

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Vice-Chair John Vratil at 10:30 a.m. on January 26, 2011, in Room 548-S of the Capitol.

Senator McGinn excused.

Committee staff present:

Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Aaron Klaassen, Senior Fiscal Analyst, Legislative Research Department
Dorothy Hughes, Fiscal Analyst, Legislative Research Department
Brea Short, Intern, Senator McGinn's Office
Jan Lunn, Committee Assistant
Josh Lewis, Chief of Staff

Conferees appearing before the Committee:

Acting Secretary Dr. Robert Moser, Department of Health and Environment
Acting Secretary Robin Jennison, Department of Wildlife and Parks
Acting Secretary Nick Jordan, Department of Revenue
Scott Frank, Legislative Auditor, Kansas Division of Post Audit

Bill Introductions

There were no bill introductions.

Follow-Up Report

Senator Vratil called Committee members' attention to a follow-up response from Elaine L. Frisbie, Deputy Director, Kansas Division of the Budget, in which answers to questions at the January 25, 2011, hearing on **SB 16** are provided. This report becomes part of this permanent record (Attachment 1). Senator Vratil noted the response was distributed electronically to Ways and Means Committee members.

Department of Health and Environment

Dr. Robert Moser, Acting Secretary of the Kansas Department of Health and Environment, was present to meet Committee members. He reviewed his personal, educational, and professional background (Attachment 2). Dr. Moser described his involvement with the Federal Emergency Management Agency (FEMA) and environmental disaster preparedness, public service, and his commitment to educating medical professionals.

Dr. Moser reviewed his short- and long-term goals which include a focus on creating a service-based agency, creating and implementing a program of performance management, and improving collaboration with other agencies and stakeholders.

Department of Revenue

Acting Secretary Nick Jordan was introduced to Committee members. As a former Senator, Acting Secretary Jordan is well known in the Capitol building. Mr. Jordan spoke briefly about his appointment and his commitment to being a "pro-growth" Secretary. He named members of his team who are regularly meeting to develop performance matrices, accountability standards and methods to facilitate Department operations (Attachment 3).

Department of Wildlife and Parks

Acting Secretary Robin Jennison was introduced; he presented information related to his long-range plan for the Department (Attachment 4). Mr. Jennison reported on the Governor's budget recommendations which include maintenance of existing levels of service in the state park system. The Governor also has recommended consolidating services by moving the Division of Tourism into the Department of Wildlife and Parks. Considerable discussion was heard on the use of public cabins, initiatives to promote rural Kansas, tourism in Kansas, the coordination of information to promote regional tourism, walk-in hunting, and other pertinent issues. Mr.

CONTINUATION SHEET
MINUTES OF THE WAYS AND MEANS COMMITTEE on January 26, 2011, 10:30 a.m. 548-S

Jennison introduced several members of his staff; he indicated his intent to keep the legislative branch informed of activities in the Department of Wildlife and Parks.

Division of Legislative Post Audit

Scott Frank, Legislative Auditor, was present to discuss the services that the Division of Legislative Post Audit offers (Attachment 5). He discussed audits performed in 2009-2011 which could produce significant savings and revenue enhancements in the State of Kansas.

Mr. Frank referenced an audit, "Financial Regulatory Agencies in Kansas: A K-GOAL Audit Determining Whether Functions Could Be Combined," in which consolidation of the Department of Credit Unions, Bank Commissioner, and Office of the Securities Commission could be combined savings \$260,000 annually. Additional savings of \$295,000 could be realized even if agencies are not consolidated. Senator Teichman questioned what opportunities exist that would create an additional \$295,000 savings without consolidation. Mr. Frank will furnish that information at a later date.

In the Audit referencing "Agricultural-Related Agencies and Whether They Could Be Combined to Achieve Cost Savings," two savings are noted \$710,000 and \$272,758. Senator Schmidt questioned whether the \$710,000 savings included the \$272,758, or whether the \$272,758 was in addition to the \$710,000 savings. Mr. Frank will furnish this information at a later date.

Mr. Frank outlined findings from the audits involving the reorganization of local school districts as well as judicial districts. In addition, he discussed findings from benefits programs such as the audit involving the oversight by Kansas Health Policy Authority (KHPA) on prescription drug costs and the audit to determine whether Social and Rehabilitation Services' (SRS) procedures limit the risk of improper payments. Questions were raised by several senators concerning these audits. Senator Kultala suggested that during presentations by SRS and KHPA in the near future, they be requested to address the findings from these audits.

The combination of consolidating agency data centers could produce a savings of \$726,000. However, it was noted that due diligence related to security issues was of paramount importance.

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

Jan Lunn

From: Frisbie, Elaine [Budget] [Elaine.Frisbie@budget.ks.gov]
Sent: Tuesday, January 25, 2011 5:26 PM
To: Jan Lunn
Cc: Fulmer, Landon [GO]
Subject: Responses to questions from today's Ways & Means meeting

Regarding Senator Kultala's questions on Section 20 of SB 16:

The Governor recommends that the remaining cash balances in the Horse Fair Racing Benefit Fund (\$51), Racing Investigative Expense Fund (\$19,774), Racing Reimbursable Expense Fund (\$11,472), and Racing Applicant Deposit Fund (\$3) be transferred to the State Racing Fund at the end of FY 2011. Consolidating the remaining cash balances of these funds will make it easier to manage these funds in the future and will provide additional flexibility for future regulatory expenditures in the event that racing activity resumes. The Horse Purse Fund does not have a balance and this is standard language to close this fund and transfer any liabilities to another fund, which in this case is the Kansas Horse Breeding Development Fund. The Gaming Machine Examination Fund is not projected to have a balance at the end of FY 2011 and this is standard language to close this fund and transfer any liabilities, if any, to the Expanded Lottery Act Regulation Fund.

The responsibility for illegal gaming enforcement was given to the Kansas Racing and Gaming commission in the Kansas Expanded Lottery Act, but no funds were appropriated, nor was a funding mechanism provided for this activity. Transferring \$5,000 from the State Racing Fund to the new Illegal Gaming Enforcement Fund will allow the Commission to finance initial illegal gaming enforcement activities and will allow the Commission to retain monies from state or federal seizures as part of illegal gaming enforcement operations to further finance illegal gaming enforcement activities. The Governor recommends expenditures of \$2,500 in both FY 2011 and FY 2012 from the Illegal Gaming Enforcement Fund.

On Section 15(b) of the bill to raise the cap on spending for the state affordable airfare fund in the Department of Commerce, our understanding is that the City of Wichita was not able to submit its final voucher in time for fiscal year end closing last summer. This cap raise allows them to process their payment "left over" from FY 2010 as well as the typical \$5.0 M amount they receive in a year.

We are working on the K-12 spending per pupil table requested by Senator Kelley and will send that when we have it finalized.

On the question regarding FTE positions eliminated that are filled—we have more work to do on that as well and will send that when we have it.

Elaine Frisbie
Deputy Director of the Budget
296-2436

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**Testimony
To
Senate Ways and Means Committee
Presented by Bob Moser, MD
Acting Secretary, Kansas Department of Health and Environment
January 26, 2011**

Chairwoman McGinn and members of Senate Ways and Means, good morning. Thank you for giving me an opportunity to appear before you today; to get to know one another better and for me to present to the committee information about my agency, the Kansas Department of Health and Environment.

A great deal of what I will review today is available in the 2010 KDHE Annual Report and copies of this have been provided.

The Kansas Department of Health and Environment is currently organized into one administrative section and two divisions, Health and Environment. There are 9 Bureaus within the Health Division and I will serve as the State Health Officer overseeing the operations of the Health Division as well as serve as KDHE Secretary. The Division of Environment has 6 Bureaus within it. There are 6 district offices across Kansas and 2 outreach offices that help to carry out the KDHE programs.

Primary contacts for the agency are Bob Moser, MD, Acting Secretary and State Health Officer, Aaron Dunkel, Deputy Secretary, and Kari Bruffett, Policy and External Affairs.

I would like to review with you the summary of the 2010 legislation that had any impact on KDHE programs or regulatory activity.

Kansas Indoor Clean Air Act – HB 2221 created the Kansas Indoor Clean Air Act that became effective July 1, 2010.

Child Care Licensing-HB 2356 eliminated the “registered family day care home” and created a transition process for all day care facilities to be licensed. It creates an online information web site for the public. So far, the usual turnover in day care providers has remained stable according to a verbal report I received last week but this will be monitored and later reported.

Background check for employees and use of Vital Statistics for Maternal and Child Health – HB 2454 grants KDHE statutory authority to conduct criminal background checks on new Office of Vital Statistics employees and prohibit any person who has been convicted of a felony or misdemeanor related to dishonesty, including identity theft or fraud, from being hired by the Office of Vital Statistics. (Was formerly SB 488). This bill also allows the use of identifiable data in still birth, birth and death certificates for the purpose of maternal and child surveillance and monitoring.

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Radon Certification Law-SB531 creates the Radon Certificate Law requiring certification of radon measurement technicians, radon mitigation technicians, and radon measurement laboratories by the Secretary of KDHE.

TB Evaluation Requirements and Prevention & Control Plans for Postsecondary Educational Institutions-SB62 creates new law and amends existing law concerning responsibilities for the prevention and control of tuberculosis in postsecondary educational institutions.

Licensure of Audiologists-SB62 requires individuals seeking licensure as an audiologist on or after January 1, 2012 to hold at least a doctorate degree, or its equivalent, in audiology. Individuals holding a master's degree in audiology or its equivalent prior to January 1, 2010 will be deemed to have met the new educational requirement. The bill also will exempt individuals holding an audiology clinical doctoral degree from the requirement to complete a postgraduate professional experience.

HIV Screening for Pregnant Women and Newborn Children-SB62 requires a physician or other professional authorized by law to provide medical treatment for pregnant women to administer, or have administered, a routine opt-out screening for HIV infection during the first trimester of the pregnancy. If the mother's HIV status is unknown because of refusal to submit to the screening during the pregnancy, or for any other reason, the newborn child would be screened with an HIV test as soon as possible within medical standards.

Administration of Vaccine by Pharmacists-HB2448 allows a pharmacist, or a pharmacy student or intern who is working under the direct supervision and control of a pharmacist, to administer the influenza vaccine to a person six years of age or older and may administer vaccine, other than influenza vaccine, to a person 18 years of age or older pursuant to a vaccination protocol if the pharmacist, pharmacy student or intern has successfully completed the necessary prerequisites.

Prohibiting Texting While Driving-SB 300 prohibits a person from using a handheld wireless communication device for text messaging or electronic mail communication while driving a moving motor vehicle. Warning tickets will be issued until January 1, 2011.

Primary Seat Belt Law-HB 2130 amends state law to require every occupant of a passenger vehicle to wear a safety belt and to allows a law enforcement officer to stop a vehicle for violations of safety belt requirements by anyone in the front seat and by anyone under age 18.

Smoke Management Plan-SCR 1623 addresses the need to manage the Flint Hill ecosystem by agricultural burning and states that the existing burning practice should be considered a best management practice. The resolution urges the United States Congress to require the EPA to exclude certain air monitoring data from use in determinations of excess levels and National Ambient Air Quality Standards (NAAQS) violations where the emissions are from prairie burning in the Tallgrass Prairie in the Flint Hills, and to treat the data related to burning as exceptional events under 40 CFR Section 50.14.

Short-Term Goal

1. Assess ongoing programs and how they address the current KDHE goal "To protect the health and environment of all Kansans by promoting responsible choices" as well as how they address Governor Brownback's Road Map for Kansas.

Long-Term Goals

1. Prepare for Aligning KHPA services and programs into KDHE
 - a. We have only begun the process of looking at the alignment and more will come but at this time I can assure you the focus is continuing to provide services to those that are currently enrolled.
 - b. Goals will be:
 - i. the effective purchasing and administration of health care
 - ii. improved coordination through KDHE programs and other agencies and partners, including a focus on healthcare workforce development
 - iii. health promotion and disease prevention oriented public health strategies based on continuing state and community health assessments
 - iv. disease management based on provider-led evidence-based guideline development and implementation
 - v. development and implementation of a robust health information exchange network to support providers, improve patient safety and care, and reduce costs eventually. Here the ultimate goal is evidence-based policy making and the key to accomplish this is through centralized data collection and analysis
2. For KDHE, develop a strategic plan based on the findings of ongoing state health and environmental assessments to determine priorities to address, indicators to monitor, and quantifiable goals to obtain.
 - a. **Implement Program Performance Management.** A grant from the CDC has been obtained to start this process within KDHE and there are opportunities for additional funding for implementation costs.
 - i. Program Goal - Systematically increase the performance management capacity of public health departments to ensure that public health goals are effectively and efficiently met

ii. Program Intent

1. Improve the quality, effectiveness and efficiency of the public health infrastructure that will support public health service and program delivery
2. Support systems-wide public health system changes that categorical programs cannot do alone
3. Improve the networking, coordination, standardization, and cross-jurisdictional cooperation for efficient delivery of public health services.

b. Similar ongoing efforts related to strategic efforts is the **Multi-State Learning Collaborative-3 (MLC-3)**

In early 2008, sixteen states, including Kansas, were selected through a competitive review to lead a national initiative to advance accreditation and quality improvement efforts in public health departments. The MLC-3 Project is funded by the Robert Wood Johnson Foundation and administered through the National Network of Public Health Institutes.

In Kansas, the MLC-3 Project was developed through a partnership between the Kansas Health Institute (KHI), Kansas Department of Health and Environment (KDHE), and the Kansas Association of Local Health Departments (KALHD).

The Kansas MLC-3 Project will work with the University of Kansas, Area Health Education Center to facilitate mini-collaboratives and share best practices across the state with two of these already planned over the 3 year grant program. One program will focus on maternal and child health with the target to reduce infant mortality by increasing the number of women who receive first trimester prenatal care. The second, which will benefit local health departments and communities, is the community health assessment.

3. Improve Collaboration (Part of this also contained in 2 above)

Public Health at the local level is more than just the county health department nurse and staff. There are many groups within a single community who are important to the local public health system and population health, yet we haven't been very effective in the past capitalizing on similar efforts by sharing resources across interests.

Coordinate successful programs into ongoing efforts to improve the model of health care.

If we are to meet the patient's healthcare needs then care coordination must include all providers, locations and resources including local health departments, local primary care providers, specialists, hospital facilities, home health facilities, hospice, pharmacists, and social workers; essentially any healthcare entity that touches on any

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Robert Moser, MD, Acting Secretary

Department of Health & Environment

Sam Brownback, Governor

aspect of the patient's healthcare. Effective care coordination requires understanding each team member's role and responsibility at the time of the patient encounter,

wherever that may be, and a clearly defined flow of accurate information between team members. Smaller communities and practices may not have the resources to develop effective care management or quality improvement programs, but the role of the Kansas health information exchange and current efforts ongoing in many other programs can be structured to support this shift in disease care to health management.

I believe many of the programs that currently exist under KDHE and KHPA as well as other initiatives across out state, such as the Health Information Exchange and the Patient Centered Medical Home, can be leveraged as we redesign the Kansas health care system. None of this will occur unless all stakeholders are willing to sit down with open minds and discuss and work on how healthcare in Kansas should look and operate 5 to 10 years down the road. Together we can find a Kansas solution to fragmented health care delivery and improve our state health care systems.

Thank you for the opportunity to speak with you today.

Bob Moser, M.D.
Acting Secretary, Kansas Department of Health and Environment

Kansas Department of Revenue

Testimony Kansas Department of Revenue Secretary Nick Jordan January 26, 2011

Kansas Department of Revenue collects taxes and fees, administers Kansas tax laws, issues a variety of licenses and provides assistance to Kansas citizens and units of government.

The Kansas Department of Revenue is committed to hard work every day for the people of Kansas; to treat our taxpayers, our employees, and each other with respect; to conduct business with integrity, fairness and civility; and to be held accountable for our efforts.

Secretariat- Administrative Services

The Chief Administrative Officer and Appointing Authority of the Department of Revenue is the Secretary of Revenue, who is appointed by and serves at the pleasure of the Governor. The Secretary is responsible for the management of the Department's four divisions: Tax Operations, Alcoholic Beverage Control, Property Valuation and Vehicles. There are five Secretariat Service Bureaus: Office of the Secretary, Resource Management, Legal, Policy & Research, Audit Services and Information Services. The Secretariat assists the Governor's and Legislature's staffs with policy development and economic forecasting. The Secretary provides revenue analysis through the development of simulation models; historical data analysis; analysis of economic trends, and the effect of legislative action. The Secretary of Revenue serves as the contact point for the department in its numerous interactions with local and county governments and their various entities.

Alcoholic Beverage Control

The Director of Alcoholic Beverage Control (ABC) has the responsibility of administering laws governing the manufacture, distribution, sale and consumption of alcoholic beverages in Kansas. The ABC director, staff and agents ensure that out-of-state suppliers, in-state distributors, and retail-level Kansas licensees comply with the state liquor laws. Additional Duties include enforcing laws against selling cigarettes to underage persons and collecting the tax on illegal drugs.

The division works to improve voluntary compliance of tax laws as well as the laws regulating liquor, and cigarettes and tobacco products by providing education and training to industry members and local law enforcement agencies.

Tax Operations

The Kansas Taxation Division is responsible for administration and compliance of a variety of Kansas taxes. The taxes are categorized by either personal or business.

The administration of personal taxes includes filing and payment of taxes, verification of the accuracy of tax filings, refund information, and providing customer services on the various tax types.

Kansas Department of Revenue

The Director of Taxation oversees the operations of three subprograms: Channel Management, Customer Relations, & Compliance Enforcement. The Director's office works very closely with these four areas.

- Channel Management converts paper based data into electronic formats in order for associates to retrieve, query and display document images.
- Customer Relations is responsible for reviewing and adjusting tax returns to ensure accuracy, completeness and compliance with Kansas statutes and regulations. This area also provides answers to questions from Kansas taxpayers either by telephone, written correspondence, or to walk-in customers who visit the Taxpayer Assistance Center regarding adjustments, Kansas tax laws and completing returns.
- Compliance Enforcement is also responsible for identifying taxpayers that fail to report taxes, under-report taxes or underpay taxes. The mission of Compliance Enforcement is to ensure the equitable payment of taxes due by developing and applying methods and tools to monitor, assist, encourage and persuade customers to comply with the tax laws of the State of Kansas.
- Electronic Services goal is to reduce or eliminate all paper-based data by capturing data electronically at the source. Electronic Services defines, implements and supports a portfolio of electronic channels for moving information to and collecting information and payments from KDOR customers. This includes web-based software and interactive voice response systems and applications used for the purpose of filing tax returns and reports and for remitting the related payments and fees.

Property Valuation

The Kansas Property Valuation Division exercises general supervision over ad-valorem policies and procedures, conducts the valuation of state appraised properties and provides concise and timely property tax information. Property is assessed by county appraisers and collected at the county level. The Administration Bureau provides: (1) direction and policy guidelines for the division and all the Kansas counties; (2) specialized legal services to the division, counties and the public; (3) an annual education program for counties and the public; (4) administrative services for the entire division such as budgeting, purchasing, and legislative analysis.

- The State Assessed Bureau primarily performs two functions: (1) it appraises a variety of public utilities and certifies the appropriate valuations to the counties; and (2) it values, assesses and collect motor carriers property tax.
- The Technical Support Bureau is devoted to providing specialized technical support services to the counties in an effort to assure quality customer service and more accurate, uniform property taxation. The Director to promulgates guidelines for the counties to follow, to assure statutory statewide uniformity in valuations. This bureau's role includes generating and maintaining the commercial sales data base; providing support for CAMA (the computer-assisted mass appraisal program); generating agricultural use valuations; issuing an oil and gas guide and

Kansas Department of Revenue

a personal property guide, and determining valuations/class codes for passenger motor vehicles that are taxed.

- The County Assistance Bureau is devoted to providing county assistance in an effort to assure quality customer service and more accurate, uniform property taxation. This bureau prepares and issues the annual sales ratio report and the annual substantial compliance report required by law.

Motor Vehicles

The Division of Motor Vehicles is committed to serving the public with information and direction, for titling and registration of their personal and commercial vehicles, licensing new/used automobile dealers, licensing drivers, enforcing restrictive driving privileges. The Driver Privacy Protection Act, which protects Kansas citizens' personal information is adhered to in all operations.

- The Titles and Registration function in the Division of Vehicles issues license plates, certificates of title, registration renewals, and collects for all 2.6 million private and commercial motor vehicles. Numerous e-government enhancements will provide the citizens of Kansas with a wider variety of options to meet their customer service needs. Titles and Registrations partners with all 105 County Treasurers to provide motor vehicle services to the citizens of Kansas. The Bureau provides ongoing training and support for county treasurers' motor vehicle staff, and new, used and salvage vehicle dealers. The Titles and Registration Bureau is responsible for providing tags, tag envelopes, decals and forms to County Treasurers. Staff is responsible for maintaining over 50 years of motor vehicle documentation and respond to all requests for vehicle information. Additionally, the state's 9,000 new and used vehicle dealers and salespersons are licensed, renewed and monitored by the Dealer Licensing Bureau Staff and Field Investigators. Investigations are conducted to ensure compliance with statutory requirements and resolve complaints.
- The Motor Carrier Services Bureau issues registrations and cab cards for approximately 2,200 Kansas based carriers as well as registering nearly 20,000 trailers annually.
- The Driver's License Examining Bureau and Driver Control Bureau support the state-wide effort to have safe drivers on Kansas roadways through testing, issuing and renewing drivers' licenses, and maintaining driving records for use by law enforcement officials, courts, and others. The Driver's License Examining Bureau conducts driver's license examinations and issues identification documents. The Driver Control Bureau maintains driving records, processes changes to driving privileges such as restrictions, suspensions, revocations and reinstatements on drivers' licenses, and coordinates administrative hearings.

Kansas Department of Wildlife and Parks

Sam Brownback, Governor
Robin L. Jennison, Secretary

January 26, 2011

Senator Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Room 548-S, State Capitol Building
Topeka, KS 66612

SUBJECT: Overview of the Kansas Department of Wildlife and Parks

Thank you for the opportunity to review the current status of the Kansas Department of Wildlife and Parks (KDWP) and my short and long terms goals for the Department. As you are aware, the FY 2012 Governor's Budget Report is recommending that KDWP expand its role to include tourism and I will include that topic in my comments.

The Governor's FY 2012 budget recommendations will continue the current level of expenditures for the state parks system. There will be no park closures and the existing level of service will continue to be provided. The Governor's recommendations do not contain any funds for major maintenance or capital improvements but will allow for KDWP to meet current obligations. It should be noted that in order to provide the current level of service, the FY 2012 recommended budget includes approximately \$1.0 million of Road Funds to finance operations of the Parks Division.

The FY 2012 Governor's Budget Recommendations provide for several enhancements to the Fisheries and Wildlife programs within KDWP. The funding for these programs is stable and will continue to be for the near future. The major effort of these programs will continue to be on the development of outdoor recreation opportunities, primarily hunting and fishing, and protection of the State's natural resources.

KDWP continues to provide additional public use cabins at the State Parks and certain public lands areas. The use of these cabins continues to increase as the public becomes more aware of their availability. Currently there are 94 cabins available for public use with an additional 12 cabins to become available within the next four months. For calendar year 2010 the occupancy rate for the cabins was over 40% for the entire period with 33% of the usage by non-residents.

The FY 2012 Governor's Budget Recommendations are attached. There is a summary table with KDWP total expenditures and an additional table with the recommended capital improvements. The total FY 2012 recommended expenditures for the Department are \$68,367,311 with an amount of \$7,946,500 for capital improvements included in the total. The recommend expenditures for State General Fund (SGF) are \$4,888,363 which is a reduction of four percent from FY 2011. It should be noted that the Governor's FY 2012 recommendations include \$4,333,429 of special revenue funds for operations of the Tourism Division within KDWP.

For FY 2012, the Governor is promoting numerous initiatives to promote rural development with the State. One of these initiatives is to emphasize the importance of tourism to the State and the need for the State to expand development in rural areas including tourism. KDWP has been involved with the promotion of tourism within the State for a number of years. Recent publications from the Division of

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Tourism, Department of Commerce, have promoted Kansas as an outdoor destination and have included information on hunting and fishing within the State and recently the use of public cabins on Department facilities.

In order to consolidate services and renew focus, the Governor has recommended that the Division of Tourism be moved from the Department of Commerce to KDWP. The move of the Travel and Tourism program to KDWP will unify efforts already underway in each agency to promote Kansas as an outdoor destination.

My goals for KDWP in the next year are to implement the Governor's recommendations and increase the promotion of outdoor recreation within the State. This will not be done at the expense of the current travel and tourism program being conducted by the Division of Tourism. This State has numerous tourism opportunities in both urban and rural areas and under my direction the newly reorganized Department of Wildlife, Parks, and Tourism will promote all areas of the State.

During the next several years, we intend to consider new opportunities for rural Kansas including the first Governor's Pheasant hunt. We will work with local communities to develop these new opportunities and create new partnerships to promote these efforts.

Thank you for the opportunity to brief the Committee and if there are any questions, please advise.

A handwritten signature in cursive script, appearing to read "Robin Jennison".

Robin Jennison, Acting Secretary of Wildlife and Parks
Kansas Department of Wildlife, Parks, and Tourism

Attachments (2)

	FY 2010 Actuals	FY 2011 GBR	FY 2012 GBR
Programs:			
Administration	10,329,714	13,122,385	13,649,096
Travel & Tourism	-	-	4,333,429
Grants-in-Aid	1,518,412	1,450,000	1,450,000
Law Enforcement	6,291,825	6,827,965	7,192,240
Parks	11,060,148	11,614,116	11,790,965
Fisheries and Wildlife	19,223,348	21,082,854	21,918,891
Debt Service	-	132,690	141,190
Capital Improvements	5,307,610	20,977,852	7,891,500

TOTAL	53,731,057	75,207,862	68,367,311
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Expenditure Groups:

Salaries and Wages	27,935,886	29,709,312	30,766,390
Contractual Services	11,104,396	13,473,877	17,109,633
Commodities	5,440,572	6,749,822	6,675,693
Capital Outlay	2,384,587	2,714,309	4,149,905
Aid/Other Assistance	1,523,591	1,450,000	1,633,000
Debt Service	-	132,690	141,190
Non-expense Items	34,415	-	-
Capital Improvements	5,307,610	20,977,852	7,891,500

TOTAL	53,731,057	75,207,862	68,367,311
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Funding:

Operating Expenditures:

State General Fund	5,181,930	5,025,603	4,888,363
Department Road Access Fund	996,125	1,029,921	1,085,458
Nonrestricted Fund	197,317	190,000	170,000
Park Fee Fund	5,656,250	6,318,599	6,882,035
Boating Fee Fund	849,730	993,867	1,187,182
Boating Fee Fund - Federal	640,766	699,560	936,560
Wildlife Fee Fund	19,256,853	24,787,316	26,001,543
Wildlife Fee Fund - Federal	10,537,131	-	-
Wildlife Restoration Fund - Federal	-	4,383,215	4,352,140
Sportfish Restoration Fund - Federal	-	5,603,449	5,235,058
Federal Ag Fund	1,871,864	1,495,908	1,804,698
Land and Water Cons Fund - Local	49,589	150,000	150,000
Federal Grants Fund	1,718,133	-	-
Wildlife Conservation Fund	179,380	200,000	732,820
Wildlife Conservation Fund - Federal	150,249	-	-
Water Plan Fund	28,800	28,800	40,000
Nongame Fund	54,724	130,000	130,000
State Ag Fund	505,370	260,000	260,000
Cabin Revenue	196,152	245,116	264,380
EDIF	-	-	1,856,487
Pub & Other Sales Fund	-	-	2,476,942
Trails Fund	-	948,982	949,324
Other Funds	353,094	1,739,674	1,072,821

Capital Improvements	48,423,447	54,230,010	60,475,811
State General Fund	256,335	67,050	-
Bridges Fund	149,868	411,882	200,000
Roads Fund	191,418	3,848,276	1,670,000
Wildlife Conservation Fund	81,104	705,551	-
Wildlife Conservation Fund - Federal	719,885	-	-
Park Fee Fund	158,514	383,476	-
Boating Fee Fund	97,056	437,355	250,000
Boating Fee Fund - Federal	377,652	47,954	-
Wildlife Fee Fund	1,521,643	4,988,235	2,454,000
Wildlife Fee Fund - Federal	56,211	-	-
Wildlife Restoration Fund - Fed	-	5,270,286	1,992,500
Sportfish Restoration Fund - Fed	-	1,320,797	-
Migratory Waterfowl Fund	5,183	407,039	200,000
Land and Water Cons Fund - State	163,235	1,643,887	375,000
Federal Grants Fund	915,216	-	-
Tuttle Creek Mitigation	-	-	-
Nongame Fund - Fed	-	100,000	-
Other Funding Sources	229,981	43,048	50,000
Trails Fund	-	1,000,006	400,000
Cabin Revenue Fund	384,309	303,010	300,000
TOTAL	53,731,057	75,207,862	68,367,311

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FY '12 Cap Impvmts - Gov Budg Rec										
	SGF	BFF	Mig Wtfwl	Cabins	WFF	Wild Restor	Bridges	(a) Other Funds	Roads Fund	Total
River Access		\$ 250,000								\$ 250,000
Parks Maj Maint	\$ -							\$ 375,000		\$ 375,000
Land Acquisition					\$ 1,000,000	\$ 1,000,000				\$ 2,000,000
Cabin Site Prep				\$ 300,000				\$ 50,000		\$ 350,000
Wetlands Acquisition/Development			\$ 200,000			\$ 450,000				\$ 650,000
Public Lands Major Maintenance						\$ 542,500				\$ 542,500
Road Maint									\$ 1,670,000	\$ 1,670,000
Bridge Maint							\$ 200,000			\$ 200,000
Federally Mandated Boating Access					\$ 1,204,000					\$ 1,204,000
Shooting Range Dev					\$ 100,000					\$ 100,000
Lovewell Entr Proj					\$ 150,000					\$ 150,000
Trails Development								\$ 400,000		\$ 400,000
	\$ -	\$ 250,000	\$ 200,000	\$ 300,000	\$ 2,454,000	\$ 1,992,500	\$ 200,000	\$ 825,000	\$ 1,670,000	\$ 7,891,500
a) \$375,000 - LWCF, \$50,000 - St Ag Fund, \$400,000 - Rec Trails Grant										

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**Significant Savings and Revenue Enhancements Identified in Audit Reports
Fiscal Years 2009-2011**

Audit Title/ Summary of Findings	Estimated Annual Savings
COMBINING STATE AGENCIES	
A K-GOAL Audit of Agricultural-Related Agencies and Whether They Could Be Combined to Achieve Cost Savings —Kansas is one of six states that doesn't place any of its animal health oversight or conservation grant functions within its Department of Agriculture. Kansas could save money by merging the two agencies with the Department of Agriculture, through eliminating or restructuring staff positions, and through other operating costs reductions. Officials at the Conservation Commission reduced rent and positions and have realized savings of \$272,758.	\$710,000
Financial Regulatory Agencies in Kansas: A K-GOAL Audit Determining Whether Functions Could Be Combined —Consolidating Kansas' Department of Credit Unions, Office of the Bank Commissioner, and Office of the Securities Commissioner, could save at least \$260,000 annually, mostly from staff reductions or restructurings. There are additional opportunities savings (\$295,000 annually) that could be achieved even if the agencies are not consolidated.	\$555,600
Adult Correctional Agencies: Determining Whether Functions Could Be Combined To Gain Cost Efficiencies —From an efficiency standpoint, we found no benefit to merging the three-member Parole Board into the Department of Corrections, but merging the Sentencing Commission staff function into the Department of Corrections would save about \$152,000 a year by eliminating duplicate administrative functions.	\$152,000
REORGANIZING LOCAL DISTRICTS	
K-12 Education: Reviewing the Potential for Costs Savings From Reorganization of Kansas School Districts —Under one of the scenarios we developed, the current 293 districts potentially could be consolidated into 152 districts, which could save in reduced education aid provided to districts.	\$111,200,000
Judicial Districts in Kansas: Determining Whether Boundaries Could Be Redrawn to Increase Efficiency —Savings that could be achieved vary based on the assumptions and estimates used. Under one scenario, had the district courts operated in fiscal year 2008 with 13 judicial districts instead of 31, we estimated that court personnel and travel costs combined could have been \$6.2 million (5.4%) less for State and local governments combined. Even without redrawing existing judicial district boundaries, the State could achieve cost savings by eliminating the one-judge-per-county law.	\$6,200,000
BENEFITS PROGRAMS	
Prescription Drugs: Reviewing What KHPA Is Doing To Control Prescription Drug Costs in Programs It Oversees —The Health Policy Authority already has implemented several strategies to control prescription drug costs in the Medicaid program and the State Employee Health Plan. We identified five additional strategies for the Medicaid program—such as joining a purchasing consortium, regulating mental health prescription drugs, and reducing dispensing fees paid to pharmacists—that could save the Authority between \$3.8 million and \$4.6 million per year.	\$6,850,000

Statewide Medical Expenditures: Reviewing Medicaid Expenditures for Fraud and Abuse —Using data-mining techniques, we identified a number of suspicious Medicaid claims for federal fiscal year 2006 for such things as claims for clients whose income appeared to exceed program limits, claims for clients who did not provide a valid Social Security number, and other suspicious claims.	\$3,110,243
Child-Care Assistance: Determining Whether SRS' Procedures Limit the Risk of Improper Payments —Overall, SRS has reasonable procedures in place to reduce improper payments in the Child-Care Assistance Program, and those procedures caught most of the potentially improper payments we identified. However, we noted that 571 families whose incomes appeared to significantly exceed the Program's basic guidelines received \$1.8 million in child-care assistance in 2007. Among those 571 were 30 families whose income exceeded \$100,000.	\$1,800,000
OTHER	
Agency Data Centers: A K-GOAL Audit Assessing the Potential Savings of Consolidation —The five agencies we reviewed could virtualize another 364 existing servers. In addition, DISC could lease about 200 virtualized servers to agencies using existing server space within DISC, and another 260 if it bought more equipment and expanded its leasing program.	\$726,000

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Information on Savings Recommended in Recent Audit Reports
Legislative Division of Post Audit
January 2011

This document summarizes savings recommended in recent Legislative Post Audit reports. The following table lists the savings or revenue enhancements recommended in fiscal year 2009 and 2010 audit reports, and in fiscal year 2011 reports to date.

The estimates shown generally are conservative. For example, recurring savings are counted only for the first year they occur. When we identified a range of estimated savings, the figure reported here generally is the low end of the range, or some reasonable midpoint.

For information on any of the audits cited in this document, please call Legislative Post Audit at (785) 296-3792.

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Audit Number	Audit Title	Summary of Audit Findings	-----Potential Savings-----	
			One-Time	Annual/ Ongoing
Fiscal Year 2011 (to date)				
09-PA-06	Agency Data Centers: A K-GOAL Audit Assessing the Potential Savings of Consolidation	The five agencies we reviewed could virtualize another 364 existing servers. In addition, DISC could lease about 200 virtualized servers to agencies using existing server space within DISC, and another 260 if it bought more equipment and expanded its leasing program.		\$762,000
10-PA-06.1	K-12 Education: Efficiency Audit of the Concordia School District	The audit identified opportunities for the district to operate more efficiently and reduce costs, such as filling its high school classes closer to capacity, combining class sections with the lowest enrollments, and move its preschool from its current location into the district's elementary school. Other possibilities: offering fewer supplemental contracts, increasing the use of cash-back procurement cards, seeking more competitive bids, and limiting the number of district-owned cell phones.		\$236,300
10-PA-06.2	K-12 Education: Efficiency Audit of the Riley County School District	The audit identified several cost-reduction and efficiency opportunities, such as reducing the amount of funds transferred into the food program by controlling portion sizes, setting lunch prices at levels that come closer to covering cost, charging for extra servings, and implementing a central kitchen. Other areas for savings: moving the district's central office into one of the district's two school buildings and selling the office building, changing its high school from a block schedule to a more traditional schedule, and reducing utility costs.	\$136,000	\$242,350
10-PA-06.3	K-12 Education: Efficiency Audit of the Clifton-Clyde School District	The audit identified opportunities that would allow the Clifton-Clyde school district to operate more efficiently and reduce costs, including reducing the number of course sections offered at the high school and filling courses closer to capacity, discontinue teaching subject areas that have fewer than 35 students, and generate revenue by charging for breakfasts it currently provides at no cost to pre-kindergarten and kindergarten students.		\$232,000
10-PA-18	Prescription Drugs: A K-GOAL Audit Reviewing What the Kansas Health Policy Authority is Doing to Control Prescription Drug Costs in the Program it Oversee	We made various savings recommendations. Potential changes include participating in a multi-state consortium and obtaining same rate as Iowa, as well as reducing State's share of coinsurance by 5% for all non-generic prescription drugs.		\$6,850,000
Totals, Fiscal Year 2011:			\$136,000	\$8,322,650

Audit Number	Audit Title	Summary of Audit Findings	-----Potential Savings-----	
			One-Time	Annual/ Ongoing
			Fiscal Year 2010	
10-PA-02	Adult Correctional Agencies: Determining Whether Functions Could be Continued to Gain Cost Efficiencies	From an efficiency standpoint, we found no benefit to merging the three-member Parole Board into the Department of Corrections, but merging the Sentencing Commission staff function into the Department of Corrections would save about \$152,000 a year by eliminating duplicate administrative functions.		\$152,000
10-PA-03	Kansas Tax Revenues, Part I: Reviewing Tax Credits	We identified 8 tax credits that appear to be likely candidates for repeal. If that were to happen, enhanced revenues would be almost \$100,000 annually, based on the cost of these tax credits in TY 2007.		\$100,000
10-PA-04	Judicial Districts in Kansas: Determining Whether Boundries Could Be Redrawn to Increase Efficiency	Savings that could be achieved vary based on the assumptions and estimates used. Under one scenario, had the district courts operated in fiscal year 2008 with 13 judicial districts instead of 31, we estimated that court personnel and travel costs combined could have been \$6.2 million (5.4%) less for State and local governments combined. Even without redrawing existing judicial district boundaries, the State could achieve cost savings by eliminating the one-judge-per-county law.		\$6,200,000
10-PA-07	K-12 Education: Reviewing the Potential for Costs Savings from Reorganization of Kansas School Districts	We developed two scenarios for school district consolidation. Consolidating from 293 districts to 152 could save more than \$100 million in reduced education aid provided to districts. The other scenario would consolidate 293 districts to 266, and could potentially save \$14,800,000.		\$111,200,000
09-PA-04	Vehicle Travel: Determining Whether the State is Becoming More Cost Efficient With Its Vehicle Fleet	Our review of 251 commonly purchased new vehicles in fiscal year 2008 showed that, given certain assumptions, the State potentially could save by purchasing those vehicles used instead of new.		\$56,000
09-PA-14	K-12 Education: Efficiency Audit of the Derby School District	The most significant savings opportunity we identified—and the one that would require the most change to implement—involves moving the high school from a block schedule to a traditional schedule and filling high school classes to capacity, thus eliminating the need for as many class sections. We also identified opportunities for consolidating two administrative buildings and for better controlling the district's use of overtime.	\$287,500	\$1,017,750
09-PA-16	K-12 Education: Efficiency Audit of the Ellinwood School District	We identified several significant opportunities for the district to operate more efficiently and reduce costs, including closing the elementary school, eliminating certain elementary school staff, and moving the elementary students to the middle-high school. We also identified opportunities to fill high school classes to capacity and to hire part-time teachers.	\$2,100,000	\$537,200
08-PA-24	State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs? (A K-GOAL Audit)	The State's six universities have implemented cost-cutting measures to varying degrees. We identified numerous opportunities for additional efficiencies, but we were unable to quantify most of them.		\$60,000

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Audit Number	Audit Title	Summary of Audit Findings	-----Potential Savings-----	
			One-Time	Annual/ Ongoing
08-CC-04	<i>Child Care Assistance: Determining Whether SRS' Procedures Limit the Risk of Improper Payments</i>	Overall, SRS has reasonable procedures in place to reduce improper payments in the Child-Care Assistance Program, and those procedures caught most of the potentially improper payments we identified. However, we noted that 571 families whose incomes appeared to significantly exceed the Program's basic guidelines received \$1.8 million in child-care assistance in 2007. Among those 571 were 30 families whose income exceeded \$100,000.		\$1,800,000
10-PA-05.1	<i>K-12 Education: Efficiency Audit of Renwick School District</i>	We identified opportunities that would allow the Renwick school district to operate more efficiently and reduce costs, such as reducing the number of elementary schools from four to three, and the number of high schools from two to one. In addition, moving its high schools from a block schedule to a more traditional schedule and filing classes closer to the capacity set by the district would eliminate the need for several class sections. We also identified other areas of potential savings.	\$1,000	\$1,958,200
10-PA-05.2	<i>K-12 Education: Efficiency Audit of the Winfield School District</i>	We identified several significant opportunities for the district to operate more efficiently and reduce costs. The most significant of these—and the one that would require the most change to implement—involves closing the elementary school, eliminating certain elementary school staff, and moving the elementary students to the middle-high school. We also identified opportunities to fill high school classes to capacity and to hire part-time teachers	\$1,000	\$2,065,200
09-CC-02.2	<i>State Data Systems: Reviewing for Evidence of Inappropriate Payments</i>	In this data-mining audit, we found that agencies could save money by hiring additional staff to offset current overtime costs.		\$240,000
Totals, Fiscal Year 2010:			\$2,389,500	\$125,386,350
Fiscal Year 2009				
09-PA-03	<i>State Inspection Functions: A K-GOAL Audit of Savings or Efficiencies from Automating Inspection Processes</i>	By fully automating the other programs in our sample, KDHE could achieve annual net savings of about \$28,600 in staff and postage costs. About \$6,800 of the savings would be State General Fund moneys.		\$28,632
09-CC-02.1	<i>Business Procurement Cards: Expanding Their Use to Increase Cash Rebates to the State</i>	The report estimated that agencies could save \$380,000 by increased use of cards to specific high volume vendors, and an additional \$940,000 by using the cards with various other vendors.		\$1,320,000
08-CC-02	<i>Statewide Medical Expenditures: Reviewing Medicaid Expenditures for Fraud and Abuse</i>	Using data-mining techniques we identified a number of suspicious Medicaid claims for federal fiscal year 2006 (the most recent year for which complete data were available to analyze) for such things as claims for clients whose income appeared to exceed program limits; claims for clients who didn't provide a valid Social Security number, and other suspicious claims.		\$3,110,243

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Audit Number	Audit Title	Summary of Audit Findings	-----Potential Savings-----	
			One-Time	Annual/ Ongoing
08-PA-21	<i>Department of Commerce: A K-GOAL Audit Reviewing the Department's Management Staffing Levels</i>	The Department had a high proportion of management to total staff. Many of these were lower-level management positions reallocated from non-management positions. In addition, the Department had a double-tiered management layer for its workforce development regions. Officials said they restructured management in these regions, and have realized \$175,000 in savings.		\$23,800
08-PA-22	<i>Financial Regulatory Agencies in Kansas: A K-GOAL Audit Determining Whether Functions Could Be Combined</i>	By consolidating Kansas' Department of Credit Unions, Office of the Bank Commissioner, and Office of the Securities Commissioner, at least \$260,000 could be saved annually, mostly from staff reductions or restructurings. An additional estimated \$295,000 in annual savings could be achieved even if the agencies aren't consolidated.		\$555,600
08-PA-23	<i>Agricultural-Related Agencies: A K-GOAL Audit Determining Whether Cost Savings Could Be Achieved By Making the Animal Health Department and Conservation Commission Part of the Department of Agriculture.</i>	Kansas is one of six states that doesn't place any of its animal health oversight or conservation grant functions within its Department of Agriculture. Kansas could save money by merging the two agencies with the Department of Agriculture, through eliminating or restructuring staff positions, and through other operating costs reductions. Officials at the Conservation Commission reduced rent and positions and have realized savings of \$272,758.		\$437,242
Totals, Fiscal Year 2009:			\$0	\$5,475,517
3-Year Total:			\$2,525,500	\$139,184,517