



Office of the Governor

Sam Brownback, Governor

April 24, 2014

The Honorable Ty Masterson, Chairperson
Senate Committee on Ways and Means
Room 545-S, Statehouse

and

The Honorable Gene Suellentrop, Chairperson
House Committee on Appropriations
Room 186-N, Statehouse

Dear Senator Masterson:

The items contained in this memo, Governor's Budget Amendment No. 1, amend the budget that I submitted to you in January. The items reflect new issues that have arisen or changes that can be made based on new information. Total adjustments to expenditures and positions are shown below.

	<u>FY 2014</u>	<u>FY 2015</u>
State General Fund	\$ --	\$ 5,094,393
All Other Funds	<u>--</u>	<u>5,787,874</u>
All Funds	\$ --	\$ 10,882,267
FTE Positions	--	2.00
Non-FTE Unclassified Permanent	<u>--</u>	<u>--</u>
Total Positions	--	2.00

Attorney General

1. Additional Attorney Positions

The 2014 Legislature enacted two bills that will add duties to the Office of the Attorney General. I amend my budget to add 2.00 FTE Attorney positions as well as funding for those positions in FY 2015. One attorney will prosecute cases sent directly to the Attorney General by citizen grand juries, as will be allowed by Senate Bill 310. This position will be financed from the State General Fund at a cost of \$94,393. Another attorney will handle criminal appeals,

primarily from counties where the local county or district attorney wishes to contract with the Attorney General to handle the work as provided for in Senate Bill 256. This position will be financed from fees paid by the counties.

	<u>FY 2014</u>	<u>FY 2015</u>
State General Fund	\$ --	\$ 94,393
All Other Funds	<u>--</u>	<u>80,000</u>
All Funds	\$ --	\$ 174,393

KPERs

2. Pension System Financial Reporting Changes

New governmental accounting rules for reporting pension liabilities will result in higher costs for KPERs. Currently, local governments and school districts are required to report on their financial statements only their contributions to the retirement system. The new accounting standards will now require local governments and school districts to also report their share of the liabilities of the pension plan. Each local and school employer will need specific actuarial and auditing information provided by KPERs in order to fulfill the new requirements. I therefore amend my budget to increase the expenditure limitation from the Kansas Public Employee Retirement Fund Agency Operations account by \$470,000 in FY 2015 to pay for additional work that must be performed by the KPERs consulting actuary and financial auditors to calculate and provide the required information to hundreds of KPERs participating local and school employers.

	<u>FY 2014</u>	<u>FY 2015</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>470,000</u>
All Funds	\$ --	\$ 470,000

Department for Aging & Disability Services

3. Home and Community Based Services Waiting Lists, Mental Health and Substance Abuse

I amend my budget for FY 2015 to add \$3.1 million, including \$1.3 million from the State General Fund, to the Medicaid Home and Community Based Services Waiver for the Developmentally Disabled (HCBS/DD) to provide services for people on the waiting list, as well as \$3.1 million, including \$1.3 million from the State General Fund, to provide additional services for people on the HCBS/DD underserved wait list.

I also amend my FY 2015 budget to add \$3.1 million, including \$1.3 million from the State General Fund, to the HCBS Waiver for the Physically Disabled to provide services for people on the waiting list. I also amend my FY 2015 budget to add \$500,000 from the State General Fund to expand State Hospital and Corrections system mental health diversion programs for the uninsured through crisis services, law enforcement training and prevention programs. Finally, I amend my FY 2015 budget to add \$500,000 from the State General Fund to expand Substance Use Disorder treatment services for the un-insured. Resources from the State General Fund for these important services were freed up when the Human Services Consensus Caseload Estimate for entitlement programs was decreased for FY 2015.

	<u>FY 2014</u>	<u>FY 2015</u>
State General Fund	\$ --	\$ 5,000,000
All Other Funds	--	<u>5,237,874</u>
All Funds	\$ --	\$ 10,237,874

Sincerely,



Sam Brownback
Governor