

February 26, 2004

The Honorable Steve Morris, Chairperson  
Senate Committee on Ways and Means  
Room 120-S, Statehouse

and

The Honorable Melvin Neufeld, Chairperson  
House Committee on Appropriations  
Room 514-S, Statehouse

Dear Senator Morris:

As Governor's Budget Amendment No. 2, I offer the following changes to the budget of the Kansas Commission on Veterans Affairs.

**1. Kansas Soldiers Home and Veterans Home**

New management at the Kansas Commission on Veterans Affairs, after initiating a thorough review of its finances with the assistance of the Division of the Budget, recently identified concerns regarding the budget at the two homes for veterans, the Soldiers Home at Fort Dodge and the Veterans Home at Winfield. Because I believe that maintaining the proper standard of care for our veterans is important, I recommend funding adjustments to these facilities in both FY 2004 and 2005 to ensure that the budget can support this objective. It is my intention that the agency will continue to work with the Division of the Budget to ensure that monies are properly spent and that reimbursement from the federal government and fee revenues are received as now estimated. Amounts affecting each home and fiscal year are summarized below.

## Kansas Soldiers Home:

	<u>FY 2004</u>	<u>FY 2005</u>
Original Recommendation	\$ 5,389,511	\$ 5,282,989
Revised Recommendation	<u>5,581,577</u>	<u>5,838,524</u>
Difference	\$ 192,066	\$ 555,535
	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 368,436	\$ 403,147
All Other Funds	<u>(176,370)</u>	<u>152,388</u>
All Funds	\$ 192,066	\$ 555,535

## Kansas Veterans Home:

	<u>FY 2004</u>	<u>FY 2005</u>
Original Recommendation	\$ 6,979,331	\$ 8,351,912
Revised Recommendation	<u>6,772,672</u>	<u>7,718,549</u>
Difference	\$ (206,659)	\$ (633,363)
	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 297,686	\$ 236,401
All Other Funds	<u>(504,345)</u>	<u>(869,764)</u>
All Funds	\$ (206,659)	\$ (633,363)

The amendments make changes both to expenditure levels and the mix of funding sources. The level of expenditure from all funding sources for the Kansas Soldiers Home needs to be increased in both fiscal years, and the expenditure authority at the Kansas Veterans Home should be decreased in both years. However, the combined effect would be a reduction of \$14,593 from all funding sources for FY 2004 and a reduction of \$77,828 for FY 2005. On the funding side, fee and federal revenues are projected to be less than originally included in my budget recommendations; therefore, it is necessary to substitute State General Fund dollars to cover this loss. For FY 2004, \$666,122 from the State General Fund must be added, of which \$136,000 will come from lottery ticket sales that are authorized to be transferred to the State General Fund, and the rest will be from regular State General Fund balances. For FY 2005, the additional State General Fund dollars total \$639,548, with \$250,000 from lottery transfers.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ 666,122	\$ 639,548
All Other Funds	<u>(680,715)</u>	<u>(717,376)</u>
All Funds	\$ (14,593)	\$ (77,828)

## 2. **Rehabilitation and Repair at the Kansas Veterans Home**

Another issue that needs to be addressed at the Veterans Home is ongoing maintenance of facilities. By mistake, the agency did not request any monies for FY 2005. Because there are buildings that require upkeep and an available funding source to maintain them, I recommend \$100,000 from the State Institutions Building Fund for FY 2005 for rehabilitation and repair projects at the Veterans Home.

	<u>FY 2004</u>	<u>FY 2005</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>100,000</u>
All Funds	\$ --	\$ 100,000

Sincerely,

Kathleen Sebelius  
Governor of the State of Kansas