

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Vice-Chairperson Carolyn McGinn at 10:30 a.m. on February 24, 2010, in Room 548-S of the Capitol.

All members were present except:
Senator Jay Emler- excused

Committee staff present:
Michael Steiner, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:
Jana El-Koubysi, Budget Director, Attorney General's Office
Sandy Barnett, Executive Director, Kansas Coalition Against Sexual and Domestic Violence

Others attending:
See attached list.

Introduction of Proposed Legislation

Senator Taddiken moved to introduce legislation concerning teachers' licenses (9rs1897). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Hearing on SB 541 - Court of appeals, delay 14th judge position to January 2012.

Jill Wolters, Revisor of Statutes, explained that **SB 541** amends current statute and would delay the creation of the 14th Court of Appeals judge position from January 1, 2011 to January 1, 2012 (Attachment 1).

Kim Fowler, Judicial Branch, presented testimony on behalf of Jerry Sloan, Judicial Branch Budget and Fiscal Officer, in support of **SB 541** (Attachment 2).

There were no other conferees, proponents, neutrals or opponents, to appear before the Committee.

The hearing on SB 541 was closed.

Senator Vratil moved to recommend SB 541 favorably for passage. The motion was seconded by Senator Kelly. Motion carried on a voice vote.

Subcommittee reports on Attorney General, Kansas Insurance Department, Office of the Governor, Office of the Lieutenant Governor, Secretary of State, State Treasurer

Senator Kelly, member of the Subcommittee, presented the Subcommittee reports on the Governor's budget recommendations for the Attorney General, Kansas Insurance Department, Office of the Governor, Office of the Lieutenant Governor, Secretary of State and State Treasurer for FY 2011 (Attachment 3).

The Committee discussed a possible amendment to the Subcommittee report on the Attorney General's Office that would put a mechanism in place to replace the \$17 million funding in the Water Litigation Trust Fund which was inadvertently removed by the Legislature in FY 2007. The suggested amendment would put in place a 5-year plan to replace \$2 million in FY 2012, \$3 million in FY 2013, \$3 million in FY 2014, \$4 million in FY 2015 and \$5 million in FY 2016. The Committee noted that the Legislature could take action to not fund the proposal during any fiscal year and voiced concern with being able to fund the proposal during the current economic situation. However, the Committee felt it is important that surrounding states are aware that Kansas is serious about their water rights.

02
24
2010

CONTINUATION SHEET

Minutes of the Senate Ways and Means Committee at 10:30 a.m. on February 24, 2010, in Room 548-S of the Capitol.

Jana El-Koubysi, Budget Director, Attorney General's Office, responded to questions from the Committee, stating that the Attorney General will utilize funds from other sources within the agency to continue water litigation cases with the surrounding states during FY 2010 and FY 2011. Ms. El-Koubysi stated that there are sufficient funds available at this time to cover costs of outside counsel and expert witnesses through both fiscal years, noting that the funding issue will be re-evaluated in FY 2012 by the Attorney General's office and the Governor's office. Ms. El-Koubysi noted that the funds for litigation purposes will be used as directed in the Governor's recommendation for FY 2011 and from the Medicaid Revolving Fund.

Responding to concerns from the Committee concerning the Crime Victim's Compensation Fund, Sandy Barnett, Executive Director, Kansas Coalition Against Sexual and Domestic Violence, indicated that moneys from this fund are used to pay claims received from victims of crimes. Ms. Barnett noted that the moneys deposited in this fund are derived from fees and forfeitures and a 60 percent match from the federal government.

The Committee chose to delay action on the Attorney General Office's budget. In addition, because there are ties between the budgets of the Attorney General's Office and the Office of the Governor, action will be delayed on both budgets until Thursday, February 25th.

Senator Kelly moved to adopt the Subcommittee reports on the Kansas Insurance Department, Office of the Lieutenant Governor, Secretary of State and State Treasurer for FY 2011. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Information on State General Fund (SGF)

Information prepared by the Legislative Research Department, as requested by the Committee, on State General Fund (SGF) spending between FY 1993 and FY 2009, was distributed to the Committee (Attachment 4).

Adjournment

The next meeting is scheduled for February 25, 2010.

The meeting was adjourned at 11:20 a.m.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE: February 24, 2010

| NAME | REPRESENTING |
|---------------------------|------------------------|
| Elaine Frisbie | Division of the Budget |
| Kwinda Anstaett | Treasurers Office |
| Phil Stevenson | TREASURER'S OFFICE |
| Jana El-Koubysi | KS Attorney General |
| Matthew Van | self |
| Kim Kim Fowler | Judicial Branch |
| Nancy Bryant | SOS |
| Alan Burt | SOS |
| Rob Meyer | RETIRED ASSOC |
| Matt Cook | BJA |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Office of Revisor of Statutes
300 S.W. 10th Avenue
Suite 010-E, Statehouse
Topeka, Kansas 66612-1592
Telephone (785) 296-2321 FAX (785) 296-6668

MEMORANDUM

To: Chairman Emler and members of the Senate Ways and Means Committee
From: Jill Ann Wolters, Senior Assistant Revisor
Date: February 24, 2010
Subject: SB 541

Senate Bill No. 541 amends K.S.A. 20-3002 to delay the creation of the 14th Court of Appeals Judge position from January 1, 2011 to January 1, 2012.

When the Court of Appeals was reestablished in 1975, with the judges taking office in January 1977, the Court was comprised of seven judges. In 1987, the Court was expanded to 10 judges. In 2001, the Court was expanded to 14 judges, however the statute provided for the positions to be created at dates in the future. In 2005 and 2006, positions 12, 13 and 14 were delayed a year. In 2008, positions 13 and 14 were again delayed a year. In 2009, position 14 was delayed a year.

This bill was introduced as a part of the Judicial Branch Subcommittee recommendation.

The act would take effect upon publication in the statute book.

Senate Ways & Means Cmte
Date 2-24-2010
Attachment 1



State of Kansas

Office of Judicial Administration

Kansas Judicial Center
301 SW 10th
Topeka, Kansas 66612-1507

(785) 296-2256

Testimony before the Senate Ways and Means Committee

On Senate Bill No. 541

Jerry Sloan
Judicial Branch Budget and Fiscal Officer

February 24, 2010

I appear today in support of SB 541 concerning the Court of Appeals. If enacted, the addition of Judge 14 to the Court of Appeals would be delayed by one year. Legislation that phased-in an expansion of the Court of Appeals from 10 to 14 judges was passed during the 2001 legislative session to begin on January 1, 2003. The full expansion has been delayed a number of times in the past due to budgetary constraints and this bill would delay the addition of the last judge until 2012.

The FY 2011 Judicial Branch Budget request includes \$389,340 for the statutory expansion. \$189,841 was included for twelve pay periods of salaries for the Judge and staff, operations and capital outlay and an additional \$199,499 to construct a judicial suite.

As you know, during the Judicial Branch's Senate Ways and Means budget hearing, this Committee deleted \$225,515 and 3 FTE. You also strongly urged the Joint Committee on State Building Construction to delete \$199,499 for costs associated with the construction of the suite. The Committee accepted your recommendation and removed the funding.

Passage of this bill will complete the steps that are necessary to delay the addition of a judge to the Court of Appeals by one year.

Senate Ways & Means Cmte

Date 2-24-2010

Attachment 2

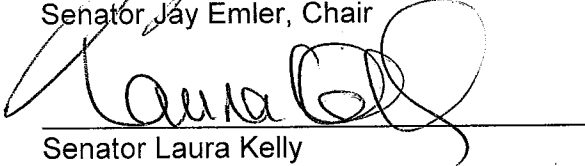
FY 2010 & FY 2011

SENATE WAYS AND MEANS SUBCOMMITTEE

Attorney General
Kansas Insurance Department
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Treasurer



Senator Jay Emler, Chair



Senator Laura Kelly

Senate Ways & Means Cmte
Date 2-24-2010
Attachment 3

Senate Subcommittee Report

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 99

| Expenditure Summary | Agency Estimate FY 2010 | Governor Recommendation FY 2010 | Senate Subcommittee Adjustments |
|--------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 4,824,409 | \$ 2,683,452 | \$ 0 |
| Other Funds | 15,915,671 | 17,944,311 | 0 |
| Subtotal | <u>\$ 20,740,080</u> | <u>\$ 20,627,763</u> | <u>\$ 0</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 20,740,080</u></u> | <u><u>\$ 20,627,763</u></u> | <u><u>\$ 0</u></u> |
| | | | |
| FTE positions | 110.0 | 110.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 8.3 | 8.3 | 0.0 |
| TOTAL | <u><u>118.3</u></u> | <u><u>118.3</u></u> | <u><u>0.0</u></u> |

Agency Estimate

The **agency** estimates a revised FY 2010 budget totaling \$20.7 million, an increase of \$3.5 million, or 20.0 percent, above the amount approved by the 2009 Legislature, as adjusted by State General Fund reappropriations, and the Governor's July and November allotments. Requested State General Fund expenditures total \$4.8 million, an increase of \$2.1 million, or 79.8 percent, above the approved amount. The agency's revised budget request was submitted prior to the Governor's November 2009 allotments, which reduced State General Fund expenditures by \$2.2 million. Excluding the allotments, the agency's revised State General Fund request would have been a decrease of \$40,840 from the approved amount, as adjusted by State General Fund reappropriations totaling \$223,180. The revised estimate includes additional supplemental expenditures of \$987,430, all from special revenue funds. The request would fund the currently approved 110.0 FTE positions.

Governor's Recommendation

The **Governor** recommends a revised FY 2010 budget of \$20.6 million, an increase of \$3.3 million, or 19.4 percent, above the approved FY 2010 amount. The State General Fund recommendation of \$2.7 million is the same as as the approved amount, as adjusted by State General Fund reappropriations and the Governor's July and November 2009 State General Fund allotments. The Governor concurs with \$939,430 of the agency's requested supplemental expenditures, for interstate water litigation activities, tobacco master settlement agreement compliance activities, and to reimburse counties for sexually violent predator determinations.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor, with the following adjustment:

1. The agency requested \$20,000, all from the Sexually Violent Predator Expense Fund, in FY 2010, to provide funds for reimbursement to counties for costs related to determining whether a person may be a sexually violent predator. By statute, if no moneys are available in the fund, counties may file a claim against the state. According to the agency, although the fund has been created, the statute provides no mechanism for moneys to be deposited in the fund. The Governor recommends transferring \$20,000 from the agency's Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund. The agency raised concerns with using this funding mechanism, believing it to be inappropriate to use funds designated for crime victims to pay expenses on behalf of convicted sex offenders. The Subcommittee shares these concerns and recommends the the \$20,000 be transferred from the agency's Court Cost Fund instead of the Crime Victims Assistance Fund.

Senate Subcommittee Report

Agency: Kansas Insurance Department

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. -- Budget Page No. Vol 2, 117

| Expenditure Summary | Agency Request FY 2011 | Governor Recommendation FY 2011 | Senate Subcommittee Adjustments |
|--------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 24,761,620 | 24,461,620 | 0 |
| Subtotal | <u>\$ 24,761,620</u> | <u>\$ 24,461,620</u> | <u>\$ 0</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 132,678 | 132,678 | 0 |
| Subtotal | <u>\$ 132,678</u> | <u>\$ 132,678</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 24,894,298</u></u> | <u><u>\$ 24,594,298</u></u> | <u><u>\$ 0</u></u> |
| | | | |
| FTE positions | 138.4 | 138.4 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 3.6 | 3.6 | 0.0 |
| TOTAL | <u><u>142.0</u></u> | <u><u>142.0</u></u> | <u><u>0.0</u></u> |

Agency Request

The **agency** requests budget year operating expenditures of \$24,761,620, an increase of \$511,945, or 2.1 percent, above the FY 2010 agency estimate. The request is completely funded by special revenue funds. The majority of the increase is in two programs. The Workers Compensation Program projects increased attorney costs and increased medical expenses for workers compensation claims. The Insurance Company Regulation Program projects increased costs both for salaries and wages and the communications costs to support those employees. The agency requests 138.4 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$24,461,620, an increase of \$211,945, or 0.9 percent, above the FY 2010 Governor's recommendation. The recommendation is \$300,000, or 1.2 percent, below the FY 2011 agency request. The agency increased their contractual services expenditures in FY 2011 by \$306,955. The Governor recommends the agency be provided \$6,955 of the increase. The Governor further recommends that the anticipated transfer from the State General Fund to the Workers' Compensation Fund of \$1.0 million in FY 2011 be suspended and \$5.0 million be transferred from the Insurance Department Service Regulation fund to the State General Fund. The Governor recommends 138.4 FTE positions.

3-4

Senate Subcommittee Recommendation

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

Senate Subcommittee Report

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 99

| Expenditure Summary | Agency Request FY 2011 | Governor Recommendation FY 2011 | Senate Subcommittee Adjustments |
|--------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 4,709,616 | \$ 2,574,135 | \$ (63,261) |
| Other Funds | 15,252,869 | 17,291,571 | 0 |
| Subtotal | <u>\$ 19,962,485</u> | <u>\$ 19,865,706</u> | <u>\$ (63,261)</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 19,962,485</u></u> | <u><u>\$ 19,865,706</u></u> | <u><u>\$ (63,261)</u></u> |
| FTE positions | | | |
| FTE positions | 110.0 | 110.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 8.3 | 8.3 | 0.0 |
| TOTAL | <u><u>118.3</u></u> | <u><u>118.3</u></u> | <u><u>0.0</u></u> |

Agency Request

The **agency** requests an FY 2011 budget of \$20.0 million, a decrease of \$777,595, or 3.7 percent, below the revised current fiscal year estimate. The request includes State General Fund expenditures of \$4.7 million, a decrease of \$114,793, or 2.4 percent, below the revised current fiscal year estimate. The request would fund 110.0 FTE positions, unchanged from the revised current year estimate.

The request includes enhancement funding of \$1.7 million, all from special revenue funds. Although the enhancement expenditures are requested from special revenue funds, approximately \$1.2 million of the expenditures would likely require a transfer from the State General Fund (or some other funding source) to agency special revenue funds. Absent the enhancement requests, the requested FY 2011 budget totals \$18.3 million, representing a total decrease of \$2.4 million, or 11.8 percent below the revised current year estimate.

Governor's Recommendation

The **Governor** recommends an FY 2011 budget totaling \$19.9 million, a decrease of \$762,057, or 3.7 percent, below the revised current year recommendation. The recommendation includes State General Fund expenditures of \$2.6 million, a decrease of \$109,317, or 4.1 percent, below the revised current year recommendation. The request would fund 110.0 FTE positions, unchanged from the current fiscal year. The Governor's recommendation includes offsetting \$1.9 million in State General Fund expenditures with

3-6

expenditures from the Medicaid Fraud Prosecution Revolving Fund (\$1.4 million), and the Court Cost Fund (\$500,000).

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor, with the following adjustment:

1. Delete a total of \$63,261, all from the State General Fund, to achieve a reduction of approximately 2.5 percent below the Governor's FY 2011 recommendation. In addition, include language authorizing the agency to shift funding among its State General Fund line items to allow the agency as much flexibility as possible to manage the recommended reduction.
2. The agency requested \$20,000, all from the Sexually Violent Predator Expense Fund, in FY 2011, to provide funds for reimbursement to counties for costs related to determining whether a person may be a sexually violent predator. By statute, if no moneys are available in the fund, counties may file a claim against the state. According to the agency, although the fund has been created, the statute provides no mechanism for moneys to be deposited in the fund. The Governor recommends transferring \$20,000 from the agency's Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund. The agency raised concerns with using this funding mechanism, believing it to be inappropriate to use funds designated for crime victims to pay expenses on behalf of convicted sex offenders. The Subcommittee shares these concerns and recommends the the \$20,000 be transferred from the agency's Court Cost Fund instead of the Crime Victims Assistance Fund.

Senate Subcommittee Report

Agency: Office of the Governor

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 95

| Expenditure Summary | Agency Request FY 2011 | Governor Recommendation FY 2011 | Senate Subcommittee Adjustments |
|--------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 7,334,005 | \$ 6,967,304 | \$ (171,226) |
| Other Funds | 11,071,517 | 11,071,517 | 0 |
| Subtotal | <u>\$ 18,405,522</u> | <u>\$ 18,038,821</u> | <u>\$ (171,226)</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 18,405,522</u></u> | <u><u>\$ 18,038,821</u></u> | <u><u>\$ (171,226)</u></u> |
| FTE positions | | | |
| FTE positions | 40.0 | 40.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 3.0 | 3.0 | 0.0 |
| TOTAL | <u><u>43.0</u></u> | <u><u>43.0</u></u> | <u><u>0.0</u></u> |

Agency Request

The **agency** requests an FY 2011 reportable budget of \$18.4 million, a decrease of \$188,053, or 1.0 percent, below the revised current year estimate. The request includes State General Fund expenditures of \$7.3 million, a decrease of \$639,174, or 8.0 percent, below the revised current fiscal year estimate. The request would fund 40.0 FTE positions, an increase of 1.0 FTE position above the current fiscal year's revised estimate, based on changing a non-FTE permanent unclassified position to an FTE position.

Governor's Recommendation

The **Governor** recommends a total of \$18.0 million in reportable operating expenditures in FY 2011, an increase of \$112,492, or 0.6 percent, from all funding sources, and a State General Fund decrease of \$338,629, or 4.6 percent, from the revised FY 2010 estimate. The all funds increase is largely the result of additional anticipated federal fund receipts in FY 2011.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor, with the following adjustment and observation:

3-8

1. Delete a total of \$171,226, all from the State General Fund, to achieve a reduction of approximately 2.5 percent below the Governor's FY 2011 recommendation. In addition, include language authorizing the agency to shift funding among its State General Fund line items to allow the agency as much flexibility as possible to manage the recommended reduction.

2. The Subcommittee notes that funding for two State General Fund financed grant programs, related to domestic violence and sexual assault prevention and child advocacy centers, has declined substantially in the last two fiscal years. Because of carry over funds, the agency was able to hold these programs relatively harmless in FY 2010. For FY 2011, however, the combined reduction for these two grant programs totals \$255,973. While not recommending the addition of any funding at this time, the Subcommittee believes that these grant programs should be given a high priority should additional funding sources be identified for the programs.

Senate Subcommittee Report

Agency: Office of the Lieutenant Governor

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 97

| Expenditure Summary | Agency Request FY 2011 | Governor Recommendation FY 2011 | Senate Subcommittee Adjustments |
|--------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 206,539 | \$ 196,212 | \$ (4,822) |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 206,539</u> | <u>\$ 196,212</u> | <u>\$ (4,822)</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 206,539</u></u> | <u><u>\$ 196,212</u></u> | <u><u>\$ (4,822)</u></u> |
| FTE positions | | | |
| FTE positions | 3.5 | 3.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>3.5</u></u> | <u><u>3.5</u></u> | <u><u>0.0</u></u> |

Agency Request

The **agency** requests \$206,539, all from the State General Fund, in FY 2011, a decrease of \$8,206, or 3.8 percent, below the revised current year estimate. Most of the decrease is attributable to reduced travel costs in FY 2011. The request would fund 3.5 FTE positions, the same as requested for the current fiscal year. No enhancement funding is requested.

Governor's Recommendation

The **Governor** recommends a total FY 2011 budget of \$196,212, all from the State General Fund. The recommendation is a reduction of \$7,015, or 3.5 percent, below the revised FY 2010 recommendation, and a reduction of \$10,327, or 5.0 percent, below the agency's request.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor, with the following adjustment:

1. Delete a total of \$4,822, all from the State General Fund, to achieve a reduction of approximately 2.5 percent below the Governor's FY 2011 recommendation.

3-10

Senate Subcommittee Report

Agency: Secretary of State

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 129

| Expenditure Summary | Agency Request FY 2011 | Governor Recommendation FY 2011 | Senate Subcommittee Adjustments |
|--------------------------------|----------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 150,993 | \$ 0 | \$ 0 |
| Other Funds | 6,582,227 | 6,733,220 | 0 |
| Subtotal | <u>\$ 6,733,220</u> | <u>\$ 6,733,220</u> | <u>\$ 0</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 6,733,220</u></u> | <u><u>\$ 6,733,220</u></u> | <u><u>\$ 0</u></u> |
| FTE positions | | | |
| FTE positions | 54.0 | 54.0 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.5 | 0.5 | 0.0 |
| TOTAL | <u><u>54.5</u></u> | <u><u>54.5</u></u> | <u><u>0.0</u></u> |

Agency Request

The **agency** requests an FY 2011 budget of \$6.7 million, a decrease of \$651,254, or 8.8 percent, below the revised current year estimate. The request includes \$150,993 in State General Fund expenditures. The request would fund 55.0 FTE positions, the same number as currently authorized. Enhancement funding of \$150,993, all from the State General Fund, is requested for two items: publication of a proposed constitutional amendment (\$102,752); and funding requested to match additional federal funding available through the Help America Vote Act (\$48,241).

Governor's Recommendation

The **Governor** concurs with the agency's FY 2011 request from all funding sources. The Governor's recommendation includes funding for the two requested enhancements, but funds those enhancements from special revenue funds, and not the State General Fund, as requested by the agency.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor.

3-11

Senate Subcommittee Report

Agency: State Treasurer

Bill No. --

Bill Sec. --

Analyst: Tang

Analysis Pg. No. --

Budget Page No. 141

| Expenditure Summary | Agency Request FY 2011 | Governor Recommendation FY 2011 | Senate Subcommittee Adjustments |
|--------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 60,990,508 | 16,496,223 | 0 |
| Subtotal | <u>\$ 60,990,508</u> | <u>\$ 16,496,223</u> | <u>\$ 0</u> |
| Capital Improvements | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Other Funds | 0 | 0 | 0 |
| Subtotal | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u><u>\$ 60,990,508</u></u> | <u><u>\$ 16,496,223</u></u> | <u><u>\$ 0</u></u> |
| FTE positions | | | |
| FTE positions | 53.5 | 53.5 | 0.0 |
| Non FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 |
| TOTAL | <u><u>53.5</u></u> | <u><u>53.5</u></u> | <u><u>0.0</u></u> |

Agency Request

The **agency** requests FY 2011 expenditures of \$60,990,508, which is an increase of \$43,978,250, or 258.5 percent above the revised FY 2010 estimate. The majority of the increase is attributed to the requested transfer to the machinery and equipment tax sliders. For FY 2011, \$35,183,000 will be transferred to the Business Machinery and Equipment Tax Reduction Assistance Fund and \$8,800,000 to the Telecommunications and Railroad Machinery and Equipment Tax Reduction Assistance Fund. Both of the transfers are estimates which may be revised when the November 2009 and April 2010 consensus revenue estimates are released. The agency did not include funding for 2.0 FTE positions in its FY 2011 request, which lowered its FTE position request from 55.5 to 53.5. The agency's request includes \$771,269 for the Pooled Money Investment Board.

Governor's Recommendation

The **Governor** recommends FY 2011 expenditures of \$16,496,223, which is a decrease of \$44,494,285, or 73.0 percent below the agency's FY 2011 request. The recommendation is a decrease of \$61,035, or 0.4 percent below the Governor's FY 2010 recommendation. The Governor did not recommend the transfer to the machinery and equipment tax sliders, totaling \$43,983,000, which accounts for the majority of the decrease. The Governor also recommended reducing the Kansas Investments Developing Scholars (KIDS) Matching Grant Program by \$445,000 to \$265,000 to more accurately reflect the State's match. The Governor's recommendation includes \$771,269 for the Pooled Money Investment Board.

3-12

Senate Subcommittee Recommendation

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

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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

kslegres@klrd.ks.gov

http://www.kslegislature.org/klrd

February 24, 2010

From FY 1993 to FY 2009, State General Fund spending has increased by 125.4 percent. Considering solely state operations, the expenses for the day-to-day operations of the government, the State General Fund budget has increased by \$550.6 million or 58.1 percent. According to the Bureau of Labor Statistics, the consumer price index (CPI), which is one of the major gauges of inflation, has increased by 48.5 percent since 1993.

From FY 1993 to FY 2009, state spending based on all sources including federal funds and grants has increased by 135.3 percent. Spending for State Operations has increased by \$1,643.9 million, or 75.6 percent.

EXPENDITURES FROM STATE GENERAL FUND BY MAJOR PURPOSE

(Millions of Dollars)

| Purpose | Actual FY 93 | Actual FY 09 | Change | |
|----------------------|-------------------|-------------------|-------------------|---------------|
| | | | \$ | Percent |
| State Operations | \$ 947.8 | \$ 1,498.4 | \$ 550.6 | 58.1% |
| Aid to Local Units | 1,381.5 | 3,403.3 | 2,021.8 | 146.3 |
| Other Assistance | 278.2 | 1,138.1 | 859.9 | 309.1 |
| Total Operating | \$ 2,607.5 | \$ 6,039.8 | \$ 3,432.3 | 131.6% |
| Capital Improvements | 82.6 | 24.5 | (58.1) | (70.3) |
| TOTAL | \$ 2,690.1 | \$ 6,064.3 | \$ 3,374.2 | 125.4% |

EXPENDITURES FROM ALL FUNDS BY MAJOR PURPOSE

(Millions of Dollars)

| Purpose | Actual FY 93 | Actual FY 09 | Change | |
|----------------------|-------------------|--------------------|-------------------|---------------|
| | | | \$ | Percent |
| State Operations | \$ 2,175.3 | \$ 3,819.2 | \$ 1,643.9 | 75.6% |
| Aid to Local Units | 1,741.6 | 4,279.2 | 2,537.6 | 145.7 |
| Other Assistance | 1,712.4 | 4,570.2 | 2,857.8 | 166.9 |
| Total Operating | \$ 5,629.3 | \$ 12,668.6 | \$ 7,039.3 | 125.0% |
| Capital Improvements | 304.1 | 1,291.8 | 987.7 | 324.8 |
| TOTAL | \$ 5,933.4 | \$ 13,960.4 | \$ 8,027.0 | 135.3% |

Senate Ways & Means Cmte

Date 2-24-2010

Attachment 4

State Operations includes expenditures incurred conducting the day-to-day business of state government. The largest category of these costs is the salaries and wages paid to state employees.

Aid to Local Governments consists of payments made to governments which provide services at the local level and in most cases have taxing authority. General State Aid to school districts is an example.

Other Assistance, Grants, and Benefits constitutes payments to individuals and agencies that are not governments. Medicaid payments, financial aid for postsecondary education, nutrition assistance for mothers and their babies, and temporary assistance for needy families are examples.

Capital Improvements include highway construction costs as well as the cost of rehabilitation and repair, razing, remodeling, and construction of state-owned buildings and other facilities. Some of these projects are financed by bond issues. The cost of that portion of the debt service payment on bonds that represents the principal is also included in this category. By far the largest portion of the expenditures in this category is highway construction costs.

DCD/kal

4-2

4-3

State General Fund Change from 1993 Actual to 2009 Actual
(in thousands)

| | State General Fund | Yearly | | Cumulative | | Percent of 1993 |
|------|--------------------|---------------|----------------|---------------|----------------|-----------------|
| | | Dollar Change | Percent Change | Dollar Change | Percent Change | |
| 1993 | \$ 2,690,098 | | | | | |
| 1994 | 3,111,023 | \$ 420,925 | 15.6% | \$ 420,925 | 15.6% | 115.6% |
| 1995 | 3,309,835 | 198,812 | 6.4% | 619,737 | 23.0% | 123.0% |
| 1996 | 3,439,255 | 129,420 | 3.9% | 749,157 | 27.8% | 127.8% |
| 1997 | 3,537,915 | 98,660 | 2.9% | 847,817 | 31.5% | 131.5% |
| 1998 | 3,799,114 | 261,199 | 7.4% | 1,109,016 | 41.2% | 141.2% |
| 1999 | 4,196,192 | 397,078 | 10.5% | 1,506,094 | 56.0% | 156.0% |
| 2000 | 4,367,621 | 171,429 | 4.1% | 1,677,523 | 62.4% | 162.4% |
| 2001 | 4,429,642 | 62,021 | 1.4% | 1,739,544 | 64.7% | 164.7% |
| 2002 | 4,466,061 | 36,419 | 0.8% | 1,775,963 | 66.0% | 166.0% |
| 2003 | 4,137,498 | (328,563) | -7.4% | 1,447,400 | 53.8% | 153.8% |
| 2004 | 4,316,451 | 178,953 | 4.3% | 1,626,353 | 60.5% | 160.5% |
| 2005 | 4,690,130 | 373,679 | 8.7% | 2,000,032 | 74.3% | 174.3% |
| 2006 | 5,139,422 | 449,292 | 9.6% | 2,449,324 | 91.0% | 191.0% |
| 2007 | 5,607,710 | 468,288 | 9.1% | 2,917,612 | 108.5% | 208.5% |
| 2008 | 6,101,781 | 494,071 | 8.8% | 3,411,683 | 126.8% | 226.8% |
| 2009 | 6,064,360 | (37,421) | -0.6% | 3,374,262 | 125.4% | 225.4% |