

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 a.m. on March 14, 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.

Conferees:

Daniel Yoza, Office of the Revisor of Statutes
Martha Gabehart, Executive Director, Kansas Commission on Disability Concerns
Michael Donnelley, Director, Rehabilitation Services, Department of Social and Rehabilitation Services (SRS)
Nick Wood, on behalf of Rocky Nichols, Disability Rights Center of Kansas
Rick Cagan, Executive Director, NAMI
Shannon Jones, Director, Statewide Independent Living Council of Kansas
Wendy Parent-Johnson, PhD, Kansas University Center on Development Disabilities
Marilyn Jacobson, Director of the Division of Finance and Facilities Management with the Department of Administration

Bill Introduction

Senator McGinn moved introduction of a bill (#rs1104) concerning the university engineering initiative act. The motion was seconded by Senator Vratil, which passed on a voice vote.

Follow-Up Information

Senator McGinn called attention to follow-up information submitted by Kansas Budget Director, Steve Anderson (Attachment 1). Mr. Anderson responded to questions and provided information concerning fee funds transferred from government agencies to the State General Fund (**SB 229**).

SB 205 -- Establishing the Kansas employment initiative act and the Kansas employment first oversight committee

Daniel Yoza was present to brief committee members on **SB 205**, which declares Kansas' public policy to be that of competitive and integrated employment as the first option when serving people with disabilities (Attachment 2). Mr. Yoza reported the bill provides for an oversight commission. He reviewed the duties of the commission, which sunsets in 2014.

Martha Gabehart, Executive Director of the Kansas Commission on Disability Concerns, encouraged passage of **SB 205** noting the bill will require all state programs serving persons to refocus their programs (Attachment 3).

Michael Donnelly, Executive Director, Rehabilitation Services of SRS, indicated his agency supports the principle and policy in **SB 205**. He suggested an amendment to clarify the policy statement and to remove language assigning SRS the coordination, data gathering, and report development responsibilities.

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Mr. Donnelly summarized various SRS programs for persons with disabilities. He reported on initiatives within SRS that promote the goals contained in the bill (Attachment 4).

Responding to Senators' questions, Mr. Donnelly indicated:

- The definitions of "competitive" and "integrated," were excluded from the bill, Mr. Donnelly opined that the term "competitive" means remuneration at minimum wage or higher. The term "integrated" refers to employment where there are more people working in one workplace without disabilities than those with disabilities.
- **SB 205** does not address employment preference for persons with disabilities. In Kansas, a veteran is entitled to preference over non-veterans in hiring from a competitive list of eligible candidates.
- It was unknown if conversation or collaboration had occurred with representatives from the business community concerning **SB 205**.

Nick Wood, on behalf of Rocky Nichols from the Disability Rights Center of Kansas, testified **SB 205** is a positive step for people with disabilities (Attachment 5). An amendment was suggested to correct a technical error. He encouraged favorable passage of the bill.

Rick Cagan, Executive Director of NAMI, testified in support of **SB 205**. He indicated the bill establishes a foundational policy for the state of Kansas and presents an opportunity to tap into an overlooked segment of the labor market (Attachment 6). Mr. Cagan reported that 13 of the 27 Community Mental Health Centers (CMHC) in Kansas have a "supported employment" program. Many of the Centers have eliminated such programs due to funding reductions.

Shannon Jones, Director of the Statewide Independent Living Council of Kansas (SILCK), testified in support of **SB 205**. She spoke about the underemployment of people with disabilities. Many of these individuals have low incomes, limited or no assets, and limited or no housing and transportation options. This causes them to rely heavily on publicly funded systems for support. Passage of this bill encourages participation in the community while emphasizing personal growth and independence. In addition, the bill could reduce the dependence on publicly funded programs (Attachment 7).

Wendy Parent-Johnson, PhD and Research Professor at the Kansas University Center on Developmental Disabilities spoke in support of **SB 205**. She provided statistical information concerning studies documenting that supported employment programs can be financially advantageous for workers with disabilities but also cost-efficient for taxpayers and funding sources. She reported the cumulative cost of funding supported employment is significantly lower than sheltered work and day programs: \$6,618 versus \$19,388. This means for every individual paid to attend a sheltered work or day program, three individuals could have been funded in community integrated employment (Attachment 8).

Written testimony supporting **SB 205** was submitted by:
Michael J. Hammond, Executive Director, Association of CMHCs of Kansas, Inc. (Attachment 9)
Tom Laing, Executive Director, InterHab (Attachment 10)
Kathy Lobb, Self-Advocate Coalition of Kansas (Attachment 11)
Askia Adams, private citizen (Attachment 12)
Ron Pasmore, President and CEO, KETCH (Attachment 13)
Jane Rhys, Kansas Council on Developmental Disabilities (Attachment 14)

Senator McGinn closed the hearing on **SB 205**.

Subcommittee Reports

Postsecondary Education System

Senator McGinn reported that in FY 2011, the Subcommittee concurred with the Governor's recommendation with an adjustment that deletes \$300,000, all from the Standardized Water Data Repository Fund, and appropriates that amount to the Department of Agriculture for the Conservation Reserve Enhancement Program (CREP) for FY 2012 (Attachment 15).

Senator McGinn reviewed the agency request and the Governor's recommendation for FY 2012. The Subcommittee concurred with the Governor's recommendation with adjustments:

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections. 2

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- Add \$15 million, all from SGF, to the Board of Regents for FY 2012 to fund grants of \$5 million each to the Cancer Center at Kansas University Medical Center, the National Institute for Aviation Research (NIAR) at Wichita State University, and animal health research at Kansas State University. The Governor's recommendation provided funding for these grants in the Department of Commerce budget. Because these are educational programs, the Subcommittee recommended the grants be deleted from the Commerce Department and added to the Board of Regents.
- Add \$750,000, all from SGF, for the new school of construction at Pittsburg State University, subject to a one-to-one match, for FY 2012.
- Add \$500,000 for FY 2012, all from the Economic Development Initiatives Fund (EDIF), to provide competitive grants to community colleges to be administered by the Board of Regents. The Governor's recommendation included the Department of Commerce funding. Because these are educational programs, the Subcommittee recommended the grants be deleted from the Commerce Department and added to the Board of Regents.
- Add \$1 million, all from the EDIF, to the newly created KAN-Grow Engineering for engineering expansion grants developed and administered by the Board of Regents for University of Kansas, Kansas State University, and Wichita State University for FY 2012.
- Recommend the introduction of legislation to build on the \$1.0 million initial investment in engineering expansion grants. The Board of Regents would be authorized approve plans developed by the Schools of Engineering at University of Kansas, Kansas State University, and Wichita State University.
- Commend Emporia State University, Pittsburg State University, and Fort Hays State University for their cooperative efforts to provide educational opportunities without duplication of courses.
- Commend Fort Hays State University for exploring partnering with North Central Technical College in Beloit to save costs and encourage other institutions to pursue similar partnerships.

Chairperson McGinn responded to questions and comments as follows:

- The rationale for placing grant funding to Kansas University, Wichita State University, Kansas State University, Pittsburg State University, and community colleges to the Board of Regents rather than the Department of Commerce relates to the Regents' expertise in the administration of funding and development of educational programs in the State. Particularly related to the Engineering Fund, the consistency the Board of Regents would provide enhances the long-term funding source. In the past, grant funding to Kansas University (Cancer Center) and Wichita State University (NAIR) had been managed through the Board of Regents with no issues/concerns identified; it did not seem prudent to change the process.
- The addition of \$750,000 for the new school of construction at Pittsburg State University requires clarification that adds language noting that the \$750,000 would be added when funding sources are identified. In addition, a review of this item is required prior to finalization of the FY 2012 appropriations bill.

Senator McGinn moved adoption of the Postsecondary Education System-wide Subcommittee report including technical adjustments required and the clarification discussed. Senator Teichman seconded the motion, which carried on a voice vote. Senator Masterson requested that his "no" vote be recorded.

SB 229 – Concerning state finance

Senator Umbarger briefed committee members on the bill, which was originally heard on March 9, 2010. **SB 229** concerns the transfer of fee funds from various agencies and commissions to the State General Fund (SGF) to cover costs to provide accounting, auditing, budgeting, legal, payroll, personnel, purchasing, and any other services performed on the behalf of state agencies and commissions. The original language proposed elimination of these fee fund transfers in FY 2012. Senator Umbarger distributed a conceptual amendment (Attachment 16).

Marilyn Jacobson, Director of the Division of Finance and Facilities Management with the Department of Administration indicated agencies were assessed fees by the Department of Administration for the provision of services not described by statute such as those from the State Printing Plant. Furthermore, agencies are not assessed fees for the provision of centralized services such as Highway Patrol Security, Legislature, Legislative Research,

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Legislative Administrative Services, Legislative Post Audit, Governor's Office, Division of the Budget, State Treasurer, Attorney General or promulgating rules and regulations. Considerable discussion followed. Senator McGinn moved to amend **SB 229** to eliminate the deletion of the transfer for FY 2013 and to add two provisions requiring the Department of Administration to report to the Legislature no later than January 1, 2012, with:

- a complete accounting and legal basis for each charge currently assessed to state agencies
- a complete accounting and legal basis for the actual cost to provide any and all governmental services to state agencies that are not being assessed.

In addition, the percent of fees deposited in the State General Fund would be reduced to 10.0 percent and the maximum would be reduced to \$100,000 in FY 2012. Senator Umbarger seconded the motion.

Senator Kelly offered a substitute motion to refer the issue to an interim study. Senator Huntington seconded the motion, which failed on a voice vote.

Senator McGinn's original motion passed on a voice vote.

Senator Umbarger moved to pass out **SB 229** as amended. Senator Teichman seconded the motion, which carried on a voice vote.

The meeting was adjourned at 12:10 p.m.

**SENATE WAYS AND MEANS
GUEST LIST
March 14, 2011**

NAME	AFFILIATION
DICK CARTER	JCCC
Sean Mulvey	CAPITOL STRATEGIES
Phil Hume	K-State
M. Peterson	K-State
Marilyn Jacobson	DOA
Chapman	DOE
James	DOE
Bob App	Division of the Budget
Gary Handmark	SRS
Bob Siedlecki	SRS
Dr. Rickman	HSU
Victoria White	PSU
Margaret Neely	ESLL
Nan Marigo	KS Medical Society
Sheryl Deel	KS Real Estate Comm
Joe Morisano	PMCA of KS
STEVE WASSON	SECURITIES Comm.
John P. Smith	KS Dept of credit unions
Healy Diller	KUAA
ML Dyck	KSBTP
Bob Coz	GBA
RICK CABAN	NAMI Kansas
Patrick Viegelsberg	Keeney and Associates
Dustin Mayer	KHPA
Melissa Ward	Lein law firm
Justin McFarland	KDOL
Ben Cleaves	KDST
Tara Mays	KDOT
Ryan Fyler	SOS
Nancy Bryant	SOS

**SENATE WAYS AND MEANS
GUEST LIST
March 14, 2011**

[illegible]



Steven J. Anderson, CPA, MBA, Director

Division of the Budget

Sam Brownback, Governor

MEMORANDUM

TO: Senator Carolyn McGinn, Chairperson of Senate Committee on Ways & Means

FROM: Steven J. Anderson, Director of the Budget

DATE: March 11, 2011

SUBJECT: 2011 Senate Bill 299

On Wednesday, March 9, your committee held a hearing on SB 229, legislation to alter how the State General Fund is reimbursed for expenses related to accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other state governmental services which are performed on behalf of those agencies, boards and commissions. Current law provides that those agencies offering these services receive State General Fund appropriations to operate these tasks. Those functions that do not receive State General Fund support must direct bill the agencies receiving their services, such as printing through the printing plant, or computer and telecommunication services through DISC.

While I stood up as a neutral party on the bill, I hope the Committee will consider the larger picture of how the bill affects the State General Fund and the policy as to why the SGF is reimbursed in the manner it has been. This legislation would reduce the amount available in the State General Fund for use by a variety of agencies, for all the purposes SGF is appropriated. The Department of Administration has developed a table outlining some of the functions supported by the SGF that in turn benefit the agencies contributing a share of their revenues to the SGF.

The agencies do derive a benefit by being state agencies, whether it is being a part of the state's health benefits plan or the state's pension plan, or by receiving direct accounting or other administrative support functions provided at no cost to them through a billing process. In my opinion, the Committee is best served by taking a longer view on this issue before passing the legislation. I and the Department of Administration will be happy to discuss this issue further if that is the will of the Committee.

Ultimately, if legislation is enacted to take this process away or to alter it in some manner, I would hope there is discussion of the impact on the affected agencies' fees, and that perhaps some, if not all, would be lowered to reduce the burden on the agencies' customers.

Senate Ways and Means

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Attachment:

Department of Administration
March 7, 2011

	<u>20% Fee Centralized Services (No Charge)</u>	<u>Fee Services</u>	<u>Agency Services (Contract)</u>
Accounting	Included	NA	Authorized
Auditing DOA	NA	NA	NA
Budgeting	Included	NA	NA
Legal	Rules & Regs	NA	Authorized
Payroll	Included	NA	Authorized
Personnel	Included	NA	Authorized
Purchasing	Included	NA	Authorized
Printing	NA	Authorized	NA
Surplus	NA	Authorized	NA
Facilities	NA	Authorized	NA
DISC	NA	Authorized	NA
Highway Patrol-Security	Included	NA	Authorized
Legislature	Included	NA	NA
Leg. Research	Included	NA	NA
Leg. Admin. Services	Included	NA	NA
LPA	Included	NA	NA
Governor	Included	NA	NA
Lt. Governor	Included	NA	NA
Division of Budget	Included	NA	NA
State Treasurer	Included	NA	NA
Attorney General	Included	NA	NA

Office of Revisor of Statutes
300 S.W. 10th Avenue
Suite 24-E, Statehouse
Topeka, Kansas 66612-1592
Telephone (785) 296-2416 FAX (785) 296-6668

MEMORANDUM

To: The Senate committee on Ways and Means
From: Daniel Yoza, Assistant Revisor
Date: March 14, 2011
Re: Senate bill 205

Senate bill 205 establishes the Kansas employment first initiative act. It declares the public policy of Kansas to be that competitive and integrated employment shall be the first option when serving people with disabilities.

Section 2 directs state agencies to coordinate efforts, collaborate and share information in order to ensure that all state programs, policies, procedures and funding support competitive and integrated employment for people with disabilities.

Section 3 establishes the Kansas employment first oversight commission. The commission consists of 5 members, each serving 2 year terms. Four members of the commission will be people with disabilities, who are not state employees. Of these 4 members, one will be appointed by the speaker of the house, one will be appointed by the minority leader of the house, one will be appointed by the president of the senate, and one will be appointed by the minority leader of the senate. The fifth member of the commission will be appointed by the governor.

The commission will meet at least 4 times per year. Each member of the commission will be paid mileage and expenses pursuant to K.S.A. 75-3212.

The commission is charged with the duty of establishing measurable goals and objectives to implement the employment first initiative act and will track progress towards these goals.

The commission will issue an annual report on the progress of the implementation of the act. The department of Social and Rehabilitation services is designated as the lead agency responsible for compiling data and preparing the report at the direction of the commission.

The commission will sunset on July 1, 2014.

The effective date of this bill is July 1, 2011.

Senate Ways and Means

Date:

Attachment:

03/14/11

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Commission on Disability Concerns
1000 S.W. Jackson St., Suite 100
Topeka, KS 66612-1354



Phone: (785) 296-1722
Toll Free: (800) 295-5232
Fax: (785) 296-6809 TTY:
711
KCDInfo.com

Martha Gabehart, Executive Director

Sam Brownback, Governor

Martha Gabehart, Executive Director
Kansas Commission on Disability Concerns (KCDC)
Senate Ways and Means Committee
In Support of SB 205
March 14, 2011

Thank you Madam Chairperson and committee members for the opportunity to testify in support of SB 205 which establishes the employment first policy and the Employment First Oversight Commission. I am Martha Gabehart, Executive Director of the Kansas Commission on Disability Concerns (KCDC).

KCDC is a catalyst for change in government for people with disabilities. We work with the governor, legislature and agencies on issues that affect people with disabilities. Our issue today is employment for people with disabilities. KCDC believes people with disabilities should work and play an active role in society. When people with disabilities work and are self-sufficient, they receive fewer government services and pay taxes, which also increase state revenues.

SB 205 establishes:

- 1) A state policy that integrated, competitive employment is the first option for people with disabilities and
- 2) The Employment First Oversight Commission.

The policy will require all state programs that provide services to people with disabilities to refocus their programs to support integrated, competitive employment. KCDC believes this policy will move more people with disabilities off government services and into their communities as active, taxpaying citizens.

KCDC encourages you to pass this bill favorably out of committee. Thank you for this opportunity.

Senate Ways and Means

Date:

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Attachment:

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**Robert Siedlecki, Acting Secretary
Department of Social And Rehabilitation Services**

**Senate Committee on Ways and Means
March 14, 2011**

**Kansas Employment First
Initiative Act (SB 205)**

**Rehabilitation Services
Michael Donnelly, Director**

For Additional Information Contact:
Gary Haulmark, Director of Legislative Affairs
Docking State Office Building, 6th Floor North
(785) 296-3271

Senate Ways and Means

Date:

Attachment:

03/14/11

Senate Committee on Ways and Means

March 14, 2011

Kansas Employment First Initiative Act (SB 205)

Chairman McGinn and members of the Committee, thank you for the opportunity to appear before you today to discuss the Kansas Employment First Initiative Act. I will also provide a brief update about the SRS services and initiatives that focus on employment of Kansans with disabilities.

SRS strongly supports the principles of the Kansas Employment First Initiative Act. People with disabilities should have equal opportunity to pursue competitive, integrated employment – real jobs in their communities at wages commensurate with their non-disabled peers. There should also be an expectation of employment for people with disabilities, just as employment is an expectation for all working age adults. Further, SRS supports the principle that state programs, policies and funding should support competitive, integrated employment as the optimal outcome of services provided. SRS has been working with Rocky Nichols to reach agreement on several amendments to HB 2336 / SB 205 to clarify the policy statement and to remove language assigning SRS the coordination, data gathering and report development responsibilities. SRS supports HB 2336 and SB 205 if those amendments are accepted by the House and Senate.

Employment is the critical path out of poverty for people with disabilities. Without the opportunity to become self-sufficient through employment, people with disabilities face difficult economic challenges. For example:

- 34% of Kansans with disabilities live below 150% of the federal poverty level, compared to 16% of their non-disabled peers. (American Community Survey/U.S. Census Bureau)
- People with disabilities are likely to experience a variety of material hardships, such as inability to pay for a place to live or pay for utilities. 62% of people with disabilities experience food insecurity with hunger. (Mathematica Policy Research/Center for Studying Disability)
- For youth with disabilities who begin receiving Supplemental Security Income (SSI) before age 18, there's a lifetime of poverty. They spend an average of 27 years receiving benefits – and those benefits average only \$498 a month. (The Social Security Advisory Board, September 2006)
- Only 10% of Kansans with developmental disabilities are in supported or competitive employment, ranking Kansas 46th in the nation in terms of supporting meaningful employment. (United Cerebral Palsy: The Case for Inclusion 2008)

However, in contrast, when people with disabilities become employed, they reduce their reliance on various forms of public assistance such as SSI, housing supports, food stamps, energy assistance, and medical services. People with disabilities who are employed spend their income in local communities on housing, groceries, gasoline, services, and taxes. Thus they contribute to the health of the economy. A study of persons who achieved employment through vocational rehabilitation (VR) services found that the employment of people with disabilities has a positive or multiplier impact on the economy. Conducted by the Center for Economic Development and Business Research at Wichita State University, the study showed that for each dollar earned as a result of a person with a disability going to work, there is about \$1.66 in total earnings through the economy. For each person employed, there are about 1.85 total jobs created in the overall economy. 4-2

Summary of SRS programs and initiatives that support employment of people with disabilities

SRS has provided employment supports and related services to individuals with disabilities for many years through multiple programs. SRS currently has four programs that focus on employment services, three of which serve only persons with disabilities.

Economic and Employment Supports (EES) operates the Temporary Assistance to Needy Families (TANF) program that includes employment-related services. Disability is one of the barriers to employment documented for the TANF population. Job clubs, placement services and other support services are provided to assist eligible individuals to gain employment and reduce their reliance on cash, food and medical assistance.

Community Supports and Services (CSS) manages the Home and Community Based Services programs that include services to support persons with disabilities to live and work in the community. The Developmental Disabilities (DD) Waiver most directly affects work opportunities for individuals with developmental disabilities. DD Providers often provide a work-related day service or supports that empower an individual in a job in their community. Wages vary as providers sometimes utilize their sub-minimum wage certificates to set wages as allowed under Section 14(c) of the Fair Labor Standards Act. Others are competitive, integrated jobs in the community that are paid at minimum wage or higher depending on the position. Many individuals with developmental disabilities are employed in sheltered workshops where wages may range from a minimal piece rate, to sub-minimum wages or competitive wages depending on the business model implemented.

Mental Health Services also has an emphasis on assisting persons with severe and persistent mental illnesses to achieve successful employment outcomes. Research demonstrates that employment is a significant contributor to the recovery of persons with mental illness. This is recognized in Kansas mental health reform statute which defines community based mental health services to include access to securing employment services. In addition, SRS' contract with community mental health centers (CMHCs) includes competitive employment of persons with a severe and persistent mental illness (SPMI) as one of the contract's outcomes. SRS pays enhanced Medicaid rates for CMHCs who demonstrate fidelity to the evidence-based practice of supported employment.

Vocational rehabilitation (VR) is the primary SRS program designed to assist persons with disabilities to obtain, maintain or regain employment. VR serves persons with disabilities whose disability results in a substantial impediment to employment and who need VR services to get or keep a competitive, integrated job. VR services are not limited to the type of disability a person has, nor are services limited by the type of job they choose to pursue. VR services can include services to prepare an individual to obtain a job, to assist the person in finding the job and to help them be successful once they get the job. Services can include post-secondary education or training, assistive technology, medical services, transportation, job finding services, on-the-job supports and many other types of services. In Federal Fiscal Year 2010 VR assisted 13,361 individuals to pursue employment under an individualized plan for employment. As a result of services received, 1,452 achieved competitive, integrated employment. Nearly 18% of those jobs were in professional/technical/managerial positions; 14% in office work; 13% in food service; 11% in health care; and the remainder in a wide range of work categories such as sales, production, transportation and cleaning. Wages earned as a result of VR services vary widely but averaged \$9.98 statewide.

Initiatives focus on employment as the first option and optimal outcome

The Great Expectations Initiative is underway to promote the competitive integrated employment of Kansans with significant intellectual disabilities. This is a systems change demonstration initiative intended to reduce the number of persons participating in sheltered employment or non-work day activities. Promoting employment as a positive alternative to waiting for waiver day services, it is also intended to reduce demand for services from the HCBS DD waiver. Following a competitive bid process, direct service contracts were awarded to the Sedgwick County Developmental Disability Organization, Wichita; and the Disability Planning Organization of Kansas, Salina. These contracts will allow for best practice and innovative service delivery models to be tested in urban, mid-size and rural Kansas communities. Results will be evaluated for replication and potential impact on state level policies and funding priorities. The University of Kansas Center on Developmental Disabilities is providing technical assistance and evaluation services.

A Capacity-Building Initiative has also been established to improve employment and independent living services for Kansans who are blind or visually impaired. SRS is partnering with the Envision Vision Rehabilitation Center, Wichita; Alphapointe, Kansas City; and a consortium of centers for independent living headed by the Prairie Independent Living Resource Center, Hutchinson. These community organizations have received funding to hire credentialed staff, improve outreach to persons who are blind or visually impaired, and to provide the variety of direct services necessary to assist individuals to be successful in their employment and independent living goals.

The Employment First Workgroup was established in July 2008. Membership includes DD providers, consumer representatives, the Kansas Health Policy Authority, SRS, the Department of Commerce and the Department of Education. The group has developed core Employment First principles and a mission statement: *The State of Kansas will establish integrated, competitive employment at a commensurate wage as the first priority for working age people with developmental disabilities.* The workgroup makes recommendations for SRS and other state agencies related to ensuring that state policies and programs emphasize employment.

Executive Order 10-10 issued in August 2010 calls upon all state agencies to increase coordination and collaboration to provide Kansans with disabilities "optimum opportunity to be competitively employed in equal numbers to their peers without disabilities and to help Kansans with disabilities meet the human resource needs of Kansas businesses." The Executive Order includes specific task statements, such as: developing a shared vision; identifying/revising potential disincentives to competitive employment; coordinating among state programs to maximize the employment of Kansans with disabilities; implementing new initiatives; determining baseline data; and issuing an annual report. Lead responsibility for coordination of these efforts was assigned to SRS. Several meetings have been held to begin collecting information and create greater awareness of the issues impacting employment of people with disabilities.

SRS is committed to improving opportunities for gainful employment of individuals with disabilities. We continue to work together with our many partners to ensure not only the opportunity to work, but that success is achieved.

I will be happy to answer any questions you may have. Thank you.

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EQUALITY ♦ LAW ♦ JUSTICE

**Testimony to the Senate Ways and Means Committee
Support of SB 205 - The Employment 1st Initiative Act
March 14, 2011**

Chairperson McGinn and members of the Committee, my name is Rocky Nichols, Executive Director of the Disability Rights Center of Kansas (DRC). DRC is the federally mandated, officially designated protection and advocacy organization for Kansans with disabilities. One critical role of DRC, as empowered by federal law, is to advocate people with disabilities, including educating the public and policymakers on needed disability policy changes.

SB 205 is the identical policy to last year's HB 2669, which passed the House 121 to 1. Unfortunately, due to some uncontrollable delays, last year's HB 2669 passed the House well after turnaround, arriving in the Senate far too late for this chamber to work the bill. This year's SB 205 is still a policy that is non-controversial and is a positive step for people with disabilities.

There is no substantive policy difference between this year's and last year's bills. The Revisor did massage the language a bit in an attempt to have it read more clearly. We thank the Revisor for his efforts. In doing this, however, there was an inadvertent technical error, which is easily fixed. Attached to my testimony is an amendment that fixes this technical error. We are testifying in support of the bill with this proposed technical amendment.

With this technical amendment, SB 205 is the identical policy to last year's bill (HB 2669), which again passed the House with a near unanimous majority.

Senate Ways and Means
Date:
Attachment:

03/14/11

This policy is simple, yet powerful. In short, it is transformative:

- **The more people with disabilities that are engaged in competitive, integrated employment, the greater their wages & independence, which means:**
 - they have more disposable income to help fuel the Kansas economy and they pay more in taxes. They can become a Kansas *taxpayer* and not a *tax consumer*.
 - they have less reliance on welfare and public benefits programs. This reduces the cost to a variety of government programs funded by taxpayer dollars.
- **This policy promotes independence and dignity for people with disabilities.**

The Employment First bill is the right public policy for the state of Kansas. It does three main things:

- 1) Sets as the official policy of the state of Kansas that integrated, competitive employment shall be considered the first option. This policy applies to the state services and supports that help find people with disabilities employment. Kansas current ranks nearly last in the nation in the percentage of people with disabilities who are in competitive, integrated employment.
- 2) Ensures coordinated efforts among agencies to increase collaboration and ensure that state programs, policies, procedures and funding support this state policy regarding competitive and integrated employment.
- 3) Sets up an oversight commission to help set the goals, outcomes and objectives toward meeting this policy, and makes an annual report to the legislature in this regard. This commission is important because it is the accountability component and checkpoint that ensures the policy enacted by the Legislature is actually realized. This also helps ensure transparency and buy in of the disability community with this important policy.

Why is Kansas nearly dead last in competitive, integrated employment for persons with disabilities? A key reason is that we don't have an official state policy. This bill sets that official state policy. In a vacuum, and with no official policy, it is difficult for government programs to focus. This bill creates that focus. This bill gets all the programs headed in the same direction.

Also, we have reconfirmed with KHPA that they still will dedicate funding from a federal grant to fund the commission's travel reimbursement costs, if those costs require any funding for this at all. Also, it is our understanding that SRS may be seeking an amendment to the bill to strike subsection f, which designates SRS as the lead agency. We want to the Committee to know that DRC Kansas is fine with that amendment.

Enacting this employment first policy and having the accountability measures through this Commission to ensure it is properly carried out is good for taxpayers and good for people with disabilities.

Thank you for your time and attention to this bill.

Technical Amendment

SENATE BILL No. 205

By Committee on Ways and Means

2-14

AN ACT establishing the Kansas employment first initiative act and creating the Kansas employment first oversight commission.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) This act shall be known as and cited as the Kansas employment first initiative act.

(b) It is hereby declared to be the policy of the state of Kansas that competitive and integrated employment shall be considered its first option when serving persons with disabilities who are of working age to obtain employment ~~for state employment and for those entities that contract with state agencies to provide employment for persons with a disability.~~ This policy applies to programs and services that provide services and supports to help obtain support the employment of for persons with disabilities. All state agencies shall follow this policy and ensure that it is effectively implemented in their programs and services.

Sec. 2. (a) All state agencies shall coordinate efforts and shall collaborate within and among such agencies to ensure that state programs, policies, procedures and funding support competitive and integrated employment of individuals with disabilities. All state agencies shall, whenever feasible, share data and information across systems in order to track progress toward full implementation of the act.

(b) State agencies are authorized to adopt rules and regulations to implement this act.

Sec. 3. (a) There is hereby established a Kansas employment first oversight commission consisting of five members. The commission shall consist of the following members who shall serve for a two-year term:

(1) Four members who are persons with a disability or who are knowledgeable of disability issues and who are not state employees, of whom:

(A) One shall be appointed by the speaker of the house of representatives;

(B) one shall be appointed by the minority leader of the house of representatives;

(C) one shall be appointed by the president of the senate; and

(D) one shall be appointed by the minority leader of the senate;

(2) one member who is experienced with employment service programs and who is not a state employee shall be appointed by the governor.

(b) The governor shall designate one member to convene and organize the first meeting of the commission at which the commission shall elect a chairperson and a vice-chairperson from among its members. The commission shall meet at least four times a year and, additionally, whenever called by the chairperson. A quorum shall consist of three members. All actions of the commission shall be taken by a majority of the members of the commission.

(c) Each member of the commission shall be paid mileage and other expenses as provided by K.S.A. 75-3212, and amendments thereto.

(d) The commission shall establish measurable goals and objectives for the state of Kansas to ensure implementation of this act. The commission shall track the measurable progress of public agencies in implementing this act. All state agencies shall fully cooperate with and provide data and information to assist the commission in carrying out its duties.

(e) The commission shall issue an annual report on or before January 1 each year which shall be presented to the governor and members of the state legislature. The report shall detail progress toward the goals and objectives and full implementation of this act. All state agencies shall cooperate with the commission on the creation and dissemination of the annual report. The report also shall identify barriers to achieving the outcomes along with the effective strategies and policies that can help realize the employment first initiative.

(f) The department of social and rehabilitation services shall be the lead agency responsible for compiling data and coordinating the preparation of the annual report at the direction of the commission.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

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Senate Ways & Means Committee

Testimony on Senate Bill 205

March 14, 2011

Presented by:
Rick Cagan, Executive Director

NAMI Kansas is a statewide grassroots membership organization dedicated to improving the lives of individuals with mental illness. Our members are individuals who are living with mental illnesses and the family members who provide care and support. NAMI Kansas provides peer support through a statewide network of local affiliates. We sponsor educational programs targeted at consumers of mental health services, their family members, and the general public. We advocate for individuals who are living with mental illness to ensure their access to treatment and supportive services.

NAMI Kansas has signed on to the Employment First initiative and we eagerly support the intent of SB 205 to maximize competitive and integrated employment for individuals with disabilities. We urge your support of the amendment submitted by the Disability Rights Center.

One in four adults experiences a mental health disorder in a given year. One in seventeen lives with a serious mental illness, such as schizophrenia, major depression or bipolar disorder.¹ Approximately 95,000 adults in Kansas are affected by a serious mental illness.²

The unemployment rate of persons with severe mental illnesses remains extraordinarily high – up to 80-90 percent, according to some estimates. Persons with mental illnesses are one of the largest populations receiving federal disability payments. They are more likely to begin receiving disability payments at a younger age and to maintain their disabled status longer than persons with other types of disabilities. Notwithstanding changes to federal disability income and employment programs in the last ten years, significant barriers to employment remain.

In the U.S., the annual indirect cost of mental illnesses was estimated to be \$79 billion in 1999, a figure which has certainly increased in the last 12 years. 80% of that amount reflects the loss of productivity as a result of illnesses.³

Senate Ways and Means

Date:

03/14/11

Attachment:

610 SW 10th Avenue • Suite 203 • PO Box 675 • Topeka, KS

785-233-0755 • 785-233-4804 (FAX) • 800-539-26

namikansas@nami.org • www.namikansas.org

Early treatment of mental illnesses reduces the extent of disability and recurrence of symptoms. 60 percent of Americans believe that treatment and support can help people with mental illnesses lead normal lives. Recovery rates with treatment and medication have been noted at 80 percent for bipolar disorder, 65-80 percent for major depression, and 60 percent for schizophrenia. Individuals living in recovery are contributing members of their community and can work and pay taxes.

One key component of a recovery-oriented treatment system is an emphasis on employment. Most individuals with severe mental illness want to work and believe that work is an important goal in their recovery. When work is identified as a recovery goal, this is usually understood to mean competitive employment, defined as community jobs for which any person may apply, which involves work in an integrated setting with regular contact with non-disabled employees, and that pays at least the minimum wage. Unfortunately, assistance with employment is a major unmet need in a number of mental health programs. In some areas of the country, fewer than 15 percent of mental health consumers are competitively employed at any time.

Fortunately, 13 of the 27 Community Mental Health Centers in Kansas have a program implementing a federally-recognized evidence based practice known as supported employment. Supported employment is a well-defined approach to helping people with disabilities participate in the competitive labor market, helping them find meaningful jobs, and providing ongoing support from a team of professionals. Research indicates that between 40 and 60 percent of persons enrolled in supported employment programs obtain competitive employment compared to only a 20 percent outcome for those not enrolled in such programs. Duration of employment and wages also favor supported employment. Persons employed for a meaningful length of time demonstrate significant improvements in self-esteem and symptom management compared to others who do not have this same experience.

SB 205 as amended establishes an important foundational policy for the state of Kansas and for people living with disabilities. For individuals living with mental illnesses, it represents a constructive element of recovery. For employers, this policy represents an opportunity to tap into a dedicated and over looked segment of the labor market. The state of Kansas benefits from having more people gainfully employed and contributing to their communities and to the tax base.

Thank you for the opportunity to provide these comments.

¹ National Institute of Mental Health. NIMH: The numbers count— Mental disorders in America. National Institute of Health. Available at <http://www.nimh.nih.gov/publicat/numbers.cfm>.

² Holzer, III, C.E. and Nguyen, H.T., psy.utmb.edu.

³ U.S. Department of Health and Human Services. *Mental Health: A Report of the Surgeon General*. Rockville, MD: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, 1999, pp. 408-409, 411.

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Statewide Independent Living Council of Kansas

SILCK

700 S.W. JACKSON, SUITE 212, TOPEKA, KS 66603

(785) 234-6990 VOICE / TDD

(785) 234-6651 FAX

Senate Ways and Means Committee In Support of SB 205 March 14, 2011

Mr. Chairman, members of the committee, thank you for this opportunity to speak in support of SB 205.

My name is Shannon Jones. I am the director of the Statewide Independent Living Council of Kansas (SILCK). The SILCK envisions a world in which people with disabilities are valued equally and participate fully. To realize that vision, the SILCK works closely with the 12 Centers for Independent Living to promote productivity and economic self sufficiency for people with all types of disabilities.

For the past 20 years, the SILCK has hosted the Kansas Disability Caucus, bi-annually. Attendance at this event tops 600 Kansans with all types of disabilities, of all ages from every county in the state of Kansas. I will never forget my first experience at the Caucus. In every region of the state folks talked about wanting to go to work, yet the Social Security system had determined them too disabled to work and IF they went to work they would no longer have health care coverage. It was a Catch 22! The SS system literally held people hostage and determined that they would live a life of poverty forever. And why? Because they had a disability!

Fortunately, in Kansas, the Legislature and the Governor took advantage of the opportunity offered in the Ticket to Work/Work Incentives Act (TWWIA) and was awarded funding to implement the Medicaid Buy-in program in October, 2000.

Since FY 2000, the Kansas Medicaid Buy-in program or Working Healthy has witnessed continuous growth. Over time enrollees have increased their earnings, paid taxes and substantially decreased their medical expenditures.

Nationwide, unemployment for people with disabilities is approximately 70%. According to the 2006 *American Community Survey* (ACS), 45.3 % of Kansans with disabilities, ages 21 through 64 are employed, compared to 79.9 % of people in the same age range without disabilities. The 2006 ASC also reports that 34% of Kansans with disabilities live below 150% of the Federal Poverty Level, compared to 16% of their non-disabled peers. And United Cerebral Palsy (UCP) reported in *The Case for Inclusion 2008* that only 10% of Kansans with developmental disabilities are in supportive or competitive employment, ranking Kansas 46th in the nation in terms of supporting meaningful employment.

With these startling statistics, the SILCK feels the time is right and strongly supports HB 2336. Now is the time to call on all state agencies to review their policies, practices and procedures to ensure a consistent focus on competitive, integrated employment as the

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optimal outcome for people with all types of disabilities while promoting an 'Employment First' policy.

Part of the economic downturn we are experiencing now relates to the unemployment or underemployment of people with disabilities. Individuals with disabilities have low incomes, no assets, and no or limited housing and transportation options. As a result, they rely heavily on publicly funded systems for support, including programs such as food stamps, energy assistance, MediKan and Medicaid, Social Security, subsidized housing and transportation, etc.

Promoting competitive, integrated employment or self-employment, and offering these as the first option for individuals with all types of disabilities, including those with developmental disabilities, will result in less dependence on these publicly financed programs for some people, and a complete break from these financial supports for others.

On a more humane level, it is through work that most people become engaged in their communities. Unemployment and segregated employment isolate individuals with disabilities from their communities, limits their access to the income necessary to participate in community activities, allows them to focus on their limitations and needs rather than what they can offer, and discourages the personal growth that comes with new and varying experiences.

SB 205 calls for state agencies to:

- Inventory state plans, strategic plans, and mission and vision statements, to ensure competitive, integrated, employment of people with disabilities is encouraged and supported.
- Identify policies and procedures within agencies that are a disincentive to competitive, integrated employment of people with disabilities, and revise these so that they support competitive, integrated employment.
- Implement changes necessary to coordinate employment programs across agencies to maximize the employment of Kansans with disabilities, as well as tap into an under-utilized source of labor.
- Explore the possibility of implementing new initiatives that will increase the number of Kansans with disabilities who are competitively employed.
- Identify mechanisms for determining baseline data of how many people with disabilities are currently employed in Kansas, how many become employed, and the fiscal impact of their being employed
- Report annually to the Governor the number of employed Kansans with disabilities and the fiscal impact for the state.

In conclusion, the SILCK whole heartedly supports SB 205 and urges this committee to report it favorably for passage.

To: Senator Carolyn McGinn, Chair
Senate Ways and Means Committee

From: Wendy Parent-Johnson, Ph.D.
Research Professor, Kansas University Center on Developmental Disabilities
President, KS APSE: The Network on Employment

Date: March 14, 2011

RE: Senate Bill 205, the Employment 1st Initiative Act

My comments are in support of SB 205, specifically the version of the bill with the technical amendments provided by the Disability Rights Center of Kansas. I commend the Committee's efforts to address a significant problem in Kansas, namely the high unemployment rates of persons with disabilities, and to demonstrate the essential leadership to reverse these trends in Kansas. I share with you my experiences as a national leader with more than 25 years of experience in the area of integrated competitive employment for individuals with significant disabilities.

Employment First is an exciting new public policy that is gaining increased momentum at the state and federal levels. It establishes the idea that integrated competitive employment is the first option for all individuals regardless of disability level or support needs. This is significant in that it changes the way we think and overtime changes the way we do things with funding streams and service delivery practices eventually following suit. To date, numerous states have implemented some type of Employment First activity; however, Kansas will be the first to consider legislation that translates Employment First policy into concrete and measurable practice and ultimately outcomes.

Since the 1970's, it has been well-documented that individuals with even the most severe disabilities can work competitively within their communities via supported employment services (Wehman, Inge, Revell, & Brooke, 2007). Further, numerous studies have found that supported employment programs can be not only financially advantageous for the worker with disabilities, but also cost-efficient for taxpayers and funding sources as well (Cimera, 2010). Despite this evidence, the majority (75%) of individuals with disabilities are unemployed (National Council on Disability, 2007) or enrolled in segregated workshop programs earning as little as 10% of minimum wage with little chances of movement to integrated employment (National Disability Rights Network, 2011). "Sheltered workshops are just another institution segregating our neighbors away because of our unwillingness to accept that our own preconceived ideas about the work place might be wrong. It's time to do things differently." (National Disability Rights Network, 2011, p. 51). This landmark legislation would do just that for the state of Kansas and is congruent with the other institutional closings that have occurred in the past and are being considered currently in Kansas.

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Why talk about work?

- Employers express positive attitudes toward workers with disabilities and are willing to hire employees with extensive support needs when they receive competent services from disability employment programs (Katz & Luecking, 2009).
- Individuals with disabilities tell us they want to work and have made employment their priority (Alliance for Full Participation, 2009; SACK, 2009).
- Supported and customized employment strategies are effective at meeting the hiring needs of the employer and the support needs of the employee resulting in a cost-efficient alternative to sheltered work and day services (Cimera, in press; Wehman, Inge, Revell, & Brooke, 2007).

What are the benefits?

Work is a valued activity in our society. It provides a meaningful activity to one's day and opens doors for developing relationships with others. Work provides an income to support living and participating in one's community. Individuals who work become tax paying citizens and contributors to the Kansas economy. Research on 231,204 individuals working competitively with supported employment services between 2002 and 2007 indicate a net benefit to taxpayers of \$3,016.08 per person; a benefit-cost ratio of \$1.46. Variations across the United States and its territories range from \$3.57 to \$.37 with Kansas reporting a benefit-cost ratio of \$1.20. *In other words, for every dollar spent to support someone in supported competitive employment yields a return on investment of \$1.20.*

What are the realities?

In Kansas in 2006, only 10% of the individuals receiving day work services using developmental disability dollars were in supported competitive employment; less than half of the national average reported at 21.5% (Braddock, 2008). We are tied at 47th in statewide rankings of percent of people who are in supported employment versus sheltered work and day programs (Braddock, 2008). In comparisons with other states on use of Medicaid dollars for meaningful employment, Kansas ranked 46th in 2007 and 2008, a decline from 44th in 2006 (United Cerebral Palsy, 2009). Kansas Developmental Disability Agency outcome data for 2008 indicate that only 19% of individuals served received integrated employment services (Buttorworth, Smith, Hall, Migliore, & Winsor, 2010). It is reported that approximately 1,010 individuals with developmental disabilities are working in part or full time competitive employment while 6,125 individuals with developmental disabilities are currently being served in day programs in Kansas (SRS, February, 2010). In addition, vocational rehabilitation data from 2006 indicate that while Kansas follows the national downward trend in supported employment numbers, our state is reported to have approximately half the number of supported employment closures when compared to the national average (Institute on Community Inclusion, Retrieved 3/24/08 from <http://www.statedata.info>). An analysis of Vocational Rehabilitation Case Closures for 2008 indicate that approximately one

third (33.8%) of individuals with developmental disabilities in Kansas became employed (Butterworth, Smith, Hall, Migliore, & Winsor, 2010).

What are the implications?

The cumulative cost of funding supported employment are significantly lower than sheltered work and day programs; \$6,618 versus \$19,388 (Cimera, 2008). In other words, for every individual we pay to attend a sheltered work or day program, three individuals could have been funded in community integrated employment (Cimera, 2008). Kansas currently spends the majority of its dollars on funding sheltered work and day programs – on the population of people for whom supported employment was developed and has proven to be effective. Multiple systemic issues contribute to the problem. A statewide employment first policy would begin to shift these outcomes by establishing integrated competitive employment as the first option for people with disabilities. No one agency or organization can do it alone. This bill would put everyone on the same agenda, working towards the same goal, with supported competitive employment as the expected outcome and the focus of limited resources. A collaborative effort will direct our attention to the challenges we must address in order to make integrated competitive employment a reality for our citizens with disabilities. As a result, individuals with disabilities will be afforded the opportunity to experience the benefits that employment has to offer. In addition, the state of Kansas will experience a positive economic benefit as we make the change from costly sheltered work and day services to cost-efficient supported employment services.

Thank you for the opportunity to speak to you today and submit my written comments. Please contact me by phone or email at (785) 864-1062 or wparent@ku.edu if you have any questions or would like additional information.



Association of Community Mental Health Centers of Kansas, Inc
534 S. Kansas Ave., Suite 330, Topeka, Kansas 66603
Telephone: 785-234-4773 / Fax: 785-234-3189
Web Site: www.acmhck.org

Senate Ways and Means Committee

**Testimony on
Senate Bill 205**

March 14, 2011

Presented by:

**Michael J. Hammond, Executive Director
Association of CMHCs of Kansas, Inc.**

(written only)

Senate Ways and Means

Date:

03/14/11

Attachment:

Madame Chairman and members of the Committee, my name is Mike Hammond, I am the Executive Director of the Association of Community Mental Health Centers (CMHCs) of Kansas, Inc. Thank you for the opportunity to testify on Senate Bill 205.

The Association represents the 27 licensed Community Mental Health Centers (CMHCs) in Kansas who provide home and community-based, as well as outpatient mental health services in all 105 counties in Kansas, 24-hours a day, seven days a week. In Kansas, CMHCs are the local Mental Health Authorities coordinating the delivery of publicly funded community-based mental health services. The CMHC system is state and county funded and locally administered. Consequently, service delivery decisions are made at the community level, closest to the residents that require mental health treatment. Each CMHC has a defined and discrete geographical service area. With a collective staff of over 4,500 professionals, the CMHCs provide services to Kansans of all ages with a diverse range of presenting problems.

Together, this system of 27 licensed CMHCs form an integral part of the total mental health system in Kansas. As part of licensing regulations, CMHCs are required to provide services to all Kansans needing them, regardless of their ability to pay. This makes the community mental health system the "safety net" for Kansans with mental health needs, collectively serving over 115,000 Kansans with mental illness.

It is important to note that one in four adults—approximately 57.7 million Americans—experience a mental health disorder in a given year.¹ Five of the top ten leading causes of disability world wide are mental disorders--such as depression, schizophrenia, bipolar disorders, alcohol use and obsessive compulsive disorders.² Of the non-communicable diseases, neuropsychiatric disorders (which include mental illness and substance use disorders) contribute the most to disease burden worldwide - more than heart disease and cancer.³

Mental illness can happen to anyone. With treatment, medication, and other services and care, recovery is possible for those who have been diagnosed with mental illness. The onset of a mental illness does not make an individual unable to work once their condition is stable. In fact, one of the most successful ways of connecting people in their communities and rebuild self-worth is through meaningful work. The CMHCs in Kansas have a long history of helping those consumers who want to and are able to work find jobs, and support them in their employment. Not only do the CMHCs in Kansas support employment for the many consumers we serve, the Governor's Mental Health Services Planning Council has an appointed Vocational Subcommittee which reviews and addresses vocational and employment issues for those with mental illness.

Individuals with mental illness who are employed may no longer need public assistance. If they are gainfully employed, they become tax paying citizens and contributors to their own communities. The CMHCs understand the importance of supporting employment for individuals with disabilities; however, due to the financial crisis and state budget situation, they have been unable to participate to the degree they would like to. It should be noted that as soon as they are financially able to participate fully in the Employment First initiative, the centers will do so.

Thank you for your support of mental health care and treatment for all Kansans, and the adoption of Senate Bill 205, which would support employment for persons with disabilities in our state.

¹ U.S. Department of Health and Human Services. *Mental Health: A Report of the Surgeon General*. Rockville, MD: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, 1999, pp. 408, 409, 411.

² *Regional Strategy for Mental Health*, World Health Organization Western Pacific Region, 7 August 2001; Read at <http://www.wpro.who.int/NR/rdonlyres/02421D66-3336-4C76-8D59-6ADA8B53D208/0/RC5214.pdf> on 2-2-09.

³ Prince, M., Patel, V., Saxena, S., Maj, M., Maseko, J., Phillips, M., et al. (2007). No health without mental health. *Lancet*, 370, 859–877.



INDEPENDENCE INCLUSION INNOVATION

March 14, 2011

TO: Senate Ways and Means Committee

FR: Tom Laing, Executive Director, InterHab

RE: Senate Bill 205, "The Employment First Initiative"

The membership of InterHab applauds this effort to highlight the importance of creating opportunities for employment of Kansans with developmental disabilities. This is a policy matter in which Legislative support and guidance is imperative.

We urge the committee's recognition that the community DD network currently offers a wide range of employment and training services to persons with developmental disabilities. The range includes serving and supporting those with limited skills or experience –valuable opportunities to discover individual interests and to develop work-skills – and the range also includes job placement, from the actual location of jobs, to the training to meet the job's requirements, the placement into jobs, and the supports when needed to help each person succeed in those jobs.

We appreciate that this bill envisions a mission which we share, in which each person makes it in his or her own way, and own time, each directed to their own employment goals. By calling out competitive employment as the priority of the State, we encourage a higher aspiration for our society as well as for each person. By also recognizing the individualized pace and goals and interests of each person, we can also recognize and respect their choices as well.

We appreciate the work of the Employment First task Force, and for this committee's thoughtful consideration of this proposed legislation.

Our organization believes that the active and involved presence of the legislature is vital in the formulation and enforcement of policies which promote productive employment opportunities for persons with disabilities. We urge that this bill be adopted, and moved forward, and that this committee lead efforts among all House members to become more involved in support for employment needs of persons with developmental disabilities.

Senate Ways and Means

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03/14/11

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Promoting empowerment and Independence.

Madame Chairman,

I would like to thank the members of this committee for the chance to offer testimony today.

My name is Kathy Lobb, and I am the Legislative Liaison for the Self Advocate Coalition of Kansas, better known as SACK.

I would like you to know that we are in full support of the Employment First Bill establishing the Employment First Initiative in Kansas.

Employment is an important part of adulthood, whether or not you have a disability. It gives people a chance to lift themselves out of poverty, and it gives them a sense of self worth. Too many day services for people with disabilities, however, don't focus on helping people find competitive jobs in the community.

The Employment First Initiative would help right that wrong.

The Employment First Initiative would help to turn people who use taxpayer dollars into taxpayers like myself.

The Employment First Initiative would help people who need supports to become more self reliant and independent.

I have worked in the community, and it has changed my life. I am now a homeowner; I am a taxpayer; and, I am a member of my community.

Please help other people with disabilities achieve what I have been able to do and sign Senate Bill 205, the Employment First Initiative, into law.

Thank you,

Kathy Lobb

Good afternoon Chairman Brown and Committee,

My name is Askia Adams; I am thirty-three years old and would like to encourage you to support the Employment First bill currently in the House. This bill has personal importance to me since I have a disability and am currently looking for a new job. I was a coordinator for five years for a program intended to provide loans to purchase equipment for individuals with disabilities to go to work. We made little if any loans, not because individuals did not need equipment to go to work, but because the underlying issue was finding a job in the first place.

Let me start by telling you a little bit about myself, and why the issue of employment is so important to me. I am thirty-three years old and like many people my age for five years I had a great job. For five years I worked for the state of Kansas assisting Kansans with disabilities to purchase equipment that would allow them to go to or return to work. Unfortunately, even though we had funds so people could work The numbers of individuals who utilized The program was minimal because The underlying problem was not finding funding for equipment once they found a job, but finding a job in The first place. Personally, I truly understand this struggle. Being a person with a disability there are some challenges I face and have observed in finding employment that the non-disabled person does not.

Going to work is not simple when one has to juggle several extra pieces of the employment puzzle. These extra pieces include rehab services, social security, benefits counselors, service providers etc. Let me share my story to illustrate the challenges faced by people with disabilities desiring to work. I was twenty-six years old; I graduated from college with a bachelor's degree in elementary education. I worked with my local rehab services office to find a job. They connected me with a job placement specialist to assist me in my search. The specialist tried to assist in my quest to find a job. I still faced challenges even though I worked with rehab services. My placement specialist may have found me a job, but it may not have fit my skills or abilities. It is not a question of my coach's commitment. The issue is sometimes coaches do not take the time to get to know the individual. My coach knew that I was looking for a job, but did not listen close enough to gain a clear picture of my skills.

I searched for work on my own in addition to working with my job coach. I found leads that fit my skills, abilities, and interests much better than what my job coach found. I found a few jobs leads, but nothing really fit me. Each week when I met with my job coach she asked me what job leads I had found and what I was doing to find a job. I felt like I was doing everything I could, but not getting any help from my job coach. In some ways I did the coach's job. I found leads and eventually my own job.

Finding a job was just the first challenge I faced when it came to finding employment. The nature of my disability requires me to need personal care attendants. I visited with my independent living counselor to determine how going to work would affect my waiver and attendant care services. My counselor told me I would lose my services because I made too much money. I was lost and did not know what to do. I wanted to accept the job offer, yet I could not afford to have my personal care attendants cut. What could I do? Fortunately, I knew whom to talk with to find guidance in navigating my way to protect my services. I accepted the job. Senate Ways and Means

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In May of 2004 I was hired by the state assistive technology cooperative to set up a loan program intended to assist Kansans with disabilities in acquiring the equipment required for them to go to work. For five years I tried to set up this loan program, but the underlying problem was employment. In The state of Kansas we have no real framework that promotes employment for individuals with disabilities. Yes, The state has several different groups who are dedicated to employment for persons with disabilities, however these groups are loosely connected at best. There is a lack of focus when it comes to true employment for Kansans with disabilities. The greatest step our state could take to advance employment for this population is developing a comprehensive plan for real employment with that as its only focus.

I ask that you support Senate Bill 205.



March 11, 2011

Dear Chairperson McGinn and Committee Members:

I am writing in support of Senate Bill 205 which would establish competitive employment as the desired outcome of state funded services for persons with disabilities. My organization was founded on the premise that persons with disabilities are best served when we seek to help them become employed in competitive jobs in the community. Work is a valued activity for both individuals and society. Work helps individuals achieve independence and economic self-sufficiency. It gives people a sense of purpose, dignity, self-esteem, accomplishment and pride.

Persons with disabilities have the highest unemployment rate of any minority group in the United States. They experience many barriers to employment, including the existence of attitudinal barriers, a result of commonly held myths of incapability held by society toward disability, which results in low expectations for achievement.

Each individual should be challenged and supported to achieve their highest level of independence and to have meaningful participation in our society. Public policy should encourage and support efforts of individuals with disabilities to pursue opportunities to become competitively employed. It should create the expectation that publicly funded services will continually seek to assist individuals to achieve their highest level of productivity and integration into society.

SB 205 will put into place an oversight commission to assure that publicly funded supports and services for persons with disabilities are appropriately aligned to help them achieve this goal.

Thank you for your consideration.

Ron Pasmore
President/CEO

HELPING PEOPLE
WITH DISABILITIES
LIVE AND WORK
IN THE COMMUNITY.

1006 EAST WATERMAN
WICHITA, KS 67211

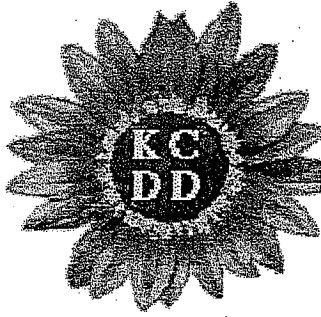
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Kansas Council on Developmental Disabilities

SAM BROWNBACK, Governor
KRISTIN FAIRBANK, Chairperson
JANE RHYS, Ph. D., Executive Director
jrhys@kcdd.org

Docking State Off. Bldg., Rm 141,
915 SW Harrison Topeka, KS 66612
785/296-2608, FAX 785/296-2861
<http://kcdd.org>

"To ensure the opportunity to make choices regarding participation in society and quality of life for individuals with developmental disabilities"

SENATE COMMITTEE ON WAYS AND MEANS REGARDING S.B. 205

March 14, 2011

Madame Chairwoman, Members of the Committee, thank you for the opportunity of appearing before you today regarding Senate Bill 205. We support Senate Bill 205 with the balloon amendment offered by Rocky Nichols of the Disability Rights Center. The Kansas Council on Developmental Disabilities is a federally mandated and funded entity under the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000. We receive no state funds.

The Council has been active in employment of persons with developmental disabilities for over 20 years, funding various employment programs including a well-attended summit and also providing grants to persons who have a developmental disability to start their own business. I have provided posters that show individuals with a disability working in the community. Bea, the young lady at the top of the green poster, started her business with funding from the Council. Other grantees have businesses such as kettle corn, lawn care, honey and honey products (not only honey sticks but also lotions that contain honey), pet care products, and document shredding.

Having a job is something that helps define who we are. When you meet a person for the first time, in addition to where are you from, we often ask, "What do you do?" People are proud of having a job, whether it is teacher, farmer, business owner, carpenter, etc. People with disabilities are no different. They are also defined in part by what they do.

In the "Case for Inclusion 2010" by United Cerebral Palsy, research is presented that shows Kansas ranking 46th in employment of persons who have a developmental disability in 2009. We have supportive or competitive employment for only 10% of this population. We are saddened by this

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statistic and concerned that it shows that Kansas does do well getting persons who have a developmental disability employed. House Bill 2336 would make it the policy of Kansas that these individuals, just like the rest of us, can and should be getting a job. It is not about the poor economy because we did not become 46th in the nation overnight, it has taken several years for us to get in this position. It is about the values that Kansas has and the unused workforce who we should be putting to work.

Two weeks ago I was provided information on the national workforce. In 2010 there were 10% more people entering the work force than leaving the workforce. Projections are that by 2020 there will be 15% fewer entering the workforce than exiting and the workforce will become much more diverse and older. Kansas is trying to attract new businesses to our state. To do this, we need more available workers. We have a population of persons with disabilities who can and want to work. We must make it the policy of Kansas that we help them find employment!

Again, we thank you for permitting us to testify and would be happy to answer any questions.

Jane Rhys, Ph.D., Executive Director
Kansas Council on Developmental Disabilities
Docking State Office Building, Room 141
915 SW Harrison
Topeka, KS 66612-1570
785 296-2608
jrhys@kcdd.org


Subrankings of States in Four Key Outcomes And Data Elements

<i>Allocating Resources to Those in the Community (Non-ICF-MR)</i>			<i>Supporting Individuals in the Community and Home-like Settings</i>			<i>Keeping Families Together through Family Support</i>			<i>Supporting Meaningful Work</i>		
% of ID/DD Expenditures on non-ICF-MR	Rank		% Living in Settings with 1-3 Residents	Rank		Families Supported with Family Support per 100k of Population	Rank		% in Supportive or Competitive Employment	Rank	
100%	Alaska	1	98%	Nevada	1	537	New Mexico	1	77%	Oklahoma	1
99%	Vermont	2	93%	Vermont	2	348	New Hampshire	2	61%	Washington	2
99%	New Hampshire	3	95%	Arizona	3	309	Arizona	3	51%	Connecticut	3
99%	Michigan	4	95%	New Hampshire	4	308	Montana	4	48%	Vermont	4
98%	Oregon	5	93%	Idaho	5	261	South Dakota	5	45%	Louisiana	5
98%	Arizona	6	90%	California	6	228	Alaska	6	44%	Massachusetts	6
97%	Rhode Island	7	90%	Kentucky	7	228	New Jersey	6	38%	Maryland	7
95%	Colorado	8	89%	Washington	8	227	Connecticut	8	38%	Pennsylvania	7
94%	Hawaii	9	89%	New Mexico	9	224	California	9	35%	Alaska	9
94%	New Mexico	10	89%	Alaska	10	216	Massachusetts	10	35%	Colorado	9
93%	Maryland	11	88%	Hawaii	11	216	New York	10	34%	New Mexico	11
90%	Minnesota	12	87%	Georgia	12	214	Vermont	12	34%	Oregon	11
90%	Montana	13	85%	West Virginia	13	213	Hawaii	13	32%	Utah	13
89%	Alabama	14	85%	Colorado	14	211	South Carolina	14	30%	South Dakota	14
88%	California	15	81%	Delaware	15	206	Delaware	15	29%	Nebraska	15
87%	Kansas	16	81%	New Jersey	16	199	Wisconsin	16	29%	New Hampshire	15
86%	Nevada	17	81%	Florida	17	199	Wyoming	16	28%	Iowa	17
86%	Wisconsin	18	81%	Ohio	18	185	Pennsylvania	18	26%	Delaware	18
86%	Wyoming	19	80%	South Carolina	19	181	Louisiana	19	26%	Georgia	18
84%	Maine	20	80%	Maryland	20	157	Minnesota	20	24%	Michigan	20
84%	Georgia	21	80%	Tennessee	21	139	Maryland	21	23%	Virginia	21
84%	South Dakota	22	80%	Montana	22	139	Mississippi	21	22%	Florida	22
83%	West Virginia	23	79%	Alabama	23	131	Oklahoma	23	22%	Indiana	22
82%	Missouri	24	79%	Oregon	24	129	Kansas	24	22%	Ohio	22
82%	Connecticut	25	79%	Virginia	25	129	Missouri	24	21%	Kentucky	25
82%	Massachusetts	26	78%	North Carolina	26	123	West Virginia	26	21%	Maine	25
82%	Washington	27	78%	Michigan	27	117	Washington	27	21%	Wyoming	25
82%	Delaware	28	78%	Massachusetts	28	113	Florida	28	20%	Rhode Island	28
80%	Florida	29	77%	Missouri	29	113	Michigan	28	20%	Tennessee	28
78%	Pennsylvania	30	76%	Iowa	30	105	Ohio	30	20%	Texas	28
78%	Idaho	31	76%	Utah	31	105	Tennessee	30	19%	North Carolina	31
75%	Ohio	32	74%	Connecticut	32	103	Nevada	32	16%	Nevada	32
75%	Nebraska	33	73%	Maine	33	100	Texas	33	16%	Wisconsin	32
75%	Oklahoma	34	73%	New York	34	95	North Dakota	34	15%	Idaho	34
75%	Tennessee	35	72%	Kansas	35	87	Illinois	35	15%	Minnesota	34
74%	Dist. of Columbia	36	71%	Louisiana	36	76	Georgia	36	15%	Mississippi	34
73%	Indiana	37	71%	Indiana	37	74	Colorado	37	15%	North Dakota	34
73%	South Carolina	38	69%	Pennsylvania	38	69	Rhode Island	38	14%	Arizona	38
72%	Utah	39	68%	Oklahoma	39	67	Iowa	39	14%	Montana	38
70%	Kentucky	40	67%	North Dakota	40	66	Indiana	40	14%	New Jersey	38
70%	New York	41	67%	Nebraska	41	62	Alabama	41	13%	California	41
70%	Virginia	42	66%	Wisconsin	42	52	Utah	42	13%	Illinois	41
70%	North Carolina	43	66%	Dist. of Columbia	43	50	Idaho	43	12%	New York	43
66%	North Dakota	44	65%	South Dakota	44	49	North Carolina	44	12%	South Carolina	43
66%	Arkansas	45	65%	Minnesota	45	42	Kentucky	45	11%	West Virginia	45
63%	Iowa	46	63%	Texas	46	41	Maine	46	10%	Dist. of Columbia	46
61%	Illinois	47	62%	Rhode Island	47	38	Virginia	47	10%	Kansas	46
61%	New Jersey	48	59%	Wyoming	48	35	Oregon	48	9%	Missouri	48
59%	Texas	49	54%	Arkansas	49	32	Nebraska	49	8%	Hawaii	49
53%	Louisiana	50	50%	Illinois	50	28	Arkansas	50	5%	Alabama	50
30%	Mississippi	51	44%	Mississippi	51	0	Dist. of Columbia	51	2%	Arkansas	51
77%	US Average		81%	US Average		144	US Average		21%	US Average	

FY 2011 - FY 2012

SENATE WAYS AND MEANS SUBCOMMITTEE

Postsecondary Education Systemwide
University of Kansas
Kansas State University
Kansas State University – Veterinary Medicine
Kansas State University – Extension
Wichita State University
Board of Regents
University of Kansas Medical Center
Emporia State University
Fort Hays State University
Pittsburg State University



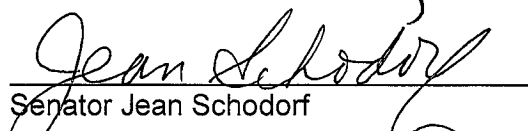
Senator Carolyn McGinn, Chair



Senator Terrie Huntington



Senator Laura Kelly



Senator Jean Schodorf



Senator Ruth Teichman

Senate Ways and Means

Date:

Attachment:

03/14/11

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House Budget Committee Report

Agency: Postsecondary Education System **Bill No.** 16

Bill Sec. Various

Analyst: Dunkel

Analysis Pg. No. 565

Budget Page No. Various

Expenditure Summary	Agency Estimate FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 753,114,394	\$ 753,114,394	\$ 0
Other Funds	1,529,290,199	1,529,290,199	0
Subtotal	\$ 2,282,404,593	\$ 2,282,404,593	\$ 0
Capital Improvements			
State General Fund	\$ 3,600,264	\$ 3,600,264	\$ 0
Other Funds	145,643,849	145,643,849	17,750,000
Subtotal	\$ 149,244,113	\$ 149,244,113	\$ 17,750,000
TOTAL	\$ 2,431,648,706	\$ 2,431,648,706	\$ 17,750,000
FTE positions	17,356.3	17,356.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	17,356.3	17,356.3	0.0

Agency Estimate

The **agency** estimates an FY 2011 operating budget of \$2.3 billion, including \$753.1 million from the State General Fund and \$578.0 million from General Fees (tuition). The estimate is an increase of \$111.8 million, or 5.2 percent, all funds above the amount approved by the FY 2010 Legislature. The estimate includes an increase of \$51.5 million, or 9.8 percent, in General Fees expenditures. The increase reflects carry-forward and higher than anticipated revenues in General Fees and other funds.

Governor's Recommendation

The **Governor** concurs with the agency estimate for FY 2011.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2011 with the following adjustments:

1. **Kansas State University.** Add \$5.3 million, all from special revenue funds, at Kansas State University in FY 2011 for an 11,570 square foot animal suite at the Large Animal Research Center (LARC). This would be in addition to the the existing 22,223 square

foot facility that is currently being relocated in preparation for the National Bio and Agro-defense Facility (NBAF). The relocation is being funded from federal NBAF dollars. The suite will be constructed with private funds, while the operations and maintenance will be paid from Sponsored Research Overhead funds.

2. **Kansas State University.** Add \$5.2 million, all from special revenue funds, at Kansas State University in FY 2011 to accelerate construction of the Justin Hall Addition into FY 2011. Justin Hall is the home of the College of Human Ecology. This project will add a 16,000 square foot addition to provide office, classroom and laboratory space for the departments located within the College of Human Ecology. According to the university, the enrollment in this college is at an all time high due to increased research into human environments. The project is expected to begin in FY 2011 and be completed in FY 2013.
3. **Kansas State University.** Add \$300,000, all from special revenue funds, at Kansas State University in FY 2011 for the first stage of a project to remove the Old Chemical Waste Landfill (OCWLF). The site was a disposal area for hazardous chemical waste or low level radioactive waste from the mid 1960s until 1984. Since the closure of the site, the University has been monitoring it for chemical contamination of groundwater. That monitoring has indicated that the OCWLF is releasing hazardous materials to the uppermost aquifer.

According to the university, annual costs to monitor the site now exceed \$300,000 per year and are expected to continue to rise. In addition, both the Kansas Department of Health and Environment (KDHE) and the Environmental Protection Agency (EPA) require permanent resolution of the issue. Working with these agencies, as well as a subject matter expert, the university has developed a plan to remove the landfill – the only permanent solution.

The removal will be funded from a combination of Sponsored Research Overhead funds and bond funds.

4. **Kansas State University.** Add \$1.2 million, all from special revenue funds, at Kansas State University in FY 2011 for upgrades to West Hall. The project includes updating HVAC, lighting, and plumbing systems, as well as installation of a new fire alarm system in a dormitory constructed in 1962. The project will be funded from housing system funds.
5. **Kansas State University.** Add \$2.0 million, all from special revenue funds, at Kansas State University in FY 2011 to construct a 12,000 square foot Southeast Research-Extension Center in Parsons, Kansas. The facility will serve as the headquarters for the Southeast Area Extension office and the Southeast Agricultural Research Center. The Extension Office currently rents space in Chanute, while the Agricultural Research Center currently occupies space on the Parsons State Hospital grounds. The university indicates that renovation at Parson's State Hospital would be cost prohibitive. The construction will be funded from restricted fees and private gifts, while operation and maintenance will come from within existing resources.
6. **Kansas State University.** Add \$600,000, all from special revenue funds, at Kansas State University in FY 2011 for the renovation of 5,337 square feet of chemical engineering lab space in Durland Hall. The university received a \$1.6 million National Science Foundation (NSF) – federal American Recovery and Reinvestment Act (ARRA)

grant award for this purpose. The remaining \$400,000 will come from Sponsored Research Overhead funds.

7. **Kansas State University.** Add \$600,000, all from special revenue funds, at Kansas State University in FY 2011 to remodel the Technology Assistance Center on the Salina Campus. The project will be funded from restricted fees.
8. **Kansas State University.** Add \$2.0 million, all from special revenue funds, for renovation of chemical engineering lab space in Durland Hall. The university received a \$1.6 million National Science Foundation-American Recovery and Reinvestment Act award for this purpose. The remaining \$400,000 for the project will come from sponsored research overhead funds.
9. **Kansas State University.** Add \$550,000, all from special revenue funds, at Kansas State University in FY 2011 to upgrade the John C. Pair Center in Wichita. The project would correct major Americans with Disabilities Act (ADA) deficiencies, replace the roof, and add 3,000 square feet to the existing building to expand the office, teaching and meeting space for the existing facility. The project will be paid for with private funds and research and extension funds.
10. **Kansas State University.** Allow the University to enter into a lease purchase agreement with the KSU Foundation for a new Grain Science Center Feed Mill. The estimated cost of the project is \$13.0 million. Lease payments will be made from reallocation of resources over a 15-year period, with private sources and any funding received from the project from the Kansas Bioscience Authority will be used to retire the obligation early.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation with the following adjustment:

1. The **Committee** requests the universities do a cost study to determine whether or not it would be more cost effective for the universities to outsource non-academic functions to private contractors.
-

Senate Subcommittee Report

Agency: Postsecondary Education System **Bill No.** 16

Bill Sec. Various

Analyst: Dunkel

Analysis Pg. No. 565

Budget Page No. Various

Expenditure Summary	Agency Estimate FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 753,114,394	\$ 753,114,394	\$ 0
Other Funds	1,529,290,199	1,529,290,199	(300,000)
Subtotal	\$ 2,282,404,593	\$ 2,282,404,593	\$ (300,000)
Capital Improvements			
State General Fund	\$ 3,600,264	\$ 3,600,264	\$ 0
Other Funds	145,643,849	145,643,849	0
Subtotal	\$ 149,244,113	\$ 149,244,113	\$ 0 kswis
 TOTAL	 <u>\$ 2,431,648,706</u>	 <u>\$ 2,431,648,706</u>	 <u>\$ (300,000)</u>
 FTE positions	 17,356.3	 17,356.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>17,356.3</u>	<u>17,356.3</u>	<u>0.0</u>

Agency Estimate

The **agency** estimates an FY 2011 operating budget of \$2.3 billion, including \$753.1 million from the State General Fund and \$578.0 million from General Fees (tuition). The estimate is an increase of \$111.8 million, or 5.2 percent, all funds above the amount approved by the FY 2010 Legislature. The estimate includes an increase of \$51.5 million, or 9.8 percent, in General Fees expenditures. The increase reflects carry-forward and higher than anticipated revenues in General Fees and other funds.

Governor's Recommendation

The **Governor** concurs with the agency estimate for FY 2011.

Senate Subcommittee Recommendation

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

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1. Delete \$300,000, all from the Standardized Water Data Repository Fund, and appropriate that amount to the Department of Agriculture for the Conservation Reserve Enhancement Program (CREP) for FY 2012. This brings the total for this program, which includes the Water Transition Assistance Program (WTAP/Water TAP) to \$900,984 for FY 2012.

House Budget Committee Report

Agency: Postsecondary Education System **Bill No.** 2383

Bill Sec. Various

Analyst: Dunkel

Analysis Pg. No. 565

Budget Page No. Various

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 786,278,800	\$ 746,251,762	\$ 0
Other Funds	1,481,700,738	1,478,478,049	0
Subtotal	\$ 2,267,979,538	\$ 2,224,729,811	\$ 0
Capital Improvements			
State General Fund	\$ 20,430,945	\$ 5,430,945	\$ 0
Other Funds	69,417,466	69,417,466	10,500,000
Subtotal	\$ 89,848,411	\$ 74,848,411	\$ 10,500,000
TOTAL	\$ 2,357,827,949	\$ 2,299,578,222	\$ 10,500,000
FTE positions	17,356.3	17,356.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	17,356.3	17,356.3	0.0

Agency Request

The **agency** requests FY 2012 expenditures of \$2.3 billion, including \$786.3 million from the State General Fund and \$555.2 million from General Fees. The request is a reduction of \$14.4 million, or 0.6 percent, all funds and \$22.8 million, or 3.9 percent, General Fees and an increase of \$33.2 million, or 4.4 percent, State General Fund from the FY 2011 estimate. The request reflects enhancement requests totaling \$52.7 million, including \$35.4 million from the State General Fund, and fringe benefit increases, offset by reductions due to carry forward funds available in FY 2011 that is not available for FY 2012. In addition, the reductions reflect the loss of federal American Recovery and Reinvestment Act (ARRA) funding in FY 2012.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$2.2 billion, including \$746.3 million from the State General Fund. The recommendation is a decrease of \$57.7 million, or 2.5 percent, all funds and \$6.9 million, or 0.9 percent, State General Fund below the FY 2011 recommendation. The recommendation reflects the System request, absent enhancements, with the following adjustments: the addition of \$40,283, all from the State General Fund, for fringe benefit increases at the Board office; a 5.0 percent administrative reduction of \$203,021, all from the State General Fund; the addition of \$10.0 million, all from the Kansas Universal Service Fund (KUSF) for KAN-ED; the addition of \$1.0 million, all from the Economic Development Initiatives Fund (EDIF), for the transfer of the Experimental Program to

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Stimulate Competitive Research (EPSCoR) from the Kansas Technology Enterprise Corporation (KTEC) to the Board of Regents; the deletion of \$4.8 million, all from the State General Fund, at the University of Kansas Medical Center and a deletion of \$5.0 million, all from the Economic Development Initiatives Fund, at Wichita State University reflecting the transfer of both items from the universities to the Department of Commerce in FY 2012.

House Budget Committee Recommendation

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

1. **Pittsburg State University.** Add \$1.5 million, all from special revenue funds, at Pittsburg State University for the demolition of the existing President's Home and to replace it with a new University House. The new house will provide private quarters for the President's family, as well as functional events space for University use and private quarters for overnight guests and dignitaries. The project will be funded through private gifts, and the operating and maintenance costs will be paid from the existing operations budget.
2. **Fort Hays State University.** Add \$1.3 million, all from housing revenue funds, at Fort Hays State University for window and exterior door replacement at McMinder Hall. The project will occur during the summers of 2012 and 2013.
3. **Fort Hays State University.** Add \$4.0 million, all from special revenue funds, at Fort Hays State University for an indoor practice facility. The university has indicated that its athletic teams do not currently have sufficient indoor practice facilities for the variety of teams that require them. The total square footage of the project is estimated at 48,000 square feet and will include a weight room, running track, half a football field, and support areas. The project will be funded with private gifts, and operations funded through the existing budget.
4. **Kansas State University.** Add \$3.7 million, all from special revenue funds, at Kansas State University in FY 2012 for the second stage of a project to remove the Old Chemical Waste Landfill (OCWLF). The site was a disposal area for hazardous chemical waste or low level radioactive waste from the mid 1960s until 1984. Since the closure of the site, the University has been monitoring it for chemical contamination of groundwater. That monitoring has indicated that the OCWLF is releasing hazardous materials to the uppermost aquifer.

According to the university, annual costs to monitor the site now exceed \$300,000 per year and are expected to continue to rise. In addition, both the Kansas Department of Health and Environment (KDHE) and the Environmental Protection Agency (EPA) require permanent resolution of the issue. Working with these agencies, as well as a subject matter expert, the university has developed a plan to remove the landfill – the only permanent solution.

The removal will be funded from a combination of Sponsored Research Overhead funds and bond funds.

5. **Kansas State University.** Add \$50.0 million in bonding authority for FY 2012 for Snyder Family Stadium improvements. The stadium was built in 1968 with the press box area on the west side added in 1993 and the east side boxes completed in 1999. According to

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the university, to meet the needs of the program, students, and alumnus attending the game, the stadium needs to expand once again. There is a waiting list of interested parties to rent suites and for use of the club area seating. Additionally, there is a need for a larger, more functional and updated structure. The cost of this project is estimated at \$50 million funded by bonds to be repaid by athletic revenues. The time line for construction is to begin immediately following the 2011 football season.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Postsecondary Education System **Bill No.** 234

Bill Sec. Various

Analyst: Dunkel

Analysis Pg. No. 565

Budget Page No. Various

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 786,278,800	\$ 746,251,762	\$ 16,250,000
Other Funds	1,481,700,738	1,478,478,049	1,000,000
Subtotal	\$ 2,267,979,538	\$ 2,224,729,811	\$ 17,250,000
Capital Improvements			
State General Fund	\$ 20,430,945	\$ 5,430,945	\$ 0
Other Funds	69,417,466	69,417,466	0
Subtotal	\$ 89,848,411	\$ 74,848,411	\$ 0
TOTAL	\$ 2,357,827,949	\$ 2,299,578,222	\$ 17,250,000
FTE positions	17,356.3	17,356.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	17,356.3	17,356.3	0.0

Agency Request

The **agency** requests FY 2012 expenditures of \$2.3 billion, including \$786.3 million from the State General Fund and \$555.2 million from General Fees. The request is a reduction of \$14.4 million, or 0.6 percent, all funds and \$22.8 million, or 3.9 percent, General Fees and an increase of \$33.2 million, or 4.4 percent, State General Fund from the FY 2011 estimate. The request reflects enhancement requests totaling \$52.7 million, including \$35.4 million from the State General Fund, and fringe benefit increases, offset by reductions due to carry forward funds available in FY 2011 that are not available for FY 2012. In addition, the reductions reflect the loss of federal American Recovery and Reinvestment Act (ARRA) funding in FY 2012.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$2.2 billion, including \$746.3 million from the State General Fund. The recommendation is a decrease of \$57.7 million, or 2.5 percent, all funds and \$6.9 million, or 0.9 percent, State General Fund below the FY 2011 recommendation. The recommendation reflects the System request, absent enhancements, with the following adjustments: the addition of \$40,283, all from the State General Fund, for fringe benefit increases at the Board office; a 5.0 percent administrative reduction of \$203,021, all from the State General Fund; the addition of \$10.0 million, all from the

15-10

Kansas Universal Service Fund (KUSF) for KAN-ED; the addition of \$1.0 million, all from the Economic Development Initiatives Fund (EDIF), for the transfer of the Experimental Program to Stimulate Competitive Research (EPSCoR) from the Kansas Technology Enterprise Corporation (KTEC) to the Board of Regents; the deletion of \$4.8 million, all from the State General Fund, at the University of Kansas Medical Center and a deletion of \$5.0 million, all from the Economic Development Initiatives Fund, at Wichita State University reflecting the transfer of both items from the universities to the Department of Commerce in FY 2012.

Senate Subcommittee Recommendation

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

1. Add \$15.0 million, all from the State General Fund, to the Board of Regents for FY 2012 to fund grants of \$5.0 each to the Cancer Center at University of Kansas Medical Center, the National Institute for Aviation Research (NIAR) at Wichita State University and animal health research at Kansas State University. The Board will require that all grant amounts authorized by the Board shall be matched by the university on a \$1 for \$1 basis from other moneys of the university for the programs listed above. The universities will be required to submit a plan to the Board of Regents detailing how the activities of these programs create additional jobs for the state.

The Governor's recommendation provided funding for these grants with the same requirements, but included the funding in the Department of Commerce budget. Because these are educational programs, the Subcommittee recommends that the grants be deleted from the Department of Commerce and added to the Board of Regents. In addition, the Subcommittee notes the Senate Subcommittee Report on the Department of Commerce recommendations regarding the 1.0 percent fee for administrative grants, should the program remain with the Department of Commerce.

2. Add \$750,000, all from the State General Fund, for the new school of construction at Pittsburg State University, subject to a 1 to 1 match, for FY 2012. The Subcommittee notes that even with the current economic environment, the U.S. construction industry continues to be faced with critical shortages of qualified construction management professionals and professional craftspeople to fill existing and expected positions. Due to the exceptionally high demand for graduates from Pittsburg State University's highly regarded construction programs and to be positioned for the impending improvement in the construction economy, Pittsburg State University has requested support to form a new academic unit - - The Pittsburg State University School of Construction.
3. Add \$500,000, all from the Economic Development Initiatives Fund, for FY 2012 to provide competitive grants to community colleges to be administered by the Board of Regents. The grants will require a local match of non-state moneys and will be used to develop innovative programs with private companies needing specific job skills or to meet other industry needs that cannot be addressed with current funding streams.

15-11

The Governor's recommendation provided funding for these grants with the same requirements, but included the funding in the Department of Commerce budget.

Because these are educational programs, the Subcommittee recommends that the grants be deleted from the Department of Commerce and added to the Board of Regents.

4. Add \$1.0 million, all from the Economic Development Initiatives Fund, to the newly created KAN-Grow Engineering Fund for engineering expansion grants developed and administered by the Board of Regents for the University of Kansas, Kansas State University and Wichita State University for FY 2012. The purpose of the grants is to expand the state's professional engineer training programs to address needs for engineers in industries that are not being met with the current levels of graduating students.

The Governor's recommendation provided funding for these grants with the similar requirements, but included the funding in the Department of Commerce budget. Because these are educational programs, the Subcommittee recommends that the grants be deleted from the Department of Commerce and added to the Board of Regents.

5. The Subcommittee recommends the introduction of legislation to build on the \$1.0 million initial investment in engineering expansion grants. The legislation would create an engineering expansion program and KAN-GROW Engineering Fund at the Board of Regents funded by transfers from the state's Expanded Lottery Act Revenue Fund (ELARF) beginning in FY 2013. Funding for FY 2013 would be \$4.0 million, and for FY 2014 and each year thereafter the program would receive \$7.0 million. The program would require a 1 to 1 match from private funds, foundation or endowment funds, grants or other non-State General Fund sources. The program would also authorize the Regents to approve plans developed by the Schools of Engineering at the University of Kansas, Kansas State University and Wichita State University to increase the number of engineering graduates in the state by 60.0 percent. The plans would be developed with private industry, in consultation with the Board of Regents, to ensure industry partners find the new talent, designs and techniques needed to fuel economic growth and business success.
6. The Subcommittee commends Emporia State University, Pittsburg State University and Fort Hays State University for their cooperative efforts to provide educational opportunities to students without the duplication of courses.
7. The Subcommittee commends Fort Hays State University for exploring partnering with North Central Technical College in Beloit to save costs and encourages the other four-year and two-year institutions to pursue similar partnerships in the future. In addition, the Subcommittee requests a report from the Board of Regents to the 2012 Legislature detailing new and existing cooperative agreements between four-year and two-year institutions in the state.

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House Budget Committee Report

Agency: University of Kansas

Bill No. 2014

Bill Sec. 38

Analyst: Dunkel

Analysis Pg. No. 366

Budget Page No. 314

Expenditure Summary	Agency Estimate FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 136,524,876	\$ 136,524,876	\$ 0
Other Funds	497,025,375	497,025,375	0
Subtotal	\$ 633,550,251	\$ 633,550,251	\$ 0
Capital Improvements			
State General Fund	\$ 1,257,136	\$ 1,257,136	\$ 0
Other Funds	34,056,261	34,056,261	0
Subtotal	\$ 35,313,397	\$ 35,313,397	\$ 0
TOTAL	\$ 668,863,648	\$ 668,863,648	\$ 0
FTE positions	5,342.1	5,342.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5,342.1	5,342.1	0.0

Agency Estimate

The **agency** estimates a revised FY 2011 operating budget of \$633.6 million, including \$136.5 million from the State General Fund. The estimate is an increase of \$27.7 million, or 4.6 percent, all funds and no change from the State General Fund approved amount. The other funds increase reflects higher than anticipated revenues in special revenue funds.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation with the following adjustment:

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1. The **Committee** requests the university do a cost study to determine whether or not it would be more cost effective for the university to outsource non-academic functions to private contractors.
-

Senate Subcommittee Report

Agency: University of Kansas

Bill No. 16

Bill Sec. 38

Analyst: Dunkel

Analysis Pg. No. 366

Budget Page No. 314

Expenditure Summary	Agency Estimate FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 136,524,876	\$ 136,524,876	\$ 0
Other Funds	497,025,375	497,025,375	0
Subtotal	\$ 633,550,251	\$ 633,550,251	\$ 0
Capital Improvements			
State General Fund	\$ 1,257,136	\$ 1,257,136	\$ 0
Other Funds	34,056,261	34,056,261	0
Subtotal	\$ 35,313,397	\$ 35,313,397	\$ 0
TOTAL	\$ 668,863,648	\$ 668,863,648	\$ 0
FTE positions	5,342.1	5,342.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5,342.1	5,342.1	0.0

Agency Estimate

The **agency** estimates a revised FY 2011 operating budget of \$633.6 million, including \$136.5 million from the State General Fund. The estimate is an increase of \$27.7 million, or 4.6 percent, all funds and no change from the State General Fund approved amount. The other funds increase reflects higher than anticipated revenues in special revenue funds.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustment: *15-15*

1. Delete \$300,000, all from the Standardized Water Data Repository Fund, and appropriate that amount to the Department of Agriculture for the Conservation Reserve Enhancement Program (CREP) for FY 2012. This brings the total for this program,

which includes the Water Transition Assistance Program (WTAP/Water TAP) to \$900,984 for FY 2012.

House Budget Committee Report

Agency: University of Kansas

Bill No. 2383

Bill Sec. 67

Analyst: Dunkel

Analysis Pg. No. 366

Budget Page No. 314

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 136,895,315	\$ 136,895,315	\$ 0
Other Funds	495,555,871	495,555,871	0
Subtotal	\$ 632,451,186	\$ 632,451,186	\$ 0
Capital Improvements			
State General Fund	\$ 3,150,261	\$ 3,150,261	\$ 0
Other Funds	8,504,734	8,504,734	0
Subtotal	\$ 11,654,995	\$ 11,654,995	\$ 0
TOTAL	\$ 644,106,181	\$ 644,106,181	\$ 0
FTE positions	5,342.1	5,342.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5,342.1	5,342.1	0.0

Agency Request

The agency requests FY 2012 operating expenditures of \$632.5 million, including \$136.9 million from the State General Fund. The request is a reduction of \$1.1 million, or 0.2 percent, all funds and an increase of \$370,439, or 0.3 percent, State General Fund from the FY 2011 estimate. The all funds reduction reflects funds carried forward from FY 2010 to FY 2011 that are not available for FY 2012. The State General Fund increase reflects salaries and wages fringe benefit increases.

Governor's Recommendation

The Governor concurs with the agency request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

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Senate Subcommittee Report

Agency: University of Kansas

Bill No. 234

Bill Sec. 67

Analyst: Dunkel

Analysis Pg. No. 366

Budget Page No. 314

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 136,895,315	\$ 136,895,315	\$ 0
Other Funds	495,555,871	495,555,871	0
Subtotal	\$ 632,451,186	\$ 632,451,186	\$ 0
Capital Improvements			
State General Fund	\$ 3,150,261	\$ 3,150,261	\$ 0
Other Funds	8,504,734	8,504,734	0
Subtotal	\$ 11,654,995	\$ 11,654,995	\$ 0
 TOTAL	 \$ 644,106,181	 \$ 644,106,181	 \$ 0
FTE positions	5,342.1	5,342.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5,342.1	5,342.1	0.0

Agency Request

The agency requests FY 2012 operating expenditures of \$632.5 million, including \$136.9 million from the State General Fund. The request is a reduction of \$1.1 million, or 0.2 percent, all funds and an increase of \$370,439, or 0.3 percent, State General Fund from the FY 2011 estimate. The all funds reduction reflects funds carried forward from FY 2010 to FY 2011 that are not available for FY 2012. The State General Fund increase reflects salaries and wages fringe benefit increases.

Governor's Recommendation

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for FY 2012.

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House Budget Committee Report

Agency: Kansas State University

Bill No. 2383

Bill Sec. 62

Analyst: Dunkel

Analysis Pg. No. 411

Budget Page No. 306

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 104,667,630	\$ 104,667,630	\$ 0
Other Funds	351,578,979	351,578,979	0
Subtotal	\$ 456,246,609	\$ 456,246,609	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	7,312,103	7,312,103	3,700,000
Subtotal	\$ 7,312,103	\$ 7,312,103	\$ 3,700,000
TOTAL	\$ 463,558,712	\$ 463,558,712	\$ 3,700,000
FTE positions	3,601.7	3,601.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,601.7	3,601.7	0.0

Agency Request

The **agency** requests an FY 2012 operating budget of \$456.2 million, including \$104.7 million from the State General Fund. The request is a reduction of \$12.3 million, or 2.6 percent, all funds and \$89,006, or 0.1 percent, State General Fund below the FY 2011 estimate. The State General Fund reduction reflects a reduction in the revised base budget, while the other funds reduction reflects funds that shift from FY 2010 to FY 2011 that will not be available in the budget year.

Governor's Recommendation

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

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor with the following adjustments:

1. Add \$3.7 million, all from special revenue funds, at Kansas State University in FY 2012 for the second stage of a project to remove the Old Chemical Waste Landfill (OCWLF). The site was a disposal area for hazardous chemical waste or low level radioactive waste from the mid 1960s until 1984. Since the closure of the site, the University has been monitoring it for chemical contamination of

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groundwater. That monitoring has indicated that the OCWLF is releasing hazardous materials to the uppermost aquifer.

According to the university, annual costs to monitor the site now exceed \$300,000 per year and are expected to continue to rise. In addition, both the Kansas Department of Health and Environment (KDHE) and the Environmental Protection Agency (EPA) require permanent resolution of the issue. Working with these agencies, as well as a subject matter expert, the university has developed a plan to remove the landfill – the only permanent solution.

The removal will be funded from a combination of Sponsored Research Overhead funds and bond funds.

2. Add \$50.0 million in bonding authority for FY 2012 for Snyder Family Stadium improvements. The stadium was built in 1968 with the press box area on the west side added in 1993 and the east side boxes completed in 1999. According to the university, to meet the needs of the program, students, and alumnus attending the game, the stadium needs to expand once again. There is a waiting list of interested parties to rent suites and for use of the club area seating. Additionally, there is a need for a larger, more functional and updated structure. The cost of this project is estimated at \$50 million funded by bonds to be repaid by athletic revenues. The time line for construction is to begin immediately following the 2011 football season.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas State University

Bill No. 234

Bill Sec. 62

Analyst: Dunkel

Analysis Pg. No. 411

Budget Page No. 306

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 104,667,630	\$ 104,667,630	\$ 0
Other Funds	351,578,979	351,578,979	0
Subtotal	\$ 456,246,609	\$ 456,246,609	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	7,312,103	7,312,103	3,700,000
Subtotal	\$ 7,312,103	\$ 7,312,103	\$ 3,700,000
 TOTAL	 \$ 463,558,712	 \$ 463,558,712	 \$ 3,700,000
 FTE positions	 3,601.7	 3,601.7	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,601.7	3,601.7	0.0

Agency Request

The **agency** requests an FY 2012 operating budget of \$456.2 million, including \$104.7 million from the State General Fund. The request is a reduction of \$12.3 million, or 2.6 percent, all funds and \$89,006, or 0.1 percent, State General Fund below the FY 2011 estimate. The State General Fund reduction reflects a reduction in the revised base budget, while the other funds reduction reflects funds that shift from FY 2010 to FY 2011 that will not be available in the budget year.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2012.

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House Budget Committee Report

Agency: Kansas State University Veterinary Medical Center

Bill No. 2383

Bill Sec. 64

Analyst: Dunkel

Analysis Pg. No. 433

Budget Page No. 310

Expenditure Summary	Agency Request 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,417,710	\$ 10,417,710	\$ 0
Other Funds	26,308,569	26,308,569	0
Subtotal	\$ 36,726,279	\$ 36,726,279	\$ 0
Capital Improvements			
State General Fund	\$ 0 0	\$ 0	\$ 0
Other Funds	10,000,000	10,000,000	0
Subtotal	\$ 10,000,000	\$ 10,000,000	\$ 0
TOTAL	\$ 46,726,279	\$ 46,726,279	\$ 0
FTE positions	310.9	310.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	310.9	310.9	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$36.7 million, including \$10.4 million from the State General Fund. The request is a reduction of \$1.4 million, or 3.6 percent, from all funding sources and an increase of \$2,093, or less than 0.1 percent, in State General Fund expenditures from the FY 2011 estimate. The State General Fund increase reflects fringe benefit increases, while the other funds reduction reflects carry-forward funds available in FY 2011 that are not available in FY 2012.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

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Senate Subcommittee Report

Agency: Kansas State University Veterinary Medical Center

Bill No. 234

Bill Sec. 64

Analyst: Dunkel

Analysis Pg. No. 433

Budget Page No. 310

Expenditure Summary	Agency Request 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,417,710	\$ 10,417,710	\$ 0
Other Funds	26,308,569	26,308,569	0
Subtotal	\$ 36,726,279	\$ 36,726,279	\$ 0
Capital Improvements			
State General Fund	\$ 0 0	\$ 0	\$ 0
Other Funds	10,000,000	10,000,000	0
Subtotal	\$ 10,000,000	\$ 10,000,000	\$ 0
 TOTAL	 <u>\$ 46,726,279</u>	 <u>\$ 46,726,279</u>	 <u>\$ 0</u>
 FTE positions	 310.9	 310.9	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>310.9</u>	<u>310.9</u>	<u>0.0</u>

Agency Request

The **agency** requests FY 2012 operating expenditures of \$36.7 million, including \$10.4 million from the State General Fund. The request is a reduction of \$1.4 million, or 3.6 percent, from all funding sources and an increase of \$2,093, or less than 0.1 percent, in State General Fund expenditures from the FY 2011 estimate. The State General Fund increase reflects fringe benefit increases, while the other funds reduction reflects carry-forward funds available in FY 2011 that are not available in FY 2012.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2012.

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House Budget Committee Report

Agency: Kansas State University Extension Systems and
Agricultural Research Programs

Bill No. 2383 **Bill Sec.** 63

Analyst: Dunkel

Analysis Pg. No. 453

Budget Page No. 308

<u>Expenditure Summary</u>	<u>Agency Request FY 2012</u>	<u>Governor Recommendation 2012</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 49,050,123	\$ 49,050,123	\$ 0
Other Funds	70,967,541	70,967,541	0
Subtotal	\$ 120,017,664	\$ 120,017,664	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,700,000	1,700,000	0
Subtotal	\$ 1,700,000	\$ 1,700,000	\$ 0
 TOTAL	 \$ 121,717,664	 \$ 121,717,664	 \$ 0
 FTE positions	 1,191.6	 1,191.6	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,191.6	1,191.6	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$120.0 million, including \$49.1 million from the State General Fund. The request is an increase of \$143,382, or 0.1 percent, all funds and a decrease of \$51,702, or 0.1 percent, State General Fund from the FY 2011 request, reflecting a partial shift of State General Fund expenditures to special revenue funds.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

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Senate Subcommittee Report

Agency: Kansas State University Extension Systems and
Agricultural Research Programs

Bill No. 234 Bill Sec. 63

Analyst: Dunkel

Analysis Pg. No. 453

Budget Page No. 308

Expenditure Summary	Agency Request FY 2012	Governor Recommendation 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 49,050,123	\$ 49,050,123	\$ 0
Other Funds	70,967,541	70,967,541	0
Subtotal	\$ 120,017,664	\$ 120,017,664	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,700,000	1,700,000	0
Subtotal	\$ 1,700,000	\$ 1,700,000	\$ 0
 TOTAL	 \$ 121,717,664	 \$ 121,717,664	 \$ 0
 FTE positions	 1,191.6	 1,191.6	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,191.6	1,191.6	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$120.0 million, including \$49.1 million from the State General Fund. The request is an increase of \$143,382, or 0.1 percent, all funds and a decrease of \$51,702, or 0.1 percent, State General Fund from the FY 2011 request, reflecting a partial shift of State General Fund expenditures to special revenue funds.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for FY 2012.

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House Budget Committee Report

Agency: Wichita State University

Bill No. 2383

Bill Sec. 69

Analyst: Dunkel

Analysis Pg. No. 472

Budget Page No. 318

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 66,465,375	\$ 66,465,375	\$ 0
Other Funds	172,783,062	167,783,062	0
Subtotal	\$ 239,248,437	\$ 234,248,437	\$ 0
Capital Improvements			
State General Fund	\$ 1,465,000	\$ 1,465,000	\$ 0
Other Funds	1,884,130	1,884,130	0
Subtotal	\$ 3,349,130	\$ 3,349,130	\$ 0
TOTAL	\$ 242,597,567	\$ 237,597,567	\$ 0
FTE positions	1,878.5	1,878.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,878.5	1,878.5	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$239.2 million, including \$66.5 million from the State General Fund. The request is a reduction of \$1.1 million, or 0.5 percent, all funds and \$131,752, or 0.2 percent State General Fund below the FY 2011 estimate. The reduction reflects federal American Recovery and Reinvestment Act (ARRA) funds that are not available for FY 2012, partially offset by increases in special revenue fund revenues.

Governor's Recommendation

The **Governor** concurs with the agency request with one adjustment. The Governor recommends a reduction of \$5.0 million, all from the Economic Development Initiatives Fund (EDIF), for the National Institute for Aviation Research (NIAR) for FY 2012. The Governor adds \$5.0 million, all from the State General Fund, to the Department of Commerce, for grants related to NIAR for FY 2012.

House Budget Committee Recommendation

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

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House Committee Recommendation

The **Committee** concur with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Wichita State University

Bill No. 234

Bill Sec. 69

Analyst: Dunkel

Analysis Pg. No. 472

Budget Page No. 318

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 66,465,375	\$ 66,465,375	\$ 0
Other Funds	172,783,062	167,783,062	0
Subtotal	\$ 239,248,437	\$ 234,248,437	\$ 0
Capital Improvements			
State General Fund	\$ 1,465,000	\$ 1,465,000	\$ 0
Other Funds	1,884,130	1,884,130	0
Subtotal	\$ 3,349,130	\$ 3,349,130	\$ 0
TOTAL	\$ 242,597,567	\$ 237,597,567	\$ 0
FTE positions	1,878.5	1,878.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,878.5	1,878.5	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$239.2 million, including \$66.5 million from the State General Fund. The request is a reduction of \$1.1 million, or 0.5 percent, all funds and \$131,752, or 0.2 percent State General Fund below the FY 2011 estimate. The reduction reflects federal American Recovery and Reinvestment Act (ARRA) funds that are not available for FY 2012, partially offset by increases in special revenue fund revenues.

Governor's Recommendation

The **Governor** concurs with the agency request with one adjustment. The Governor recommends a reduction of \$5.0 million, all from the Economic Development Initiatives Fund (EDIF), for the National Institute for Aviation Research (NIAR) for FY 2012. The Governor adds

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\$5.0 million, all from the State General Fund, to the Department of Commerce, for grants related to NIAR for FY 2012.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2012.

House Budget Committee Report

Agency: Board of Regents

Bill No. 2383

Bill Sec. 70

Analyst: Dunkel

Analysis Pg. No. 330

Budget Page No. 292

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 209,398,385	\$ 173,795,364	\$ 0
Other Funds	28,816,926	29,816,926	0
Subtotal	\$ 238,215,311	\$ 203,612,290	\$ 0
Capital Improvements			
State General Fund	\$ 15,000,000	\$ 0	\$ 0
Other Funds	32,062,069	32,062,069	0
Subtotal	\$ 47,062,069	\$ 32,062,069	\$ 0
TOTAL	\$ 285,277,380	\$ 235,674,359	\$ 0
FTE positions	63.5	63.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	64.5	64.5	0.0

Agency Request

The **agency** requests an FY 2012 operating budget of \$238.2 million, including \$209.4 million from the State General Fund. The request is an increase of \$18.5 million, or 8.4 percent, all funds and \$33.8 million, or 19.2 percent, State General Fund above the FY 2011 estimate. The request includes enhancements totaling \$45.4 million, including \$35.4 million, from the State General Fund. Absent the enhancements, the agency request is a reduction of \$26.9 million, or 12.3 percent, all funds and \$1.7 million, or 1.0 percent, State General Fund below the FY 2011 estimate, mainly due to the lack of federal funds in FY 2012.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$203.6 million, including \$173.8 million from the State General Fund. The recommendation is a reduction of \$16.1 million, or 7.3 percent, all funds and \$1.8 million, or 1.0 percent, State General Fund, below the FY 2011 recommendation. The recommendation reflects the agency request, absent enhancements, with the following four adjustments: the addition of \$40,283, all from the State General Fund, for fringe benefit increases as the Board office; a 5.0 percent administrative reduction of \$203,021, all from the State General Fund; the addition of \$10.0 million, all from the Kansas Universal Service Fund (KUSF) for KAN-ED; and the addition of \$1.0 million, all from the Economic Development Initiatives Fund (EDIF) for the transfer of the Experimental Program to Stimulate Competitive Research (EPSCoR) from the Kansas Technology Enterprise Corporation (KTEC) to the Board of Regents.

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House Budget Committee Recommendation

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

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Regents

Bill No. 234

Bill Sec. 70

Analyst: Dunkel

Analysis Pg. No. 330

Budget Page No. 292

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 209,398,385	\$ 173,795,364	\$ 15,500,000
Other Funds	28,816,926	29,816,926	1,000,000
Subtotal	\$ 238,215,311	\$ 203,612,290	\$ 16,500,000
Capital Improvements			
State General Fund	\$ 15,000,000	\$ 0	\$ 0
Other Funds	32,062,069	32,062,069	0
Subtotal	\$ 47,062,069	\$ 32,062,069	\$ 0
TOTAL	\$ 285,277,380	\$ 235,674,359	\$ 16,500,000
FTE positions	63.5	63.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	64.5	64.5	0.0

Agency Request

The **agency** requests an FY 2012 operating budget of \$238.2 million, including \$209.4 million from the State General Fund. The request is an increase of \$18.5 million, or 8.4 percent, all funds and \$33.8 million, or 19.2 percent, State General Fund above the FY 2011 estimate. The request includes enhancements totaling \$45.4 million, including \$35.4 million, from the State General Fund. Absent the enhancements, the agency request is a reduction of \$26.9 million, or 12.3 percent, all funds and \$1.7 million, or 1.0 percent, State General Fund below the FY 2011 estimate, mainly due to the lack of federal funds in FY 2012.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$203.6 million, including \$173.8 million from the State General Fund. The recommendation is a reduction of \$16.1 million, or 7.3 percent, all funds and \$1.8 million, or 1.0 percent, State General Fund, below the FY 2011 recommendation. The recommendation reflects the agency request, absent enhancements, with the following four adjustments: the addition of \$40,283, all from the State General Fund, for fringe benefit increases as the Board office; a 5.0 percent administrative reduction of \$203,021, all from the State General Fund; the addition of \$10.0 million, all from the Kansas Universal Service Fund (KUSF) for KAN-ED; and the addition of \$1.0 million, all from the Economic Development Initiatives Fund (EDIF) for the transfer of the Experimental Program

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to Stimulate Competitive Research (EPSCoR) from the Kansas Technology Enterprise Corporation (KTEC) to the Board of Regents.

Senate Subcommittee Recommendation

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

1. Add \$15.0 million, all from the State General Fund, to the Board of Regents for FY 2012 to fund grants of \$5.0 each to the Cancer Center at University of Kansas Medical Center, the National Institute for Aviation Research (NIAR) at Wichita State University and animal health research at Kansas State University. The Board will require that all grant amounts authorized by the Board shall be matched by the university on a \$1 for \$1 basis from other moneys of the university for the programs listed above. The universities will be required to submit a plan to the Board of Regents detailing how the activities of these programs create additional jobs for the state.

The Governor's recommendation provided funding for these grants with the same requirements, but included the funding in the Department of Commerce budget. Because these are educational programs, the Subcommittee recommends that the grants be deleted from the Department of Commerce and added to the Board of Regents. In addition, the Subcommittee notes the Senate Subcommittee Report on the Department of Commerce recommendations regarding the 1.0 percent fee for administrative grants, should the program remain with the Department of Commerce.

2. Add \$500,000, all from the Economic Development Initiatives Fund, for FY 2012 to provide competitive grants to community colleges to be administered by the Board of Regents. The grants will require a local match of non-state moneys and will be used to develop innovative programs with private companies needing specific job skills or to meet other industry needs that cannot be addressed with current funding streams.

The Governor's recommendation provided funding for these grants with the same requirements, but included the funding in the Department of Commerce budget. Because these are educational programs, the Subcommittee recommends that the grants be deleted from the Department of Commerce and added to the Board of Regents.

3. Add \$1.0 million, all from the Economic Development Initiatives Fund, to the newly created KAN-Grow Engineering Fund for engineering expansion grants developed and administered by the Board of Regents for the University of Kansas, Kansas State University and Wichita State University for FY 2012. The purpose of the grants is to expand the state's professional engineer training programs to address needs for engineers in industries that are not being met with the current levels of graduating students.

The Governor's recommendation provided funding for these grants with the similar requirements, but included the funding in the Department of Commerce budget. Because these are educational programs, the Subcommittee

recommends that the grants be deleted from the Department of Commerce and added to the Board of Regents.

4. The Subcommittee recommends the introduction of legislation to build on the \$1.0 million initial investment in engineering expansion grants. The legislation would create an engineering expansion program and KAN-GROW Engineering Fund at the Board of Regents funded by transfers from the state's Expanded Lottery Act Revenue Fund (ELARF) beginning in FY 2013. Funding for FY 2013 would be \$4.0 million, and for FY 2014 and each year thereafter the program would receive \$7.0 million. The program would require a 1 to 1 match from private funds, foundation or endowment funds, grants or other non-State General Fund sources. The program would also authorize the Regents to approve plans developed by the Schools of Engineering at the University of Kansas, Kansas State University and Wichita State University to increase the number of engineering graduates in the state by 60.0 percent. The plans would be developed with private industry, in consultation with the Board of Regents, to ensure industry partners find the new talent, designs and techniques needed to fuel economic growth and business success.

House Budget Committee Report

Agency: University of Kansas Medical Center

Bill No. 2383

Bill Sec. 68

Analyst: Dunkel

Analysis Pg. No. 389

Budget Page No. 316

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 109,737,814	\$ 105,313,797	\$ 0
Other Funds	176,223,541	176,223,541	0
Subtotal	\$ 285,961,355	\$ 281,537,338	\$ 0
Capital Improvements			
State General Fund	\$ 470,000	\$ 470,000	\$ 0
Other Funds	1,274,000	1,274,000	0
Subtotal	\$ 1,744,000	\$ 1,744,000	\$ 0
TOTAL	\$ 287,705,355	\$ 283,281,338	\$ 0
FTE positions	2,438.3	2,438.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,438.3	2,438.3	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$286.0 million, including \$109.7 million from the State General Fund. The request is an all funds decrease of \$11.2 million, or 3.8 percent, and a State General Fund decrease of \$404,097, or 0.4 percent, below the FY 2011 estimate. The reduction reflects the absence of federal American Recovery and Reinvestment Act funds in FY 2012 that were available in FY 2011. The State General Fund reduction reflects reappropriations available in FY 2011 that are not available in FY 2012, partially offset by salary and wage fringe benefit increases in FY 2012.

Governor's Recommendation

The **Governor** recommends \$281.5 million, including \$105.3 million from the State General Fund, for FY 2012. The recommendation is a reduction of \$4.4 million, all from the State General Fund, below the agency request and reflects the move of funding for the Cancer Center to the Department of Commerce in FY 2012.

House Budget Committee Recommendation

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

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House Committee Recommendation

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

Senate Subcommittee Report

Agency: University of Kansas Medical Center

Bill No. 234

Bill Sec. 68

Analyst: Dunkel

Analysis Pg. No. 389

Budget Page No. 316

<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	\$ 109,737,814	\$ 105,313,797	\$ 0
Other Funds	176,223,541	176,223,541	0
Subtotal	\$ 285,961,355	\$ 281,537,338	\$ 0
Capital Improvements			
State General Fund	\$ 470,000	\$ 470,000	\$ 0
Other Funds	1,274,000	1,274,000	0
Subtotal	\$ 1,744,000	\$ 1,744,000	\$ 0
TOTAL	\$ 287,705,355	\$ 283,281,338	\$ 0
FTE positions	2,438.3	2,438.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,438.3	2,438.3	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$286.0 million, including \$109.7 million from the State General Fund. The request is an all funds decrease of \$11.2 million, or 3.8 percent, and a State General Fund decrease of \$404,097, or 0.4 percent, below the FY 2011 estimate. The reduction reflects the absence of federal American Recovery and Reinvestment Act funds in FY 2012 that were available in FY 2011. The State General Fund reduction reflects reappropriations available in FY 2011 that are not available in FY 2012, partially offset by salary and wage fringe benefit increases in FY 2012.

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Governor's Recommendation

The **Governor** recommends \$281.5 million, including \$105.3 million from the State General Fund, for FY 2012. The recommendation is a reduction of \$4.4 million, all from the State General Fund, below the agency request and reflects the move of funding for the Cancer Center to the Department of Commerce in FY 2012.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2012.

House Budget Committee Report

Agency: Emporia State University

Bill No. 2383

Bill Sec. 65

Analyst: Dunkel

Analysis Pg. No. 520

Budget Page No. 302

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 31,505,676	\$ 31,505,676	\$ 0
Other Funds	50,386,894	50,386,894	0
Subtotal	\$ 81,892,570	\$ 81,892,570	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,291,237	1,291,237	0
Subtotal	\$ 1,291,237	\$ 1,291,237	\$ 0
TOTAL	\$ 83,183,807	\$ 83,183,807	\$ 0
FTE positions	837.1	837.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	837.1	837.1	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$81.9 million, including \$31.5 million from the State General Fund. The estimate is a decrease of \$4.3 million, or 5.0 percent, from all funding sources, and \$29,646, or 0.1 percent, from the State General Fund below the FY 2011 estimate. The reduction reflects carry forward funds available in FY 2011 that are not available in FY 2012, as well as the absence of federal American Recovery and Reinvestment (ARRA) funds.

Governor's Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

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Senate Subcommittee Report

Agency: Emporia State University

Bill No. 234

Bill Sec. 65

Analyst: Dunkel

Analysis Pg. No. 520

Budget Page No. 302

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 31,505,676	\$ 31,505,676	\$ 0
Other Funds	50,386,894	50,386,894	0
Subtotal	\$ 81,892,570	\$ 81,892,570	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,291,237	1,291,237	0
Subtotal	\$ 1,291,237	\$ 1,291,237	\$ 0
TOTAL	\$ 83,183,807	\$ 83,183,807	\$ 0
FTE positions	837.1	837.1	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	837.1	837.1	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$81.9 million, including \$31.5 million from the State General Fund. The estimate is a decrease of \$4.3 million, or 5.0 percent, from all funding sources, and \$29,646, or 0.1 percent, from the State General Fund below the FY 2011 estimate. The reduction reflects carry forward funds available in FY 2011 that are not available in FY 2012, as well as the absence of federal American Recovery and Reinvestment (ARRA) funds.

Governor's Recommendation

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

Senate Subcommittee Recommendation

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

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1. The Subcommittee commends Emporia State University, Pittsburg State University and Fort Hays State University for their cooperative efforts to provide educational opportunities to students without the duplication of courses.

House Budget Committee Report

Agency: Fort Hays State University

Bill No. 2383

Bill Sec. 61

Analyst: Dunkel

Analysis Pg. No. 495

Budget Page No. 304

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,918,200	\$ 33,918,200	\$ 0
Other Funds	52,480,941	53,258,252	0
Subtotal	\$ 86,399,141	\$ 87,176,452	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,698,118	2,698,118	5,300,000
Subtotal	\$ 2,698,118	\$ 2,698,118	\$ 5,300,000
TOTAL	\$ 89,097,259	\$ 89,874,570	\$ 5,300,000
FTE positions	793.8	793.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	793.8	793.8	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$86.4 million, including \$33.9 million from the State General Fund. The request is a reduction of \$881,956, or 1.0 percent, all funds and \$204,140, or 0.6 percent, State General Fund below the FY 2011 estimate. The reduction reflects funds that carried forward from FY 2010 to FY 2011 that are not available for FY 2012.

Governor's Recommendation

The **Governor** recommends FY 2012 expenditures of \$87.2 million, including \$33.9 million from the State General Fund. The recommendation is an increase of \$777,311, or 0.9 percent, all funds and no State General Fund above the FY 2011 agency estimate, reflecting a technical adjustment to reflect the agency request, partially offset by a reduction of \$200,000, all from the Economic Development Initiatives Fund, for an enhancement request not funded by the Governor. The recommendation is a reduction of \$104,645, or 0.1 percent, all funds and \$204,140 or 0.6 percent, State General Fund below the FY 2011 recommendation, primarily reflecting the unfunded enhancement request.

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House Budget Committee Recommendation

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

1. Add \$1.3 million, all from housing revenue funds, at Fort Hays State University for window and exterior door replacement at McMIndes Hall. The project will occur during the summers of 2012 and 2013.
2. Add \$4.0 million, all from special revenue funds, at Fort Hays State University for an indoor practice facility. The university has indicated that its athletic teams to do not currently have sufficient indoor practice facilities for the variety of teams that require them. The total square footage of the project is estimated at 48,000 square feet and will include a weight room, running track, half a football field, and support areas. The project will be funded with private gifts, and operations funded through the existing budget.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Fort Hays State University

Bill No. 234

Bill Sec. 61

Analyst: Dunkel

Analysis Pg. No. 495

Budget Page No. 304

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,918,200	\$ 33,918,200	\$ 0
Other Funds	52,480,941	53,258,252	0
Subtotal	\$ 86,399,141	\$ 87,176,452	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,698,118	2,698,118	5,300,000
Subtotal	\$ 2,698,118	\$ 2,698,118	\$ 5,300,000
TOTAL	\$ 89,097,259	\$ 89,874,570	\$ 5,300,000
FTE positions	793.8	793.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	793.8	793.8	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$86.4 million, including \$33.9 million from the State General Fund. The request is a reduction of \$881,956, or 1.0 percent, all funds and \$204,140, or 0.6 percent, State General Fund below the FY 2011 estimate. The reduction reflects funds that carried forward from FY 2010 to FY 2011 that are not available for FY 2012.

Governor's Recommendation

The **Governor** recommends FY 2012 expenditures of \$87.2 million, including \$33.9 million from the State General Fund. The recommendation is an increase of \$777,311, or 0.9 percent, all funds and no State General Fund above the FY 2011 agency estimate, reflecting a technical adjustment to reflect the agency request, partially offset by a reduction of \$200,000, all from the Economic Development Initiatives Fund, for an enhancement request not funded by the Governor. The recommendation is a reduction of \$104,645, or 0.1 percent, all funds and \$204,140 or 0.6 percent, State General Fund below the FY 2011 recommendation, primarily reflecting the unfunded enhancement request.

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Senate Subcommittee Recommendation

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

1. The Subcommittee commends Emporia State University, Pittsburg State University and Fort Hays State University for their cooperative efforts to provide educational opportunities to students without the duplication of courses.
2. The Subcommittee commends Fort Hays State University for exploring partnering with North Central Technical College in Beloit to save costs and encourages the other four-year and two-year institutions to pursue similar partnerships in the future. In addition, the Subcommittee requests a report from the Board of Regents to the 2012 Legislature detailing new and existing cooperative agreements between four-year and two-year institutions in the state.

House Budget Committee Report

Agency: Pittsburg State University

Bill No. 2383

Bill Sec. 66

Analyst: Dunkel

Analysis Pg. No. 543

Budget Page No. 312

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 34,222,572	\$ 34,222,572	\$ 0
Other Funds	56,598,414	56,598,414	0
Subtotal	\$ 90,820,986	\$ 90,820,986	\$ 0
Capital Improvements			
State General Fund	\$ 345,684	\$ 345,684	\$ 0
Other Funds	2,691,069	2,691,069	1,500,000
Subtotal	\$ 3,036,753	\$ 3,036,753	\$ 1,500,000
TOTAL	\$ 93,857,739	\$ 93,857,739	\$ 1,500,000
FTE positions	898.7	898.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	898.7	898.7	0.0

Agency Request

The **agency** requests FY 2012 expenditures of \$90.8 million, including \$34.2 million from the State General Fund. The request is a decrease of \$799,251, or 0.9 percent, all funds and \$57,919, or 0.2 percent, State General Fund below the FY 2011 estimate. The reduction reflects the loss of federal American Recovery and Reinvestment Act (ARRA) funds, reappropriations of State General Funds available in FY 2011 that are not available for FY 2012 offset by fringe benefit increases, and variations in special revenue fund revenues.

Governor's Recommendation

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

House Budget Committee Recommendation

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

1. Add \$1.5 million, all from special revenue funds, at Pittsburg State University for the demolition of the existing President's Home and to replace it with a new University House. The new house will provide private quarters for the President's family, as well as functional events space for University use and private quarters for overnight guests and

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dignitaries. The project will be funded through private gifts, and the operating and maintenance costs will be paid from the existing operations budget.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Pittsburg State University

Bill No. --

Bill Sec. --

Analyst: Dunkel

Analysis Pg. No. 543

Budget Page No. 312

<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	\$ 34,222,572	\$ 34,222,572	\$ 750,000
Other Funds	56,598,414	56,598,414	0
Subtotal	\$ 90,820,986	\$ 90,820,986	\$ 750,000
Capital Improvements			
State General Fund	\$ 345,684	\$ 345,684	\$ 0
Other Funds	2,691,069	2,691,069	1,500,000
Subtotal	\$ 3,036,753	\$ 3,036,753	\$ 1,500,000
 TOTAL	 \$ 93,857,739	 \$ 93,857,739	 \$ 2,250,000
 FTE positions	 898.7	 898.7	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	898.7	898.7	0.0

Agency Request

The **agency** requests FY 2012 expenditures of \$90.8 million, including \$34.2 million from the State General Fund. The request is a decrease of \$799,251, or 0.9 percent, all funds and \$57,919, or 0.2 percent, State General Fund below the FY 2011 estimate. The reduction reflects the loss of federal American Recovery and Reinvestment Act (ARRA) funds, reappropriations of State General Funds available in FY 2011 that are not available for FY 2012 offset by fringe benefit increases, and variations in special revenue fund revenues.

Governor's Recommendation

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

Senate Subcommittee Recommendation

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

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1. Add \$750,000, all from the State General Fund, for the new school of construction at Pittsburg State University, subject to a 1 to 1 match, for FY 2012. The Subcommittee notes that even with the current economic environment, the U.S. construction industry continues to be faced with critical shortages of qualified construction management professionals and professional craftspeople to fill existing and expected positions. Due to the exceptionally high demand for graduates from Pittsburg State University's highly regarded construction programs and to be positioned for the impending improvement in the construction economy, Pittsburg State University has requested support to form a new academic unit -- The Pittsburg State University School of Construction.
2. The Subcommittee commends Emporia State University, Pittsburg State University and Fort Hays State University for their cooperative efforts to provide educational opportunities to students without the duplication of courses.

Conceptual Amendment for Committee Action on **SB 229**:

- (1) Amend **SB 229** to allow for the continuance of the 20% transfer (up to \$200,000) to the state general fund (SGF) for all fee funds and fee-funded agencies in FY 2012. Beginning in FY 2013, the 20% transfer (up to \$200,000) to the state general fund for all fee funds would be repealed under the remaining language in **SB 229**.
- (2) Through budget provisos, require the Kansas Department of Administration and the Division of Budget to produce and deliver a report to the Chair, Vice Chair and Ranking Member of the House Appropriations Committee and the Senate Ways and Means Committee no later than January 1, 2012 containing the following information:
 - (a) a complete accounting, explanation and legal basis for each billing, charge or fee that is currently assessed against the fee funds and fee-funded agencies contained in **SB 229** by state agencies that receive funding from the state general fund (SGF); and
 - (b) a complete accounting, explanation and legal basis of the actual cost of providing any and all governmental services, which are currently provided by state agencies that receive funding from the state general fund (SGF), that are not currently being assessed against the fee funds and fee-funded agencies contained in **SB 229**.

Fiscal Note on the Conceptual Amendment:

According to research, this amendment would reduce the fiscal note of **SB 229** by approximately \$1.74 million in FY 2012. In FY 2013, **SB 229** would continue to allow fee-funded agencies to retain approximately \$3.48 million in fee fund receipts. This means that these funds would not go to the State General Fund in FY 2013 and instead would remain in the fee funds of the particular fee-funded agencies.

Rationale for the Conceptual Amendment:

During the hearing, the Division of Budget provided neutral testimony that state incurred an indeterminate amount of annual costs in providing various governmental services to the fee funds and fee-funded agencies contained in **SB 229**. As a result, the argument was that the state would experience an unspecified cost in providing services to these funds and agencies.

This amendment would maintain the status quo in requiring each of the fee funds and fee-funded agencies to continue to transfer 20% of fee revenue (up to \$200,000) to the state general fund in FY 2012. This would provide the Department of Administration and the Division of Budget with the necessary time to prepare a report for the House Appropriations Committee and the Senate Ways and Means Committee on the unspecified costs of providing services to these agencies.

SB 229 would repeal the 20% transfer to the state general fund (SGF) for the affected fee funds and fee-funded agencies effective in FY 2013. Once the committees receive the information from the required report on the actual costs of services provided by the state to fee funds and fee-funded agencies, the committees could hold a further discussion on this issue during the 2012 Legislative Session.

Senate Ways and Means

Date:

Attachment:

03/14/11

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