0
12. Transfer \$20,000, all from the State Water Plan Fund, to the Livestock Market Reporting Fund for FY 2012.	0	0	0	0.0
13. Transfer \$175,000, all from the State Water Plan Fund, to the Feral Swine Eradication Fund for FY 2012.	0	0	0	0.0
14. Transfer \$75,000, all from the State Water Plan Fund, to the Grain Warehouse Inspection Fund for FY 2012.	0	0	0	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$504,785</i>	<i>\$504,785</i>	<i>0.0</i>

Appropriations Committee

Date April 18, 19-2011

Attachment 1-76

<i>Agency Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Kansas Water Office</u>				
1. Add 2.0 FTE positions for FY 2012; the agency inadvertently submitted a request for funded FTE positions instead of total approved FTE positions.	0	0	0	2.0
2. Add \$88,610, all from the State Water Plan Fund, for FY 2012 for Storage and Operations Maintenance (MOU), which are annually contracted costs with the Corps of Engineers at the lakes where the state owns storage.	0	88,610	88,610	0.0
3. Delete \$88,610, all from the State Water Plan Fund, for FY 2012 for the Wichita Aquifer Storage and Recovery Project, which brings the amount equal to the funding in FY 2011.	0	(88,610)	(88,610)	0.0
4. Add language to require the Kansas Water Office to lead database coordination of water quality and quantity data for all state water agencies and cooperating federal agencies to facilitate policy-making and such other matters relating thereto (Floor amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>2.0</i>
<u>Department of Wildlife, Parks and Tourism</u>				
1. Add \$310,000, all from the Sport Fish Restoration Fund, for FY 2012 to enhance the Fishing Impoundments and Stream Habitats public access for fishing program.	0	310,000	310,000	0.0
2. Add \$70,000, all from the Sport Fish Restoration Fund, for FY 2012 to fund a study for enhanced fishing opportunities at the Rocky Ford Wildlife Area.	0	70,000	70,000	0.0
3. Add \$600,000, including \$150,000 from the Wildlife Fee Fund and \$450,000 from the Wildlife Restoration Fund, for FY 2012 to construct a system to prevent zebra mussels from entering the raceways from the reservoir at the Milford Fish Hatchery.	0	600,000	600,000	0.0
4. Add \$100,000, all from the Sport Fish Restoration Fund, for FY 2012 for minor repairs to three state fishing lake dams in Leavenworth, Shawnee, and Douglas counties.	0	100,000	100,000	0.0
5. Add \$40,000, all from the Wildlife Fee Fund, for FY 2012 for the Stream Monitoring Program.	0	40,000	40,000	0.0
6. Add \$620,000, all from the Wildlife Restoration Fund, for FY 2012 to enhance the Walk-in Hunter Area public access for hunting program.	0	620,000	620,000	0.0
7. Delete \$40,000, all from the State Water Plan Fund, for FY 2012 for the Stream Monitoring Program.	0	(40,000)	(40,000)	0.0
8. Delete \$1.7 million, including \$850,000 from the Wildlife Fee Fund, and \$850,000 from the Wildlife Restoration Fund, for FY 2012 for land acquisition.	0	(1,700,000)	(1,700,000)	0.0
9. Add \$11,977, all from the State General Fund, for the Kansas City district office debt service-interest for FY 2012 (Technical amendment).	11,977	0	11,977	0.0
10. Delete \$11,977, all from the State General Fund, for the Kansas City district office debt service-principal for FY 2012 (Technical amendment).	(11,977)	0	(11,977)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Department of Transportation</u>				
1. Delete \$2.7 million, all from the State Highway Fund, to reduce by half the recommended enhancement funding for replacement of 281 agency vehicles for FY 2012. Allow the agency to determine which vehicles are most in need of replacement.	0	(2,723,036)	(2,723,036)	0.0
2. Add language for FY 2012 that requires the agency seek approval from the State Finance Council prior to issuing any bonds for FY 2012.	0	0	0	0.0
3. Add language for FY 2012 stating that the \$200.0 million being transferred from the State Highway Fund to the State General Fund for FY 2012 is a borrowed amount and will start to be repaid in FY 2013.	0	0	0	0.0
4. Amend language referencing the Comprehensive Transportation Program and authorizing statute to reference T-WORKS and associated authorizing statute for FY 2012 (Technical amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$2,723,036)</i>	<i>(\$2,723,036)</i>	<i>0.0</i>

Item	State General Fund	All Other Funds	All Funds	
<u>1. Buyout Adjustments</u>				
1. Add language for FY 2012 modifying the purchase of property authorization for the Trust established to administer the Treece buyout process. The Trust would be authorized to purchase real property within Treece to prevent future construction on the property for an amount not exceeding the average cost of comparable property elsewhere in the county, if the person has owned the property continuously since March 13, 2006. The current formula, which authorizes purchase for the price the owner paid for the property plus 5.0 percent per year, uncompounded, since the year of purchase, remains in place if the person has not owned the property continuously since March 13, 2006 (Floor amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Economic Development Initiatives Fund</u>				
1. Increase the transfer from the Economic Development Initiatives Fund to the State General Fund by \$5.0 million from \$5,875,830 to \$10,875,830 for FY 2012.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Suspend Administrative Services Fee Fund Transfer to the State General Fund</u>				
1. Suspend the statutory requirement to remit 20.0 percent, up to a maximum of \$200,000, of an agency's fee receipts to the State General Fund for FY 2012. This would result in an estimated decrease of \$3.4 million to the State General Fund for FY 2012, contingent upon passage of 2011 HB 2368.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Bioscience Authority</u>				
1. Decrease the cap on the transfer from the State General Fund to the Kansas Bioscience Authority Development Fund by \$1,400,000 from \$35,000,000 to \$33,600,000 for FY 2012 (Floor amendment).	0	0	0	0.0
2. Transfer the first \$16,000,000 collected from income tax withholding for the Kansas Bioscience Authority and transfer to the Kansas Board of Regents for the Centers of Excellence (Floor amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Clean Air Act</u>				
1. Add language for FY 2012 to prohibit the Kansas Department of Health and Environment, the Attorney General, the Kansas Bureau of Investigation, and the Kansas Highway Patrol from enforcing provisions of the Kansas Indoor Clean Air Act in certain circumstances. The language exempts any annual benefit cigar dinner or other annual smoking event conducted specifically and exclusively for charitable purposes by a non-profit organization which has held charitable events during the previous three years (Floor amendment).	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Other Statewide Adjustments</u>				
1. Delete \$50.6 million, including \$23.0 million from the State General Fund, to implement a 1.193 percent across the board reduction in FY 2012. Exemptions from the across the board reduction include human services consensus caseload programs, debt service, and all K-12 state aid programs. This was used to replace savings from eliminating all state employee salary reductions (Floor amendment).	(23,021,455)	(27,623,705)	(50,645,160)	0.0
2. Add language requiring a 10.0 percent reduction to information technology project expenditures for FY 2012. Allow Legislative and Judicial branch agencies to keep these funds but require that they use them for other programs or other personnel costs.	(8,645,361)	(14,555,306)	(23,200,667)	0.0
3. Add language for FY 2012 prohibiting State General Fund expenditures by any state agency for membership dues and subscriptions and lapse any resulting State General Fund savings.	(5,354,025)	0	(5,354,025)	0.0
4. Delete \$277,039, including \$121,039 from the State General Fund, for FY 2012 for the use of bottled water (\$100,000) and office supplies (\$177,039). This funding was used to maintain full operations of the Kansas Neurological Institute for FY 2012.(Floor amendment).	(121,066)	(155,973)	(277,039)	0.0
5. Delete \$1,963,206, including \$416,111 from the State General Fund, for FY 2012 by directing all state agencies to reduce expenditures for cell phone contracts by fifty percent and lapse any resulting State General Fund savings.	(416,111)	(1,547,095)	(1,963,206)	0.0

	State General Fund	All Other Funds	All Funds	
6. Delete \$300,000, all from the State General Fund, to capture employee travel rewards, including frequent flyer miles, hotel and motel award points, and any other promotional items for FY 2012.	(300,000)	0	(300,000)	0.0
7. Add language for FY 2012 requiring all state employees to utilize state issued credit cards for all state authorized travel.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>(\$37,858,018)</i>	<i>(\$43,882,079)</i>	<i>(\$81,740,097)</i>	<i>0.0</i>
<u>State Employee Pay</u>				
1. Delete \$6.4 million, all from the State General Fund, and require state agencies to self-fund state employee longevity bonus payments for FY 2012. This action affects only the State General Fund financed longevity bonus payments. No special revenue funds are adjusted.	(6,374,497)	0	(6,374,497)	0.0
2. Add language requiring that all money budgeted for salaries and wages be spent only on salaries and wages, and any State General Fund unencumbered balance for salaries and wages at the end of the FY 2012 be lapsed.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>(\$6,374,497)</i>	<i>\$0</i>	<i>(\$6,374,497)</i>	<i>0.0</i>
TOTAL	(\$3,254,123)	(\$13,636,687)	(\$16,890,810)	31.0

FY 2013

State Bank Commissioner

1. Add \$205,902, all from special revenue funds, to reduce the agency's salaries and wages shrinkage rate from the Governor's recommended rate of 5.0 percent, to 2.5 percent for FY 2013.	0	205,902	205,902	0.0
2. Add \$150,000, all from special revenue funds, for contractual services for FY 2013, to restore the reduction in the Governor's recommendation. The majority of expenditures in this category are for travel to examination locations and training for examination staff.	0	150,000	150,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$355,902</i>	<i>\$355,902</i>	<i>0.0</i>

Board of Nursing

1. Add \$51,380, all from special revenue funds, to increase the expenditure limitation to the agency FY 2013 request of \$2,109,810.	0	51,380	51,380	0.0
2. Add 3.0 FTE positions for FY 2013, for a total of 24.0 FTE positions, to increase the number of FTE positions to the agency FY 2013 request. These positions are for an Education Specialist, an Assistant Attorney General, and a Senior Administrative Assistant.	0	0	0	3.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$51,380</i>	<i>\$51,380</i>	<i>3.0</i>

Kansas State University

1. Add \$2.0 million, all from special revenue funds, for Heartland Plant Innovations for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for Advanced Manufacturing Institute for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>

University of Kansas

1. Add \$2.0 million, all from special revenue funds, for the Biotechnology Innovation and Optimization Center for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for the Kansas Alliance for Bioenergy and Biorefining for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
3. Add \$2.0 million, all from special revenue funds, for the Information and Telecommunication Technology Center for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$6,000,000</i>	<i>\$6,000,000</i>	<i>0.0</i>

Pittsburg State University

1. Add \$2.0 million, all from special revenue funds, for the Kansas Polymer Research Center for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$2,000,000</i>	<i>\$2,000,000</i>	<i>0.0</i>

<i>Agency Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Wichita State University</u>				
1. Add \$2.0 million, all from special revenue funds, for the National Institute for Aviation Research for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for the Center of Innovation for Biomaterials in Orthopaedic Research for FY 2013 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>
<u>Suspend Administrative Services Fee Fund Transfer to the State General Fund</u>				
1. Suspend the statutory requirement to remit 20.0 percent, up to a maximum of \$200,000, of an agency's fee receipts to the State General Fund for FY 2013. This would result in an estimated decrease of \$3.4 million to the State General Fund for FY 2013, contingent upon passage of 2011 HB 2368.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	\$0	\$16,407,282	\$16,407,282	3.0

FY 2014

<u>Kansas State University</u>				
1. Add \$2.0 million, all from special revenue funds, for Heartland Plant Innovations for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for the Advanced Manufacturing Institute for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>
<u>University of Kansas</u>				
1. Add \$2.0 million, all from special revenue funds, for the Biotechnology Innovation and Optimization Center for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for the Kansas Alliance for Bioenergy and Biorefining for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
3. Add \$2.0 million, all from special revenue funds, for the Information and Telecommunication Technology Center for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$6,000,000</i>	<i>\$6,000,000</i>	<i>0.0</i>
<u>Pittsburg State University</u>				
1. Add \$2.0 million, all from special revenue funds, for the Kansas Polymer Research Center for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$2,000,000</i>	<i>\$2,000,000</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Add \$2.0 million, all from special revenue funds, for the National Institute for Aviation Research for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for the Center of Innovation for Biomaterials in Orthopaedic Research for FY 2014 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>
TOTAL	\$0	\$16,000,000	\$16,000,000	0.0

FY 2015

<u>Kansas State University</u>				
1. Add \$2.0 million, all from special revenue funds, for the Advanced Manufacturing Institute for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for Heartland Plant Innovations for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>
<u>University of Kansas</u>				
1. Add \$2.0 million, all from special revenue funds, for the Biotechnology Innovation and Optimization Center for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0

Appropriations Committee

Date April 18-19, 2011

Attachment 1-#180

<i>Agency Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
2. Add \$2.0 million, all from special revenue funds, for the Kansas Alliance for Bioenergy and Biorefining for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
3. Add \$2.0 million, all from special revenue funds, for the Information and Telecommunication Technology Center for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$6,000,000</i>	<i>\$6,000,000</i>	<i>0.0</i>
<u>Pittsburg State University</u>				
1. Add \$2.0 million, all from special revenue funds, for the Kansas Polymer Research Center for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$2,000,000</i>	<i>\$2,000,000</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Add \$2.0 million, all from special revenue funds, for the National Institute for Aviation Research for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
2. Add \$2.0 million, all from special revenue funds, for the Center of Innovation for Biomaterials in Orthopaedic Research for FY 2015 (Floor amendment).	0	2,000,000	2,000,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$4,000,000</i>	<i>\$4,000,000</i>	<i>0.0</i>
TOTAL	\$0	\$16,000,000	\$16,000,000	0.0

State Water Plan Fund

Agency/Program Expenditures	FY 2012 KWA Rec.	FY 2012 Agency Request	FY 2012 Governor's Rec.	FY 2012 House Adjustments
KDHE				
Contamination Remediation	\$ 800,000	\$ 800,000	\$ 800,000	\$ -
Local Environmental Protection Program	1,400,000	1,400,000	-	-
Non-Point Source Program	378,618	378,618	378,618	-
TMDL Initiatives	240,000	240,000	240,000	-
Water Restoration and Protection Strategy	725,000	725,000	725,000	-
Treece Superfund	-	-	-	-
TOTAL	\$ 3,543,618	\$ 3,543,618	\$ 2,143,618	\$ -
Department of Agriculture				
Interstate Issues	\$ 459,816	\$ 459,816	\$ 459,816	\$ 55,000
Water Use	83,857	83,857	83,857	-
Subbasin Water Resources Management	704,584	704,584	704,584	-
TOTAL	\$ 1,248,257	\$ 1,248,257	\$ 1,248,257	\$ 55,000
State Conservation Commission*				
Water Resources Cost-Share	\$ 3,183,181	\$ 3,183,181	\$ 2,142,151	\$ -
Non-Point Source Pollution	3,254,907	3,254,907	2,278,435	-
Water Transition Assistance	837,425	837,425	600,984	-
Aid to Conservation Districts	2,266,962	2,266,962	2,113,796	-
Conservation Reserve Enhancement Program	-	-	-	-
Watershed Dam Construction	988,535	988,535	691,975	-
Water Quality Buffer Initiative	300,000	300,000	196,770	-
Riparian and Wetland Program	235,920	235,920	165,144	-
Water Supply Restoration Program	892,227	892,227	656,298	-
TOTAL	\$ 11,959,157	\$ 11,959,157	\$ 8,845,553	\$ -
Kansas Water Office				
Assessment and Evaluation	\$ 625,000	\$ 625,000	\$ 490,000	\$ -
GIS Database Development	250,000	250,000	175,000	-
MOU - Storage Operations and Maintenance	400,000	400,000	286,100	88,610
Technical Assistance to Water Users	455,000	455,000	437,443	-
Water Resource Education	70,000	70,000	38,500	-
Weather Modification	240,000	240,000	98,701	-
Weather Stations	70,000	70,000	49,000	-
Neosho River Basin Issues	-	-	-	-
Wichita Aquifer Storage & Recovery Project	850,000	850,000	652,141	(88,610)
Reservoir Sustainability	200,365	200,365	-	-
TOTAL	\$ 3,160,365	\$ 3,160,365	\$ 2,226,885	\$ -
Department of Wildlife and Parks				
Stream Monitoring	\$ 40,000	\$ 40,000	\$ 40,000	\$ (40,000)
University of Kansas				
Geological Survey	\$ 40,000	\$ 28,800	\$ 28,800	\$ -
TOTAL FUNDING	\$ 19,991,397	\$ 19,980,197	\$ 14,533,113	\$ 15,000
Revenues	FY 2012 KWA Rec.	FY 2012 Agency Request	FY 2012 Governor's Rec.	FY 2012 HAP Rec.
Beginning Balance	\$ 222,870	\$ 5,000,133	\$ 888,621	\$ 888,621
Adjustments/Receipts				
Released Encumbrances	\$ -	\$ -	\$ -	\$ -
State General Fund Transfer	6,000,000	6,000,000	-	-
EDIF Transfer	2,000,000	2,000,000	2,000,000	2,000,000
Fee Revenues	12,168,527	12,168,527	12,058,642	12,058,642
Transfer to the KCC - Abandoned Oil/Gas Wells	(400,000)	(400,000)	(400,000)	(400,000)
Transfer from the Standardized Water Data	-	-	-	(270,000)
Transfers to the Department of Agriculture	-	-	-	-
Expenditures	\$ (19,991,397)	\$ (19,980,197)	\$ (14,533,113)	\$ (14,548,113)
ENDING BALANCE	\$ -	\$ 4,788,463	\$ 14,150	\$ (270,850)

*For consistency with previous fiscal years, the State Conservation Commission expenditures remain separate from the Department of Agriculture for FY 2012.

State Water Plan Fund

History and Purpose

The **State Water Plan Fund** is a statutory fund (K.S.A. 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (K.S.A. 82a-903). The fund is subject to appropriation by the Legislature and may be used for the establishment and implementation of water-related projects or programs and related technical assistance. Funding from the State Water Plan Fund may not be used to replace FTE positions or for recreational projects that do not meet the goals or objectives of the State Water Plan.

Revenue for the State Water Plan Fund is generated by water protection fees levied on public, industrial, and stock water users, fees on fertilizer and pesticide registration, and fines and penalties levied by the Kansas Department of Health and Environment (KDHE). Sand royalty receipts, fees paid by public water suppliers, and annual transfers of \$6.0 million from the State General Fund and \$2.0 million from the Economic Development Initiatives Fund (EDIF) also contribute to the revenue of the fund.

Revenue

Revenue for the State Water Plan Fund is generated by the following sources:

- **Municipal Water Fees:** \$0.03 per 1,000 gallons;
- **Industrial Water Fees:** \$0.03 per 1,000 gallons;
- **Stock Water Fees:** \$0.03 per 1,000 gallons;
- **Pesticide Registration Fees:** \$100 per pesticide registered;
- **Fertilizer Registration Fees:** \$1.40 per ton inspected;
- **Sand Royalty Receipts:** \$0.15 per ton;
- **Clean Drinking Water Fee Fund:** \$0.03 per 1,000 gallons;
- **Pollution Fines and Penalties:** levied by the Kansas Department of Health and Environment (KDHE); the amount of revenue provided by pollution fines and penalties depends on the particular incident;
- **Water Litigation Proceeds Suspense Fund Transfer:** this transfer includes funds received from the State of Colorado as the result of litigation between Kansas and Colorado regarding the Arkansas River Compact. Approximately \$1.1 million was received by the Kansas Water Office in FY 2006 and placed in the Water Litigation Proceeds Suspense Fund at that time;
- **State General Fund Transfer:** K.S.A. 82a-953(a) provides for the annual transfer of \$6.0 million from the State General Fund to the State Water Plan Fund; and
- **Economic Development Initiatives Fund (EDIF) Transfer:** K.S.A. 79-4804(g) provides for the annual transfer of \$2.0 million from the EDIF to the State Water Plan Fund.

Appropriations Committee

Date April 18-19, 2011

Attachment 1-83

**ECONOMIC DEVELOPMENT INITIATIVES FUND
FY 2011 - 2012**

Agency/Program	Legislature Final Approved FY 2011	Gov. Rec. FY 2011	Gov. Rec. FY 2012	House Committee Adjustments FY 2012
Department of Commerce				
Operating Grant	\$ 13,060,619	\$ 13,080,487	\$ 9,803,058	\$ -
Older Kansans Employment Program	294,682	294,682	294,652	-
Rural Opportunity Program	1,756,681	1,765,017	-	-
Senior Community Services Employment Program	9,141	9,141	141,061	-
Kansas Commission on Disability Concerns	192,026	201,250	-	-
Strong Military Bases Program	307,050	245,640	100,000	-
Rural Opportunity Zones Program	-	-	2,213,887	-
Small Technology Pilot Program	-	-	100,000	-
Community College Competitive Grants	-	-	500,000	-
Engineering Expansion Grants	-	-	1,000,000	-
Centers of Excellence	-	-	1,358,581	-
Entrepreneurial Centers	-	-	968,023	-
Mid-America Manufacturing Center (MAMTC)	-	-	1,025,000	-
Subtotal - Commerce	\$ 15,620,199	\$ 15,596,217	\$ 17,504,262	\$ -
Department of Administration				
Governor's Economic Council	\$ -	\$ -	\$ 200,000	\$ -
Kansas Technology Enterprise Corporation **				
Operations	\$ 1,189,886	\$ 1,079,443	\$ -	\$ -
University & Strategic Research	2,416,000	2,050,328	-	-
Product Development Financing	-	300,000	-	-
Commercialization	1,382,500	1,493,306	-	-
Mid-America Manuf. Tech. Center (MAMTC)	1,000,000	1,025,000	-	-
Subtotal - KTEC	\$ 5,988,386	\$ 5,948,077	\$ -	\$ -
Kansas, Inc.				
Operations	\$ 346,317	\$ 257,561	\$ -	\$ -
Board of Regents & Universities				
Vocational Education Capital Outlay	\$ 2,565,000	\$ 2,565,000	\$ 2,565,000	\$ -
Technology Innovation & Internship	180,500	274,531	180,500	-
EPSCoR	-	-	1,000,000	-
KSU - ESARP	300,815	300,815	301,332	-
FHSU - KAMS	200,000	200,000	-	-
WSU - Aviation Classroom & Training Equipment	5,000,000	5,000,000	5,000,000	-
WSU - Aviation Research	4,998,060	4,998,348	-	-
Subtotal - Regents & Universities	\$ 13,244,375	\$ 13,338,694	\$ 9,046,832	\$ -
Department of Agriculture				
Grain Warehouse Inspection Program	\$ 75,000	\$ 75,000	\$ -	\$ -
Agriculture Marketing Program	-	-	396,331	-
Subtotal - Agriculture	\$ 75,000	\$ 75,000	\$ 396,331	\$ -
Department of Wildlife and Parks				
Travel and Tourism Development	\$ -	\$ -	\$ 1,856,487	\$ -
Total Expenditures	\$ 35,274,277	\$ 35,215,549	\$ 29,003,912	\$ -
Transfers to Other Funds				
Kansas Economic Opportunity Initiatives Fund **	\$ 1,250,000	\$ 625,000	\$ 1,250,000	\$ -
KS Qualified Biodiesel Fuel Producer Incentive Fund	200,000	200,000	200,000	-
State Water Plan Fund	2,000,000	2,000,000	2,000,000	-
Public Use General Aviation Airport Development Fund	1,000,000	1,000,000	-	-
KPERS Death and Disability Moratorium	16,236	16,236	-	-
Health Insurance Moratorium	-	-	-	-
State Housing Trust Fund	-	-	-	-
State Fair	-	-	159,207	-
Affordable Airfare Transfer	-	-	5,000,000	(5,000,000)
State General Fund	3,743,605	3,743,605	5,785,830	5,000,000
Subtotal - Transfers	\$ 8,209,841	\$ 7,584,841	\$ 14,395,037	\$ -
TOTAL TRANSFERS AND EXPENDITURES	\$ 43,484,118	\$ 42,800,390	\$ 43,398,949	\$ -
EDIF Resource Estimate	Legislature Final Approved FY 2011	Gov. Rec. FY 2011	Gov. Rec. FY 2012	House Committee Adjustments FY 2012
Beginning Balance	\$ 15,081	\$ 439,648	\$ 595,523	\$ 595,523
Gaming Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Other Income*	800,000	524,265	300,000	300,000
Total Available	\$ 43,247,081	\$ 43,395,913	\$ 43,327,523	\$ 43,327,523
Less: Expenditures and Transfers	43,484,118	42,800,390	43,398,949	43,398,949
ENDING BALANCE	\$ (237,037)	\$ 595,523	\$ (71,426)	\$ (71,426)

* Other income includes interest, transfers, reimbursements and released encumbrances

** Included in the Governor's allotment of March 11, 2011

Appropriations Committee

Date April 18-19, 2011

Attachment 1-83

Economic Development Initiatives Fund (EDIF) Overview

The statutes governing the EDIF provide that it shall be used to finance programs "... supporting and enhancing the existing economic foundation of the state and fostering growth ... to the state's economic foundation." With the exception of a statutory \$2.0 million transfer from the EDIF to the State Water Plan Fund, the Legislature annually appropriates the EDIF for individual projects and programs deemed to support and enhance the state's economic foundation.

The EDIF is funded through the State Gaming Revenues Fund (SGRF). A portion of state revenue from both the Lottery and parimutuel wagering is transferred to the SGRF. That fund is used essentially as a holding fund from which further transfers are made on a monthly basis. No more than \$50.0 million may be credited to the SGRF in any fiscal year. Amounts in excess of \$50.0 million are credited to the State General Fund.

The initial transfers from the State Gaming Revenue Fund, which began in 1986, were as follows:

- 1. County Reappraisal Fund (until June 30, 1989) - 30.0%
- 2. Split between Juvenile Detention Facilities Fund and Correctional Institutions Building Fund (Actual amount to be determined by appropriations act) - 10.0%
- 3. Economic Development Initiatives Fund (to be increased to 90.0% as of July 1, 1989) - 60.0%

During the 1988 Session, the Legislature delayed the increase in the transfer to the EDIF until July 1, 1990.

During the 1994 Session, the Legislature changed the transfers as of July 1, 1995 to the following:

- 1. Correctional Institutions Building Fund - 10.0%
- 2. Juvenile Detention Facilities Fund - 5.0%
- 3. Economic Development Initiatives Fund - 85.0%

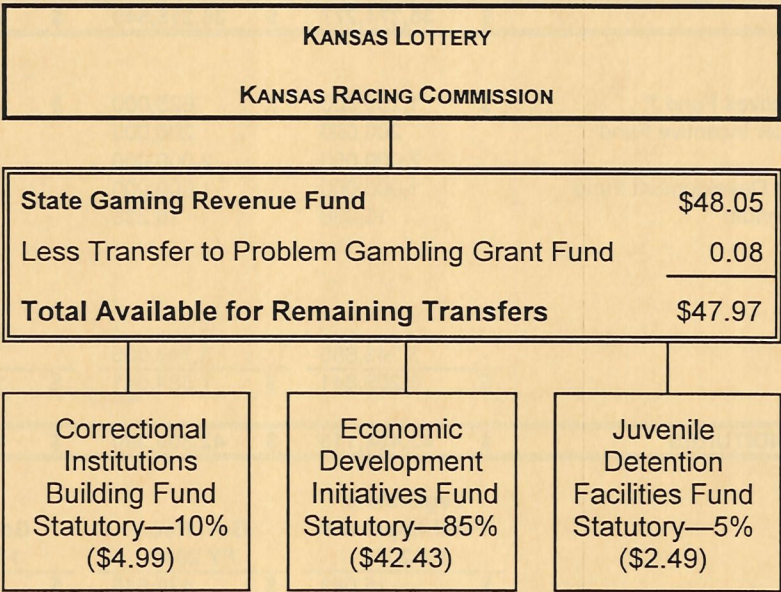
During the 2000 Session, the Legislature changed the transfers to the following:

- 1. Economic Development Initiatives Fund—\$42,432,000;
- 2. Correctional Institutions Building Fund—\$4,992,000;
- 3. Juvenile Detention Facilities Fund—\$2,496,000; and
- 4. Problem Gambling Grant Fund—\$80,000.

During the 2009 Session, the Legislature changed the transfers to the following for FY 2009 and FY 2010

- 1. Economic Development Initiatives Fund - \$40,782,869
- 2. Correction Institutions Building Fund - \$4,797,985
- 3. Juvenile Detention Facilities Fund - \$2,398,992
- 4. Problem Gambling Grant Fund - \$80,000

ECONOMIC DEVELOPMENT INITIATIVES FUND
Revenue Flow
(In Millions)



**Kansas Department of Social and Rehabilitation Services
Rainbow Mental Health Facility: Closure of Fourteen Beds**

April 18, 2011

In late 2010 RMHF was surveyed by the Centers for Medicare and Medicaid Services (CMS). One of CMS' findings was that RMHF actually had four units instead of the two units RMHF had designated. CMS requires each unit to have around the clock registered nursing (RN) coverage. RMHF's nursing coverage was only sufficient to cover two units. So CMS cited RMHF for insufficient RN staffing and required RMHF to provide RN staffing for four units instead of two. The cost of providing additional RNs is \$812,000.

The Superintendent's corrective action plan to CMS tried to address their concerns and convince them RMHF has only two units, but CMS did not approve the corrective action plan and held to their original findings. Failure to satisfactorily address this finding places all of RMHF's Medicaid funding in jeopardy. SRS decided that addressing CMS' findings and OSH's \$500,000 FY 2012 budget reduction required closing two of RMHF's smallest units, thereby reducing the number of beds at RMHF by 14 reducing its maximum capacity to 36 patients.

Last year Larned State Hospital increased the number of its budgeted beds by 11. The loss of 14 beds at RMHF means the system has been reduced by a net three (3) beds from last year.

Making this change necessitated an adjustment in state mental health hospital catchment areas so that expected demand for all three state mental health hospitals is more in line with their service capacities. Therefore, after consultation with the affected community mental health centers (CMHCs), it was decided that beginning March 4, 2011:

- Johnson County Mental Health Center would start admitting persons to Osawatomie State Hospital, and
- Cowley County Mental Health and Counseling Center and South Central Mental Health Counseling Center would begin admitting adults to Larned State Hospital.

Wyandot Center for Community Behavioral Healthcare, Kanza Mental Health and Guidance Center, and the Guidance Center continue to admit persons to RMHF.

SRS understands there has been an increased demand for state mental health hospital admissions, especially by persons with no insurance who were not previously receiving CMHC services. Because of this, CMHCs are being urged to examine what can be done to safely and effectively avoid hospitalizing persons they know and serve. Nine CMHCs reduced their utilization of state mental health hospitals from FY 2009 to FY 2010. Reducing admissions of these people would greatly contribute to freeing up state mental health hospital space to serve the persons who are new to the system. We look forward to working collaboratively with CMHCs and advocates to ensure people with severe mental illness receive the services they need.

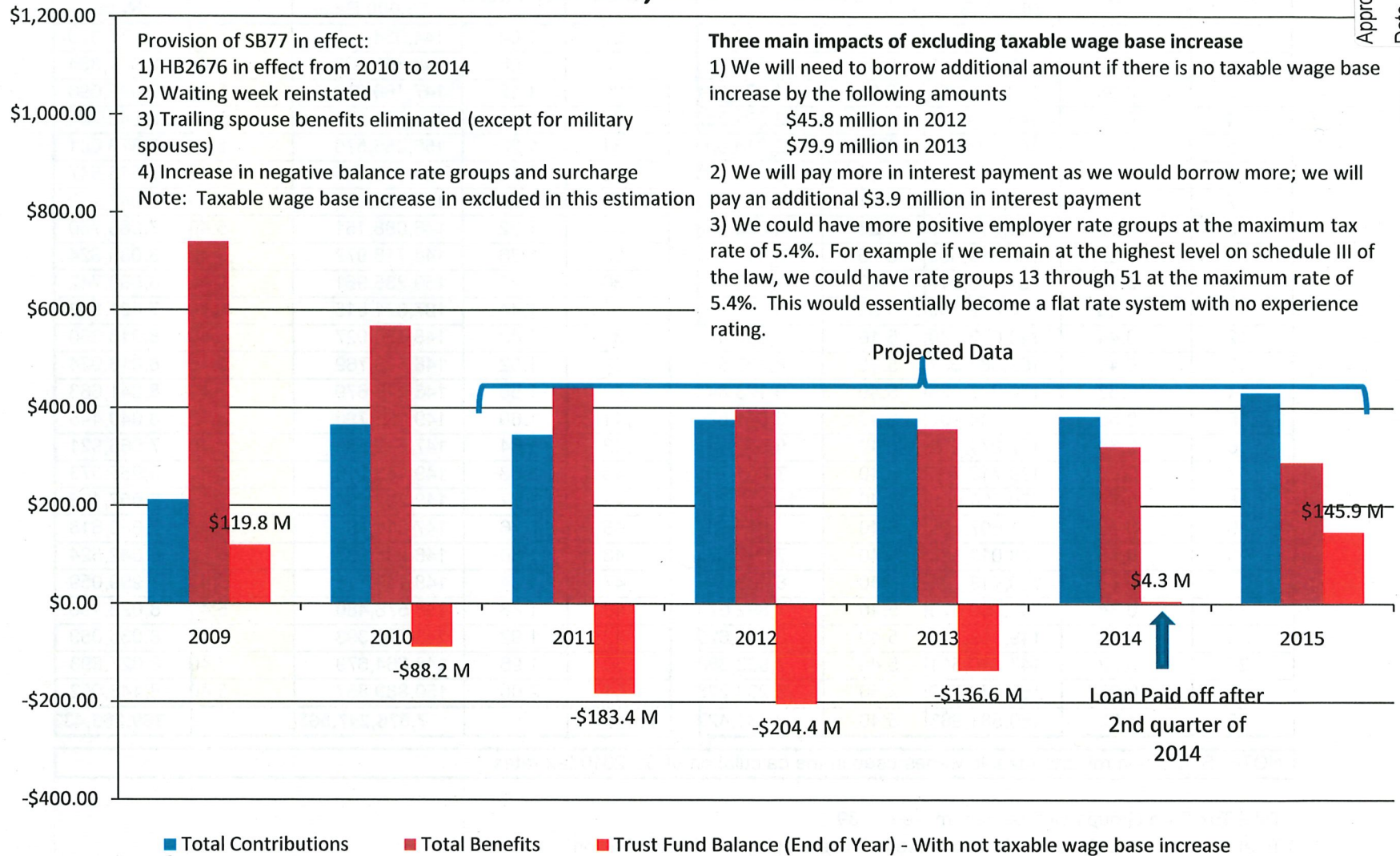
Appropriations Committee

Date April 18, 2011

Attachment 2

Benefits, Contributions & Trust Fund (Kansas House version of SB77) Kansas, 2009 - 2015

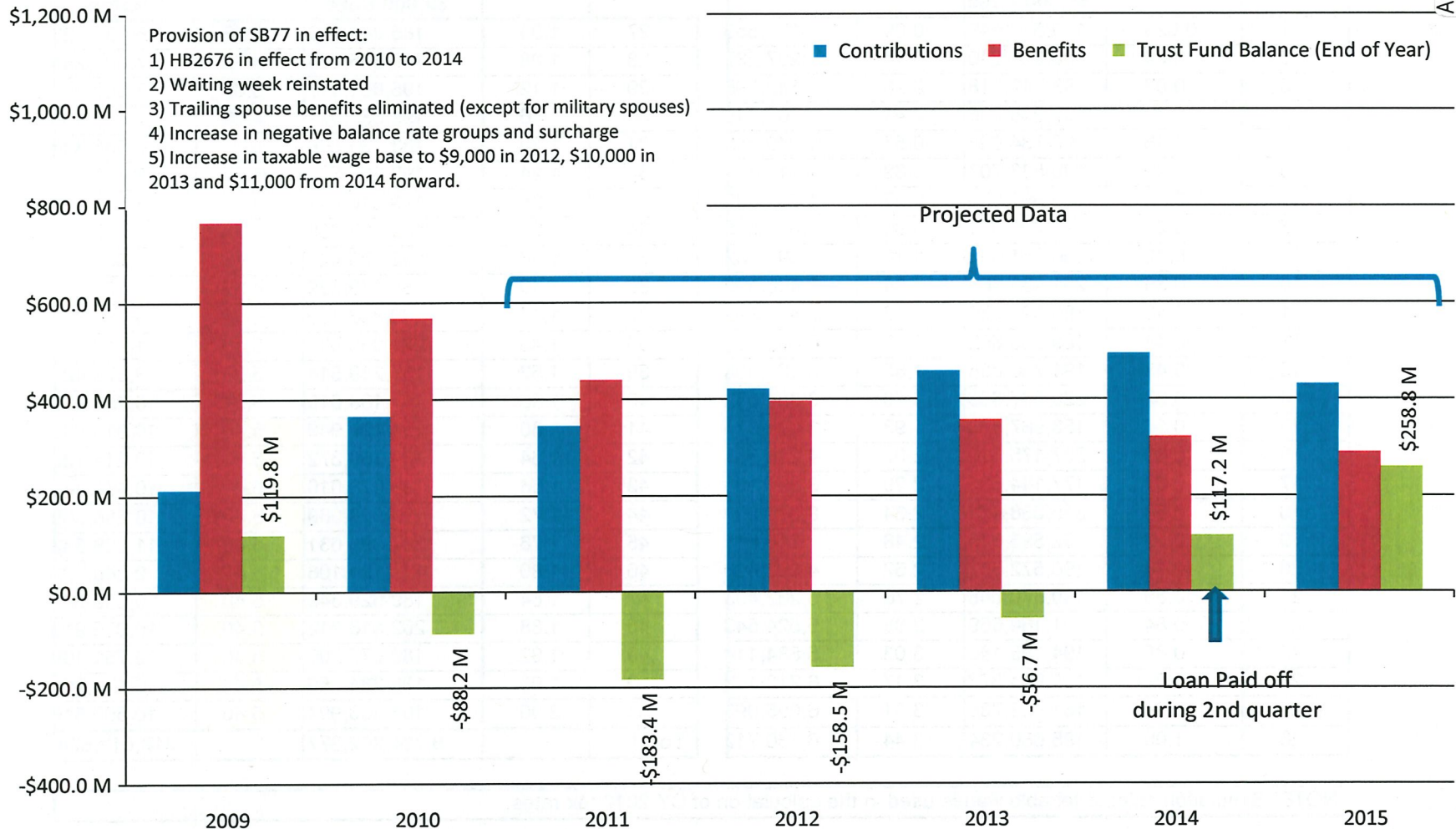
Appropriations Committee
Date April 18-19, 2011
Attachment 3



Tax Rates, Yield Using \$8,000 Taxable Wage Base (Positive Balance Employers)										
Rate Group	Experience Factor	Taxable Wages from \$8,000 Base	Tax Rates	Yield		Rate Group	Experience Factor	Taxable Wages from \$8,000 Base	Tax Rates	Yield from HB 2676 Rates
1	0.025	148,528,850	0.29	430,734		27	1.04	144,034,789	5.40	7,777,879
2	0.04	148,461,850	0.47	697,771		28	1.08	148,358,032	5.40	8,011,334
3	0.08	148,498,310	0.94	1,395,884		29	1.12	147,186,969	5.40	7,948,096
4	0.12	148,530,646	1.41	2,094,282		30	1.16	149,051,576	5.40	8,048,785
5	0.16	149,792,303	1.88	2,816,095		31	1.20	155,055,579	5.40	8,373,001
6	0.20	147,335,773	2.35	3,462,391		32	1.24	144,750,875	5.40	7,816,547
7	0.24	148,318,322	2.81	4,167,745		33	1.28	147,102,093	5.40	7,943,513
8	0.28	148,858,847	3.28	4,882,570		34	1.32	146,088,151	5.40	7,888,760
9	0.32	149,840,089	3.75	5,619,003		35	1.36	148,718,972	5.40	8,030,824
10	0.36	151,313,817	4.22	6,385,443		36	1.40	159,235,961	5.40	8,598,742
11	0.40	144,412,299	4.69	6,772,937		37	1.44	137,621,515	5.40	7,431,562
12	0.44	148,612,838	5.16	7,668,422		38	1.48	148,450,927	5.40	8,016,350
13	0.48	153,583,591	5.40	8,293,514		39	1.52	148,498,769	5.40	8,018,934
14	0.52	170,247,135	5.40	9,193,345		40	1.56	148,919,679	5.40	8,041,663
15	0.56	121,144,902	5.40	6,541,825		41	1.60	149,063,790	5.40	8,049,445
16	0.60	167,971,232	5.40	9,070,447		42	1.64	147,535,583	5.40	7,966,921
17	0.64	129,716,758	5.40	7,004,705		43	1.68	149,168,016	5.40	8,055,073
18	0.68	279,300,606	5.40	15,082,233		44	1.72	149,207,094	5.40	8,057,183
19	0.72	17,697,899	5.40	955,687		45	1.76	147,011,453	5.40	7,938,618
20	0.76	148,010,584	5.40	7,992,572		46	1.80	148,935,637	5.40	8,042,524
21	0.80	150,713,781	5.40	8,138,544		47	1.84	148,130,716	5.40	7,999,059
22	0.84	146,160,575	5.40	7,892,671		48	1.88	148,576,480	5.40	8,023,130
23	0.88	149,159,748	5.40	8,054,626		49	1.92	148,797,393	5.40	8,035,059
24	0.92	147,840,511	5.40	7,983,388		50	1.96	148,664,679	5.40	8,027,893
25	0.96	152,559,729	5.40	8,238,225		51	2.00	150,889,857	5.40	8,148,052
26	1.00	150,581,983	5.40	8,131,427		Total		7,576,247,563		359,255,433
NOTE: Simulation reflects taxable wages used in the calculation of CY 2010 tax rates.										
Total Tax Rate Groups with Maximum Rate = 39										
Total Contributions Collected from positive balance employer = \$359.3 Million										

Appropriations Committee
 Date April 18-19, 2011
 Attachment 3-2

Benefits, Contributions & Trust Fund (Senate version of SB77) Kansas, 2009 - 2015



Source: Labor Market Information Services, Kansas Department of Labor.

Tax Rates, Yield Using \$11,000 Taxable Wage Base (Positive Balance Employers)

Rate Group	Experience Factor	Taxable Wages from \$8,000 Base	Tax Rates	Yield	Rate Group	Experience Factor	Taxable Wages from \$8,000 Base	Tax Rates	Yield from HB 2676 Rates
1	0.025	190,613,949	0.09	171,553	27	1.04	185,245,626	3.58	6,631,793
2	0.04	190,883,840	0.14	267,237	28	1.08	190,625,224	3.72	7,091,258
3	0.08	193,712,518	0.28	542,395	29	1.12	195,861,417	3.86	7,560,251
4	0.12	187,248,195	0.41	767,718	30	1.16	192,885,972	4.00	7,715,439
5	0.16	190,734,985	0.55	1,049,042	31	1.20	183,736,568	4.13	7,588,320
6	0.20	190,526,707	0.69	1,314,634	32	1.24	190,295,521	4.27	8,125,619
7	0.24	190,563,828	0.83	1,581,680	33	1.28	190,640,041	4.41	8,407,226
8	0.28	191,206,911	0.96	1,835,586	34	1.32	190,903,755	4.55	8,686,121
9	0.32	190,651,066	1.10	2,097,162	35	1.36	192,328,429	4.68	9,000,970
10	0.36	201,483,865	1.24	2,498,400	36	1.40	188,979,329	4.82	9,108,804
11	0.40	180,622,576	1.38	2,492,592	37	1.44	189,856,130	4.96	9,416,864
12	0.44	189,539,852	1.52	2,881,006	38	1.48	221,898,039	5.10	11,316,800
13	0.48	191,736,835	1.65	3,163,658	39	1.52	160,219,514	5.23	8,379,481
14	0.52	220,867,699	1.79	3,953,532	40	1.56	191,183,019	5.37	10,266,528
15	0.56	158,967,563	1.93	3,068,074	41	1.60	191,109,940	5.40	10,319,937
16	0.60	207,175,510	2.07	4,288,533	42	1.64	189,150,372	5.40	10,214,120
17	0.64	177,144,684	2.20	3,897,183	43	1.68	193,673,010	5.40	10,458,343
18	0.68	345,038,474	2.34	8,073,900	44	1.72	190,528,980	5.40	10,288,565
19	0.72	32,895,619	2.48	815,811	45	1.76	207,895,031	5.40	11,226,332
20	0.76	190,572,531	2.62	4,993,000	46	1.80	171,124,106	5.40	9,240,702
21	0.80	190,670,045	2.76	5,262,493	47	1.84	189,629,343	5.40	10,239,985
22	0.84	191,160,669	2.89	5,524,543	48	1.88	202,516,912	5.40	10,935,913
23	0.88	194,195,180	3.03	5,884,114	49	1.92	180,577,200	5.40	9,751,169
24	0.92	195,904,376	3.17	6,210,169	50	1.96	188,384,459	5.40	10,172,761
25	0.96	181,422,735	3.31	6,005,093	51	2.00	194,453,994	5.40	10,500,516
26	1.00	195,660,234	3.44	6,730,712	Total		9,724,902,377		318,013,634

NOTE: Simulation reflects taxable wages used in the calculation of CY 2010 tax rates.

Total Tax Rate Groups with Maximum Rate = 11

Total Contributions Collected from positive balance employer = \$318.0 Million

Appropriations Committee
Date April 18-19, 2011
Attachment 3-4

Assumptions:

1. The following provisions in SB 77 are enacted
 - a) Reinstating the waiting week
 - b) Eliminating benefits for trailing spouse (except for military spouses)
 - c) Extends HB2676 provisions for years 2012, 2013 and 2014
 - d) Adds ten additional rate groups for negative balance employers
 - e) Adds 0.1% surcharge for rates groups 1 through 10 of negative balance employers for years 2012, 2013 and 2014.
 - f) Increases taxable wage base (with increase in contributions) to \$9,000 in 2012, \$10,000 in 2013, and \$11,000 thereafter
(Note that the house version of SB77 does not have this provision)
2. All wages (total and taxable) remain fairly constant through the projected years.
3. The distribution of wages between ineligible, negative & positive accounts remains fairly constant over this period.
4. Benefits payments continue to decline gradually as forecasted herein.

Appropriations Committee

Date April 18-19, 2011

Attachment 3-S

April 19, 2011
House Appropriations Committee – Omnibus Review

Kansas State Board of Healing Arts

I move that we increase the Board of Healing Arts Fee Fund expenditure limitation by \$160,000 for fiscal year 2012 and by \$160,000 for fiscal year 2013, that we direct the Board of Healing Arts to raise fees appropriately to match this increase, and that we stipulate these funds be used to hire a part-time contracted medical director.

Appropriations Committee
Date April 18-19, 2011
Attachment 4

College of Veterinary Medicine

Class of 2014 Statistics

(Full statistics - PPT)

Class of 2014 Applicant Pool Statistics				
Applicant Pool	Applicants	Interviewed Applicants	Offered Positions	Accepted Positions
Kansas	150	131	45	44
North Dakota	23	19	6	5
New Mexico	12	5	3	1
Non-resident	1018	335	203	67
Deferrals			2	2
Totals	1203	490	259	119

Class of 2014 Matriculate Statistics						
	Gender	Ave. Age	Ave. GRE	Sci. GPA	Yrs of Col	Degrees
Kansas	37 Female 8 Male	23 yrs	v = 489 q = 658 a = 4.2	3.6	4.2	25/45
North Dakota	4 Female 2 Male	27 yrs	v = 433 q = 628 a = 3.9	3.3	5.6	3/6
New Mexico	1 Female 0 Male	23 yrs	v = 380 q = 520 a = 3.7	3.6	3.5	1/1
Non-resident	46 Female 21 Male	24 yrs	v = 524 q = 679 a = 4.4	3.5	4.5	56/67
Class of 2014	88 Female 31 Male	23 yrs	v = 508 q = 666 a = 4.0	3.5	4.5	85/119

Department of Agriculture Proviso #1

In addition to the other purposes for which expenditures may be made by the department of agriculture from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2012 for the department of agriculture as authorized by this or other appropriation act of the 2011 regular session of the legislature, expenditures may be made by the secretary of agriculture from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2012 for fixing and charging^{fees} for laboratory testing of samples upon request: *Provided*, That the fees shall include the services and any other necessary and incidental expenses incurred in conjunction with laboratory testing services provided by the department of agriculture.

Appropriations Committee
Date April 18-19, 2011
Attachment 6

SRS Options For Reductions

Cost Saving Ideas

Reduce Contracts by 10%
Eliminate all state funds for lobbying.
Consolidate various administrative functions
Move Learning Center to DSOB
Delay all server replacements
Local Office restructuring
Reduce SRS and state hospital staff by 5%
Hold all contracts to current year rates if cheaper
Eliminate Kansas Early Head Start
Close Rainbow and move patients to OSH
Close KNI
Privitize Pharmacy at State Hospitals
Delay FY12 computer purchases
Reduce AAPS SGF and backfill with Problem Gambling and Addiction funds.
End the Removal of 14-15 Year-Olds for Truancy*
End the Removal of 13 and Younger for Truancy*
Reduce Grants by 10%
Rate Reductions in Waiver's and HIRF,DD TCM, PD TCM
Phase-out Autism Waiver Progrm
Close Private ICF/MRs and move people to community

**require change in statute

Appropriations Committee

Date April 18-19, 2011

Attachment 7