

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 a.m. on February 15, 2011, in Room 548-S of the Capitol.

All members were present.

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

Others attending:

See attached list

Bill Introductions

Senator Teichman moved introduction of a bill (#rs0667) concerning the surplus lines insurance multi-state contract; Senator Francisco seconded the motion which passed on a voice vote.

Follow-Up Information

Chairperson McGinn called committee members' attention to a letter referenced in the meeting of February 14 from Governor Brownback to Commissioner Sandy Praeger, Kansas Insurance Department (Attachment 1). Senator Teichman moved to include the follow-up information in the Committee's permanent record; Senator Huntington seconded the motion which carried on a voice vote.

Secretary Pat George, Department of Commerce, submitted follow-up information from the meeting on February 7, 2011, concerning **SB 42** which integrates the Kansas Technology Enterprise Corporation (KTEC) into the Department of Commerce. Senator Huntington requested an organizational chart representing the transition plan. The organizational chart is attached and becomes part of this permanent record (Attachment 2).

Subcommittee Reports

Senator Schmidt reported that for each of the Corrections facilities, the Subcommittee concurred with the Governor's recommendation with the following annotations (Attachment 3):

1. Concern exists regarding the possibility of further reductions to the Department of Corrections budget.
2. Testimony was heard concerning the increase in the inmate population; severity level increases are anticipated to be off grid between FY 2011 and FY 2020. This means a mandatory minimum sentence is longer than what the offence carried when it was in the sentencing grid. These changes directly affect the inmate population.
3. Reductions to the parole system mean the loss of 57 parole officer positions. Concerns exist that this reduction could result in increased parole violations, thereby compounding the existing inmate capacity issue.
4. The Governor's recommendation included a \$600,000 reduction from the State General Fund for FY 2012 that allows the Department of Corrections to reimburse local hospitals at the Medicaid rate for services provided to inmates. Currently, the Department does not have statutory authority to reimburse local hospitals at Medicaid rates.
5. The Subcommittee recommends the Kansas Health Policy Authority and the Department of Corrections collaborate to establish requirements to make inmates eligible for Medicaid payments when receiving hospital care.
6. Currently, the Legislature is considering **ERO 34**, which abolishes the Parole Board and establishes a Prisoner Review Board within the Department of Corrections. The Subcommittee's recommendation for expenditures is contingent on approval of **ERO 34** or comparable legislation. Therefore, the Subcommittee's intention is to reconsider the

CONTINUATION SHEET
MINUTES OF THE WAYS AND MEANS COMMITTEE on February 15, 2011, 10:30 a.m. 548-S

Parole Board's FY 2012 budget.

7. The Subcommittee recommends introduction of legislation to codify the following provisos:
 - a. Prohibit local community corrections programs from using state grant funds to supplant local funding;
 - b. Limit local jail per diem cost payments to the Department of Corrections per diem cost;
 - c. Allow payment deferral for DUI treatment costs to the next fiscal year; and
 - d. Allow payment deferral for local jail costs to the next fiscal year.
8. The Subcommittee noted the Kansas Correctional Industries (KCI) program was moved to an off budget program for FY 2012.
9. The Subcommittee noted the inmate home building program in the Department of Corrections could create competition with private companies.

Senator Schmidt also noted that enumeration in the report was incorrect; Legislative Research Department staff will correct the error.

Senator Taddiken moved to reconsider #6 under the Department of Corrections Subcommittee Report at Omnibus; Senator Schmidt seconded the motion, which passed on a voice vote.

Senator Schmidt moved to accept the Department of Corrections Subcommittee Report as amended and corrected; Senator Huntington seconded the motion, which passed on a voice vote.

Senator Schmidt moved to accept the Subcommittee Report (Attachment 3, pg 3-11 and following) on Correctional Facilities (Eldorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Norton Correctional Facility, Topeka Correctional Facility, and Winfield Correctional Facility); Senator Taddiken seconded the motion, which passed on a voice vote.

Senator Schmidt reviewed the agency request and the Governor's recommendation for the Parole Board (Attachment 3, pg 4-3). She reported the Subcommittee concurred with the Governor's recommendation with the following notations:

1. The Subcommittee commended past efforts by the Parole Board to reduce costs.
2. The Subcommittee acknowledged **ERO 34** which abolishes the Parole Board and creates a Prisoner Review Board in the Department of Corrections. The Subcommittee notes its intention to reconsider the Parole Board's FY 2012 budget.

Senator Francisco moved to amend #2 (above) to read: "The Subcommittee notes its intention to reconsider the Parole Board's FY 2012 budget at Omnibus"; Senator Schmidt seconded the motion, which carried on a voice vote.

Senator moved to accept the Parole Board Subcommittee Report as amended; Senator Teichman seconded the motion, which passed on a voice vote.

Senator Schmidt reviewed the agency request and the Governor's recommendation for the Juvenile Justice Authority (Attachment 4). Senator Schmidt reported the Subcommittee concurred with the Governor's recommendations including the following adjustments and notations:

- Add \$342,000 from the Juvenile Delinquency Prevention Trust Fund to the prevention block grant program.
- Add \$19,908 from the Kansas Juvenile Correctional Facility Fee Fund to the prevention block grant program.
- Delete \$146,521 from the SGF for FY 2012. Consolidation with the Department of Corrections results in reduced expenditures for administrative functions and processes.
- Note that expanded lottery fund revenues will be reviewed in April by the consensus caseload estimating group. The Subcommittee will consider adding funding to the prevention block grant program when revised estimates are available.

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- Agree with the House Subcommittee recommendation to not expend \$328,000 (from State Institutions Building Fund) for construction of a warehouse at the Larned Juvenile Correctional Facility.

Senator Schmidt moved to amend the report to include an opportunity for interested parties to seek additional funding of approximately \$500,000 for the prevention block grant program and to report at Omnibus if additional funding had been secured; the motion was seconded by Senator Kelly and passed on a voice vote.

Senator Schmidt moved to accept the Juvenile Justice Authority Subcommittee report as amended; Senator Kelly seconded the motion, which passed on a voice vote.

Senator Schmidt reviewed the Kansas Juvenile Correctional Complex Subcommittee report (Attachment 4, pg 4-5) and the Larned Juvenile Correctional Facility Subcommittee report (Attachment 4, pg 4-7). She reported the Subcommittee concurred with the Governor's recommendations. Senator Schmidt moved to accept these Subcommittee reports as submitted; Senator Kelly seconded the motion, which passed on a voice vote.

Senator Huntington reviewed the Legislative Coordinating Council Subcommittee Report (Attachment 5, pg 5-2). The subcommittee concurred with the Governor's recommendation with one adjustment:

- Add \$69,288 from the SGF to fully staff the agency and eliminate agency layoffs or furloughs.

Senator Huntington moved adoption of the Legislative Coordinating Council Subcommittee report; Senator Schodorf seconded the motion, which carried on a voice vote.

Senator Huntington moved to adopt the Legislative Post Audit Subcommittee report (Attachment 5, pg 5-4) as recommended by the Governor; Senator Schodorf seconded the motion, which carried on a voice vote.

Senator Huntington reviewed the Legislative Research Department Subcommittee report (Attachment 5, pg 5-5). The Subcommittee concurred with the Governor's recommendation with one adjustment:

- Add \$463,632 from SGF to fully staff the agency and to fund redistricting costs (excluding additional computer equipment).

Senator Huntington moved adoption of the Legislative Research Department Subcommittee report including the adjustment discussed; Senator Teichman seconded the motion, which passed on a voice vote.

Senator Huntington reviewed the Legislative Subcommittee Report (Attachment 5, pg 5-7). The Subcommittee concurred with the Governor's recommendation with one adjustment:

- Add \$327,237 from SGF to fully fund a 90-day Legislative session for 2012.

Senator Huntington moved adoption of the Legislative Subcommittee report; Senator Schodorf seconded the motion, which passed on a voice vote.

Senator Huntington reviewed the Office of the Revisor of Statutes Subcommittee report (Attachment 5, pg 5-9); the Subcommittee concurred with the Governor's recommendation including one adjustment:

- Add \$277,078 from the SGF to fully staff the agency in order to provide drafting of legislation in a timely manner.

Senator Huntington moved adoption of the Office of the Revisor of Statutes Subcommittee report; Senator Schodorf seconded the motion, which passed on a voice vote.

Senator McGinn continued the hearing on **SB 42-- Abolishing KTEC: transferring duties to department of commerce and board of regents.**

CONTINUATION SHEET
MINUTES OF THE WAYS AND MEANS COMMITTEE on February 15, 2011, 10:30 a.m. 548-S

Secretary Pat George, Secretary of the Department of Commerce, was present to speak in support of **SB 42**. Secretary George distributed follow-up information from the February 7 meeting in which information was requested by Senator Francisco (Attachment 6) related to projected savings.

Secretary George discussed the proposed transfer of powers, duties, and functions of the existing agency to the Department of Commerce (Attachment 7). He spoke regarding the transition plan and the focus to create accountability within the agency.

Responding to committee members' questions, Secretary George indicated:

- Currently, there is no funding for PIPELINE in the proposed plan; there is one FTE coming from the KTEC program to assist with facilitating KTEC activities. Evaluation and assessment of this program is ongoing; it is hoped engaging the private sector to provide expertise and assistance will be forthcoming.
- The plan is to be fully operational by July 1, 2011.
- Secretary George will furnish information related to the Business Recruitment Contract offices.
- The savings from transferring these functions amount to \$1,079,443 in operations (salaries, overhead, etc.) \$400,000 from PIPELINE, and \$300,000 from the Investment Program.
- A Strategic Opportunity Team is being created to assist with business plans, operational plans, and implementation plans.

Senator McGinn expressed appreciation to Secretary George for providing the information.

Senator McGinn indicated Senate Ways and Means minutes had been electronically distributed to committee members. Senator Schmidt moved to approve Senate Ways and Means minutes for January 12, 13, and 19, 2011; Senator Kelly seconded the motion, which passed on a voice vote.

The meeting was adjourned at 12:00 p.m.

**SENATE WAYS AND MEANS
GUEST LIST
February 15, 2011**

NAME	AFFILIATION
Glenn Miller	Kansas Reporter
JEFF RUSSELL	LEGISLATURE
Gwendy Dauterive	Budget
Abel Gluskin	Commerce
Mr. Pat George	Commerce
Dan LARA	Commerce
Elaine Frisbie	Div. of the Budget
Tim Kirk	DIV OF THE BUDGET
Brendan Yorkley	Div. of the Budget
Danielle Onions	Intern
Bob Vancrum	Greater KC. Chamber
Abra Lockton	Greater Kansas City Chamber
Justin Sture	LPA
Scott Frank	Post Audit
Heather Morgan	UMK
Marta Lee Miller	KMHA
Britt Nichols	JJA
Xuni Roe	KCSL
Bernie Koch	KEPC
Lathy Busch	KTEC
MICHELLE WEIBOLD	KTEC
Kevin Can	KTEC
Brenna Duffy	Intern
Shannon Bell Little	Little Government Relations
SUSAN ESTES	MAMTC
Steve Solomon	TFI Family Services
Caleb Reid	Sen Pyle
Brand Kamps	Hern Law Firm



Office of the Governor

Sam Brownback, Governor

February 11, 2011

Dear Commissioner Praeger:

Kansas is a party plaintiff in a federal challenge to PPACA that has resulted in a declaratory judgment that PPACA is a violation of the United States Constitution. However, as we know, Judge Vinson's ruling, while currently controlling, will not be the final judgment on this matter. It is for this reason that I recently signed a letter to President Obama urging the Department of Justice to seek an expedited review of Judge Vinson's declaratory judgment in the Supreme Court.

In a similar exercise of prudence, I have put in place a plan for Kansas to provide efficient management, coordination and appropriate oversight consistent with Kansas values of Kansas's implementation of the Patient Protection and Affordable Care Act, Public Law 111-148, 124 Stat. 119 (2010), and the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, 124 Stat. 1029 (2010), should such implementation become necessary. As such, I have included language in Executive Reorganization Order No. 38 that establishes the new Division of Health Care Finance as the central clearinghouse for such management, coordination and oversight. See ERO 38, Sec. 2(c) and Sec. 3(b). The Director of Health Care Finance will report to the Secretary of Health and Environment, and the Secretary in turn will report directly to me.

It is my intention, should ERO 38 not be disapproved of by either chamber of the Kansas Legislature, that on July 1, 2011, I will designate the Kansas Insurance Department and you, as the Commissioner of Insurance, to continue to perform the duties related to implementation of the aforementioned federal acts that are consistent with the current regulatory function performed by your Department pursuant to Chapter 40 of the Kansas Statutes Annotated. In addition, this designation will also include the continued management of the three federal grants previously awarded to the Department by the U.S. Department of Health and Human Services - the Health Insurance Rate Review Grant, Consumer Assistance Program Grant, and State Planning and Establishment Grant - as well as the Cooperative Agreements to Support Innovative Exchange Information Technology Systems Grant, if and when it is awarded to the Department. I intend to inform the Division of Budget on July 1, 2011, of this designation so that there will be no disruption of funds as relates to the performance of these duties.

I believe we can work together to implement Kansas solutions to Kansas problems and I look forward to working with you on these important matters.

Sam Brownback
Governor of the State of Kansas

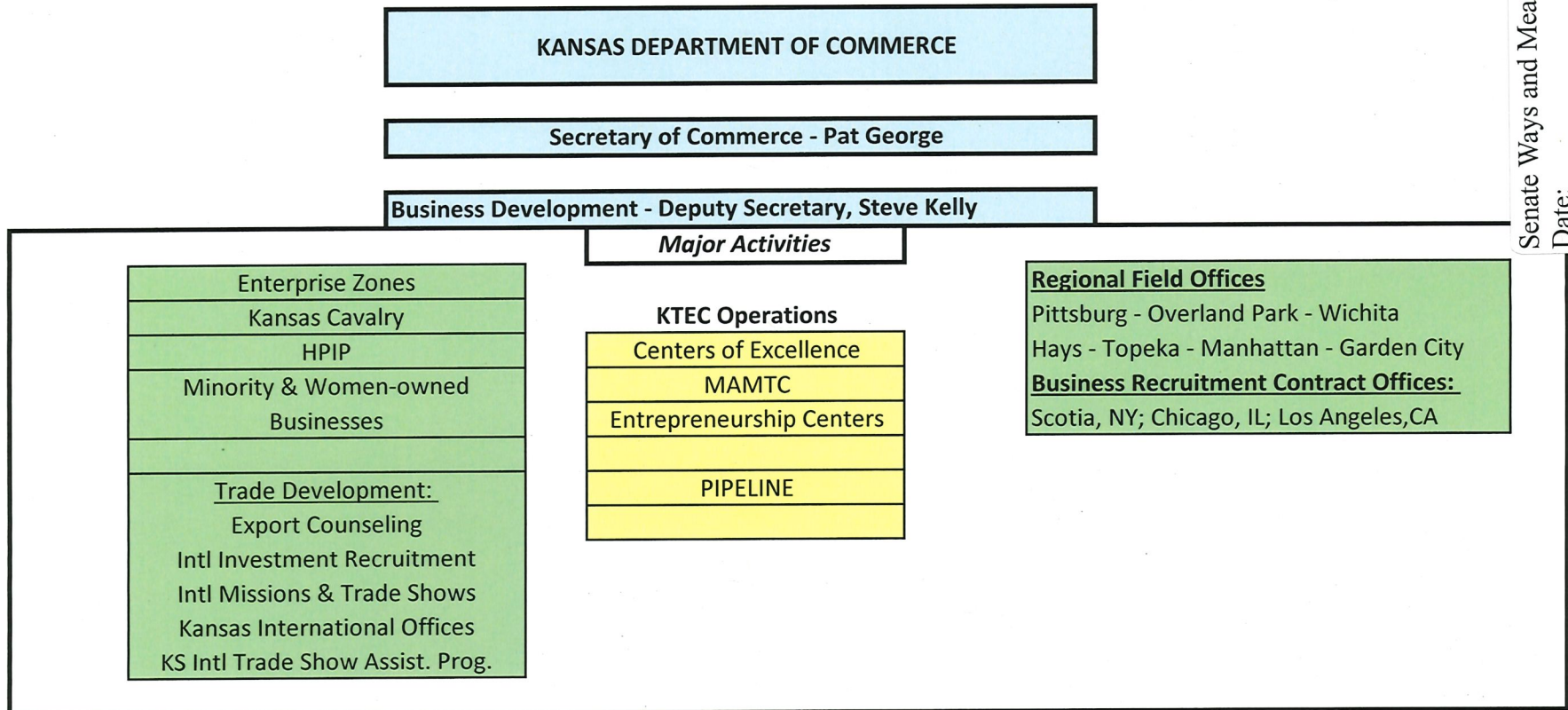
Senate Ways and Means

Date:

02/15/11

Attachment:

KTEC Integration into Commerce Department



Senate Ways and Means

Date:

Attachment:

02/15/11

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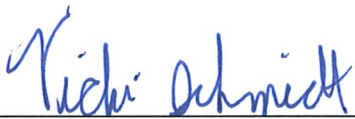
Notes on KTEC integration into Department of Commerce:

The Department of Commerce currently has resources to continue the mission of KTEC and programs like PIPELINE and partner with the private sector in research and development, maintain entrepreneurial mentorship programs while continuing to attract venture capital funding.

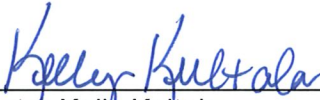
FY 2012

SENATE WAYS AND MEANS SUBCOMMITTEE

Department of Corrections
El Dorado Correctional Facility
Ellsworth Correctional Facility
Hutchinson Correctional Facility
Lansing Correctional Facility
Larned Correctional Mental Health Facility
Norton Correctional Facility
Topeka Correctional Facility
Winfield Correctional Facility
Kansas Parole Board



Senator Vicki Schmidt, Chair



Senator Kelly Kultala



Senator Mark Taddiken



Senator Ruth Teichman

Senate Ways and Means

Date:

Attachment:

02/15/11

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House Budget Committee Report

Agency: Department of Corrections

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 328

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 135,688,166	\$ 103,282,847	\$ 1,250,000
Other Funds	15,505,259	7,278,903	0
Subtotal	\$ 151,193,425	\$ 110,561,750	\$ 1,250,000
Capital Improvements			
State General Fund	\$ 10,693,000	\$ 1,621,303	\$ 0
Other Funds	5,712,000	4,861,000	0
Subtotal	\$ 16,405,000	\$ 6,482,303	\$ 0
TOTAL	\$ 167,598,425	\$ 117,044,053	\$ 1,250,000
FTE positions	318.5	298.5	0.0
Non FTE Uncl. Perm. Pos.	119.0	105.0	0.0
TOTAL	437.5	403.5	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$151.2 million, including \$135.7 million from the State General Fund. The request is an all funds increase of \$28.4 million, or 23.1 percent, and a State General Fund increase of \$31.4 million, or 30.1 percent, above the FY 2011 revised estimate. The request includes \$32.0 million from the State General Fund in operating expenditures enhancement requests for contractual services, capital outlay, community corrections grants, and salaries and wages shrinkage adjustments. Absent the enhancement funding, the FY 2012 operating expenditures request is \$119.2 million, including \$103.7 million from the State General Fund, which is an all funds decrease of \$3.5 million, or 2.9 percent, and a State General Fund decrease of \$517,637, or 0.5 percent, below the revised FY 2011 estimate. Most of the non-enhancement change can be attributed to reductions to the community corrections grants (\$2.0 million), reductions to parole services (\$994,624), salaries and wages shrinkage (\$412,357), and capital outlay expenditures (\$323,169). The request includes 318.5 FTE positions and 119.0 non-FTE unclassified permanent positions, a decrease of 2.0 non-FTE positions that were eliminated due to the loss of federal grant funds.

The FY 2012 request includes \$16.4 million, including \$10.7 million from the State General Fund, for capital improvements expenditures. The request includes \$3.4 million for debt service principal and \$13.0 million for rehabilitation and repair projects. The capital improvements request includes \$9.3 million from the State General Fund in enhancement funding for rehabilitation and repair at the correctional facilities, repurposing of the Labette County Conservation Camps to increase inmate capacity, and planning for new mental health units.

Governor's Recommendation

The **Governor** recommends \$110.6 million, including \$103.3 million from the State General Fund, for FY 2012 operating expenditures. The recommendation is an all funds decrease of \$4.1 million, or 3.6 percent, but is a State General Fund increase of \$2.5 million, or 2.5 percent, above the FY 2011 recommendation. This is also an all funds decrease of \$40.6 million, or 26.9 percent, and a State General Fund reduction of \$32.4 million, or 23.9 percent, below the agency's FY 2012 budget request. Most of the difference is due to the Governor recommending only \$3.0 million of the agency's \$32.0 million request for enhancement funding. The remainder includes staffing reductions, parole and post release programming reductions, reductions for GPS monitoring, and elimination of a reentry contract.

In addition, the Governor recommends moving the functions of the Kansas Parole Board under the Department of Corrections. The recommendation does not include any funding or FTE positions, only the duties and functions of the Board. The Governor also recommends consolidating the administration functions of the Juvenile Justice Authority (JJA) into the Department of Corrections. The budget savings associated with this recommendation are realized in the JJA budget.

The Governor recommends 298.5 FTE positions and 105.0 non-FTE unclassified permanent positions, which is a decrease of 34.0 positions, 20.0 FTE positions and 14.0 non-FTE unclassified permanent positions. The eliminated positions include 1.0 FTE Deputy Secretary position, 1.0 non-FTE unclassified permanent Director of Reentry Council position, 19.0 vacant FTE positions and 13.0 vacant non-FTE unclassified permanent positions.

The Governor recommends \$6.5 million, including \$1.6 million from the State General Fund, which is an all funds decrease of \$9.9 million, or 60.5 percent, and a State General Fund reduction of \$9.1 million, or 84.8 percent, below the agency's FY 2012 request. The difference is due to the Governor not recommending the agency's enhancement requests (\$9.1 million), moving the Kansas Correctional Industries program off budget (\$836,000), and a decrease in the available balance in the Correctional Institutions Building Fund (\$15,000).

House Budget Committee Recommendation

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

1. Add \$750,000, all from the State General Fund, in FY 2012 for offender programming. The Budget Committee heard testimony that the Department of Corrections has reduced offender programming from \$6.9 million, including \$1.7 million from the State General Fund, in FY 2011 to \$5.0 million, all from special revenue funds and federal funds, in FY 2012 in order to remain within allocated resources. The additional funding will allow for additional substance abuse, sex offender treatment, educational programming and vocational programming.
2. Add \$500,000, all from the State General Fund, in FY 2012 for community corrections grants. The Budget Committee notes the importance of community corrections in keeping offenders out of the correctional facilities. The Budget committee received testimony that the average cost to the state for an offender in community corrections is approximately \$2,000 annually while the average cost of an offender in one of the

correctional facilities costs the state approximately \$25,000 annually. The grant funding for the 31 community corrections programs statewide was reduced from \$18.5 million, including \$17.0 million from the State General Fund, in the Governor's FY 2011 recommendation to \$16.5 million, all from the State General Fund, in the Governor's FY 2012 budget recommendation.

3. The Budget Committee had discussion on the statutory longevity bonuses for FY 2012. The current statutory provisions of the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. For FY 2012, the Governor recommends the continuation of the longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The Budget Committee discussed the possibility of reducing the Governor's recommendation for longevity bonus payments from \$50 per year of service to the statutory level of \$40 per year of service for all state agencies for FY 2012.

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation with the following notations:

1. Review at Omnibus the status of the Offender Management Information System/Total Offender Activity and Document System (OMIS/TOADS), which is the primary computer system used to track inmates in the Department of Corrections, and review the current estimated costs of replacing the aging computer system.
 2. The Committee notes that the Department of Corrections utilizes a home building program as part of the vocational educational programming available to inmates. Currently, the home building program is building cabins for the Department of Wildlife and Parks but the program is also capable of building manufactured homes. The Committee is concerned that a program that has inmates building manufactured homes in the Department of Corrections would create competition with private companies.
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Senate Subcommittee Report

Agency: Department of Corrections

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 328

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Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$151.2 million, including \$135.7 million from the State General Fund. The request is an all funds increase of \$28.4 million, or 23.1 percent, and a State General Fund increase of \$31.4 million, or 30.1 percent, above the FY 2011 revised estimate. The request includes \$32.0 million from the State General Fund in operating expenditures enhancement requests for contractual services, capital outlay, community corrections grants, and salaries and wages shrinkage adjustments. Absent the enhancement funding, the FY 2012 operating expenditures request is \$119.2 million, including \$103.7 million from the State General Fund, which is an all funds decrease of \$3.5 million, or 2.9 percent, and a State General Fund decrease of \$517,637, or 0.5 percent, below the revised FY 2011 estimate. Most of the non-enhancement change can be attributed to reductions to the community corrections grants (\$2.0 million), reductions to parole services (\$994,624), salaries and wages shrinkage (\$412,357), and capital outlay expenditures (\$323,169). The request includes 318.5 FTE positions and 119.0 non-FTE unclassified permanent positions, a decrease of 2.0 non-FTE positions that were eliminated due to the loss of federal grant funds.

The FY 2012 request includes \$16.4 million, including \$10.7 million from the State General Fund, for capital improvements expenditures. The request includes \$3.4 million for debt service principal and \$13.0 million for rehabilitation and repair projects. The capital improvements request includes \$9.3 million from the State General Fund in enhancement funding for rehabilitation and repair at the correctional facilities, repurposing of the Labette County Conservation Camps to increase inmate capacity, and planning for new mental health units.

Governor's Recommendation

The **Governor** recommends \$12.8 million, including \$12.6 million from the State General Fund for FY 2012 operating expenditures. The recommendation is an all funds decrease of \$67,825, or 0.5 percent, all funds and an increase of \$9.9 million, or 378.0 percent, from the FY 2011 recommendation. This also is a decrease of \$739,030, or 5.4 percent, and a State General Fund decrease of the same amount or 5.6 percent, below the agency's FY 2012 request. The difference is partially due to the Governor not recommending the any of the agency's enhancement requests (\$435,000). The remainder of the difference is due to the Governor's recommendation to suspend capital outlay purchases (\$92,188), increase the shrinkage rate from the budgeted 2.5 percent to the FY 2010 actual rate of 3.1 percent (\$61,536), and the Winfield Correctional Facility's portion of the of the recommended \$1.2 million system-wide reduction for other operating expenditures (\$150,306). The Governor concurs with the agency's request for FTE positions.

The Governor concurs with the agency's FY 2012 request for capital improvements.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

Governor's Recommendation

The **Governor** recommends \$110.6 million, including \$103.3 million from the State General Fund, for FY 2012 operating expenditures. The recommendation is an all funds decrease of \$4.1 million, or 3.6 percent, but is a State General Fund increase of \$2.5 million, or 2.5 percent, above the FY 2011 recommendation. This is also an all funds decrease of \$40.6 million, or 26.9 percent, and a State General Fund reduction of \$32.4 million, or 23.9 percent, below the agency's FY 2012 budget request. Most of the difference is due to the Governor recommending only \$3.0 million of the agency's \$32.0 million request for enhancement funding. The remainder includes staffing reductions, parole and post release programming reductions, reductions for GPS monitoring, and elimination of a reentry contract.

In addition, the Governor recommends moving the functions of the Kansas Parole Board under the Department of Corrections. The recommendation does not include any funding or FTE positions, only the duties and functions of the Board. The Governor also recommends consolidating the administration functions of the Juvenile Justice Authority (JJA) into the Department of Corrections. The budget savings associated with this recommendation are realized in the JJA budget.

The Governor recommends 298.5 FTE positions and 105.0 non-FTE unclassified permanent positions, which is a decrease of 34.0 positions, 20.0 FTE positions and 14.0 non-FTE unclassified permanent positions. The eliminated positions include 1.0 FTE Deputy Secretary position, 1.0 non-FTE unclassified permanent Director of Reentry Council position, 19.0 vacant FTE positions and 13.0 vacant non-FTE unclassified permanent positions.

The Governor recommends \$6.5 million, including \$1.6 million from the State General Fund, which is an all funds decrease of \$9.9 million, or 60.5 percent, and a State General Fund reduction of \$9.1 million, or 84.8 percent, below the agency's FY 2012 request. The difference is due to the Governor not recommending the agency's enhancement requests (\$9.1 million), moving the Kansas Correctional Industries program off budget (\$836,000), and a decrease in the available balance in the Correctional Institutions Building Fund (\$15,000).

Senate Subcommittee Recommendation

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

3. The Subcommittee is concerned about further reductions to the Department of Corrections budget. The FY 2012 Governor's recommendation reduces funding for the Department of Corrections by a net amount of \$3.0 million. Most of the adjustment is due to reductions of \$1.4 million to increase shrinkage rates system-wide, \$1.2 million from facility operating expenditures, \$1.8 million from reentry and parole services, and \$600,000 from the inmate health care contract by requiring that hospitals be reimbursed at Medicaid rates and additions of \$2.5 million for contract prison beds and \$475,000 for undermarket salary adjustments.

In addition, the agency made State General Fund reductions of \$1.7 million to parole services, \$1.7 million to offender programs, and \$2.0 million to community corrections grants to provide additional funding for the inmate health care contract (\$2.7 million) and to offset the loss of federal grant funds (\$2.7 million due to the expiration of ARRA) and requested that the reductions to parole services, offender programming, and community

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corrections be replaced with additional State General Fund appropriations. The Governor did not include additional State General Fund appropriations in the FY 2012 budget recommendation. The attached table shows all of the State General Fund adjustments made by the agency and the Governor for FY 2012.

The Subcommittee also notes that the Department did receive an increase of \$41.3 million in State General Fund expenditures to replace federal American Reinvestment and Recovery Act (ARRA) funds. These funds were used to finance a portion of the operating budgets for the Hutchinson, Norton, and Winfield correctional facilities.

4. The Subcommittee heard testimony that the inmate population in Kansas has increased to the point where the Department of Corrections system is over capacity by more than 100 male inmates. The population projections from the Kansas Sentencing Commission project that the inmate population will continue to increase every year through FY 2020, increasing by 1,850 inmates, or 20.3 percent, over that time span.

The severity level with the highest increase over the next 10 fiscal years is projected to be off grid offenses with an increase of 78.5 percent between FY 2011 and FY 2020. Off grid offenses are most commonly offenses that have been designated by the Legislature to have a mandatory minimum sentence that is longer than what the offense carried when it was in the sentencing grid (e.g. Jessica's law carries a minimum 25-year sentence, a similar offense prior to Jessica's law carried a minimum 15-year sentence). The Subcommittee notes that these law changes by the Legislature directly affect the population of inmates in Kansas and that the Legislature will need to address the inmate population if similar law changes continue in the future.

In order to address the increasing population the Department received \$2.5 million, all from the State General Fund, in the Governor's FY 2012 recommendation to contract with county jails for additional prison beds. While the Department has not started any capacity expansion projects, the Subcommittee heard from the Department about the possibility of capacity expansion with a geriatric facility at Winfield in FY 2013 and additional medium and maximum security buildings at El Dorado in FY 2014.

5. The Subcommittee notes that the reductions to the parole system in the FY 2012 Governor's budget will mean the loss of 57 parole officer positions, which is approximately one-third of the parole officers in the Department of Corrections. The Department will continue to utilize the Level of Services Inventory – Revised (LSI-R) to assess the level of risk to re-offend for each parolee in the state. Parolees will be supervised according to their risk of re-offending. The highest risk offenders will receive the most intensive supervision with frequent, in person contact with parole officers. Medium risk offenders will primarily be supervised through an automated phone system with in person contact when there is concern of the parolee re-offending. While the parole supervision requirements are not changing due to the budget reduction, the loss of parole officer positions will greatly increase caseloads of existing parole officers, which will make it difficult to continue the same quality of supervision and cause an increase in parole violations. As noted above, the Department is currently struggling with inmate capacity issues and an increase in parole violations would increase the inmate capacity, making the existing capacity issues even worse.

6. The Committee notes that the Governor included a reduction of \$600,000, all from the State General Fund, in FY 2012 by allowing the Department of Corrections to reimburse local hospitals at the Medicaid rate for services provided to inmates. The authority to reimburse at the Medicaid rate requires statutory change. The Ways and Means Committee heard a bill during the 2010 session that would have given the Department the authority to reimburse hospitals at the Medicaid rate but the Committee took no action on the bill.

In past years, the Department of Corrections has indicated that this reimbursement authority was a way for the Department to save State General Fund expenditures. In FY 2012, the Governor included the \$600,000 reduction despite the fact that the Department does not currently have statutory authority to reimburse local hospitals at Medicaid rates.

7. The Subcommittee recommends that the Department of Corrections work with the Kansas Health Policy Authority on establishing the requirements necessary to make inmates eligible for Medicaid payments when receiving care at local hospitals. The Legislative Division of Post Audit published a report (10PA19), which found that the state could save \$473,000 annually if inmates were Medicaid eligible.
8. The Subcommittee recognizes that Senate Judiciary is currently holding hearings on Executive Reorganization Order 34 and does not wish to interfere with the outcome of these hearings. The Subcommittee's recommendation regarding the Parole Board's budget is contingent on approval of Executive Reorganization Order 34 or passage of comparable legislation. If the Legislature does not approve Executive Reorganization Order 34, or comparable legislation, then the Subcommittee notes its intention to reconsider the Parole Board's FY 2012 budget.
9. The Subcommittee recommends introduction of legislation to codify four provisos from the appropriations bill. The provisos include:
 - Prohibiting local community corrections programs from utilizing state grant funds to supplant local funding;
 - Limiting the per diem cost utilized for local jail payments to the Department of Corrections per diem cost;
 - Allowing for the deferral of payment for DUI treatment costs to the next fiscal year; and
 - Allowing for the deferral of payment of local jail costs to the next fiscal year.
10. The Committee notes that the Kansas Correctional Industries (KCI) program has been moved to an off budget program in the Governor's FY 2012 recommendation. The program receives the majority of receipts from other state agency's. Including expenditures from the KCI in the reported budget counts the same dollar twice, once when it was counted as an expenditure from the state agency to KCI and once when it was counted as an expenditure from KCI. The recommendation does not affect the structure or the functions of the program. The KCI will continue to submit a budget each year that will be reviewed by the Governor's office but, the expenditures will not be reflected in reported expenditures of the state.

11. The Committee notes that the Department of Corrections utilizes a home building program as part of the vocational educational programming available to inmates. Currently, the home building program is building cabins for the Department of Wildlife and Parks but the program is also capable of building manufactured homes. The Committee is concerned that a program that has inmates building manufactured homes in the Department of Corrections would create competition with private companies.

Attachment 1

FY 2012 State General Fund Adjustments			
Department of Corrections - System			
	State General Fund Expenditures	FTE	Non-FTE unclassified permanent
FY 2012 DOC System Base Budget Request	\$ 267,721,155	3,050.5	149.0
Agency Adjustments:			
Enhancement Requests	35,530,766	1.0	0.0
Reduce Offender Programming	(1,700,000)	0.0	0.0
Reduce Parole Services	(1,700,000)	0.0	0.0
Reduce Community Corrections Grants	(2,000,000)	0.0	0.0
Additional Funding for Inmate Health Care Contract due to an Increased ADP	2,700,000	0.0	0.0
Replace Lost Federal Grant Funds with State General Fund	2,700,000	0.0	0.0
Governor's Adjustments:			
Increase Shrinkage Rate System-Wide	(1,428,450)	0.0	0.0
Reduce Other Operating Expenditures System Wide	(1,200,000)	0.0	0.0
Eliminate State General Fund Capital Outlay Expenditures System-Wide	(222,447)	0.0	0.0
Staffing Reductions System-Wide ¹	(548,081)	(37.0)	(15.0)
Parole Service Reductions	(1,827,000)	0.0	0.0
Eliminate KU Reentry Contract	(123,179)	0.0	0.0
Reimburse Hospitals at Medicaid Rate	(600,000)	0.0	0.0
Remove Enhancement Funding ²	(32,555,766)	(1.0)	0.0
FY 2012 Governor's Recommendation	\$ 264,746,998	3,013.5	134.0
¹ The staffing reductions include eliminating 1.0 FTE Deputy Secretary position, 1.0 non-FTE unclassified permanent Directory of Reentry position, and a reduction of 36.0 FTE and 14.0 non-FTE unclassified permanent positions. ² The Governor's Recommendation includes enhancement funding for contract prison beds (\$2,500,000) and undermarket pay adjustments system-wide (\$475,000).			

House Budget Committee Report

Agency: El Dorado Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 342

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 25,307,816	\$ 23,845,584	\$ 0
Other Funds	40,461	40,461	0
Subtotal	\$ 25,348,277	\$ 23,886,045	\$ 0
Capital Improvements			
State General Fund	\$ 217,770	\$ 217,770	\$ 0
Other Funds	0	0	0
Subtotal	\$ 217,770	\$ 217,770	\$ 0
TOTAL	\$ 25,566,047	\$ 24,103,815	\$ 0
FTE positions	426.0	422.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	429.0	425.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$25.3 million, including \$25.3 million from the State General Fund. The request is an all funds increase of \$1.5 million, or 6.3 percent, and a State General Fund increase of \$1.5 million, or 6.4 percent, above the FY 2011 revised estimate. The request includes enhancement funding totaling \$1.1 million, all from the State General Fund, for other operating expenditures, staffing increases, capital outlay, and undermarket pay increases. Absent the enhancement request the FY 2012 request is an increase of \$443,358, or 1.9 percent, all from the State General Fund, above the revised FY 2011 estimate. The increase is primarily due to employer contributions for health insurance and KPERS retirement. The request includes 426.0 FTE positions and 3.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The FY 2012 request includes capital improvements expenditures totaling \$217,770, all from the State General Fund, for debt service principal payments.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$23.9 million, including \$23.8 million from the State General Fund. The recommendation is an increase of \$141,767, or 0.6 percent, all from the State General Fund above the FY 2011 recommendation. *3-12*
This is also a decrease of \$1.5 million, or 5.8 percent, all from the State General Fund, below

the agency's FY 2012 request. The difference is partially due to the Governor not recommending any of the agency's enhancement requests for FY 2012. In addition, the Governor recommends a reduction of \$219,421 from the State General Fund by increasing the salaries and wages shrinkage rate from 4.0 percent to 5.0 percent, which was the actual FY 2010 salaries and wages shrinkage rate. The Governor also recommended a reduction of \$1.2 million, all from the State General Fund, to other operating expenditures among the eight correctional facilities, El Dorado Correctional Facility's portion of the reduction is \$173,170. The Governor recommends 422.0 FTE positions and 3.0 non-FTE unclassified positions, a decrease of 4.0 FTE positions below the agency's FY 2012 FTE request. All of the positions are vacant.

The Governor concurs with the agency's FY 2012 request for capital improvements.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: El Dorado Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 342

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 25,307,816	\$ 23,845,584	\$ 0
Other Funds	40,461	40,461	0
Subtotal	\$ 25,348,277	\$ 23,886,045	\$ 0
Capital Improvements			
State General Fund	\$ 217,770	\$ 217,770	\$ 0
Other Funds	0	0	0
Subtotal	\$ 217,770	\$ 217,770	\$ 0
 TOTAL	 \$ 25,566,047	 \$ 24,103,815	 \$ 0
 FTE positions	 426.0	 422.0	 0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	429.0	425.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$25.3 million, including \$25.3 million from the State General Fund. The request is an all funds increase of \$1.5 million, or 6.3 percent, and a State General Fund increase of \$1.5 million, or 6.4 percent, above the FY 2011 revised estimate. The request includes enhancement funding totaling \$1.1 million, all from the State General Fund, for other operating expenditures, staffing increases, capital outlay, and undermarket pay increases. Absent the enhancement request the FY 2012 request is an increase of \$443,358, or 1.9 percent, all from the State General Fund, above the revised FY 2011 estimate. The increase is primarily due to employer contributions for health insurance and KPERS retirement. The request includes 426.0 FTE positions and 3.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The FY 2012 request includes capital improvements expenditures totaling \$217,770, all from the State General Fund, for debt service principal payments.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$23.9 million, including \$23.8 million from the State General Fund. The recommendation is an increase of *3-14*

\$141,767, or 0.6 percent, all from the State General Fund above the FY 2011 recommendation. This is also a decrease of \$1.5 million, or 5.8 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is partially due to the Governor not recommending any of the agency's enhancement requests for FY 2012. In addition, the Governor recommends a reduction of \$219,421 from the State General Fund by increasing the salaries and wages shrinkage rate from 4.0 percent to 5.0 percent, which was the actual FY 2010 salaries and wages shrinkage rate. The Governor also recommended a reduction of \$1.2 million, all from the State General Fund, to other operating expenditures among the eight correctional facilities, El Dorado Correctional Facility's portion of the reduction is \$173,170. The Governor recommends 422.0 FTE positions and 3.0 non-FTE unclassified positions, a decrease of 4.0 FTE positions below the agency's FY 2012 FTE request. All of the positions are vacant.

The Governor concurs with the agency's FY 2012 request for capital improvements.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Ellsworth Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 344

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,355,373	\$ 12,979,565	\$ 0
Other Funds	54,570	54,570	0
Subtotal	\$ 13,409,943	\$ 13,034,135	\$ 0
Capital Improvements			
State General Fund	\$ 92,405	\$ 92,405	\$ 0
Other Funds	0	0	0
Subtotal	\$ 92,405	\$ 92,405	\$ 0
TOTAL	\$ 13,502,348	\$ 13,126,540	\$ 0
FTE positions	220.0	220.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	223.0	223.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$13.4 million, including \$13.4 million from the State General Fund. The request is an all funds increase of \$414,743, or 3.2 percent, all from the State General Fund, above the FY 2011 revised estimate. The request includes \$146,505, all from the State General Fund, in enhancement funding for commodities and capital outlay. Absent the enhancement, the FY 2012 request is an increase of \$268,238, or 2.1 percent, from all funds and \$268,238, or 2.1 percent, from the State General Fund above the FY 2011 revised estimate. Most of the increase is for employer contributions for group health insurance and KPERS retirement for FY 2012. The request includes 220.0 FTE positions and 3.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The FY 2012 request includes \$92,405 from the State General Fund for debt service payments on the Facilities Conservation Improvement Program lease repayment.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$13.0 million, including \$13.0 million from the State General Fund. The recommendation is an all funds increase of \$72,276, or 0.6 percent, all from the State General Fund, above the FY 2011 recommendation. This is also a decrease of \$375,808, or 2.8 percent, all from the State General Fund, below the agency's FY 2012 request. The decrease includes \$146,505 from the State

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General Fund for enhancement funding that is not recommended by the Governor and additional reductions for salaries and wages shrinkage (\$127,727 from the State General Fund) and other operating expenditures (\$101,576 from the State General Fund). The Governor concurs with the agency request for FTE positions.

The Governor's recommendation includes \$92,405 from the State General Fund for FY 2012 capital improvements expenditures, the same as the agency request.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Ellsworth Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 344

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,355,373	\$ 12,979,565	\$ 0
Other Funds	54,570	54,570	0
Subtotal	\$ 13,409,943	\$ 13,034,135	\$ 0
Capital Improvements			
State General Fund	\$ 92,405	\$ 92,405	\$ 0
Other Funds	0	0	0
Subtotal	\$ 92,405	\$ 92,405	\$ 0
 TOTAL	 \$ 13,502,348	 \$ 13,126,540	 \$ 0
 FTE positions	 220.0	 220.0	 0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	223.0	223.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$13.4 million, including \$13.4 million from the State General Fund. The request is an all funds increase of \$414,743, or 3.2 percent, all from the State General Fund, above the FY 2011 revised estimate. The request includes \$146,505, all from the State General Fund, in enhancement funding for commodities and capital outlay. Absent the enhancement, the FY 2012 request is an increase of \$268,238, or 2.1 percent, from all funds and \$268,238, or 2.1 percent, from the State General Fund above the FY 2011 revised estimate. Most of the increase is for employer contributions for group health insurance and KPERS retirement for FY 2012. The request includes 220.0 FTE positions and 3.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The FY 2012 request includes \$92,405 from the State General Fund for debt service payments on the Facilities Conservation Improvement Program lease repayment.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$13.0 million, including \$13.0 million from the State General Fund. The recommendation is an all funds increase of \$72,276, or 0.6 percent, all from the State General Fund, above the FY 2011 recommendation. This is also a decrease of \$375,808, or 2.8 percent, all from the State General Fund, below the agency's FY 2012 request. The decrease includes \$146,505 from the State

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General Fund for enhancement funding that is not recommended by the Governor and additional reductions for salaries and wages shrinkage (\$127,727 from the State General Fund) and other operating expenditures (\$101,576 from the State General Fund). The Governor concurs with the agency request for FTE positions.

The Governor's recommendation includes \$92,405 from the State General Fund for FY 2012 capital improvements expenditures, the same as the agency request.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Hutchinson Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 346

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 30,543,055	\$ 29,809,469	\$ 0
Other Funds	500,000	500,000	0
Subtotal	\$ 31,043,055	\$ 30,309,469	\$ 0
Capital Improvements			
State General Fund	\$ 516,019	\$ 306,924	\$ 0
Other Funds	0	0	0
Subtotal	\$ 516,019	\$ 306,924	\$ 0
TOTAL	\$ 31,559,074	\$ 30,616,393	\$ 0
FTE positions	511.0	510.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	515.0	514.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$31.0 million, including \$30.5 million from the State General Fund. The request is an all funds increase of \$951,293, or 3.2 percent, and a State General Fund increase of \$22.2 million, or 263.9 percent, above the FY 2011 revised estimate. The request includes \$340,574 from the State General Fund in enhancement funding for undermarket pay increases, camera replacement and maintenance equipment. Absent the enhancement, the request is \$30.7 million, including \$30.5 million from the State General Fund, which is an all funds increase of \$610,719, or 2.0 percent, and a State General Fund increase of \$21.8 million, or 259.9 percent, above the revised estimate. The State General Fund increase is due to the loss of federal ARRA funds that were available in FY 2011. The overall increase is due to group health insurance contributions, retirement contributions and rate increases for utilities. The request includes 511.0 FTE positions and 4.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The FY 2012 request includes \$516,019 from the State General Fund for capital improvements expenditures. The request for capital improvements has \$209,095 in enhancement funding for a new visitor's center for the south unit and \$306,924 for debt service principal.

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Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$30.3 million, including \$29.8 million from the State General Fund. The recommendation is an increase of \$366,842, or 1.2 percent, all funds and \$21,566,234, or 261.1 percent, above the FY 2011 recommendation. This also is a decrease of \$733,586, or 2.4 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is partially due to the Governor not recommending any of the agency's enhancement requests for FY 2012. In addition, the Governor recommends a reduction of \$171,988 from the State General Fund by increasing the salaries and wages shrinkage rate from 4.9 percent to 5.5 percent, which was the FY 2010 actual salaries and wages shrinkage rate. The Governor also recommended a reduction of \$1.2 million, all from the State General Fund, to other operating expenditures among the eight correctional facilities, Hutchinson Correctional Facility's portion of the reduction is \$221,024. The Governor recommends 510.0 FTE positions and 4.0 non-FTE unclassified permanent positions, a decrease of 1.0 FTE position below the agency's FY 2012 request. The position is vacant.

The Governor recommends FY 2012 capital improvements expenditures totaling \$306,924, all from the State General Fund. The recommendation is a decrease of \$209,095, or 40.5 percent, all from the State General Fund, below the agency's FY 2012 request for capital improvements. All of the difference is due to the Governor not recommending the agency's enhancement request in FY 2012.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Hutchinson Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 346

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 30,543,055	\$ 29,809,469	\$ 0
Other Funds	500,000	500,000	0
Subtotal	\$ 31,043,055	\$ 30,309,469	\$ 0
Capital Improvements			
State General Fund	\$ 516,019	\$ 306,924	\$ 0
Other Funds	0	0	0
Subtotal	\$ 516,019	\$ 306,924	\$ 0
 TOTAL	 \$ 31,559,074	 \$ 30,616,393	 \$ 0
 FTE positions	 511.0	 510.0	 0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	515.0	514.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$31.0 million, including \$30.5 million from the State General Fund. The request is an all funds increase of \$951,293, or 3.2 percent, and a State General Fund increase of \$22.2 million, or 263.9 percent, above the FY 2011 revised estimate. The request includes \$340,574 from the State General Fund in enhancement funding for undermarket pay increases, camera replacement and maintenance equipment. Absent the enhancement, the request is \$30.7 million, including \$30.5 million from the State General Fund, which is an all funds increase of \$610,719, or 2.0 percent, and a State General Fund increase of \$21.8 million, or 259.9 percent, above the revised estimate. The State General Fund increase is due to the loss of federal ARRA funds that were available in FY 2011. The overall increase is due to group health insurance contributions, retirement contributions and rate increases for utilities. The request includes 511.0 FTE positions and 4.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The FY 2012 request includes \$516,019 from the State General Fund for capital improvements expenditures. The request for capital improvements has \$209,095 in enhancement funding for a new visitor's center for the south unit and \$306,924 for debt service principal.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$30.3 million, including \$29.8 million from the State General Fund. The recommendation is an increase of \$366,842, or 1.2 percent, all funds and \$21,566,234, or 261.1 percent, above the FY 2011 recommendation. This also is a decrease of \$733,586, or 2.4 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is partially due to the Governor not recommending any of the agency's enhancement requests for FY 2012. In addition, the Governor recommends a reduction of \$171,988 from the State General Fund by increasing the salaries and wages shrinkage rate from 4.9 percent to 5.5 percent, which was the FY 2010 actual salaries and wages shrinkage rate. The Governor also recommended a reduction of \$1.2 million, all from the State General Fund, to other operating expenditures among the eight correctional facilities, Hutchinson Correctional Facility's portion of the reduction is \$221,024. The Governor recommends 510.0 FTE positions and 4.0 non-FTE unclassified permanent positions, a decrease of 1.0 FTE position below the agency's FY 2012 request. The position is vacant.

The Governor recommends FY 2012 capital improvements expenditures totaling \$306,924, all from the State General Fund. The recommendation is a decrease of \$209,095, or 40.5 percent, all from the State General Fund, below the agency's FY 2012 request for capital improvements. All of the difference is due to the Governor not recommending the agency's enhancement request in FY 2012.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Lansing Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 348

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 39,305,412	\$ 38,456,841	\$ 0
Other Funds	275,000	275,000	0
Subtotal	\$ 39,580,412	\$ 38,731,841	\$ 0
Capital Improvements			
State General Fund	\$ 392,873	\$ 392,873	\$ 0
Other Funds	0	0	0
Subtotal	\$ 392,873	\$ 392,873	\$ 0
TOTAL	\$ 39,973,285	\$ 39,124,714	\$ 0
FTE positions	682.0	682.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	685.0	685.0	0.0

Agency Request

The FY 2012 **agency** operating expenditures request for the Lansing Correctional Facility totals \$39.6 million, including \$39.3 million from the State General Fund. The request is an increase of \$1.1 million, or 2.8 percent, all from the State General Fund, above the FY 2011 revised estimate. The request includes \$381,391, all from the State General Fund, in enhancements for commodities and capital outlay. Absent the enhancement the request is an increase of \$695,415, or 1.8 percent above the revised FY 2011 estimate. Most of the increase is for employer contributions to group health insurance and KPERS retirement. The request includes 682.0 FTE positions and 3.0 non-FTE unclassified permanent positions, the same as the FY 2011 revised estimate.

The request includes \$392,873 from the State General Fund for debt service principal payments.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$38.7 million, including \$38.5 million from the State General Fund. The recommendation is an increase of \$367,237, or 1.0 percent, all from the State General Fund, above the FY 2011 recommendation. This is also a decrease of \$848,571, or 2.1 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is due in part to the Governor not recommending any

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of the agency's enhancement requests for FY 2012 (\$381,391). In addition, the Governor recommends increasing the salaries and wages shrinkage rate from the budgeted 6.0 percent to the FY 2010 actual rate of 6.3 percent (\$107,806), a system-wide \$1.2 million reduction to other operating expenditures, of which \$289,115 is Lansing Correctional Facility's portion, and a suspension of capital outlay expenditures in FY 2012 (\$70,259). The Governor concurs with the agency's FY 2012 request for FTE positions.

The Governor concurs with the agency's FY 2012 request for capital improvements expenditures.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Lansing Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 348

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
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Other Funds	0	0	0
Subtotal	\$ 392,873	\$ 392,873	\$ 0
 TOTAL	 \$ 39,973,285	 \$ 39,124,714	 \$ 0
 FTE positions	 682.0	 682.0	 0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	685.0	685.0	0.0

Agency Request

The FY 2012 **agency** operating expenditures request for the Lansing Correctional Facility totals \$39.6 million, including \$39.3 million from the State General Fund. The request is an increase of \$1.1 million, or 2.8 percent, all from the State General Fund, above the FY 2011 revised estimate. The request includes \$381,391, all from the State General Fund, in enhancements for commodities and capital outlay. Absent the enhancement the request is an increase of \$695,415, or 1.8 percent above the revised FY 2011 estimate. Most of the increase is for employer contributions to group health insurance and KPERS retirement. The request includes \$682.0 FTE positions and 3.0 non-FTE unclassified permanent positions, the same as the FY 2011 revised estimate.

The request includes \$392,873 from the State General Fund for debt service principal payments.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$38.7 million, including \$38.5 million from the State General Fund. The recommendation is an increase of \$367,237, or 1.0 percent, all from the State General Fund, above the FY 2011 recommendation. This is also a decrease of \$848,571, or 2.1 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is due in part to the Governor not recommending any

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of the agency's enhancement requests for FY 2012 (\$381,391). In addition, the Governor recommends increasing the salaries and wages shrinkage rate from the budgeted 6.0 percent to the FY 2010 actual rate of 6.3 percent (\$107,806), a system-wide \$1.2 million reduction to other operating expenditures, of which \$289,115 is Lansing Correctional Facility's portion, and a suspension of capital outlay expenditures in FY 2012 (\$70,259). The Governor concurs with the agency's FY 2012 request for FTE positions.

The Governor concurs with the agency's FY 2012 request for capital improvements expenditures.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Larned Correctional Mental Health Facility **Bill No. --**

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 350

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,592,871	\$ 10,149,825	\$
Other Funds	11,625	11,625	
Subtotal	\$ 10,604,496	\$ 10,161,450	\$ 0
Capital Improvements			
State General Fund	\$ 14,762	\$ 14,762	\$
Other Funds	0	0	
Subtotal	\$ 14,762	\$ 14,762	\$ 0
TOTAL	\$ 10,619,258	\$ 10,176,212	\$ 0
FTE positions	184.0	184.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	186.0	186.0	0.0

Agency Request

The **agency** requests FY 2012 expenditures totaling \$10.6 million, including \$10.6 million from the State General Fund. The request is an all funds increase of \$574,045, or 5.7 percent, and a State General Fund increase of \$562,420, or 5.6 percent, above the FY 2011 revised estimate. The request includes \$385,891 from the State General Fund in enhancement funding for undermarket pay increases, salaries for 7.0 Corrections Officer I positions, and capital outlay. Absent the enhancement funding, the request totals \$10.2 million, including \$10.1 million from the State General Fund, an all funds increase of \$188,154, or 1.9 percent, and a State General Fund increase of \$176,529, or 1.8 percent, above the revised FY 2011 estimate. Most of the increase is due to employer contributions for group health insurance and KPERS retirement. The request includes 184.0 FTE positions and 2.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The agency requests \$14,762 from the State General Fund for FY 2012 capital improvements expenditures, all of which is for debt service principal.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$10.2 million, including \$10.1 million from the State General Fund. The recommendation is an all funds increase of \$190,999, or 1.0 percent, and a State General Fund increase of \$179,374, or 1.8

percent, above the FY 2011 recommendation. This is also a reduction of \$443,046, or 4.2 percent, all from the State General Fund, below the agency's FY 2012 request. The decrease is primarily due to the Governor not recommending any of the agency's enhancement requests. In addition, the Governor recommended a system-wide State General Fund reduction totaling \$1.2 million at the eight correctional facilities, Larned Correctional Mental Health Facility's portion of the system-wide reduction is \$57,155. The Governor concurs with the request for FTE positions.

The Governor concurs with the agency's FY 2012 request for capital improvements.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Larned Correctional Mental Health Facility **Bill No. --**

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 350

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,592,871	\$ 10,149,825	\$
Other Funds	11,625	11,625	
Subtotal	\$ 10,604,496	\$ 10,161,450	\$ 0
Capital Improvements			
State General Fund	\$ 14,762	\$ 14,762	\$
Other Funds	0	0	
Subtotal	\$ 14,762	\$ 14,762	\$ 0
 TOTAL	 \$ 10,619,258	 \$ 10,176,212	 \$ 0
 FTE positions	 184.0	 184.0	 0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	186.0	186.0	0.0

Agency Request

The **agency** requests FY 2012 expenditures totaling \$10.6 million, including \$10.6 million from the State General Fund. The request is an all funds increase of \$574,045, or 5.7 percent, and a State General Fund increase of \$562,420, or 5.6 percent, above the FY 2011 revised estimate. The request includes \$385,891 from the State General Fund in enhancement funding for undermarket pay increases, salaries for 7.0 Corrections Officer I positions, and capital outlay. Absent the enhancement funding, the request totals \$10.2 million, including \$10.1 million from the State General Fund, an all funds increase of \$188,154, or 1.9 percent, and a State General Fund increase of \$176,529, or 1.8 percent, above the revised FY 2011 estimate. Most of the increase is due to employer contributions for group health insurance and KPERS retirement. The request includes 184.0 FTE positions and 2.0 non-FTE unclassified permanent positions, the same as the revised FY 2011 estimate.

The agency requests \$14,762 from the State General Fund for FY 2012 capital improvements expenditures, all of which is for debt service principal.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$10.2 million, including \$10.1 million from the State General Fund. The recommendation is an all funds increase of \$190,999, or 1.0 percent, and a State General Fund increase of \$179,374, or 1.8

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percent, above the FY 2011 recommendation. This is also a reduction of \$443,046, or 4.2 percent, all from the State General Fund, below the agency's FY 2012 request. The decrease is primarily due to the Governor not recommending any of the agency's enhancement requests. In addition, the Governor recommended a system-wide State General Fund reduction totaling \$1.2 million at the eight correctional facilities, Larned Correctional Mental Health Facility's portion of the system-wide reduction is \$57,155. The Governor concurs with the request for FTE positions.

The Governor concurs with the agency's FY 2012 request for capital improvements.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Norton Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 352

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,687,943	\$ 15,102,515	\$ 0
Other Funds	306,179	306,179	0
Subtotal	\$ 15,994,122	\$ 15,408,694	\$ 0
Capital Improvements			
State General Fund	\$ 182,639	\$ 182,639	\$ 0
Other Funds	0	0	0
Subtotal	\$ 182,639	\$ 182,639	\$ 0
TOTAL	\$ 16,176,761	\$ 15,591,333	\$ 0
FTE positions	265.0	259.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	269.0	263.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$16.0 million, including \$15.7 million from the State General Fund. The request is an all funds increase of \$386,421, or 2.5 percent, and a State General Fund increase of \$10.4 million, or 196.5 percent, above the revised FY 2011 estimate. The request includes \$116,114 from the State General Fund in enhancement funding for other operating expenditures and 1.0 new Corrections Officer position. Absent the enhancements, the FY 2012 request is an all funds increase of \$270,307, or 1.7 percent, and a State General Fund increase of \$10.3 million, or 194.3 percent, above the FY 2011 revised estimate. The State General Fund increase is largely due to federal ARRA funds that were available in FY 2011 being replaced by State General Fund expenditures in FY 2012. Budget increases over the FY 2011 revised estimate include an increase in commodities based on an increase in the estimated average daily population; employer contributions for group health insurance and KPERS retirement; and in-state travel reimbursement. The request includes 265.0 FTE and 4.0 non-FTE unclassified permanent positions, an increase of 1.0 FTE position due to the enhancement request for a new Corrections Officer position.

The FY 2012 request includes \$182,639, all from the State General Fund, for capital improvements expenditures. All of the requested expenditures are for debt service principal payments.

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Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$15.4 million, including \$15.1 million from the State General Fund. The recommendation is an all funds decrease of \$128,746, or 0.8 percent all funds and increase of \$9.9 million, or 189.3 percent State General Fund from the FY 2011 recommendation. This is also a decrease of \$585,428, or 3.7 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is due to the Governor not recommending any of the agency's enhancement requests for FY 2012 (\$116,114), raising the salaries and wages shrinkage rate from the budgeted 5.1 percent to the FY 2010 actual rate of 7.6 percent (\$351,232), and Norton Correctional Facility's portion of the recommended \$1.2 million system-wide reduction to other operating expenditures (\$118,082). The Governor recommends 259.0 FTE positions and 4.0 non-FTE unclassified permanent positions, a reduction of 6.0 FTE positions (5.0 vacant positions, 1.0 in an enhancement request).

The Governor concurs with the agency's FY 2012 request for capital improvements.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Norton Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 352

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,687,943	\$ 15,102,515	\$ 0
Other Funds	306,179	306,179	0
Subtotal	\$ 15,994,122	\$ 15,408,694	\$ 0
Capital Improvements			
State General Fund	\$ 182,639	\$ 182,639	\$ 0
Other Funds	0	0	0
Subtotal	\$ 182,639	\$ 182,639	\$ 0
 TOTAL	 \$ 16,176,761	 \$ 15,591,333	 \$ 0
FTE positions	265.0	259.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	269.0	263.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$16.0 million, including \$15.7 million from the State General Fund. The request is an all funds increase of \$386,421, or 2.5 percent, and a State General Fund increase of \$10.4 million, or 196.5 percent, above the revised FY 2011 estimate. The request includes \$116,114 from the State General Fund in enhancement funding for other operating expenditures and 1.0 new Corrections Officer position. Absent the enhancements, the FY 2012 request is an all funds increase of \$270,307, or 1.7 percent, and a State General Fund increase of \$10.3 million, or 194.3 percent, above the FY 2011 revised estimate. The State General Fund increase is largely due to federal ARRA funds that were available in FY 2011 being replaced by State General Fund expenditures in FY 2012. Budget increases over the FY 2011 revised estimate include an increase in commodities based on an increase in the estimated average daily population; employer contributions for group health insurance and KPERs retirement; and in-state travel reimbursement. The request includes 265.0 FTE and 4.0 non-FTE unclassified permanent positions, an increase of 1.0 FTE position due to the enhancement request for a new Corrections Officer position.

The FY 2012 request includes \$182,639, all from the State General Fund, for capital improvements expenditures. All of the requested expenditures are for debt service principal payments.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$15.4 million, including \$15.1 million from the State General Fund. The recommendation is an all funds decrease of \$128,746, or 0.8 percent all funds and increase of \$9.9 million, or 189.3 percent State General Fund from the FY 2011 recommendation. This is also a decrease of \$585,428, or 3.7 percent, all from the State General Fund, below the agency's FY 2012 request. The difference is due to the Governor not recommending any of the agency's enhancement requests for FY 2012 (\$116,114), raising the salaries and wages shrinkage rate from the budgeted 5.1 percent to the FY 2010 actual rate of 7.6 percent (\$351,232), and Norton Correctional Facility's portion of the recommended \$1.2 million system-wide reduction to other operating expenditures (\$118,082). The Governor recommends 259.0 FTE positions and 4.0 non-FTE unclassified permanent positions, a reduction of 6.0 FTE positions (5.0 vacant positions, 1.0 in an enhancement request).

The Governor concurs with the agency's FY 2012 request for capital improvements.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Topeka Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 354

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 14,060,552	\$ 13,148,649	\$ 0
Other Funds	743,024	743,024	0
Subtotal	\$ 14,803,576	\$ 13,891,673	\$ 0
Capital Improvements			
State General Fund	\$ 74,003	\$ 74,003	\$ 0
Other Funds			0
Subtotal	\$ 74,003	\$ 74,003	\$ 0
TOTAL	\$ 14,877,579	\$ 13,965,676	\$ 0
FTE positions	244.0	238.0	0.0
Non FTE Uncl. Perm. Pos.	9.0	9.0	0.0
TOTAL	253.0	247.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$14.8 million, including \$14.1 million from the State General Fund. The request is an all funds increase of \$1.0 million, or 7.5 percent, and a State General Fund increase of \$1.0 million, or 7.8 percent, above the FY 2011 revised estimate. Most of the increase (\$706,172, all from the State General Fund) is due to enhancement requests to reduce the salaries and wages shrinkage rate and to fund 11.0 vacant correctional officer positions. However, the facility received an adjusted average daily population (ADP) of 618 inmates, which is an increase of 11 inmates. The increased ADP coupled with increases for employer contributions for group health insurance and KPERS retirement accounts for the increase (\$321,410, including \$306,394 from the State General Fund). The request includes 244.0 FTE positions and 9.0 non-FTE unclassified permanent positions, the same as the FY 2011 revised estimate.

The agency included \$74,003, all from the State General Fund, for capital improvements expenditures in FY 2012. All of the request is for debt service principal on the Facility Conservation Improvement bond.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$13.9 million, including \$13.1 million from the State General Fund. The recommendation is an increase of

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\$115,679, or 0.8 percent, all funds and \$100,663, or 0.8 percent, State General Fund above the FY 2011 recommendation. This is also an all funds decrease of \$91,903, or 6.2 percent, and a State General Fund decrease of the same amount, or 6.5 percent, below the agency's FY 2012 request. Most of the decrease is due to the Governor not recommending any of the agency's enhancement requests for FY 2012 (\$706,172). The remainder of the decrease is due to the Governor's recommendation to increase the salaries and wages shrinkage rate from the budgeted 8.1 percent to the FY 2010 actual rate of 9.0 percent (\$116,159) and Topeka Correctional Facility's portion of the recommended \$1.2 million system-wide reduction for other operating expenditures (\$89,572). The Governor recommends 238.0 FTE positions and 9.0 non-FTE unclassified permanent positions, a decrease of 6.0 FTE positions. All 6.0 FTE positions are vacant.

The Governor concurs with the agency's FY 2012 request for capital improvements.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Topeka Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 354

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 14,060,552	\$ 13,148,649	\$ 0
Other Funds	743,024	743,024	0
Subtotal	\$ 14,803,576	\$ 13,891,673	\$ 0
Capital Improvements			
State General Fund	\$ 74,003	\$ 74,003	\$ 0
Other Funds			0
Subtotal	\$ 74,003	\$ 74,003	\$ 0
TOTAL	\$ 14,877,579	\$ 13,965,676	\$ 0
FTE positions	244.0	238.0	0.0
Non FTE Uncl. Perm. Pos.	9.0	9.0	0.0
TOTAL	253.0	247.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$14.8 million, including \$14.1 million from the State General Fund. The request is an all funds increase of \$1.0 million, or 7.5 percent, and a State General Fund increase of \$1.0 million, or 7.8 percent, above the FY 2011 revised estimate. Most of the increase (\$706,172, all from the State General Fund) is due to enhancement requests to reduce the salaries and wages shrinkage rate and to fund 11.0 vacant correctional officer positions. However, the facility received an adjusted average daily population (ADP) of 618 inmates, which is an increase of 11 inmates. The increased ADP coupled with increases for employer contributions for group health insurance and KPERS retirement accounts for the increase (\$321,410, including \$306,394 from the State General Fund). The request includes 244.0 FTE positions and 9.0 non-FTE unclassified permanent positions, the same as the FY 2011 revised estimate.

The agency included \$74,003, all from the State General Fund, for capital improvements expenditures in FY 2012. All of the request is for debt service principal on the Facility Conservation Improvement bond.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$13.9 million, including \$13.1 million from the State General Fund. The recommendation is an increase of

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\$115,679, or 0.8 percent, all funds and \$100,663, or 0.8 percent, State General Fund above the FY 2011 recommendation. This is also an all funds decrease of \$91,903, or 6.2 percent, and a State General Fund decrease of the same amount, or 6.5 percent, below the agency's FY 2012 request. Most of the decrease is due to the Governor not recommending any of the agency's enhancement requests for FY 2012 (\$706,172). The remainder of the decrease is due to the Governor's recommendation to increase the salaries and wages shrinkage rate from the budgeted 8.1 percent to the FY 2010 actual rate of 9.0 percent (\$116,159) and Topeka Correctional Facility's portion of the recommended \$1.2 million system-wide reduction for other operating expenditures (\$89,572). The Governor recommends 238.0 FTE positions and 9.0 non-FTE unclassified permanent positions, a decrease of 6.0 FTE positions. All 6.0 FTE positions are vacant.

The Governor concurs with the agency's FY 2012 request for capital improvements.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation..

House Budget Committee Report

Agency: Winfield Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 356

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,310,733	\$ 12,571,703	\$ 0
Other Funds	266,000	266,000	0
Subtotal	\$ 13,576,733	\$ 12,837,703	\$ 0
Capital Improvements			
State General Fund	\$ 146,924	\$ 146,924	\$ 0
Other Funds	0	0	0
Subtotal	\$ 146,924	\$ 146,924	\$ 0
TOTAL	\$ 13,723,657	\$ 12,984,627	\$ 0
FTE positions	200.0	200.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	202.0	202.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$13.6 million, including \$13.3 million from the State General Fund. The request is an increase of \$671,205, or 5.2 percent, and a State General Fund increase of \$10.7 million, or 406.1 percent, above the revised FY 2011 estimate. The request includes \$435,000 from the State General Fund in enhancement funding for replacement vehicles. Absent the enhancement funding, the request totals \$13.1 million, including \$12.9 million from the State General Fund, which is an all funds increase of \$236,205, or 1.8 percent, and a State General Fund increase of \$10.2 million above the FY 2011 revised estimate. The increase is primarily attributable to increases in employer contributions for KPERS retirement (\$60,525), utilities (\$70,636) and employer contributions for group health insurance (\$197,985). The large increase in State General Fund expenditures is due to the loss of federal ARRA funds that are replaced with State General Fund in 2012 that were utilized by the agency in FY 2011. The request includes 200.0 FTE positions and 2.0 non-FTE unclassified permanent positions, the same as the FY 2011 revised estimate.

The agency included \$146,924 from the State General Fund for FY 2012 capital improvements expenditures. The request is all for debt service principal and is the same as the revised FY 2011 estimate.

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Governor's Recommendation

The **Governor** recommends \$12.8 million, including \$12.6 million from the State General Fund for FY 2012 operating expenditures. The recommendation is an all funds decrease of \$67,825, or 0.5 percent, all funds and an increase of \$9.9 million, or 378.0 percent, from the FY 2011 recommendation. This also is a decrease of \$739,030, or 5.4 percent, and a State General Fund decrease of the same amount or 5.6 percent, below the agency's FY 2012 request. The difference is partially due to the Governor not recommending the any of the agency's enhancement requests (\$435,000). The remainder of the difference is due to the Governor's recommendation to suspend capital outlay purchases (\$92,188), increase the shrinkage rate from the budgeted 2.5 percent to the FY 2010 actual rate of 3.1 percent (\$61,536), and the Winfield Correctional Facility's portion of the of the recommended \$1.2 million system-wide reduction for other operating expenditures (\$150,306). The Governor concurs with the agency's request for FTE positions.

The Governor concurs with the agency's FY 2012 request for capital improvements.

House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Winfield Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 356

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 13,310,733	\$ 12,571,703	\$ 0
Other Funds	266,000	266,000	0
Subtotal	\$ 13,576,733	\$ 12,837,703	\$ 0
Capital Improvements			
State General Fund	\$ 146,924	\$ 146,924	\$ 0
Other Funds	0	0	0
Subtotal	\$ 146,924	\$ 146,924	\$ 0
 TOTAL	 <u>\$ 13,723,657</u>	 <u>\$ 12,984,627</u>	 <u>\$ 0</u>
 FTE positions	 200.0	 200.0	 0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	<u>202.0</u>	<u>202.0</u>	<u>0.0</u>

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$13.6 million, including \$13.3 million from the State General Fund. The request is an increase of \$671,205, or 5.2 percent, and a State General Fund increase of \$10.7 million, or 406.1 percent, above the revised FY 2011 estimate. The request includes \$435,000 from the State General Fund in enhancement funding for replacement vehicles. Absent the enhancement funding, the request totals \$13.1 million, including \$12.9 million from the State General Fund, which is an all funds increase of \$236,205, or 1.8 percent, and a State General Fund increase of \$10.2 million above the FY 2011 revised estimate. The increase is primarily attributable to increases in employer contributions for KPERs retirement (\$60,525), utilities (\$70,636) and employer contributions for group health insurance (\$197,985). The large increase in State General Fund expenditures is due to the loss of federal ARRA funds that are replaced with State General Fund in 2012 that were utilized by the agency in FY 2011. The request includes 200.0 FTE positions and 2.0 non-FTE unclassified permanent positions, the same as the FY 2011 revised estimate.

The agency included \$146,924 from the State General Fund for FY 2012 capital improvements expenditures. The request is all for debt service principal and is the same as the revised FY 2011 estimate.

House Budget Committee Report

Agency: Kansas Parole Board

Bill No. --

Bill Sec. --

Analyst: Younker

Analysis Pg. No. --

Budget Page No. 410

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 515,816	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 515,816	\$ 0	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 515,816	\$ 0	\$ 0
FTE positions	3.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	0.0	0.0

Agency Request

The **agency** requests \$515,816, all from the State General Fund for FY 2012. The request is an increase of \$6,579, or 1.3 percent, above the FY 2011 revised estimate. The change is due to:

- **Salaries and Wages.** An increase of \$6,308 in fringe benefit expenditures. The majority of the increase is for group health insurance and KPERS retirement contributions.

- **Capital Outlay.** An increase of \$271 to be used toward the purchase of a replacement laptop for each board member or replacement desktop computers for the agency's support staff.

The FY 2012 request includes 3.0 FTE, the same as the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** recommends that the Kansas Parole Board be abolished and all of the duties and functions of the Board be transferred to the Department of Corrections. The Governor further recommends that no funding or FTE positions for the Board be transferred to the Department of Corrections.

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House Budget Committee Recommendation

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

House Appropriations Committee Recommendation

The **House Appropriations Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Kansas Parole Board

Bill No. --

Bill Sec. --

Analyst: Younker

Analysis Pg. No. --

Budget Page No. 410

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 515,816	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 515,816	\$ 0	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 515,816	\$ 0	\$ 0
FTE positions	3.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	0.0	0.0

Agency Request

The **agency** requests \$515,816, all from the State General Fund for FY 2012. The request is an increase of \$6,579, or 1.3 percent, above the FY 2011 revised estimate. The change is due to:

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- **Salaries and Wages.** An increase of \$6,308 in fringe benefit expenditures. The majority of the increase is for group health insurance and KPERS retirement contributions.

- **Capital Outlay.** An increase of \$271 to be used toward the purchase of a replacement laptop for each board member or replacement desktop computers for the agency's support staff.

The FY 2012 request includes 3.0 FTE positions, the same as the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** recommends that the Kansas Parole Board be abolished and all of the duties and functions of the Board be transferred to the Department of Corrections. The Governor further recommends that no funding or FTE positions for the Board be transferred to the Department of Corrections.

Senate Subcommittee Recommendation

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

1. The Subcommittee recognizes the Parole Board's efforts in recent years to reduce its costs by, for example, decreasing its leased building space, considering charging for clemency applications, and using video conferencing to conduct hearings to decrease its travel budget. The Subcommittee has applauded these efforts in the past and does so now.
2. The Subcommittee recognizes that the Senate Judiciary Committee is currently holding hearings on Executive Reorganization Order 34 and does not wish to interfere with the outcome of these hearings. The Subcommittee's recommendation regarding the Parole Board's budget is contingent on approval of Executive Reorganization Order 34 or passage of comparable legislation. If the Legislature does not approve Executive Reorganization Order 34, or comparable legislation, then the Subcommittee notes its intention to reconsider the Parole Board's FY 2012 budget.

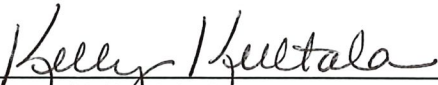
FY 2012

SENATE WAYS AND MEANS SUBCOMMITTEE

Juvenile Justice Authority
Kansas Juvenile Correctional Complex
Larned Juvenile Correctional Facility



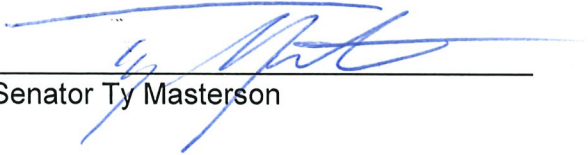
Senator Vicki Schmidt, Chair



Senator Kelly Kultala



Senator Carolyn McGinn



Senator Ty Masterson

Senate Subcommittee Report

Agency: Juvenile Justice Authority

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 358

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 52,980,470	\$ 47,224,943	\$ (146,521)
Other Funds	14,480,377	14,115,679	361,908
Subtotal	\$ 67,460,847	\$ 61,340,622	\$ 215,387
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	3,520,116	3,520,116	0
Subtotal	\$ 3,520,116	\$ 3,520,116	\$ 0
TOTAL	\$ 70,980,963	\$ 64,860,738	\$ 215,387
FTE positions	45.0	32.0	0.0
Non FTE Uncl. Perm. Pos.	18.0	18.0	0.0
TOTAL	63.0	50.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$67,460,847, including \$52,980,470 from the State General Fund. This is a State General Fund increase of \$1,363,470, or 2.6 percent, above the agency's FY 2011 revised estimate, and an all funds decrease of \$646,883, or 0.9 percent, below the agency's FY 2011 revised estimate. The State General Fund increase is due to the requested replacement of federal Title XIX Recovery Act funding, and employer contributions for health insurance and KPERS expenditure increases. The agency projects expenditures from all other funds to decrease, due to a decrease in the debt service payment on bonds that were issued to construct the four regional detention centers; the expiration of a federal grant, called Project SOAR (Successful Outcomes Achieving Re-Entry); and a decrease in the agency's rehabilitation and repair request. The agency reduced this request to make available State Institutions Building Funds for three capital improvement projects requested for FY 2012.

The agency's FY 2012 request includes two enhancement requests, totaling \$568,673, all from the State General Fund. The enhancement requests include: \$500,000 to replace American Recovery and Reinvestment Act—Justice Assistance Grant (ARRA-JAG) funding for graduated sanctions, and \$68,673 to maintain 1.0 FTE unclassified, permanent Sex Offender Specialist position funded by Project SOAR. The agency requests that this position be a non-FTE unclassified position, due to the highly specialized nature of the work performed.

The agency's FY 2012 request includes 45.0 FTE positions, and 18.0 non-FTE unclassified permanent positions, a reduction of 5.0 non-FTE unclassified permanent positions, due to the expiration of Project SOAR, (Successful Outcome Achieving Reentry) grant funds.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$61,340,622, including \$47,224,943 from the State General Fund. The Governor's recommendation is an all funds decrease of \$3,531,175, or 5.4 percent, and a State General Fund decrease of \$976,080, or 2.0 percent, below the Governor's FY 2011 recommendation. The Governor's recommendation includes a limited administrative consolidation with the Department of Corrections. The Department of Corrections would assume most legal, architecture, human resources, and fiscal responsibilities from the Juvenile Justice Authority. The Governor estimates that the limited consolidation would result in savings of \$305,944, all from the State General Fund.

The Governor recommends 32.0 FTE positions, a decrease of 13.0 FTE positions below the Governor's FY 2011 recommendation. Three of the positions recommended for elimination are filled and funded.

The Governor does not recommend the agency's enhancements request totaling \$568,673, all from the State General Fund, and 1.0 non-FTE permanent unclassified position. The agency's enhancements request includes \$500,000 to replace federal American Recovery and Reinvestment Act (RA-JAG) funding for graduated sanctions, and \$68,673 to maintain a 1.0 non-FTE permanent unclassified Sex Offender Specialist position.

The Governor recommends the agency's reduced resources budget totaling \$2,724,765, all from the State General Fund. The agency included reductions in the prevention block grant program, which serves youth who are at risk of offending. The agency states that some of the youth who would have participated in the program may be placed in the agency's custody at a later time.

Senate Subcommittee Recommendation

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

1. Add \$342,000 from the Juvenile Delinquency Prevention Trust Fund to the prevention block grant program.
2. Add \$19,908 from the Kansas Juvenile Correctional Facility Fee Fund to the prevention block grant program.
3. Delete \$146,521, all from the State General Fund, for salaries and wages in FY 2012. The Senate Subcommittee's recommended limited consolidation with the Department of Corrections will result in reduced expenditures for legal, architecture, fiscal, and human resources responsibilities in the agency.
4. The Senate Subcommittee notes that revenues from expanded lottery funds will be reviewed in April by the consensus caseload estimating group. The Subcommittee will consider adding funding to the prevention block grant program once revised revenue estimates are available.

5. The Senate Subcommittee notes its agreement with the House Subcommittee's recommendation to not expend \$328,000, all from the State Institutions Building Fund, for construction of a warehouse at the Larned Juvenile Correctional Complex.

Senate Subcommittee Report

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

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 368

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 17,940,251	\$ 17,274,266	\$ 0
Other Funds	652,400	652,400	0
Subtotal	\$ 18,592,651	\$ 17,926,666	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 18,592,651	 \$ 17,926,666	 \$ 0
 FTE positions	 298.5	 292.5	 0.0
Non FTE Uncl. Perm. Pos.	10.0	10.0	0.0
TOTAL	308.5	302.5	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$18,592,651, including \$17,940,251 from the State General Fund. This is a State General Fund increase of \$805,276, or 4.7 percent, above the agency's FY 2011 revised estimate, and an all funds increase of \$544,922, or 3.0 percent, above the agency's FY 2011 revised estimate. The request includes \$420,000 from the Juvenile Justice Federal Fund, an increase of \$25,000, or 6.3 percent, above the agency's 2011 revised estimate; the elimination of \$272,221 in federal American Recovery and Reinvestment Act (ARRA) funds, which expire in FY 2011; \$163,000 from federal Title I grants, a decrease of \$14,463, or 8.1 percent, below the agency's FY 2011 revised estimate; and \$69,400 from the Kansas Juvenile Correctional Complex Fee Fund, an increase of \$1,330, or 2.0 percent, above the agency's FY 2011 revised estimate. The agency's request includes 298.5 FTE positions, and 10.0 non-FTE unclassified permanent positions.

The agency's FY 2012 request includes four enhancement requests, totaling \$665,985, all from the State General Fund. The enhancement requests include: \$272,221 to replace American Recovery and Reinvestment Act—Justice Assistance Grant funding for 7.0 FTE Juvenile Corrections Officer I positions, \$228,439 to fund the requested 5.0 FTE vacant Juvenile Corrections Officer I positions for the Kansas Juvenile Correctional Complex, \$108,167 to fund a 2.5 percent Juvenile Corrections Officer I salary increase, and \$57,158 for a 1.0 FTE Social Worker Specialist position to maintain the intensive sex offender program currently funded by the Project SOAR (Successful Outcomes Achieving Reentry) grant.

Governor's Recommendation

The **Governor** recommends FY 2012 expenditures of \$17,926,666, including \$17,274,266 from the State General Fund. The recommendation is an all funds increase of \$71,251, or 0.4 percent, and a State General Fund increase of \$331,605, or 2.0 percent, above the Governor's FY 2011 recommendation. The recommendation is a State General Fund decrease of \$665,985, or 3.7 percent, below the agency's request; and is attributable to the Governor not recommending the agency's enhancement requests. The Governor's FY 2012 recommendation includes 292.5 FTE positions, a decrease of 6.0 FTE positions below the agency's FY 2012 request, and 5.0 FTE positions below the Governor's FY 2011 recommendation.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Larned Juvenile Correctional Facility

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 370

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,225,934	\$ 8,944,586	\$ 0
Other Funds	95,040	95,040	0
Subtotal	\$ 9,320,974	\$ 9,039,626	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 9,320,974	 \$ 9,039,626	 \$ 0
 FTE positions	 158.0	 150.0	 0.0
Non FTE Uncl. Perm. Pos.	11.0	11.0	0.0
TOTAL	169.0	161.0	0.0

Agency Requests

The **agency** requests FY 2012 operating expenditures of \$9,320,974, including \$9,225,934 from the State General Fund. This is a State General Fund increase of \$422,757, or 4.8 percent, above the agency's FY 2011 revised estimate, and an all funds increase of \$305,588, or 3.4 percent, above the agency's FY 2011 revised estimate. The request includes \$95,040 from the Juvenile Justice Federal Fund, no change from 2011 revised estimate; and the elimination of \$117,169 in American Recovery and Reinvestment Act-Justice Assistance Grant (ARRA-JAG) funds, which expire in FY 2011. The agency's request includes 158.0 FTE positions, and 11.0 non-FTE unclassified permanent positions.

The agency's FY 2012 request includes four enhancement requests, totaling \$281,349, all from the State General Fund. The enhancement requests include: \$106,664 to replace American Recovery and Reinvestment Act—Justice Assistance Grant (ARRA-JAG) funding for 3.0 FTE Juvenile Corrections Officer I positions, \$52,438 to fund a 2.5 percent Juvenile Corrections Officer I salary increase, \$56,547 for an intensive sex offender program, and \$65,700 to replace three high mileage agency vehicles. Absent the enhancement requests, the agency's FY 2012 request is \$9,602,323, including \$8,944,585 from the State General Fund, an all funds increase of \$586,937, or 6.5 percent, and a State General Fund increase of \$141,408, or 1.6 percent, above the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$9,039,626, including \$8,944,586 from the State General Fund, an all funds decrease of \$281,348, or 3.0 percent, and a State General Fund decrease of the same amount, below the agency's FY 2012 request. The decrease is attributable to the governor not recommending the agency's FY 2012 enhancement requests, totaling \$281,349.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendation.

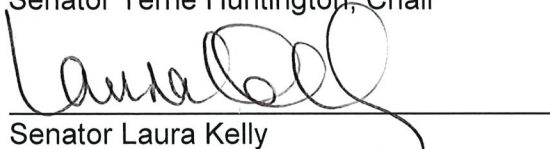
FY 2012

SENATE WAYS AND MEANS SUBCOMMITTEE

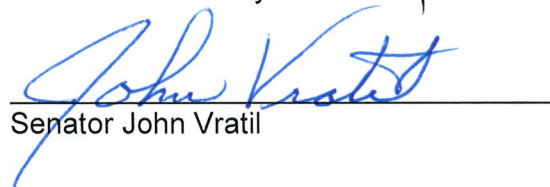
**Legislative Coordinating Council
Legislature
Legislative Post Audit
Kansas Legislative Research Department
Office of the Revisor of Statutes**



Senator Terrie Huntington, Chair



Senator Laura Kelly



Senator John Vratil

Senate Ways and Means

Date:

02/15/11

Attachment:

5

Senate Subcommittee Report

Agency: Legislative Coordinating Council

Bill No. SB --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. --

Budget Page No. --

<u>Expenditure Summary</u>	<u>Agency Request FY 2012</u>	<u>Governor Recommendation FY 2012</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 766,312	\$ 697,024	\$ 69,288
Other Funds	0	0	0
Subtotal	\$ 766,312	\$ 697,024	\$ 69,288
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 766,312	 \$ 697,024	 \$ 69,288
 FTE positions	 11.0	 11.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	11.0	11.0	0.0

Agency Request

The **agency** requests a FY 2012 budget of \$766,312, all from the State General Fund, an increase of \$31,186, or 4.2 percent, above the revised current year estimate. The increase reflects increases in salaries and wages (\$30,325) and in contractual services (\$861). The request would fund 11.0 FTE positions, the same as requested for the current year.

Governor's Recommendation

The **Governor** recommends \$697,024, all from the State General Fund, for a reduction of \$38,102, or 5.2 percent, below the FY 2011 recommendation. The reduction totals \$38,963, or 5.4 percent, below the FY 2011 recommendation in salary and wages and an increase of \$861, or 11.6 percent, in contractual services. The recommendation includes 11.0 FTE positions, the same as the approved.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustment:

5-2

1. Add \$69,288, all from the State General Fund, to fully staff the agency and eliminate the need for agency layoffs or furloughs. This funding would allow the agency to provide the Legislature the services it needs to continue operating in an efficient manner in order to finish the Legislative session within the 90 day time frame.

Senate Subcommittee Report

Agency: Legislative Post Audit

Bill No. SB ---

Bill Sec. ---

Analyst: Scott

Analysis Pg. No. ---

Budget Page No. --

<u>Expenditure Summary</u>	<u>Agency Request FY 2012</u>	<u>Governor Recommendation FY 2012</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 2,496,726	\$ 2,059,139	\$ 0
Other Funds	0	0	0
Subtotal	\$ 2,496,726	\$ 2,059,139	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 2,496,726	 \$ 2,059,139	 \$ 0
 FTE positions	 22.0	 22.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

Agency Request

The **agency** requests a FY 2012 budget of \$2,496,726, all from the State General Fund, an increase of \$48,412, or 2.0 percent, above the revised current year estimate. The increase reflects increases in salaries and wages (\$34,110) and contractual services (\$35,302) partially offset by a decrease in capital outlay (\$21,000). The request would fund 22.0 FTE positions, the same as requested for the current year.

Governor's Recommendation

The **Governor** recommends \$2,059,139, all from the State General Fund, for a reduction of \$389,175, or 15.9 percent, below the FY 2011 recommendation. The reduction totals \$303,477, or 15.8 percent, below the FY 2011 recommendation in salary and wages, \$64,698, or 13.2 percent, in contractual services and \$21,000 in capital outlay. The recommendation includes 22.0 FTE positions.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

5-4

Senate Subcommittee Report

Agency: Legislative Research Department **Bill No.** SB --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. --

Budget Page No. --

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,767,415	\$ 3,303,783	\$ 463,632
Other Funds	0	0	0
Subtotal	\$ 3,767,415	\$ 3,303,783	\$ 463,632
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds			
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 <u>\$ 3,767,415</u>	 <u>\$ 3,303,783</u>	 <u>\$ 463,632</u>
 FTE positions	 40.0	 40.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>40.0</u>	<u>40.0</u>	<u>0.0</u>

Agency Request

The **agency** requests a FY 2012 budget of \$3,767,415, all from the State General Fund, a decrease of \$64,092, or 1.7 percent, below the revised current year estimate. Included in the agency request is \$216,838 for the third year of redistricting that is required by the U.S. and Kansas Constitutions. This includes 3.0 temporary FTE positions and associated operating expenditures. The decrease reflects reductions in contractual services (\$112,293) and commodities (\$18,233) which are partially offset by an increase in longevity and employee fringe benefits (\$66,434). The request would fund 40.0 FTE positions, the same as requested for the current year.

Governor's Recommendation

The **Governor** recommends \$3,303,783, all from the State General Fund, for a reduction of \$527,724, or 13.8 percent, below the FY 2011 recommendation. The reduction totals \$337,198, or 9.6 percent, below the FY 2011 recommendation in salary and wages, \$172,293, or 60.3 percent, in contractual services and \$18,233, or 59.9 percent, in commodities. The recommendation includes 40.0 FTE positions, the same as the agency request.

5-5

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governors recommendation with the following adjustment:

1. Add \$463,632, all from the State General Fund, to fully staff the agency and to fund the costs associated with redistricting, excluding additional computer equipment. This will allow the agency to continue redistricting activities to assist the Legislature in redrawing of legislative, State Board of Education, and congressional districts as required by the U.S. and Kansas Constitutions.

Senate Subcommittee Report

Agency: Legislature

Bill No. SB --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. --

Budget Page No. --

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,538,251	\$ 16,211,014	\$ 327,237
Other Funds	51,500	51,500	0
Subtotal	\$ 16,589,751	\$ 16,262,514	\$ 327,237
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 16,589,751	 \$ 16,262,514	 \$ 327,237
 FTE positions	 37.0	 37.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	37.0	37.0	0.0

Agency Request

The **agency** requests a FY 2012 budget of \$16,589,751, including \$16,538,251 from the State General Fund, a decrease of \$82,072 all from the agency special revenue fund, or 0.5 percent, below the revised current year estimate. The decrease reflects reductions in contractual services (\$301,693) and capital outlay (\$43,050) partially offset by an increase in salaries and wages (\$262,671). The request would fund 37.0 FTE positions, the same as requested for the current year.

Governor's Recommendation

The **Governor** recommends \$16,262,514, including \$16,211,014 from the State General Fund, for an all funds reduction of \$409,309, or 2.5 percent, below the FY 2011 recommendation. This also is a State General Fund reduction of \$327,237 or 2.0 percent, below the FY 2011 recommendation. The reduction totals \$64,566, or 0.7 percent, below the FY 2011 recommendation in salary and wages and \$301,693, or 4.0 percent, in contractual services and \$43,050 in capital outlay. In addition, this is a reduction of \$327,237 from the State General Fund, or 2.0 percent, below the agency request. The entire reduction is included in salaries and wages. The recommendation includes 37.0 FTE positions.

5-7

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governors recommendation with the following adjustment:

1. Add \$327,237, all from the State General Fund, to fully fund a 90 day Legislative session for 2012. The Subcommittee heard testimony that this funding level still only provides funding for a limited, scaled back interim session, limited out of state travel, no file clerks, and no newspaper clippers.

Senate Subcommittee Report

Agency: Office of the Revisor of Statutes

Bill No. SB --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. --

Budget Page No. --

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,330,876	\$ 3,053,798	\$ 277,078
Other Funds	0	0	0
Subtotal	\$ 3,330,876	\$ 3,053,798	\$ 277,078
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 <u>\$ 3,330,876</u>	 <u>\$ 3,053,798</u>	 <u>\$ 277,078</u>
 FTE positions	 31.5	 31.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>31.5</u>	<u>31.5</u>	<u>0.0</u>

Agency Request

The **agency** requests a FY 2012 budget of \$3,330,876, all from the State General Fund, an increase of \$1,842, or 0.1 percent, above the revised current year estimate. The increase reflects increases in contractual services (\$9,660) partially offset by a decrease in salaries and wages (\$7,818). The request would fund 31.5 FTE positions, the same as requested for the current year.

Governor's Recommendation

The **Governor** recommends \$3,053,798, all from the State General Fund, for a reduction of \$275,236, or 8.3 percent, below the FY 2011 recommendation. The reduction totals \$144,896, or 5.4 percent, below the FY 2011 recommendation in salary and wages and \$130,340, or 20.6 percent, in contractual services. The recommendation includes 31.5 FTE positions, the same as the agency request.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governors recommendation with the following adjustment:

5-9

1. Add \$277,078, all from the State General Fund, to fully staff the agency in order to provide the drafting of legislation in a timely manner. The Subcommittee heard testimony that salaries are the main expenditure in this agency and was concerned that a \$277,078 reduction could impact this agency's ability to provide the drafting of legislation in a timely manner.



**Testimony on Senate Bill 42
to
The Senate Ways and Means Committee
by Secretary Pat George
Kansas Department of Commerce
February 15, 2011**

Additional Notes on Proposed Savings:

With moving the KTEC programs to Commerce the Governor has indicated that the State will recognize savings of \$1,723,828. That amount is generally comprised of approximately \$1,079,443 in Operations (salaries, overhead), PIPELINE (\$400,000) and Investment Program (\$300,000).

Within our current budget, and current FTE count, we will absorb one FTE from the budgeted 14.7 FTE level (actively 9 FTE) for KTEC functions inside of the Department of Commerce.

Notes on PIPELINE:

Furthermore, we have discussed making a small request for the PIPELINE program, as well as looking to the private sector and support from entrepreneurial foundations. We have spoken to existing entities that would help with the development and total immersion process for the entrepreneurs that PIPELINE was created to support.

University & Strategic Research (Centers of Excellence)

	<u>EDIF</u>	<u>All Funding Sources</u>	
Salary & wages	\$ 59,449	\$ 59,449	(0.50 FTE)
Contractual Services	\$ 41,103	\$ 41,103	
Other Assistance	\$ 1,258,029	\$ 1,258,029	
total	\$ 1,358,581	\$ 1,358,581	

Commercialization (Entrepreneurship Centers)

	<u>EDIF</u>	<u>All Funding Sources</u>	
Salary & wages	\$ 59,448	\$ 59,448	(0.50 FTE)
Contractual Services	\$ 28,685	\$ 28,685	
Other Assistance	\$ 879,890	\$ 879,890	
total	\$ 968,023	\$ 968,023	

MAMTC

	<u>EDIF</u>	<u>All Funding Sources</u>
Other Assistance	\$ 1,025,000	\$ 2,889,950
Total	\$ 3,351,604	\$ 5,216,554



**Testimony on Senate Bill 42
to
The Senate Ways and Means Committee
by Secretary Pat George
Kansas Department of Commerce
February 15, 2011**

Thank you for the opportunity to appear before you today to discuss Senate Bill 42, which relates to Kansas Technology Enterprise Corporation.

The bill would abolish the existing Kansas Technology Enterprise Corporation (KTEC) and transfer all powers, duties, and functions to the Kansas Department of Commerce (Commerce) except for certain functions specifically transferred to the Kansas Board of Regents.

- Commerce would be the successor to all powers, duties, and functions of KTEC transferred to it under New Section 2.
- All balances for all funds and liabilities of KTEC would be transferred to Commerce.
- All officers and employees of KTEC, who in the opinion of the Secretary of Commerce are necessary to perform the duties, powers, and functions transferred to Commerce would transfer to Commerce.
- Commerce would also succeed to all property, property rights, and records pertaining to the powers, duties, and functions of KTEC transferred to Commerce pursuant to New Section 2.

Under my proposed technical amendment, which clarifies that the Centers of Excellence would also transfer to Commerce, SB 42 would transfer the following to Commerce:

Research Programs.

University Centers of Excellence. These include:

- National Institute for Aviation Research (NIAR) at Wichita State University. Supports the Kansas Aviation/Aerospace industry through research, product development, training, and testing.

- Advanced Manufacturing Institute (AMI) at Kansas State University. Supports small companies, entrepreneurs, and researchers in the development and delivery of new products and technologies. Services include engineering and product design assistance; process improvement and technology improvement and commercialization.
- Information in Health Communication Technology Center (ITTC) at the University of Kansas. Advances knowledge and innovation in the areas of computing, sensors, and communication.
- Kansas Polymer Research Center (KPRC) at Pittsburg State University Sports Technology and Product Development in Polymers Plastics and Wood. Provides technical assistance in research facilities for the design, development, and testing of prototypes, products and processing methods.

Business Assistance Programs.

- Entrepreneurial Centers (Incubators) are Kansas funded corporations designed to assist emerging companies and commercialize new technologies. The Entrepreneurial Centers and their locations are as follows: ECJC-Kansas City Metro; LRTC-Lawrence; KUCTC-Lawrence; QUEST-Hutchinson; NISTAC-Manhattan; ATC-Pittsburg; WTC-Wichita.
- Mid America Manufacturing Technology Center (MAMTC) provides engineering and technological assistance to small or medium sized companies to help them update and improve processes, skills, and technologies to improve their efficiency. They offer three types of services: one-on-one client consultations/assessments; educational seminars/classes; and demos, testing prototype development.

Direct Investment and Other Programs.

- KTEC Investments is a direct investment program where equity investments are made in promising "technology companies."
- Angel Tax Credits provide a state tax credit available to investors and companies certified as meeting certain qualifications. This pool of tax credits has been managed by KTEC and typically investments have gone for investment in companies already in the KTEC work folio.
- KTEC Pipeline is an initiative to develop a homegrown supply of technology entrepreneurs through an intense mentoring, counseling, and technology assistance network that can enhance the entrepreneurial company's chances for success. There are nine such promising entrepreneurs selected annually to be part of the program which provides the selected entrepreneurs a stipend during the year they are in the program.

SB 42 would transfer to the Kansas Board of Regents (1) all powers, duties, and functions relating to the Strategic Technology and Research (STAR) funds; and (2) all powers, duties, and functions relating to the Experimental Program to Stimulate Competitive Research (EPSCoR).

- The STAR program involves grants from the EDIF to Regents university's researchers for research in strategic technology segments that provide commercialization opportunities.
- The EPSCoR program provides a state match for federal research funds for states that lag in federal research dollars.

Thank you for the opportunity to discuss SB 42 and proposed technical amendment. I would be happy to stand for any questions.

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