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To: Legislative Budget Committee

From: Dylan Dear, Managing Fiscal Analyst

Re: FY 2019 through FY 2021 Agency Requested Supplementals and Enhancements

The following table provides details on supplemental and enhancement requests from the agencies submitted in September from the current administration. The Governor's recommendation will further refine these requests. In a regular year, the Governor has until the eighth calendar day of the Legislative Session to submit a budget. During a year in which a new Governor has been elected, the Governor will have thirteen additional days to make that recommendation (so on or before the 21st calendar day).

The agencies have submitted enhancement and supplemental requests totaling \$1.4 billion, including \$1.3 billion from the State General Fund (SGF), over three fiscal years. More specifically the requests are \$140.5 million, including \$104.9 million from the State General Fund, in FY 2019; \$593.4 million, including \$504.9 million from the State General Fund, for FY 2020; and \$759.3 million, including \$654.8 million from the State General Fund, for FY 2021. These requests are in addition to the agencies base budget requests.

The Kansas Water Office has also requested additional transfers of \$6.0 million from the State General Fund and \$2.0 million from the Economic Development Initiatives Fund for FY 2020 and FY 2021. These transfers would reduce State General Fund revenue by \$8.0 million in each year.

FY 2019 Summary of Supplemental Requests:

Approximately half of the SGF supplemental requests in FY 2019 are from the Kansas Department for Aging and Disability Services (KDADS) and the Department of Education. The State Hospitals are also requesting \$23.4 million in State General Fund supplementals. *Major requests include:*

- KDADS - \$41.6 million including \$34.4 million from the State General Fund
 - \$12.5 million, all from the State General Fund, to begin a five year process to replace the four state hospitals patient management systems;
 - \$4.0 million, all from the State General Fund, for Community Crisis Stabilization Centers and the Clubhouse Model Programs. These funds are to replace

- funding from Lottery Ticket Vending Machines which will take longer to implement than originally estimated;
- \$7.8 million, all from the State General Fund, to return Community Health Mental Centers to their previous 2006 funding level;
 - \$6.8 million, including \$3.1 million from the State General Fund, to cover mandatory federal CMS requirements to rebase Program for All-Inclusive Care for the Elderly (PACE) rates every three years; and
 - \$6.0 million, including \$3.0 million from the State General Fund, to support the Mobile Response and Stabilization Pilot program and 24/7/365 Crisis Hotline.
- State Hospitals - \$23.4 million, all from the State General Fund.
 - \$11.3 million for salaries and wages to reduce budget shrinkage at the hospitals and fill vacant positions;
 - \$2.7 million to replace a computer data storage system and updates to other technology at Larned State Hospital;
 - \$3.8 million for the contract to provide laundry, food services, water and sewer to Larned Correctional Mental Health Facility in exchange for inmate labor;
 - \$2.2 million for the Psychiatric Services Program at Larned State Hospital; and
 - \$1.5 million for the State Security Program at Larned State Hospital including nine additional staff and capital improvements to enhance security.
 - Department of Education - \$18.0 million, all from the State General Fund.
 - \$20.0 million for an estimated 4.75 percent KPERS increase in covered payroll;
 - The agency is requesting a net reduction in State General fund appropriations of \$2.0 million to fund an online database for the Mental Health Pilot Program. The agency would like to use in-house resources to develop the database but maintain some of the funding for FY 2020 and FY 2021 to support and maintain the database.
 - Department of Corrections and Correctional Facilities - \$11.4 million, all from the State General Fund.
 - \$8.3 million to reduce shrinkage at all facilities to 3.0 percent;
 - \$1.4 million for the Corizon health care contract which includes a 4.0 percent annual increase, and
 - \$1.1 million for security equipment and supplies.
 - Department for Children and Families (DCF) - \$16.4 million, including \$8.1 million from the State General Fund.

- \$11.0 million, including \$4.7 million from the State General Fund, to support higher than budgeted costs for the KEES program;
- \$1.2 million, including \$1.1 million from the State General fund, for 24 additional child welfare staff positions.
- Adjutant General - \$9.0 million, including \$3.1 million from the State General Fund, for deferred maintenance at Army National Guard facilities.
- Kansas Department of Health and Environment - \$8.1 million, including \$2.2 million from the State General Fund, for Medicaid Eligibility Clearinghouse operations. The request includes 313 additional staff positions for a partial year.
- Department of Revenue - \$1.0 million, all from the State General Fund, to migrate KDOR servers to the Hybrid Cloud managed by the Office of Information and Technology Services.

FY 2020 Summary of Enhancement Requests:

Approximately half of the SGF enhancement requests in FY 2020 are from the Kansas the Department of Education and the Board of Regents. *Major requests include:*

- Department of Education - \$227.6 million, including \$226.9 million from the State General Fund.
 - \$92.7 million, all from the State General Fund, to increase the Base State Aid per Pupil from \$4,302 to \$4,436. An annual inflationary rate of 1.44 percent was used to calculate this amount;
 - \$81.4 million, all from the State General Fund, for the costs associated with KPERS increases due to school funding increases from the 2018 Legislature;
 - \$28.5 million, all from the State General Fund, special education state aid.
 - \$8.0 million, all from the State General Fund, for professional development;
 - \$7.7 million, all from the State General Fund, to increased Local Option Budget State Aid to reflect the change in the BASE above;
 - \$3.5 million, all from the State General Fund, for capital outlay state aid due to increased property valuations; and
 - \$5.2 million for other enhancement requests.
- Board of Regents - \$79.0 million, all from the State General Fund.
 - \$50.0 million to restore base funding for Universities;
 - \$25.2 million for Community and Technical Colleges;
 - \$2.2 million for Washburn University;

- \$1.2 million for Career Technical Education.
- KDADS - \$111.3 million, including \$64.0 million from the State General Fund.
 - \$47.6 million, including \$21.4 million from the State General Fund, to begin elimination of the waiting list for the HCBS and Disability Waiver programs;
 - \$13.3 million, all from the State General Fund, to return Community Mental Health Centers to their previous 2006 funding levels plus inflation.
 - \$18.9 million, including \$8.5 million from the State General Fund, to rebase nursing facility reimbursement rates;
 - \$8.4 million, all from the State General Fund, for continued replacement of the state hospital patient management system;
 - \$6.8 million, including \$3.1 million from the State General fund, to cover mandatory federal CMS requirements to rebase Program for All-Inclusive Care for the Elderly (PACE) rates;
 - \$6.0 million, including \$3.0 million from the State General Fund, to support the Mobile Response and Stabilization Pilot program and 24/7/365 Crisis Hotline; and
 - \$6.2 million, including \$2.7 million from the State General Fund, to increase the rates for the HCBS Traumatic Brain Injury Waiver.
- Corrections and Correctional Facilities - \$24.4 million, all from the State General Fund.
 - \$10.4 million to reduce the salaries and wages shrinkage rate to 3.0 percent;
 - \$4.1 million for the Health Care Contract with Corizon which includes a 4.0 percent annual increase; and
 - \$5.6 million for technology requests including replacement of the offender registry system and OITS rate increases.
- State Hospitals - \$22.8 million, all from the State General Fund.
 - \$12.7 million for salaries and wages to reduce budget shrinkage at the hospitals and fill vacant positions;
 - \$3.8 million for the contract to provide laundry, food services, water and sewer to Larned Correctional Mental Health Facility in exchange for inmate labor;
 - \$1.9 million for the Psychiatric Services Program at Larned State Hospital; and
 - \$2.1 million for salary adjustments for Mental Health Disability Technicians and other direct support positions at Parsons State Hospital.

- Judicial Branch - \$20.1 million, all from the State General Fund, for a 13 percent increase for non-judicial employees, 20 percent increase for judicial employees, and 31 new positions.
- Kansas Department of Health and Environment - \$20.6 million, including \$16.8 million from the State General Fund.
 - \$18.1 million, including \$4.9 million from the State General Fund, for Medicaid Eligibility Clearinghouse operations. The request includes 313 additional staff positions;
 - \$1.5 million for increased OITS rates due to Mainframe upgrade;
 - \$9.5 million, all from the State General Fund, due a reduction in the FMAP rate for the CHIP program; and
 - \$1.0 million, all from the State General Fund, for the tiny-K program to maintain federal Maintenance of Effort requirement due to the timing of the distribution of FY 2019 funding.
- Kansas State Fair - \$16.4 million, all from the State General Fund, for Expo Center replacement and upgrades to the Bison Arena.
- Department for Children and Families - \$24.9 million, including \$14.6 million, from the State General Fund.
 - \$5.7 million, including \$2.5 million from the State General Fund, to support higher than budgeted costs for the KEES program;
 - \$3.6 million, including \$3.4 million from the State General fund, 24 additional child welfare staff positions;
 - \$3.9 million, including \$2.1 million from the State General Fund, to fully fund the Family First Preventions Services Act;
 - \$6.4 million, including \$3.0 million from the State General Fund, for OITS rate increases for centralized service desk and mainframe upgrades; and
 - \$1.5 million, all from the State General Fund, for federal requirements under the Fostering Connections and Increasing Adoptions Act of 2008.
- Department of Revenue - \$4.4 million, all from the State General Fund, to migrate KDOR servers to the Hybrid Cloud managed by the Office of Information and Technology Services.
- Adjutant General - \$17.2 million, including \$3.6 million from the State General Fund.
 - \$3.3 million, including \$1.7 million from the State General Fund, for deferred maintenance at Army National Guard Facilities; and
 - \$13.2 million, including \$1.1 million from the State General Fund, for Disaster Relief Funding.
- Department of Administration - \$2.9 million, all from the State General Fund.

- \$1.3 million for increased rehabilitation and repair funding; and
- \$1.3 million for asbestos abatement in the Docking State Office Building.
- Kansas Bureau of Investigation - \$1.9 million, all from the State General Fund, for the Cyber and Financial Crimes Unit including 15 additional positions.
- Board of Pharmacy - \$1.2 million, all from the State General Fund for K-TRACS operational costs.
- Sentencing Commission - \$1.2 million, all from the State General Fund, for SB 123 certified drug abuse treatment program expenditures.

FY 2021 Summary of Enhancement Requests:

Approximately half of the SGF enhancement requests in FY 2021 are from the Kansas the Department of Education and the Board of Regents. *Major requests include:*

- Department of Education - \$275.1 million, including \$273.7 million from the State General Fund.
 - \$89.7 million, all from the State General Fund, to increase the Base State Aid per Pupil from \$4,439 to \$4,569. An annual inflationary rate of 1.44 percent was used to calculate this amount;
 - \$88.5 million, all from the State General Fund, for the costs associated with KPERS increases due to school funding increases from the 2018 Legislature;
 - \$59.7 million, all from the State General Fund, special education state aid;
 - \$15.4 million, all from the State General Fund, to increased Local Option Budget State Aid to reflect the change in the BASE above;
 - \$8.0 million, all from the State General Fund, for professional development;
 - \$7.0 million, all from the State General Fund, in increased capital outlay state aid due to increased property valuations; and
 - \$5.4 million for other enhancement requests.
- Board of Regents - \$140.9 million, all from the State General Fund.
 - \$85.0 million to restore base funding for Universities;
 - \$25.2 million for Community and Technical Colleges;
 - \$25.0 million for a new need based scholarship program;
 - \$3.0 million for Career Technical Education; and
 - \$2.2 million for Washburn University.

- KDADS - \$149.7 million, including \$77.9 million from the State General Fund.
 - \$97.6 million, including \$43.8 million from the State General Fund, for continuation of the elimination of waiting lists for the HCBS and Disability Waiver programs;
 - \$18.9 million, including \$8.5 million from the State General Fund, to rebase nursing facility reimbursement rates;
 - \$13.3 million, all from the State General Fund, to return Community Mental Health Centers to their previous 2006 funding levels plus inflation;
 - \$6.8 million, including \$3.1 million from the State General fund, to cover mandatory federal CMS requirements to rebase Program for All-Inclusive Care for the Elderly (PACE) rates;
 - \$6.2 million, including \$2.7 million from the State General Fund, to increase the rates for the HCBS Traumatic Brain Injury Waiver;
 - \$6.0 million, including \$3.0 million from the State General Fund, to support the Mobile Response and Stabilization Pilot program and 24/7/365 Crisis Hotline; and
 - \$2.6 million, all from the State General Fund, for continued replacement of the state hospital patient management system.

- Corrections and Correctional Facilities - \$30.7 million, all from the State General Fund.
 - \$11.3 million to reduce the salaries and wages shrinkage rate to 3.0 percent;
 - \$8.4 million for the Health Care Contract with Corizon which includes a 4.0 percent annual increase; and
 - \$5.6 million for technology requests including replacement of the offender registry system and OITS rate increases.

- State Hospitals - \$22.8 million, all from the State General Fund.
 - \$12.7 million for salaries and wages to reduce budget shrinkage at the hospitals and fill vacant positions;
 - \$3.8 million for the contract to provide laundry, food services, water and sewer to Larned Correctional Mental Health Facility in exchange for inmate labor;
 - \$2.1 million for salary adjustments for Mental Health Disability Technicians and other direct support positions at Parsons State Hospital;
 - \$1.9 million for the Psychiatric Services Program at Larned State Hospital; and
 - \$1.2 million, all from the State General Fund, for projected federal funding shortfall at Kansas Neurological Institute.

- Judicial Branch - \$20.3 million, all from the State General Fund, to carry forward the salary adjustments from FY 2020 and 31 new positions.
- Kansas Department of Health and Environment - \$21.0 million, including \$31.5 million from the State General Fund.
 - \$23.8 million, all from the State General Fund, due a reduction in the FMAP rate for the CHIP program;
 - \$18.1 million, including \$4.9 million from the State General Fund, for Medicaid Eligibility Clearinghouse operations. The request includes 313 additional staff positions.
 - \$1.5 million for increased OITS rates due to Mainframe upgrade; and
 - \$1.0 million, all from the State General Fund, for the Tiny-K program to maintain federal Maintenance of Effort requirement due to the timing of the distribution of FY 2019 funding.
- Department for Children and Families - \$44.3 million, including \$25.0 million, from the State General Fund.
 - \$18.5 million, including \$9.3 million from the State General Fund, for a Comprehensive Child Welfare Information System;
 - \$6.4 million, including \$3.0 million from the State General Fund, for OITS rate increases from centralized service desk and mainframe upgrades;
 - \$5.0 million, including \$4.8 million from the State General fund, 24 additional child welfare staff positions;
 - \$4.8 million, including \$2.1 million from the State General Fund, to support higher than budgeted costs for the KEES program;
 - \$4.8 million, including \$2.5 million from the State General Fund, to fully fund the Family First Preventions Services Act; and
 - \$1.5 million, all from the State General Fund, for federal requirements under the Fostering Connections and Increasing Adoptions Act of 2008.
- Department of Revenue - \$4.4 million, all from the State General Fund, to migrate KDOR servers to the Hybrid Cloud managed by the Office of Information and Technology Services.
- Adjutant General - \$16.1 million, including \$5.7 million from the State General Fund.
 - \$8.3 million, including \$980,162 from the State General Fund, for Disaster Relief Funding
 - \$3.5 million, including \$1.7 million from the State General Fund, for deferred maintenance at Army National Guard Facilities;
 - \$2.4 million, all from the State General Fund, for the State Homeland Security Intelligence Fusion Center; and
 - \$1.5 million, all from Federal Funds, for the Joint Force Headquarters.

- Department of Administration - \$2.9 million, all from the State General Fund.
 - \$1.3 million for increased rehabilitation and repair funding; and
 - \$1.3 million for asbestos abatement in the Docking State Office Building.
- Kansas Bureau of Investigation - \$11.7 million, all from the State General Fund.
 - \$8.0 million, all from the State General Fund, for replacement of the automated fingerprint identification system;
 - \$1.7 million, all from the State General Fund, for the Child Victims Unit including 13 new positions; and
 - \$1.5 million, all from the State General Fund, for the Cyber and Financial Crimes Unit.
- Board of Pharmacy - \$1.3 million, all from the State General Fund for K-TRACS operational costs.
- Sentencing Commission - \$1.2 million, all from the State General Fund, for SB 123 certified drug abuse treatment program expenditures.