

DEPARTMENT FOR CHILDREN AND FAMILIES

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 212,957,715	\$ 218,833,952	\$ 224,315,934	\$ 228,014,716	\$ 218,242,880	\$ 234,745,930	\$ 226,656,275
Other Funds	373,000,078	400,080,708	380,714,988	399,011,393	385,261,947	393,848,403	382,238,510
TOTAL	\$ 585,957,793	\$ 618,914,660	\$ 605,030,922	\$ 627,026,109	\$ 603,504,827	\$ 628,594,333	\$ 608,894,785
Capital Improvements:							
State General Fund	\$ 2,179	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	14,980	0	0	0	0	0	0
TOTAL	\$ 17,159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 585,974,952	\$ 618,914,660	\$ 605,030,922	\$ 627,026,109	\$ 603,504,827	\$ 628,594,333	\$ 608,894,785
Percentage Change:							
Operating Expenditures							
State General Fund	(6.0) %	2.8 %	5.3 %	4.2 %	(2.7) %	3.0 %	3.9 %
All Funds	(6.0)	5.6	3.3	1.3	(0.3)	0.3	0.9
FTE Positions	2,647.3	2,251.5	2,251.5	2,251.5	2,251.5	2,251.5	2,251.5
Non-FTE							
Perm.Uncl.Pos.	154.5	278.5	278.5	260.5	260.5	260.5	260.5
TOTAL	2,801.8	2,530.0	2,530.0	2,512.0	2,512.0	2,512.0	2,512.0

AGENCY OVERVIEW

The Department for Children and Families (DCF) is a cabinet-level agency headed by a secretary appointed by the Governor. The mission of the agency is to protect children,

promote healthy families, and encourage personal responsibility. The Department operates through four Divisions: Administration, Family Services, Supported Business, and Regional Offices.

MAJOR ISSUES FROM PRIOR YEARS

Deficit Reduction Act of 2005. The federal Deficit Reduction Act of 2005 (DRA), signed into law in February 2006, impacts numerous programs administered by the agency.

The law impacts numerous programs under the Social Security Act including those related to child welfare (Federal Title IV-B or Family Preservation, Parts I & II, and Federal Title IV-E or Foster Care). The most significant impact relates to the reversal of an earlier interpretation that allowed states to claim Title IV-E for administrative costs for otherwise IV-E eligible children placed in unlicensed foster homes. The law limits the Title IV-E administrative costs states can claim for children placed with an unlicensed or unapproved relative to only children that meet other restrictive criteria. The 2007 Legislature added \$8.1 million from the State General Fund in FY 2007 to replace federal funds denied by the federal Centers for Medicare and Medicaid Services for mental health services for children in the child welfare system.

The Act contains several provisions which impact Child Support Enforcement (CSE) funding. The largest impact is a change which prohibits states from using federal CSE incentive earnings as state matching funds, effective October 1, 2007. Also during FY 2008, CSE will be required to implement a mandatory annual fee on collections for families who have never been on public assistance and pay 66 percent of it to the federal government. Starting October 1, 2006, the federal match rate for

genetic testing was reduced from 90 percent to 66 percent. The 2007 Legislature added \$6.4 million, including \$2.2 million from the State General Fund, to replace federal child support enforcement funds lost due to the Deficit Reduction Act of 2005.

The reauthorization of the Temporary Assistance to Needy Families (TANF) program was also included in the DRA. The bill provides for level funding of the block grant through September 30, 2010, therefore Kansas' block grant will continue to be \$101.9 million. However, the bill creates stricter work requirements for states by eliminating state flexibility in defining work activities, requiring verification through source documents of actual hours of work participation, and recalibrating the caseload reduction credit which will raise the Kansas work participation requirement from 39 percent to an estimated 45 percent. The agency indicates that these changes will make it extremely difficult to meet the TANF work participation rates and have a significant impact on the workload of DCF staff. Failing to meet the TANF work participation requirement will result in a penalty, based on the severity of under-performance, to reduce the state's block grant followed by the state's requirement to replace this loss with state funds in the ensuing year.

Level V and VI/Private Residential Treatment Facilities (PRTFs). The services provided in Level V and VI residential settings were part of a range of service options for youth in Kansas needing specialized mental health or behavioral health

supports. Starting in the spring of 2004 the federal Centers for Medicare and Medicaid Services (CMS) notified SRS that substantial portions of the current Medicaid State Plan governing a variety of services were considered out of compliance with practice standards. One of the key issues CMS was concerned about related to services provided in Level V and VI settings, most of which are classified as Institutes for Mental Disease (IMDs) under federal regulations but were differently classified by Kansas. For youth under the age of 22, the only Medicaid service available to youth residing in IMDs is inpatient psychiatric services for Under Age 21. Facilities providing this service must have accreditation, and the payment rate must be all-inclusive, providing all services (including physical health care) necessary for the residents. The agency reports that it, in connection with other stakeholders considered a number of ways to provide resolution to the issue. The agency reports that the group of stakeholders convened to discuss options concluded that the only functional option was to acknowledge that they are primarily IMDs, and to assist them in preparing to deliver services within that structure. At the end of June 2006, SRS and the Medicaid State Agency submitted proposals to implement extensive amendments to the current state plan (discussed below) including the addition of private Psychiatric Residential Treatment Facilities (PRTF) services to address the IMD issues associated with youth psychiatric residential services. Under the revised state plan, the only residential facilities for children experiencing behavioral and emotional problems that will be reimbursed by Medicaid are PRTFs. The agency requested \$9.2 million, including \$7.5 million from the State General Fund, in both FY 2008 and FY 2009 to reimburse child welfare contractors for the increased costs of providing services for those children for which PRTFs are not the appropriate placements.

Child Care Assistance. The 2007 Legislature added \$2.6 million from federal funds to address increased child care

assistance caseloads in FY 2007. In addition, \$7.6 million in federal funding was added for FY 2008 caseloads.

The 2008 Legislature added \$2.5 million, all from the State General Fund, in FY 2009 for child care caseload increases.

Grandparents as Caregivers. The 2006 Legislature passed SB 62 which created the state-funded Grandparents as Caregivers program, effective January 1, 2007. A grandparent or other qualifying relative is eligible to participate in the program if he or she is at least 50 years old; has custody of a grandchild through state placement, legal guardianship or other legal means, has an annual income of less than 130 percent of the federal poverty level, and the parent or parents of the child, do not reside with them. Subject to appropriations, program participants will receive \$200 per grandchild per month not to exceed a total of \$600 per month.

Early Head Start Program. The 2007 Legislature added \$1.6 million, all from the Children's Initiative Fund, to expand the Early Head Start program.

Pre-K Pilot. The 2007 Legislature added \$3.0 million, all from the Children's Initiatives Fund, in FY 2008 to expand the Pre-K pilot program.

Child Protective Services. The 2008 Legislature appropriated \$9.0 million from the State General Fund in FY 2008 and \$6.0 million from the State General Fund in FY 2009 for improved intake and assessment for Child Protective Services.

Disaster Funding. The 2008 Legislature appropriated \$2.2 million from federal disaster funding in FY 2008 to provide emergency and on going mental health services to victims of the Greensburg tornado and the Southeast Kansas flooding.

Childhood Block Grant. The 2008 Legislature appropriated \$11.1 million, all from the Children's Initiatives Fund, for a new early childhood block grant to be administered by the Children's Cabinet in FY 2009.

The **2009 Legislature** passed SB 134, which limits the court's jurisdiction over a child in need of care to the child's 18th birthday or June 1 of the school year during which the child turns 18 if the child is still in high school, unless there is no court-approved transition plan. If there is no court approved transition plan, the court retains jurisdiction over the child until a transition plan is approved by the court or until the child's 21st birthday. The bill amends prior law to authorize the Department of Social and Rehabilitation Services obtain custody of a child 15 years or younger, a 16- or 17-year-old child if the child has no identifiable parental or family resources, or a 16- or 17-year-old child if the child shows signs of physical, mental, emotional, or sexual abuse.

The **2009 Legislature** approved savings of \$1.7 million, including \$1.5 million from the State General Fund, in FY 2010 as a result of changing custody policy for children in need of care, to release the children from the custody of the state at age 18 instead of 21. In addition, the 2009 Legislature approved savings of \$3.1 million, including \$2.8 million from the State General Fund, in FY 2010 as a result of changing the youth custody policy so that youth age 16 or older will only be placed in the custody of the state for reasons of maltreatment.

The **2009 Legislature** reduced FY 2009 appropriations by \$11.5 million, including \$5.2 million from the State General Fund, for a 1.25 percent across the board reduction, excluding human services consensus caseloads.

The **2009 Legislature** also added \$27.3 million, all from federal funds, in FY 2009 to reflect increased funding received for the Low Income Energy Assistance Program (LIEAP) and

reduced the consolidated grants to the Community Mental Health Centers by \$1.8 million, all from the State General Fund in FY 2009. In addition, the Legislature reduced salaries and wages in FY 2009 by \$3.9 million, including \$1.9 million from the State General Fund, below the FY 2009 approved amount.

The **2009 Legislature** approved savings of \$15.1 million, including \$14.1 million from the State General Fund, in FY 2010 from renegotiating the foster care contract.

The **2009 Legislature** added \$520,000, all from the State General Fund, in FY 2010 to maintain partial funding for the Funeral Assistance program, to allow payments of up to \$545 per funeral.

The **2009 Legislature** added funding of \$487,500, all from the State General Fund, in FY 2010 for the contract with Kansas Legal Services which was transferred from the Kansas Health Policy Authority. In addition, the Legislature included language directing that expenditures of \$50,000 would be made in FY 2010 from the Children's Initiatives Fund to provide training for the early diagnosis of autism.

The **2010 Legislature** added \$2.0 million from all funding sources, and deleted \$16.6 million from the State General Fund, for human services consensus caseload estimates in FY 2010.

The **2010 Legislature** approved the policy limiting General Assistance eligibility to 12 months from the current 18 months of eligibility. This limitation was estimated to result in savings of \$592,696, including \$381,122 from the State General Fund. It was estimated that this policy change would result in approximately 494 individuals losing eligibility in FY 2011. In addition, the 2010 Legislature approved the policy limiting MediKan Mental Health Assistance eligibility to 12 months from 18 months of eligibility. This limitation was estimated to result in

savings of \$820,587, all from the State General Fund. It is estimated that this policy change would result in approximately 190 individuals losing eligibility in FY 2011. In addition, the 2010 Legislature deleted \$519,900, all from the State General Fund, to eliminate the funeral assistance program for FY 2011, leaving \$100 in this program for FY 2011.

The **2010 Legislature** deleted \$4.1 million, including \$1.8 million from the State General Fund, or 2.5 percent, for a salary and wages reduction for FY 2011.

The **2010 Legislature** added language directing the agency to contract with Kansas Legal Services for disability determination case management and legal representation for FY 2011.

In addition, the **2010 Legislature** deleted \$500,000, all from the State General Fund, to reduce funding for administration for FY 2011.

The **2010 Legislature** deleted \$3.6 million from all funding sources, and added \$2.6 million from the State General Fund, for human services consensus caseload estimates for FY 2011.

By the end of FY 2010, the Rehabilitation Center for the Blind and Visually Impaired was closed by the agency. Individuals previously served at the facility are now being served in the community.

The **2011 Legislature** deleted \$9.9 million, all from the State General Fund, for FY 2012 to reflect a 5.0 percent reduction in State General Fund expenditures excluding human services consensus caseload programs. In addition, the Legislature deleted \$1.0 million, all from the State General Fund, for FY 2012 to reduce Administration program expenditures.

The **2011 Legislature** also deleted \$1.0 million, all from the State General Fund, from the Adoption Support program for FY 2012, and added the same amount from federal funds. The Legislature deleted \$3,197,688, including \$2,827,606 from the State General Fund, for FY 2012 to maintain foster care contract rates at the FY 2011 level. In addition, the Legislature deleted \$3.1 million, all from the Child Care Development Federal Fund, for FY 2012 for the child care assistance program leaving \$71.6 million in the program.

The **2011 Legislature** added \$180,900 from the Children's Initiatives Fund and deleted the same amount from federal funds for FY 2012 for the child care assistance program.

The **2011 Legislature** added \$10,202,779, including \$69,100 from the Children's Initiatives Fund for FY 2012 for the Early Head Start program. In addition, the Legislature included language requiring that funding for the Early Head Start program be expended for that purpose.

The **2012 Legislature** approved FY 2012 expenditures of \$1.6 billion, including \$626.6 million from the State General Fund, for the Department of Social and Rehabilitation Services. The approved amount includes adjustments to fund the Human Services Consensus Caseload estimates. For FY 2013, the Legislature approved expenditures of \$613.8 million, including \$234.0 million from the State General Fund, for the Department of Social and Rehabilitation Services. The FY 2013 approved amount is a decrease of \$956.5 million, or 60.8 percent, below the FY 2012 approved amount, from all funding sources. The FY 2013 State General Fund approved amount is a decrease of \$392.6 million, or 62.7 percent, below the FY 2012 approved amount.

Executive Reorganization Order No. 41 renamed the Department of Social and Rehabilitation Services the Department for Children and Families. In addition, the ERO

renamed the Department on Aging the Department for Aging and Disability Services. The ERO transferred the Division of Behavioral Health Services, including all home and community based services and mental health services, from the Department for Social and Rehabilitation Services to the Department on Aging. The Legislature added \$7.6 million, all from the Children's Initiatives Fund, for total FY 2013 Children's Initiatives Fund expenditures of \$26.7 million. In addition, the Legislature added \$2.6 million, including \$2.3 million from the State General Fund, to restore reductions to the foster care rates.

The **2013 Legislature** deleted \$3.5 million, including \$1.7 million from the State General Fund, in FY 2013 for the Temporary Assistance to Families program to reflect a reduction in beneficiaries associated with implementation of program policy changes and decreasing unemployment. In addition, the Legislature deleted \$5.8 million, including \$2.4 million from the State General Fund, for FY 2014 and deleted \$5.2 million, all from federal funds, for FY 2015 for the same program. In addition, the Legislature deleted \$7.9 million, including \$4.8

million from the State General Fund, for FY 2014 in anticipated savings from the implementation of a policy requiring a 30-hour work week to qualify for child care assistance.

The **2014 Legislature** deleted \$1.0 million, all from the Children's Initiatives Fund, from the Kansas Reads to Succeed Program to be expended by Lexia in FY 2014 and transferred the funding to the State General Fund. In addition, the Legislature deleted \$1.8 million from the State General Fund reappropriation from FY 2013 to FY 2014 and deleted \$1.5 million from the State General reappropriation from FY 2013 to FY 2015.

The **2014 Legislature** also added \$9.2 million, all from the Temporary Assistance for Needy Families fund for the Reading Roadmap Initiative in both FY 2014 and FY 2015. The 2014 Legislature also added \$1.8 million from all funding sources and deleted \$5.2 million from the State General Fund, for Human Services consensus caseload estimates in FY 2014 and added \$7.9 million, including \$5.3 million from the State General Fund, for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates expenditures of \$618.9 million, including \$218.8 million from the State General Fund in FY 2015. The revised estimate is an increase of \$16.9 million, or 2.8 percent, from all funding sources above the amount approved by the 2014 Legislature, and an increase of \$3.2 million from the State General Fund, or 1.5 percent, above the amount approved by the 2014 Legislature, adjusted for Governor's allotments. The agency's budget was submitted

prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotments.

The agency's revised estimate includes increased expenditures for rent of \$1.9 million and \$9.8 million in additional computer programming and software expenditures. The increased expenditures for software includes \$6.6 million to move legacy systems off the mainframe system and \$1.4 million in additional mainframe charges in FY 2015. Additional

increases in estimated federal funds are also included. The agency's revised 2015 estimate includes a lapse of \$661,000 of the total \$4,331,000 reappropriated into FY 2015 from FY 2014.

The **agency** estimate includes State Operations expenditures totaling \$232.2 million, including \$133.2 million for salaries and wages and \$96.2 million for contractual services. The agency estimate also includes \$386.8 million for other assistance expenditures. These expenditures include cash

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 expenditures totaling \$605.0 million, including \$224.3 million from the State General Fund. The recommendation is an all funds decrease of \$13.9 million, or 2.2 percent, and an increase of \$5.5 million from the State General Fund, or 2.5 percent, from the agency's request.

The recommendation includes a reduction of \$12,000,533, including \$3,980,880, to agency operations as the result of the Governor's December 9th State General Fund allotment. A reduction of \$737,138 from the State General Fund is a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERs Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$646,067 from special

FY 2016 Agency Request

The **agency** requests expenditures of \$627.0 million, including \$228.0 million from the State General Fund for FY 2016. The request is an increase of \$8.1 million, or 1.3 percent, from all funding sources, including \$9.2 million, or 4.2 percent,

assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The **agency** estimate includes \$218.8 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$340.9 million from federal funding sources. The agency's revised estimate includes 2,251.5 FTE positions and 278.5 non-FTE positions. This is an increase of 124.0 non-FTE positions.

revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$1,383,205.

The Governor's recommendation fully funds the fall human services consensus caseload estimates, which includes an all funds reduction of \$500,000 and a State General Fund increase of \$10.2 million from the State General Fund.

Also included in the Governor's recommendation was a transfer of \$500,000, all from the Children's Initiatives Fund, to the State General Fund in FY 2015. The Governor's recommendation also includes a transfer of \$14.5 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2015.

from the State General Fund, above the FY 2015 revised estimate. The request includes an increase of \$7.1 million, including \$5.0 million from the State General Fund, in expenditures for Kansas Eligibility Enforcement System (KEES)

above the amount requested for FY 2015. These increases reflect a transition from the development phase to the operational phase of the project. Also associated with KEES was a change in the payment methodology with the Kansas Department for Health and Environment. Also included in the request is \$375,000 for expenses associated with the agency's relocation to a new office location in FY 2016 and an anticipated increase of \$626,000 in Accounting, Payroll and Budget Systems Support fees paid to the Department of Administration.

The FY 2016 request includes the addition of \$2.2 million from the State General Fund to replace fee funds which are not available in FY 2016 and the addition of \$3.7 million from the State General Fund to maintain base funding from FY 2015.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 expenditures of \$603.5 million, including \$218.2 million from the State General Fund. The recommendation is a decrease of \$23.5 million, or 3.8 percent, including \$9.8 million, or 4.3 percent, from the State General Fund, below the agency's request. The recommendation is a reduction of \$1.5 million, or 0.3 percent, from all funding sources, including \$6.1 million, or 2.7 percent, from the State General Fund, below the Governor's FY 2015 recommendation.

The FY 2016 recommendation includes adjustments totaling \$23.5 million to the agency's request. These changes include the addition of \$1.0 million from all funding sources and reduction of \$903,379 from the State General Fund, to fully fund the fall human services consensus caseload estimate for this agency. In addition, the recommendation includes a reduction of \$25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Accountability Fund. Also included is a reduction of \$6.0 million, all from the Children's Initiatives Fund

The **agency** request includes State Operations expenditures totaling \$239.8 million, including \$133.0 million for salaries and wages and \$104.0 million for contractual services. The agency estimate also includes \$387.3 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The **agency** request includes \$228.0 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$342.7 million from federal funding sources.

to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The Governor's recommendation also includes a transfer of \$9.2 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2016.

The **Governor's** recommendation includes a reduction of \$1,703,340, including \$924,515 from the State General Fund, to reduce employer contributions for state employee health insurance.

The recommendation also includes a reduction of \$16.8 million, including \$8.0 million from the State General Fund, to continue the 4.0 percent State General Fund reduction. This reduction will be managed by eliminating funding for the migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation

of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Additionally, included in the reductions is an increase in salaries and wages shrinkage savings, a decrease in operating expenditures, and a reorganization of Information Technology Services within the agency.

The **Governor** issued Executive Reorganization Order (ERO) No. 43 to transfer the responsibility for Medicaid eligibility determination and associated employees from the Department for Children and Families to the Department of Health and

FY 2017 Agency Request

The **agency** expenditures of \$628.6 million, including \$234.7 million from the State General Fund for FY 2017. The request is an increase of \$1.6 million, or 0.3 percent, from all funding sources, including \$6.7 million, or 3.0 percent, from the State General Fund, above the FY 2016 request. The request includes funding for the 27th payroll period of approximately \$4.6 million, including \$2.5 million from the State General Fund. The FY 2017 request includes the addition of \$5.0 million from the State General Fund to replace fee funds which are not available in FY 2017.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 expenditures of \$608.9 million, including \$226.7 million from the State General Fund. The recommendation is a decrease of \$19.7 million, or 3.1 percent, including \$8.1 million, or 3.4 percent, from the State General Fund, below the agency's request. The recommendation is an increase of \$5.4 million, or 0.9 percent,

Environment effective January 1, 2016. The Governor indicates this reorganization is anticipated to increase accuracy in Medicaid eligibility determination and reduce program expenditures partially through uniform implementation of policy and processing changes. The associated saving will be split between this Department and the Department for Aging and Disability Services. In addition, ERO No. 43 will transfer foster care licensing responsibilities from the Department of Health and Environment to the Department for Children and Families effective July 1, 2015. The Governor indicated the reorganization is anticipated to streamline the licensing process.

The **agency** request includes State Operations expenditures totaling \$239.3 million, including \$139.0 million for salaries and wages and \$97.6 million for contractual services. The agency estimate also includes \$389.3 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The **agency** request includes \$234.7 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$342.9 million from federal funding sources.

from all funding sources, including \$8.4 million, or 3.9 percent from the State General Fund, above the Governor's FY 2016 recommendation.

The FY 2016 recommendation includes adjustments totaling \$19.7 million to the agency's request. These changes include

the addition of \$2.3 million from all funding sources, including \$796,621 from the State General Fund, to fully fund the fall human services consensus caseload estimate for this agency. In addition, the recommendation includes a reduction of \$25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Accountability Fund. Also included is a reduction of \$6.0 million, all from the Children's Initiatives Fund to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The Governor's recommendation also includes a transfer of \$8.1 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2017.

The Governor's recommendation includes a reduction of \$1,703,340, including \$924,515 from the State General Fund, to reduce employer contributions for state employee health insurance.

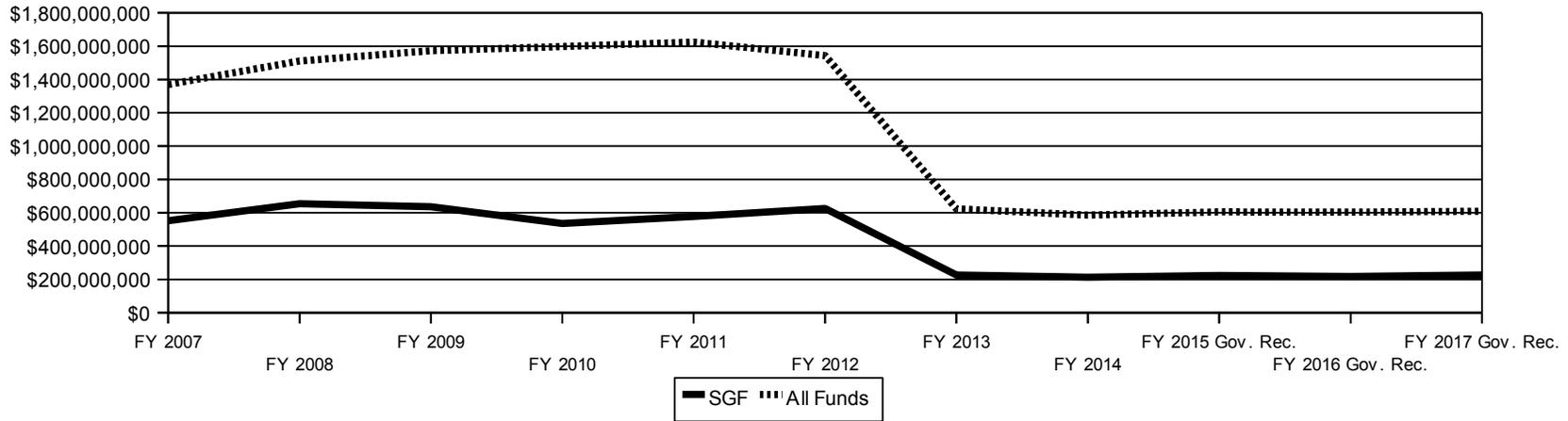
The recommendation also includes a reduction of \$14.3 million, including \$8.0 million from the State General Fund, to continue the 4.0 percent State General Fund reduction. This reduction will be managed by eliminating funding for the

migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Additionally, included in the reductions is an increase in salaries and wages shrinkage savings, decrease operating expenditures and grants and contracts, and a reorganization of Information Technology Services within the agency.

The **Governor** issued Executive Reorganization Order (ERO) No. 43 to transfer the responsibility for Medicaid eligibility determination and associated employees from the Department for Children and Families to the Department of Health and Environment effective January 1, 2016. The Governor indicates this reorganization is anticipated to increase accuracy in Medicaid eligibility determination and reduce program expenditures partially through uniform implementation of policy and processing changes. The associated saving will be split between this Department and the Department for Aging and Disability Services. In addition, ERO No. 43 will transfer foster care licensing responsibilities from the Department of Health and Environment to the Department for Children and Families effective July 1, 2015. The Governor indicated the reorganization is anticipated to streamline the licensing process.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 552,372,812	12.0 %	\$ 1,369,991,793	6.7 %	3,670.6
2008	654,514,707	18.5	1,510,979,670	10.3	3,668.6
2009	635,388,806	(2.9)	1,572,868,617	4.1	3,667.5
2010	535,190,917	(15.8)	1,597,760,010	1.6	3,669.1
2011	577,729,487	7.9	1,624,463,159	1.7	3,119.1
2012	626,281,632	8.4	1,543,230,935	(5.0)	3,119.1
2013	226,445,057	(63.8)	623,314,830	(59.6)	2,739.8
2014	212,957,715	(6.0)	585,957,793	(6.0)	2,647.3
2015 Gov. Rec.	224,315,934	5.3	605,030,922	3.3	2,251.5
2016 Gov. Rec.	218,242,880	(2.7)	603,504,827	(0.3)	2,251.5
2017 Gov. Rec.	226,656,275	3.9	608,894,785	0.9	2,251.5
Eleven-Year Change	\$ (325,716,537)	(59.0)%	\$ (761,097,008)	(55.6)%	(1,419.1)

The significant decrease between FY 2012 and FY 2013 is attributable to the implementation of ERO No. 41 transferring Disability and Behavioral Health Services (DBHS) to the Department for Aging and Disability Services.

Summary of Operating Budget FY 2014 - FY 2016

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
By Program:									
Administration	\$ 11,607,898	\$ 13,298,132	\$ 15,621,253	\$ 2,323,121	17.5 %	\$ 13,158,163	\$ 15,306,421	\$ 2,148,258	16.3 %
Family Services	402,227,484	426,402,510	425,586,385	(816,125)	(0.2)	420,332,505	418,349,507	(1,982,998)	(0.5)
Supported Business Areas	62,492,528	64,141,376	70,199,002	6,057,626	9.4	57,470,220	56,764,596	(705,624)	(1.2)
Regional Offices	109,629,883	115,072,642	115,619,469	546,827	0.5	114,070,034	113,084,303	(985,731)	(0.9)
TOTAL	\$ 585,957,793	\$ 618,914,660	\$ 627,026,109	\$ 8,111,449	1.3 %	\$ 605,030,922	\$ 603,504,827	\$ (1,526,095)	(0.3)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 129,687,525	\$ 133,152,195	\$ 133,002,136	\$ (150,059)	(0.1) %	\$ 131,705,852	\$ 129,367,688	\$ (2,338,164)	(1.8) %
Contractual Services	87,886,546	96,230,411	104,020,706	7,790,295	8.1	89,663,561	96,953,700	7,290,139	8.1
Commodities	1,823,667	1,488,979	1,500,724	11,745	0.8	1,488,979	1,493,796	4,817	0.3
Capital Outlay	1,209,706	1,278,924	1,249,294	(29,630)	(2.3)	1,278,924	1,149,544	(129,380)	(10.1)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 220,607,444	\$ 232,150,509	\$ 239,772,860	\$ 7,622,351	3.3 %	\$ 224,137,316	\$ 228,964,728	\$ 4,827,412	2.2 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	365,350,349	386,764,151	387,253,249	489,098	0.1	380,893,606	374,540,099	(6,353,507)	(1.7)
TOTAL	\$ 585,957,793	\$ 618,914,660	\$ 627,026,109	\$ 8,111,449	1.3 %	\$ 605,030,922	\$ 603,504,827	\$ (1,526,095)	(0.3)%
Financing:									
State General Fund	\$ 212,957,715	\$ 218,833,952	\$ 228,014,716	\$ 9,180,764	4.2 %	\$ 224,315,934	\$ 218,242,880	\$ (6,073,054)	(2.7) %
Children's Initiatives Fund	31,331,581	32,267,214	32,267,214	0	0.0	32,266,341	26,240,581	(6,025,760)	(18.7)
Social Welfare Fund	16,767,828	21,780,048	18,652,786	(3,127,262)	(14.4)	21,770,884	18,638,020	(3,132,864)	(14.4)
Child Care Develop Block Grant	58,076,825	53,216,273	51,476,062	(1,740,211)	(3.3)	53,160,312	52,061,213	(1,099,099)	(2.1)
Foster Care Federal	17,911,846	20,504,937	20,375,494	(129,443)	(0.6)	9,987,429	23,523,705	13,536,276	135.5
Temp Assist for Families	70,333,891	83,802,798	83,748,825	(53,973)	(0.1)	83,467,311	82,951,163	(516,148)	(0.6)
Medical Assist Federal	10,206,221	8,055,364	7,291,732	(763,632)	(9.5)	7,922,633	6,963,219	(959,414)	(12.1)
All Other Funds	168,371,886	180,454,074	185,199,280	4,745,206	2.6	172,140,078	174,884,046	2,743,968	1.6
TOTAL	\$ 585,957,793	\$ 618,914,660	\$ 627,026,109	\$ 8,111,449	1.3 %	\$ 605,030,922	\$ 603,504,827	\$ (1,526,095)	(0.3)%

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:								
Administration	\$ 15,621,253	\$ 15,605,958	\$ (15,295)	(0.1) %	\$ 15,306,421	\$ 14,150,659	\$ (1,155,762)	(7.6)%
Family Services	425,586,385	429,422,751	3,836,366	0.9	418,349,507	422,216,929	3,867,422	0.9
Supported Business Areas	70,199,002	63,565,473	(6,633,529)	(9.4)	56,764,596	56,336,739	(427,857)	(0.8)
Regional Offices	115,619,469	120,000,151	4,380,682	3.8	113,084,303	116,190,458	3,106,155	2.7
TOTAL	\$ 627,026,109	\$ 628,594,333	\$ 1,568,224	0.3 %	\$ 603,504,827	\$ 608,894,785	\$ 5,389,958	0.9 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 133,002,136	\$ 138,956,564	\$ 5,954,428	4.5 %	\$ 129,367,688	\$ 133,841,110	\$ 4,473,422	3.5 %
Contractual Services	104,020,706	97,565,862	(6,454,844)	(6.2)	96,953,700	95,515,763	(1,437,937)	(1.5)
Commodities	1,500,724	1,512,799	12,075	0.8	1,493,796	1,498,943	5,147	0.3
Capital Outlay	1,249,294	1,249,294	0	0.0	1,149,544	1,049,794	(99,750)	(8.7)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 239,772,860	\$ 239,284,519	\$ (488,341)	(0.2) %	\$ 228,964,728	\$ 231,905,610	\$ 2,940,882	1.3 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	387,253,249	389,309,814	2,056,565	0.5	374,540,099	376,989,175	2,449,076	0.7
TOTAL	\$ 627,026,109	\$ 628,594,333	\$ 1,568,224	0.3 %	\$ 603,504,827	\$ 608,894,785	\$ 5,389,958	0.9 %
Financing:								
State General Fund	\$ 228,014,716	\$ 234,745,930	\$ 6,731,214	3.0 %	\$ 218,242,880	\$ 226,656,275	\$ 8,413,395	3.9 %
Children's Initiatives Fund	32,267,214	32,267,214	0	0.0	26,240,581	26,239,693	(888)	(0.0)
Social Welfare Fund	18,652,786	13,489,901	(5,162,885)	(27.7)	18,638,020	13,467,721	(5,170,299)	(27.7)
Child Care Develop Block Grant	51,476,062	50,103,598	(1,372,464)	(2.7)	52,061,213	51,300,978	(760,235)	(1.5)
Foster Care Federal	20,375,494	20,439,073	63,579	0.3	23,523,705	24,164,601	640,896	2.7
Temp Assist for Families	83,748,825	83,990,956	242,131	0.3	82,951,163	82,076,159	(875,004)	(1.1)
Medical Assist Federal	7,291,732	7,449,042	157,310	2.2	6,963,219	7,106,286	143,067	2.1
All Other Funds	185,199,280	186,108,619	909,339	0.5	174,884,046	177,883,072	2,999,026	1.7
TOTAL	\$ 627,026,109	\$ 628,594,333	\$ 1,568,224	0.3 %	\$ 603,504,827	\$ 608,894,785	\$ 5,389,958	0.9 %

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$219,672,954 for the Department for Children and Families in FY 2015. Several adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of \$661,000, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015. This reappropriation is in addition to the budgeted reappropriation of \$3,670,000 which was included in the approved amount. The total reappropriation for this agency of FY 2014 funding that was shifted totals \$4,331,000.
- A reduction of \$3,980,880, to agency operations as the result of the Governor's December 9th State General Fund allotment.
- A reduction \$737,138 from the State General Fund as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$646,067 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$1,383,205.

These adjustments change the FY 2015 approved State General Fund to \$215,615,936. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency's budget was submitted prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotments.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 215,615,936	\$ 218,833,952	\$ 3,218,016	\$ 224,315,934	\$ 8,699,998
All Other Funds	386,369,426	400,080,708	13,711,282	380,714,988	(5,654,438)
TOTAL	<u>\$ 601,985,362</u>	<u>\$ 618,914,660</u>	<u>\$ 16,929,298</u>	<u>\$ 605,030,922</u>	<u>\$ 3,045,560</u>
FTE Positions	2,251.5	2,251.5	0.0	2,251.5	0.0

The **agency** estimates expenditures of \$618.9 million, including \$218.8 million from the State General Fund in FY 2015. The revised estimate is an increase of \$16.9 million, or 2.8 percent, from all funding sources above the amount approved by the 2014 Legislature, and an increase of \$3.2 million from the State General Fund, or 1.5 percent, above the amount approved by the 2014 Legislature, adjusted for Governor's allotments. The agency's budget was submitted prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotments.

The agency's revised estimate includes increased expenditures for rent of \$1.9 million and \$9.8 million in additional computer programming and software expenditures. The increased expenditures for software includes \$6.6 million to move legacy systems off the mainframe system and \$1.4 million in additional mainframe charges in FY 2015. Additional increases in estimated federal funds are also included. The agency's revised 2015 estimate includes a lapse of \$661,000 of the total \$4,331,000 reappropriated into FY 2015 from FY 2014.

The **agency** estimate includes State Operations expenditures totaling \$232.2 million, including \$133.2 million for salaries and wages and \$96.3 million for contractual services.

The agency estimate also includes \$386.8 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The **agency** estimate includes \$218.8 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$340.9 million from federal funding sources. The agency's revised estimate includes 2,251.5 FTE positions and 278.5 non-FTE positions. This is an increase of 124.0 non-FTE positions.

The **Governor** recommends FY 2015 expenditures totaling \$605.0 million, including \$224.3 million from the State General Fund. The recommendation is an all funds decrease of \$13.9 million, or 2.2 percent, and an increase of \$5.5 million from the State General Fund, or 2.5 percent, from the agency's request.

The recommendation includes a reduction of \$12,000,533, including \$3,980,880 from the State General Fund, to agency operations as the result of the Governor's December 9th State General Fund allotment. A reduction \$737,138 from the State General Fund as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and

School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$646,067 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$1,383,205.

The Governor's recommendation fully funds the fall human services consensus caseload estimates, which includes an all

funds reduction of \$500,000 and a State General Fund increase of \$10.2 million from the State General Fund.

Also included in the Governor's recommendation was a transfer of \$500,000, all from the Children's Initiatives Fund, to the State General Fund in FY 2015. The Governor's recommendation also includes a transfer of \$14.5 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2015.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced

expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
4.0 Percent Reduction	\$ (3,980,880)	\$ (12,000,533)	0.0
KPERS	(737,138)	(1,383,205)	0.0
TOTAL	<u>\$ (4,718,018)</u>	<u>\$ (13,383,738)</u>	<u>0.0</u>

4.0 percent reduction to Cabinet-level and other SGF funded agencies

A reduction of \$12.0 million, including \$4.0 million from the State General Fund, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015. This allotment will be managed by eliminating funding for the migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2015.

Kansas Public Employees Retirement System (KPERs) Reduction

A reduction \$737,138 from the State General Fund as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERs Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$646,067 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$1,383,205.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 627,026,109	\$ 603,504,827	\$ (23,521,282)
FTE Positions	2,251.5	2,251.5	0.0
<i>Change from FY 2015:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 9,180,764	\$ (6,073,054)	
All Other Funds	(1,069,315)	4,546,959	
TOTAL	<u>\$ 8,111,449</u>	<u>\$ (1,526,095)</u>	
<i>Percent Change:</i>			
State General Fund	4.2 %	(2.7) %	
All Other Funds	(0.3)	1.2	
TOTAL	<u>1.3 %</u>	<u>(0.3) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests expenditures of \$627.0 million, including \$228.0 million from the State General Fund for FY 2016. The request is an increase of \$8.1 million, or 1.3 percent, from all funding sources, including \$9.2 million, or 4.2 percent, from the State General Fund, above the FY 2015 revised estimate. The request includes an increase of \$7.1 million, including \$5.0 million from the State General Fund, in expenditures for Kansas Eligibility Enforcement System (KEES)

above the amount requested for FY 2015. These increases reflect a transition from the development phase to the operational phase of the project. Also associated with KEES was a change in the payment methodology with the Kansas Department for Health and Environment. Also included in the request is \$375,000 for expenses associated with the agency's relocation to a new office location in FY 2016 and an anticipated

increase of \$626,000 in Accounting, Payroll and Budget Systems Support fees paid to the Department of Administration.

The FY 2016 request includes the addition of \$2.2 million from the State General Fund to replace fee funds which are not available in FY 2016 and the addition of \$3.7 million from the State General Fund to maintain base funding from FY 2015.

The **agency** request includes State Operations expenditures totaling \$239.8 million, including \$133.0 million for salaries and wages and \$104.0 million for contractual services. The agency estimate also includes \$387.3 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The **agency** request includes \$228.0 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$342.7 million from federal funding sources.

The **Governor** recommends FY 2016 expenditures of \$603.5 million, including \$218.2 million from the State General Fund. The recommendation is a decrease of \$23.5 million, or 3.8 percent, including \$9.8 million, or 4.3 percent, from the State General Fund, below the agency's request. The recommendation is a reduction of \$1.5 million, or 0.3 percent, from all funding sources, including \$6.1 million, or 2.7 percent from the State General Fund, below the Governor's FY 2015 recommendation.

The FY 2016 recommendation includes adjustments totaling \$23.5 million to the agency's request. These changes include the addition of \$1.0 million from all funding sources and reduction of \$903,379 from the State General Fund, to fully fund the fall human services consensus caseload estimate for this agency. In addition, the recommendation includes a reduction of \$25,000, all from the Children's Initiatives Fund, from the

Children's Initiatives Accountability Fund. Also included is a reduction of \$6.0 million, all from the Children's Initiatives Fund to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The Governor's recommendation also includes a transfer of \$9.2 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2016.

The **Governor's** recommendation includes a reduction of \$1,703,340, including \$924,515 from the State General Fund, to reduce employer contributions for state employee health insurance.

The recommendation also includes a reduction of \$16.8 million, including \$8.0 million from the State General Fund, to continue the 4.0 percent State General Fund reduction. This reduction will be managed by eliminating funding for the migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Additionally, included in the reductions is an increase in salaries and wages shrinkage savings, decrease operating expenditures, and a reorganization of Information Technology Services within the agency.

The **Governor** issued Executive Reorganization Order (ERO) No. 43 to transfer the responsibility for Medicaid eligibility determination and associated employees from the Department for Children and Families to the Department of Health and Environment effective January 1, 2016. The Governor indicates this reorganization is anticipated to increase accuracy in Medicaid eligibility determination and reduce program expenditures partially through uniform implementation of policy and processing changes. The associated saving will be split

between this Department and the Department for Aging and Disabilities Services. In addition, ERO No. 43 will transfer foster care licensing responsibilities from the Department of Health

and Environment to the Department for Children and Families effective July 1, 2015. The Governor indicated the reorganization is anticipated to streamline the licensing process.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 628,594,333	\$ 608,894,785	\$ (19,699,548)
FTE Positions	2,251.5	2,251.5	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 6,731,214	\$ 8,413,395	
All Other Funds	(5,162,990)	(3,023,437)	
TOTAL	<u>\$ 1,568,224</u>	<u>\$ 5,389,958</u>	
<i>Percent Change:</i>			
State General Fund	3.0 %	3.9 %	
All Other Funds	(1.3)	(0.8)	
TOTAL	<u>0.3 %</u>	<u>0.9 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests expenditures of \$628.6 million, including \$234.7 million from the State General Fund for FY 2017. The request is an increase of \$1.6 million, or 0.3 percent from all funding sources, including \$6.7 million, or 3.0 percent from the State General Fund, above the FY 2016 request. The request includes funding for the 27th payroll period of

approximately \$4.6 million, including \$2.5 million from the State General Fund. The FY 2017 request includes the addition of \$5.0 million from the State General Fund to replace fee funds which are not available in FY 2017.

The **agency** request includes State Operations expenditures totaling \$239.3 million, including \$139.0 million for salaries and

wages and \$97.6 million for contractual services. The agency estimate also includes \$389.3 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The **agency** request includes \$234.7 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$342.9 million from federal funding sources.

The **Governor** recommends FY 2017 expenditures of \$608.9 million, including \$226.7 million from the State General Fund. The recommendation is a decrease of \$19.7 million, or 3.1 percent, including \$8.1 million, or 3.4 percent, from the State General Fund, below the agency's request. The recommendation is an increase of \$5.4 million, or 0.9 percent, from all funding sources, including \$8.4 million, or 3.9 percent from the State General Fund, above the Governor's FY 2016 recommendation.

The FY 2016 recommendation includes adjustments totaling \$19.7 million to the agency's request. These changes include the addition of \$2.3 million from all funding sources, including \$796,621 from the State General Fund, to fully fund the fall human services consensus caseload estimate for this agency. In addition, the recommendation includes a reduction of \$25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Accountability Fund. Also included is a reduction of \$6.0 million, all from the Children's Initiatives Fund to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The Governor's recommendation also includes a transfer of \$8.1 million from the Kansas Endowment for Youth Fund

(located within Kansas Public Employees Retirement System) to the State General Fund in FY 2017.

The Governor's recommendation includes a reduction of \$1,703,340, including \$924,515 from the State General Fund, to reduce employer contributions for state employee health insurance.

The recommendation also includes a reduction of \$14.3 million, including \$8.0 million from the State General Fund, to continue the 4.0 percent State General Fund reduction. This reduction will be managed by eliminating funding for the migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Additionally, included in the reductions is an increase in salaries and wages shrinkage savings, decrease operating expenditures and grants and contracts, and a reorganization of Information Technology Services within the agency.

The **Governor** issued Executive Reorganization Order (ERO) No. 43 to transfer the responsibility for Medicaid eligibility determination and associated employees from the Department for Children and Families to the Department of Health and Environment effective January 1, 2016. The Governor indicates this reorganization is anticipated to increase accuracy in Medicaid eligibility determination and reduce program expenditures partially through uniform implementation of policy and processing changes. The associated saving will be split between this Department and the Department for Aging and Disabilities Services. In addition, ERO No. 43 will transfer foster care licensing responsibilities from the Department of Health and Environment to the Department for Children and Families effective July 1, 2015. The Governor indicated the reorganization is anticipated to streamline the licensing process.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$646,207, including \$361,201 from the State General Fund, and affects 2,078 employees.**

Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$998,319, including \$530,285 from the State General Fund, and FY 2017 longevity payments total \$1,080,827, including \$574,392 from the State General Fund.**

Group Health Insurance. The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$1,670,436, including \$906,696 from the State General Fund for FY 2016. This is a reduction of \$1,703,340, including \$924,515 from the State General Fund, for FY 2017.**

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

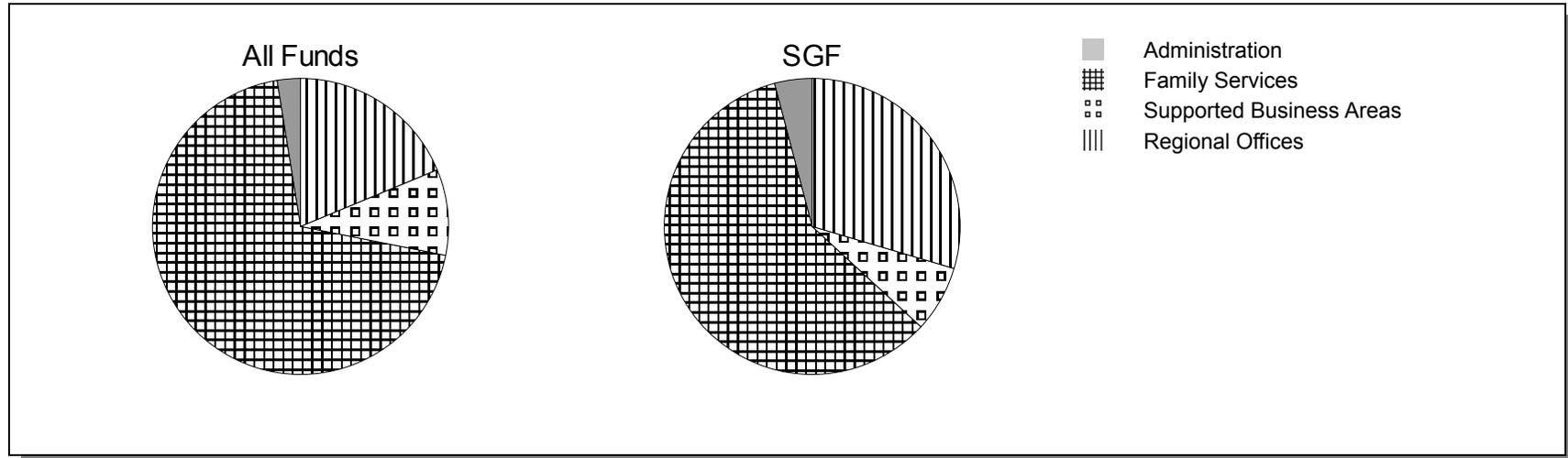
The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	36.4 %	36.2 %	37.3 %	37.2 %
Children's Initiatives Fund	5.1	4.3	5.1	4.3
Social Welfare Fund	3.0	3.1	2.1	2.2
Child Care Development Block Grant Funds	8.2	8.6	8.0	8.4
Foster Care Funds	3.3	3.9	3.3	4.0
Temporary Assistance for Families Federal Funds	13.4	13.7	13.4	13.5
Medical Assistance Federal	1.2	1.2	1.2	1.2
All Other Funds	29.5	29.0	29.6	29.2
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

PROGRAM DETAIL



EXPENDITURES BY PROGRAM—GOVERNOR’S FY 2016 RECOMMENDATION

Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Administration	\$ 15,306,421	2.5 %	\$ 8,943,972	4.1 %
Family Services	418,349,507	69.3	128,851,608	59.0
Supported Business Areas	56,764,596	9.4	15,874,070	7.3
Regional Offices	113,084,303	18.7	64,573,230	29.6
TOTAL	\$ 603,504,827	100.0 %	\$ 218,242,880	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

Program	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Administration	88.0	78.0	78.0	78.0	78.0	78.0	78.0
Family Services	569.6	279.3	279.3	283.3	283.3	283.3	283.3
Supported Business Areas	218.5	167.8	167.8	160.8	160.8	160.8	160.8
Regional Office	1,771.2	1,726.4	1,726.4	1,729.4	1,729.4	1,729.4	1,729.4
TOTAL	2,647.3	2,251.5	2,251.5	2,251.5	2,251.5	2,251.5	2,251.5

A. Administration

The mission of the Administration Division is to provide quality and cost effective services to staff, supervisors, and managers within DCF. This Division's services enable employees to do their work with adequate funding, facilities, equipment, technology, and other support to help ensure their work complies with federal requirements and state policies. Administration consists of two programs: Operations and Strategic Development and Faith-Based & Community Initiatives.

Operations - consists of three sub-programs: Office of the Secretary, Legal Services, and Operations. The Operations program provides executive direction and operational activities for the entire agency including budget, legal and audit services.

Strategic Development and Faith-Based & Community Initiatives – provides consultation and infrastructure to support training the workforce in new business processes and for improved performance. The goal of the program is to centralize training to reduce replication and result in cost savings. In addition, the program collects information pertaining to community and faith-based non-profits who may enhance the services of the Department. The program includes an agency wide leadership development initiative for staff and a Family Strengthening and Fatherhood Engagement Initiative. The Family Strengthening Initiative is to promote responsible parenting by clients through encouraging healthy connections between parents and children and healthy marriages.

**ADMINISTRATION PROGRAM
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 6,574,818	\$ 7,200,734	\$ 7,060,765	\$ 7,253,029	\$ 6,978,399	\$ 7,592,930	\$ 7,238,884
Contractual Services	3,564,152	4,225,309	4,225,309	5,863,674	5,824,372	5,508,478	5,041,486
Commodities	63,608	115,566	115,566	115,566	114,666	115,566	113,766
Capital Outlay	313,409	26,523	26,523	26,523	26,523	26,523	26,523
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 10,515,987	\$ 11,568,132	\$ 11,428,163	\$ 13,258,792	\$ 12,943,960	\$ 13,243,497	\$ 12,420,659
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,091,911	1,730,000	1,730,000	2,362,461	2,362,461	2,362,461	1,730,000
TOTAL	<u>\$ 11,607,898</u>	<u>\$ 13,298,132</u>	<u>\$ 13,158,163</u>	<u>\$ 15,621,253</u>	<u>\$ 15,306,421</u>	<u>\$ 15,605,958</u>	<u>\$ 14,150,659</u>
Financing:							
State General Fund	\$ 6,803,502	\$ 7,323,448	\$ 7,240,281	\$ 9,143,907	\$ 8,943,972	\$ 9,146,921	\$ 7,841,503
All Other Funds	4,804,396	5,974,684	5,917,882	6,477,346	6,362,449	6,459,037	6,309,156
TOTAL	<u>\$ 11,607,898</u>	<u>\$ 13,298,132</u>	<u>\$ 13,158,163</u>	<u>\$ 15,621,253</u>	<u>\$ 15,306,421</u>	<u>\$ 15,605,958</u>	<u>\$ 14,150,659</u>
FTE Positions	88.0	78.0	78.0	78.0	78.0	78.0	78.0
Non-FTE Uncl. Perm. Pos.	16.5	31.5	31.5	31.5	31.5	31.5	31.5
TOTAL	<u>104.5</u>	<u>109.5</u>	<u>109.5</u>	<u>109.5</u>	<u>109.5</u>	<u>109.5</u>	<u>109.5</u>

The **agency** requests expenditures of \$15.6 million, including \$9.1 million from the State General Fund for FY 2016 for the Administration Program. The request is an increase of \$2.3 million, or 17.5 percent, including \$1.8 million, or 24.9 percent from the State General Fund, above the revised FY 2015 estimate. The majority of the increase is attributable to increases in contractual services and other assistance. The majority of the increases are attributable to increases in rent, the inclusion of \$375,000 for moving expenditures associated with

relocating the agency's central office, and an increase of \$626,370 in the Accounting, Payroll, and Budget Systems Support amounts estimated to be paid to the Department of Administration. Also included in the agency's FY 2016 request is an increase of \$250,000 in the agency's contract with the Office of Administrative Hearings. The increase in other assistance is due to the addition of \$632,461, all from the State General Fund, for grants for Healthy Families program.

The **agency's** FY 2016 request includes \$7.2 million for salaries and wages, including a shrinkage rate of 2.8 percent. The agency's request also includes \$5.9 million for contractual services and \$2.4 million for other assistance. The request includes State General Fund expenditures totaling \$9.1 million and \$6.5 million from federal funds.

The **Governor** recommends FY 2016 expenditures totaling \$15.3 million, including \$8.9 million from the State General Fund. The recommendation is a decrease of \$314,832, or 2.0 percent, from all funding sources, including \$199,935, or 2.2 percent, from the State General Fund, below the agency's request.

The recommendation includes a reduction of \$70,351, including \$42,238 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$244,481, including \$157,697 from the State General Fund, to continue the 4.0 percent operating reduction, which includes other operating expenditures, office supplies, the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

The **agency** requests expenditures of \$15.6 million, including \$9.1 million from the State General Fund, for FY 2017. The FY 2017 request is a decrease of \$15,295, or 0.1 percent, below the FY 2016 request. The FY 2017 request is an increase

B. Family Services

Family Services include economic aid and employment services, and child welfare, such as foster care and adoption services. The Family Services Division is divided into four

of \$3,014, or less than 0.1 percent, from the State General Fund, above the FY 2016 request. The FY 2017 request includes funding of approximately \$235,425 for the 27th payroll period.

The **agency's** FY 2017 request includes \$7.6 million for salaries and wages, including a shrinkage rate of 2.7 percent. The agency's request also includes \$5.5 million for contractual services and \$2.4 million for other assistance. The request includes State General Fund expenditures totaling \$9.1 million and \$6.4 million from federal funds.

The **Governor** recommends FY 2017 expenditures totaling \$14.2 million, including \$7.8 million from the State General Fund. The recommendation is a decrease of \$1.5 million, or 9.3 percent, from all funding sources, including \$1.3 million, or 14.3 percent, from the State General Fund, below the agency's request.

The recommendation includes a reduction of \$71,761 including \$43,084 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$1.3 million, including \$1.3 million from the State General Fund, to continue the 4.0 percent operating reduction, which includes other operating expenditures, office supplies, the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

program sections: Child Support Enforcement, Economic and Employment Services, Rehabilitation Services, and Prevention and Protection Services.

**FAMILY SERVICES PROGRAM
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 20,851,089	\$ 19,195,978	\$ 18,996,518	\$ 19,706,950	\$ 19,281,966	\$ 20,552,142	\$ 19,918,386
Contractual Services	43,071,601	48,084,433	48,084,433	46,441,335	46,342,591	46,872,583	45,988,695
Commodities	289,709	291,114	291,114	291,114	291,114	291,114	291,114
Capital Outlay	218,736	233,041	233,041	203,411	203,411	203,411	203,411
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 64,431,135	\$ 67,804,566	\$ 67,605,106	\$ 66,642,810	\$ 66,119,082	\$ 67,919,250	\$ 66,401,606
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	337,796,349	358,597,944	352,727,399	358,943,575	352,230,425	361,503,501	355,815,323
TOTAL	<u>\$ 402,227,484</u>	<u>\$ 426,402,510</u>	<u>\$ 420,332,505</u>	<u>\$ 425,586,385</u>	<u>\$ 418,349,507</u>	<u>\$ 429,422,751</u>	<u>\$ 422,216,929</u>
Financing:							
State General Fund	\$ 131,045,460	\$ 130,915,263	\$ 139,793,562	\$ 133,460,076	\$ 128,851,608	\$ 140,279,802	\$ 136,859,496
All Other Funds	271,182,024	295,487,247	280,538,943	292,126,309	289,497,899	289,142,949	285,357,433
TOTAL	<u>\$ 402,227,484</u>	<u>\$ 426,402,510</u>	<u>\$ 420,332,505</u>	<u>\$ 425,586,385</u>	<u>\$ 418,349,507</u>	<u>\$ 429,422,751</u>	<u>\$ 422,216,929</u>
FTE Positions	569.6	279.3	279.3	283.3	283.3	283.3	283.3
Non-FTE Uncl. Perm. Pos.	23.0	45.0	45.0	46.0	46.0	46.0	46.0
TOTAL	<u>592.6</u>	<u>324.3</u>	<u>324.3</u>	<u>329.3</u>	<u>329.3</u>	<u>329.3</u>	<u>329.3</u>

The **agency** requests FY 2016 expenditures of \$425.6 million, including \$133.5 million from the State General Fund. The request is a decrease of \$816,125, or 0.2 percent, and a State General Fund increase of \$2.5 million, or 1.9 percent below the FY 2015 revised estimate.

The **agency's** FY 2016 request includes \$19.7 million for salaries and wages expenditures, \$46.4 million for contractual services, and \$358.9 million in other assistance payments. The

FY 2016 request includes State General Fund expenditures totaling \$133.5 million, \$7.2 million from the Children's Initiatives Fund and \$261.1 million from federal funds.

The **Governor** recommends FY 2016 expenditures totaling \$418.3 million, including \$128.9 million from the State General Fund. The recommendation is a decrease of \$7.2 million, or 1.7 percent, including \$4.6 million, or 3.5 percent, below the agency's request.

The recommendation includes a reduction of \$220,679, including \$88,432 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$8.0 million, including \$3.6 million from the State General Fund, to continue the 4.0 percent operating reduction, which includes other operating expenditures, office supplies, and a reduction in rehabilitation case services in FY 2016. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

The **agency** requests FY 2017 expenditures of \$429.4 million, including \$140.3 million from the State General Fund. The FY 2017 request is an increase of \$3.8 million, or 0.9 percent, including \$6.8 million, or 5.1 percent, from the State General Fund, above the FY 2016 request. The majority of the increase is attributable to changes in federal funding, mostly associated with federal Workforce Innovation and Opportunity Act, which replaced federal Workforce Investment Act, as of July 2014.

The **agency's** FY 2017 request includes \$20.6 million for salaries and wages expenditures, \$46.9 million for contractual

Child Support Enforcement (CSE)

The U.S. Congress enacted the Child Support Enforcement program, Title IV-D of the Social Security Act, which requires each state to establish an effective statewide uniform child support program. Failure to meet federal requirements of child support enforcement can result in fiscal sanctions to both the Temporary Assistance for Needy Families (TANF) Block Grant and Child Support Enforcement (CSE) grants. The Child Support Enforcement program is a federal, state, county, and private operation that must satisfy numerous federal

services, and \$361.5 million in other assistance payments. The FY 2017 request includes State General Fund expenditures totaling \$140.3 million, \$7.2 million from the Children's Initiatives Fund and \$263.6 million from federal funds.

The **Governor** recommends FY 2017 expenditures totaling \$422.2 million, including \$136.9 million from the State General Fund. The recommendation is a decrease of \$7.2 million, or 1.7 percent, from all funding sources, including \$3.4 million, or 2.4 percent, from the State General Fund, below the agency's request.

The recommendation includes a reduction of \$225,144, including \$90,203 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$9.3 million, including \$4.1 million from the State General Fund, to continue the 4.0 percent operating reduction, which includes other operating expenditures, office supplies, and a reduction in rehabilitation case services in FY 2016. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

requirements. DCF is the designated Title IV-D child support enforcement agency for Kansas. Although a majority of persons served are receiving other DCF benefits, any custodial parent may ask for absent parent location and support enforcement services. Any non-custodial parent may apply to establish paternity or modify a support order as well.

During FY 2014, the CSE program collected \$200.0 million and estimates collections of \$202.1 million for FY 2015, \$208.0 million for FY 2016, and \$215.8 million for FY 2017. The federally mandated single receipting and disbursement

operation for all child support payments, the Kansas Payment Center, has estimated operating costs of \$4.8 million in FY 2016. Of the collections, approximately \$1.3 million will be paid to the Office of Judicial Administration for child support services provided by the central staff and Clerks of the Court. The majority of expenditures are associated with the contracts for privatized child support enforcement, estimated at \$19.9 million. The Customer Service Center is designed to streamline the work of regional staff by handling routine communication with clients, at an estimated cost of \$1.7 million in FY 2016. Fees for setoff services by the Department of Administration and the federal government account for another \$476,677. Finally, \$310,678 will be paid to the Department of Labor for operating the State New Hires Directory.

For FY 2015, the **agency** estimates a caseload of 139,151 cases with collections of \$202.1 million and an average of \$1,452 collected per case. Of this amount, the state will retain \$11.0 million. For FY 2016, the agency estimates a caseload of 143,499 cases with collections of \$208.0 million and an average of \$1,450 collected per case. Of this amount, \$10.3 million will

be retained by the state. For FY 2017, the agency estimates a caseload of 149,146 cases with collections of \$215.8 million and an average of \$1,447 collected per case. Of this amount, \$9.7 million will be retained by the state.

The **Governor** concurs with the agency's caseload estimate for FY 2015, FY 2016 and FY 2017. The Governor's recommendation includes salaries and wage reductions of \$20,773 in FY 2015, \$43,431 in FY 2016 and \$65,234 in FY 2017.

Economic and Employment Services

Economic and Employment Services has responsibility for a variety of economic and other assistance programs. These include: Temporary Assistance for Families cash assistance and employment services, energy assistance, refugee assistance, food assistance, food assistance employment program, child care, and the federal food distribution programs. The following chart shows all funds expenditures for the major Family Services Assistance programs:

**ECONOMIC AND EMPLOYMENT SUPPORTS
SUMMARY OF EXPENDITURES FY 2015 – FY 2017**

Item	Agency Est. FY 2015 SGF	Agency Est. FY 2015 All Funds	Agency Est. FY 2016 SGF	Agency Est. FY 2016 All Funds	Agency Est. FY 2017 SGF	Agency Est. FY 2017 All Funds
Temporary Assistance for Families*	\$ 0	\$ 20,703,000	\$ 0	\$ 20,703,000	\$ 0	\$ 20,703,000
TAF Employment Support	0	6,093,165	0	5,845,643	0	5,730,730
Other Assistance+	62,375	29,421,832	62,375	25,653,098	62,375	25,642,818
Rehabilitation Assistance	<u>3,427,323</u>	<u>32,269,991</u>	<u>4,145,705</u>	<u>35,682,296</u>	<u>4,936,528</u>	<u>39,674,997</u>
TOTAL	<u>\$ 3,489,698</u>	<u>\$ 88,487,988</u>	<u>\$ 4,208,080</u>	<u>\$ 87,884,037</u>	<u>\$ 4,998,903</u>	<u>\$ 91,751,545</u>
	Gov. Rec. FY 2015 SGF	Gov. Rec. FY 2015 All Funds	Gov. Rec. FY 2016 SGF	Gov. Rec. FY 2016 All Funds	Gov. Rec. FY 2017 All Funds	Gov. Rec. FY 2017 All Funds
Temporary Assistance for Families*	\$ 0	\$ 20,503,000	\$ 0	\$ 19,403,000	\$ 0	\$ 18,403,000
TAF Employment Support	0	6,093,165	0	5,845,643	0	5,730,730
Other Assistance+	62,375	29,420,049	62,375	25,651,125	62,375	25,640,759
Rehabilitation Assistance	<u>2,210,183</u>	<u>26,836,904</u>	<u>2,501,569</u>	<u>27,831,958</u>	<u>3,233,206</u>	<u>31,483,120</u>
TOTAL	<u>\$ 2,272,558</u>	<u>\$ 82,853,118</u>	<u>\$ 2,563,944</u>	<u>\$ 78,731,726</u>	<u>\$ 3,295,581</u>	<u>\$ 81,257,609</u>

*These programs are part of the consensus caseload estimating process for human services entitlement programs.

+Other assistance includes Low Income Energy Assistance, Refugee Services, Food Stamp Employment and Training and assistance. Federal food stamp benefits are not included in the state budget.

- The Temporary Assistance for Families (TAF) program** – provides cash assistance to very low-income families. Families with incomes at approximately 24.0 percent of the federal poverty level may qualify for TAF assistance. Almost all families with an adult must participate in work activities and seek employment through the TAF Employment Services program. Cash assistance is not an entitlement and is limited to 48 months, with provisions for extended assistance up to 60

months if the family meets hardship criteria. Families must cooperate with child support services program in order to receive benefits. Temporary Assistance for Families benefits are financed by the federal Temporary Assistance for Needy Families (TANF) Block Grant and state funds. This program is subject to the consensus caseload estimating process in the fall and spring of each year.

In order to receive the entire \$101,931,061 federal TANF Block Grant, Kansas must spend a specified minimum in state funds, the TANF Maintenance of Effort (TANF MOE). The TANF MOE is \$65,866,230, and represents eighty percent of state funds spent in the base fiscal year of 1994. The MOE is reduced to 75.0 percent of the amount for states which meet the work requirements. The TANF MOE is budgeted in specific program budgets. A major source of the MOE is net refunds from the Kansas Earned Income Tax Credit. The TANF law allows states to claim refundable tax credits toward the MOE if the credit exceeds the underlying tax upon which the tax credit is based. The State General Fund finances none of the MOE in the Governor's FY 2015 recommendation. During FY 2012 the medical assistance and cash assistance applications were separated, which has resulted in reductions in cash assistance caseloads. When the applications were together the individual did not have to choose to make a separate application for cash assistance.

The **agency** estimates a caseload of approximately 6,640 families, including 15,239 average monthly persons, at an average cost of \$113.00 per person for FY 2015, FY 2016, and FY 2017. The estimate is based on the caseload estimate of \$20.7 million.

The **Governor** recommends FY 2015 caseloads totaling \$20.5 million, a decrease of \$200,000 below the agency estimate. The Governor recommends FY 2016 caseloads totaling \$19.4 million, a decrease of \$1.3 million below the agency's request. The Governor recommends FY 2017 caseloads totaling \$18.4 million, a decrease of \$2.3 million below the agency's request. The Governor's recommendation fully funds the fall human services consensus caseload estimate for TAF cash assistance.

- **TAF Employment Services** – helps adults obtain and keep employment. All adult TAF recipients, except those with a child under age one, those age sixty or over, and those needed in the home to care for a disabled household member, must work or participate in work-readiness activities thirty hours a week (55 hours for two-parent households). Federal law requires that at least fifty percent of TAF adults whose youngest child is over the age of one must be involved in a work activity each month or the state faces a reduction in the TANF Block Grant. The program offers 12 months of transitional services to families leaving Cash Assistance for employment. TAF Employment Services are financed by the TANF Block Grant.

The **agency** anticipates a caseload of 6,308 average persons per month accessing employment services in FY 2015 at a monthly cost of \$79.17 per person. The estimate is based on the caseload estimate of \$6.0 million approved by the Legislature. The agency anticipates a caseload of 6,047 average persons per month accessing employment services in FY 2016 at a monthly cost of \$79.18 per person. The estimate is based on the caseload estimate of \$5.7 million. The agency anticipates a caseload of 5,927 average persons per month accessing employment services in FY 2017 at a monthly cost of \$79.17 per person. The estimate is based on the caseload estimate of \$5.6 million.

The **Governor** concurs with the agency's estimate for FY 2015, FY 2016 and FY 2017.

- **The Low Income Energy Assistance Program (LIEAP)** – provides a one-time annual benefit to low-income households for energy bills to avoid

the shutoff of utility services during the winter. To qualify for energy assistance, households must have incomes below 130.0 percent of the Federal Poverty Level, must have made recent payments on their energy bills, and must pay directly for heating costs or must pay rent which includes utility costs. Payments are sent directly to the utility/fuel provider, and the payments are credited to the household's bill. The program is funded entirely by a block grant from the U.S. Department of Health and Human Services.

The **agency** estimates providing assistance to 47,948 households including 113,953 persons in FY 2015 at an average cost of \$490 per year. For FY 2016, the agency estimates providing assistance to 48,427 households including 115,093 persons at an average cost of \$479 per year. For FY 2017, the agency estimates providing assistance to 48,911 households including 116,244 persons at an average cost of \$473 per year.

The **Governor** concurs with the agency's estimate for FY 2015, FY 2016 and FY 2017. The Governor's recommendation includes salary reductions totaling \$1,783 in FY 2015, \$1,973 in FY 2016, and \$2,059 in FY 2017.

- **Refugee Services** – provides financial and medical assistance to refugees during their first eight months in the United States. Grants are made to community organizations to provide social services to refugees and the program is entirely funded by the federal government. The benefits parallel Temporary Assistance to Families and Medicaid benefits except that cash benefits are limited to eight months.

The **agency** estimates providing cash assistance to an average of 86 persons per month in FY 2015 at an average cost of \$147 per month. The agency also estimates providing cash assistance to an average of 92 persons per month in FY 2016 at an average cost of \$162 per month. The agency also estimates providing cash assistance to an average of 97 persons per month in FY 2017 at an average cost of \$161 per month. Refugee Services also includes social service grants of \$592,301 in FY 2015, \$619,632 in FY 2016, and \$628,136 in FY 2017. Social service grants are provided to organizations who provide refugees employment skills, English language skills and general social adjustment services.

The **Governor** concurs with the agency's estimate for FY 2015, FY 2016 and FY 2017.

- **Food Assistance** – provides benefits to individuals and families to assist with food costs. This 100.0 percent federally funded program assists individuals and families with incomes less than 130.0 percent of the federal poverty level. Food assistance benefits are issued through electronic benefit transfer (EBT). Each family or individual receives a plastic "Vision" card with credit in an individual account that may be used only for the purchase of food. Food assistance benefit expenditures are not shown in the state budget because expenditures are not made from the state treasury. The funding is not included in the state budget, however the agency estimates a decrease in both caseloads and expenditures for this program.

FOOD ASSISTANCE PROGRAM

	FY 2013 Actuals	FY 2014 Actuals	FY 2015 Agency Est.	FY 2016 Agency Est.	FY 2017 Agency Est.
Average Monthly Persons	316,424	301,377	281,250	276,750	274,500
Food Assistance Benefits	\$ 471,551,970	\$ 415,767,025	\$ 381,375,000	\$ 382,778,460	\$ 387,259,769

**CHILD CARE AND CARE QUALITY/EARLY HEAD START
SUMMARY OF EXPENDITURES FY 2015 – FY 2017**

Item	Agency Est. FY 2015 SGF	Agency Est. FY 2015 All Funds	Agency Est. FY 2016 SGF	Agency Est. FY 2016 All Funds	Agency Est. FY 2017 SGF	Agency Est. FY 2017 All Funds
Child Care Assistance	\$ 11,967,711	\$ 51,014,916	\$ 11,967,711	\$ 49,078,180	\$ 11,967,711	\$ 47,469,028
Child Care Quality	0	2,825,791	0	2,647,754	0	2,682,754
Early Head Start	0	9,277,213	0	9,277,213	0	9,277,213
TOTAL	\$ 11,967,711	\$ 63,117,920	\$ 11,967,711	\$ 61,003,147	\$ 11,967,711	\$ 59,428,995

	Gov. Rec. FY 2015 SGF	Gov. Rec. FY 2015 All Funds	Gov. Rec. FY 2016 SGF	Gov. Rec. FY 2016 All Funds	Gov. Rec. FY 2017 SGF	Gov. Rec. FY 2017 All Funds
Child Care Assistance	\$ 11,967,711	\$ 51,014,916	\$ 11,127,749	\$ 49,078,180	\$ 10,429,859	\$ 47,469,028
Child Care Quality	0	2,825,791	0	2,647,754	0	2,682,754
Early Head Start	0	9,277,213	0	9,277,213	0	9,277,213
TOTAL	\$ 11,967,711	\$ 63,117,920	\$ 11,127,749	\$ 61,003,147	\$ 10,429,859	\$ 59,428,995

The **Child Care Assistance program** provides payments to child care providers to allow low income families to remain in the workforce. To qualify, families must have incomes below 185.0 percent of the Federal Poverty Level (FPL) and must comply with Child Support Enforcement requirements. Families with incomes above seventy percent of the FPL are required to pay a share of the child care cost. Child care is provided by centers,

licensed providers and unregulated providers, which covers care by relatives and care provided by persons in the child's home.

A majority of the financing in the Child Care Assistance program is provided by the federal Child Care and Development Fund which is composed of mandatory, matching, and

discretionary funds. For a state to access mandatory and matching funds, it must meet the state maintenance of effort (\$6.7 million), and use at least 70.0 percent of the total amount for child care assistance. Discretionary funds are 100.0 percent federal funds and matching funds are matched at the Federal Medical Assistance Percentage (FMAP) rate (approximately 40.0 percent state and 60.0 percent federal).

The majority of child care quality expenditures are devoted to resource and referral services. The program provides information to parents about child care available in their communities and referrals to other programs in response to family needs. It also maintains databases on child care programs, builds the supply of child care by providing training and technical assistance to new and existing providers, and improves child care quality by offering training for family child care providers, center staff, and directors.

The **agency** estimates assisting an average of 6,964 families, including 13,168 children, in FY 2015 at an average monthly cost of \$322 per child in the child care assistance program. For FY 2016, the agency estimates assisting an average of 6,549 families, including 12,385 children at an average monthly cost of \$330. For FY 2017, the agency estimates assisting an average of 6,207 families, including 11,738 children at an average monthly cost of \$337.

The **Governor** concurs with the agency's estimate for FY 2015, FY 2016 and FY 2017. The recommendation reduces State General Fund moneys and replaces it with federal funds.

- **The Kansas Early Head Start program** – provides early intervention services including: weekly home visits, physical and mental health education, nutrition education, social services, parental involvement and education, services for

children with disabilities, job seeking and retention support, and child care for parents who are working or are in school. Kansas Early Head Start grants are awarded to thirteen early learning programs in 44 counties.

The **agency** estimates providing services to an average of 916 children in FY 2015, FY 2016 and FY 2017 at an average monthly cost of \$10,128.

The **Governor** concurs with the agency's estimate for FY 2015, FY 2016 and FY 2017.

Rehabilitation Services

The Rehabilitation Services program is responsible for seeing that comprehensive vocational rehabilitation (VR) services are available to help people with disabilities become gainfully employed. Within the VR program is the Kansas Commission for the Deaf and Hard of Hearing.

- **The Rehabilitation Services for the Blind program** – provides a broad array of programs for people who are blind or visually impaired including core vocational rehabilitation to help consumers become gainfully employed. In addition, the program administers the Kansas Seniors Achieving Independent Living program; administers the Rehabilitation Teaching program; operates the Business Enterprise Program; and operates the Office Experience Project. Services for the Blind also administers several independent living and specialized employment programs.

- **Disability Determination Services** – makes disability and blindness determinations for the U.S. Social Security Administration on the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims filed or reviewed in Kansas. The workload consists of claims for adults and children filing for initial, reconsideration, and hearings level decisions. Continuing disability reviews are also conducted for Kansans already receiving disability benefits.
- **Rehabilitation Services Case Services** – assist persons with physical or mental disabilities to obtain employment and live more independently. To be eligible to receive services, a person must have a physical or mental impairment that presents a substantial impairment to employment. In addition, Rehabilitation Services

Independent Living develops and provides services to individuals in partnership with the Statewide Independent Living Council.

Prevention and Protection Services

Prevention and Protection Services has a mission to protect children; promote permanent, nurturing families; and strengthen community partnerships to serve children. Prevention and Protection Services delivers services to the target population through six programs: Administration, Protection Reporting Center, Child Protective Services/Family Support, Reintegration/Foster Care, and Adoption/Alternate Permanency. The division also provides investigative, and intervention services for adults directed towards safeguarding the well-being and welfare of adults in need of protection such as aged and disabled individuals.

**PREVENTION AND PROTECTION SERVICES
SUMMARY OF EXPENDITURES FY 2015– FY 2017**

Item	Agency Est. FY 2015 SGF	Agency Est. FY 2015 All Funds	Agency Est. FY 2016 SGF	Agency Est. FY 2016 All Funds	Agency Est. FY 2017 SGF	Agency Est. FY 2017 All Funds
Administration	\$ 3,662,486	\$ 4,301,367	\$ 3,750,727	\$ 4,390,271	\$ 3,826,988	\$ 4,468,793
Protection Report Center	4,028,661	4,028,661	4,048,846	4,048,846	4,222,718	4,222,718
Prevention Services	3,668,316	13,484,922	3,668,316	13,484,922	3,668,316	13,484,922
Independent Living	1,840,979	5,164,971	1,841,370	5,166,924	1,843,764	5,178,891
Reintegration/Foster Care*	76,300,000	142,700,000	77,403,379	142,700,000	82,703,379	142,700,000
Permanent Guardianship	855,992	855,992	819,370	819,370	790,867	790,867
Adoption Support	20,015,702	35,710,056	20,515,873	36,619,718	20,919,001	37,533,493
Other Grants and Contracts	724,534	1,667,499	663,773	1,367,761	663,773	1,370,952
TOTAL	<u>\$ 111,096,670</u>	<u>\$ 207,913,468</u>	<u>\$ 112,711,654</u>	<u>\$ 208,597,812</u>	<u>\$ 118,638,806</u>	<u>\$ 209,750,636</u>
	Gov. Rec. FY 2015 SGF	Gov. Rec. FY 2015 All Funds	Gov. Rec. FY 2016 SGF	Gov. Rec. FY 2016 All Funds	Gov. Rec. FY 2017 SGF	Gov. Rec. FY 2017 All Funds
Administration	\$ 3,644,917	\$ 4,283,257	\$ 3,688,348	\$ 4,310,710	\$ 3,289,416	\$ 3,640,944
Protection Report Center	3,988,843	3,988,843	3,956,986	3,956,986	4,088,004	4,088,004
Prevention Services	3,697,686	13,484,922	3,692,653	13,479,889	3,687,620	13,474,856
Independent Living	1,740,423	5,162,190	1,030,147	5,161,206	1,642,039	5,170,268
Reintegration/Foster Care*	86,500,000	142,400,000	76,500,000	145,000,000	83,500,000	147,300,000
Permanent Guardianship	855,992	855,992	819,370	819,370	790,867	790,867
Adoption Support	20,015,702	35,710,056	20,320,873	36,619,718	20,919,001	37,533,493
Other Grants and Contracts	724,534	1,666,776	663,773	1,366,156	318,881	1,368,577
TOTAL	<u>\$ 121,168,097</u>	<u>\$ 207,552,036</u>	<u>\$ 110,672,150</u>	<u>\$ 210,714,035</u>	<u>\$ 118,235,828</u>	<u>\$ 213,367,009</u>

*This program is subject to the consensus caseload process for entitlement programs.

- **The Protection Report Center (PRC)** – provides a 24 hours-a-day, seven-days-a-week hotline to take reports from callers statewide regarding alleged abuse or neglect. The PRC screens the reports and sends the reports needing

investigation to the local DCF area office if warranted. If reports received at the PRC after hours are determined to meet the criteria for a same day response, PRC staff will notify the local law enforcement agency.

- **The Child Protective Services and Family Support program** – responds to reports alleging a child is in need of care (CINC). Social workers in local DCF offices are responsible for determining if a child abuse report is valid and whether there is a need for further action. If the report alleges abuse or neglect, the response involves assessing the immediate safety of the child, evaluating the family’s ability to protect the child, and determining the services required to support the family in safely caring for their child.
- **Adult Protective Services** – are activities directed towards safeguarding the well-being and welfare of adults in need of protection. Social workers investigate reports of abuse or neglect and arrange for provision of services to those individuals. The agency estimates providing services to 9,179 individuals in FY 2015 at a cost of \$354,700, all from the State General Fund. For FY 2016, the agency estimates providing services to 9,267 individuals at a cost of \$354,700, all from the State General Fund. For FY 2017, the agency estimates providing services to 9,356 individuals at a cost of \$354,700, all from the State General Fund.
- **Prevention Services** – are delivered to the family as a unit to address the safety and risk factors identified and to sustain or enhance the family’s capacity to care for their children. Services may be court ordered, recommended by DCF, or requested by the family. Safety and prevention of out-of-home care are the primary goals of family services. Services may be offered

by DCF staff or through referrals to other community agencies or entities.

The **agency** estimates providing services to 731 families in FY 2015, FY 2016, and FY 2017 at an average cost of \$2,260 per family.

The **Governor** concurs with the agency’s estimate for FY 2014 and FY 2015.

- **Community Services** – establishes local collaborative efforts to provide services to children and their families to prevent unnecessary placements of children into Foster Care (included in other grants and contracts in the summary table). These efforts are primarily directed at children who are safe from abuse or neglect, or both, by their care givers but who need preventive services, either because of their own behaviors or the parents’ need for support. These could be children with behavioral problems, truants, or children with serious medical or mental health needs.

The **agency** estimates providing services to 423 families in both FY 2015, FY 2016 and FY 2017 at an annual cost of \$3,445 per family.

The **Governor** concurs with the agency’s estimate for FY 2015, FY 2016 and FY 2017.

- **Family Preservation services** – are intensive services offered to families, through a contract with a private vendor, who are at risk of having a child come into the custody of the Department and removed from their home unless the family

can make the changes necessary to provide adequate care and safety. The DCF social worker is responsible for monitoring service delivery to achieve established outcomes.

The **agency** estimates referring 2,574 families for these services in FY 2015, FY 2016, and FY 2017 at a cost of \$3,967 per referral.

The **Governor** concurs with the agency's estimate for FY 2015, FY 2016 and FY 2017.

- **Reintegration/Foster Care Services** – have been provided through private contract agencies since 1997. Services provided by the child welfare case management providers include case planning, placement, service delivery, and collaboration with communities. The DCF workers are responsible for monitoring service delivery to achieve established outcomes. Services are provided to children and families when the court has found the child to be a “child in need of care” (CINC) and requiring out-of-home placement to meet their safety needs.

The **agency** estimates serving approximately 5,872 children in the reintegration program in FY 2015, FY 2016 and FY 2017. The estimated monthly cost is \$2,025 per child. This does not include any adjustments made by the consensus caseload estimating process to which this program is subject.

The **Governor** recommends a reduction from all funding sources of \$300,000 in FY 2015 and a State General Fund increase of \$10.2 million. The agency is in discussions regarding expenditures from the Title IV-E foster care funding source with the federal Administration for Children and Families.

The Governor's recommendation for FY 2015 includes the addition of \$13.1 million, all from the State General Fund, to provide for adequate cash flow for the program. The Governor's recommendation for FY 2016 include an addition of \$2.3 million, and a reduction of \$903,379 from the State General Fund. The Governor's recommendation for FY 2017 include an addition of \$4.6 million, including \$796,621 from the State General Fund. The Governor's recommendation fully funds the fall human services consensus caseload estimate.

- **Adoption Services** – are designed to benefit children whose parents' parental rights have been terminated or relinquished by providing the children with a permanent family. Examples of services include:
 - Adoption support payments are available to assist adoptive families in meeting the special needs of the children they adopt;
 - Permanent guardianship is an alternative permanent placement when the courts have determined that children cannot return home but for whom adoption is not an option; and
 - Life Skills and Independent Living Services are provided to older children to prepare them for adulthood once they leave state custody.

For FY 2015 in adoption support, the **agency** estimates providing support for an average of 8,327 children per month at a cost of \$357.37 per child. For FY 2016 in adoption support, the **agency** estimates providing support for an average of 8,531 children per month at a cost of \$357.71 per child. For FY 2017 in adoption support, the **agency** estimates providing support for

an average of 8,735 children per month at a cost of \$358.08 per child.

- **Permanent Guardianship** – is a permanency option when reintegration and adoption are not a preferred option for the child. When a guardianship is established a subsidy may be provided to assist the families until the child reaches 18 years of age.

C. Supported Business Areas

This program includes support programs not under the direct control of the Secretary. These programs include Information Technology, Human Resources, the Children’s Cabinet, and the Kansas Council on Developmental Disabilities.

Information Technology Services – is responsible for managing new information technology systems projects, maintaining information systems that support the agency’s business, coordinating access to and protection of the agency’s data resources, and providing information technology infrastructure management and user support.

Human Resources – is responsible for providing personnel support to the regional offices and the central office. These activities include recruitment, retention, and staff employment as well as succession planning for all positions.

For FY 2015 in Permanent Guardianship, the **agency** estimates serving an average of 238 children per month at an average monthly cost of \$299.72 per child. For FY 2016 the agency estimates serving an average of 228 children per month at an average monthly cost of \$299.48 per child. For FY 2017 the agency estimates serving an average of 220 children per month at an average monthly cost of \$299.57 per child.

The **Governor** concurs with the agency’s estimate for FY 2015, FY 2016 and FY 2017.

The Kansas Children’s Cabinet – is charged with assisting the Governor in developing and implementing a coordinated delivery system to improve the health and well being of families and children in Kansas. The Children’s Cabinet evaluates programs funded with Children’s Initiatives Fund moneys. The Children’s Cabinet is connected to the Department for budget and administrative purposes only.

The Kansas Council on Developmental Disabilities – responsibilities include monitoring, and evaluating developmental disabilities program and services to ensure increased independence, productivity and integration into the community.

**SUPPORTED BUSINESS AREAS PROGRAM
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 10,518,832	\$ 10,819,995	\$ 10,715,689	\$ 9,358,603	\$ 8,769,649	\$ 9,714,419	\$ 9,017,889
Contractual Services	24,553,112	26,329,601	19,762,751	34,258,092	27,412,640	27,772,089	27,239,885
Commodities	535,432	110,416	110,416	110,434	110,434	110,453	110,453
Capital Outlay	503,485	524,660	524,660	524,660	524,660	524,660	524,660
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 36,110,861	\$ 37,784,672	\$ 31,113,516	\$ 44,251,789	\$ 36,817,383	\$ 38,121,621	\$ 36,892,887
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	26,381,667	26,356,704	26,356,704	25,947,213	19,947,213	25,443,852	19,443,852
TOTAL	\$ 62,492,528	\$ 64,141,376	\$ 57,470,220	\$ 70,199,002	\$ 56,764,596	\$ 63,565,473	\$ 56,336,739
Financing:							
State General Fund	\$ 11,465,425	\$ 14,240,025	\$ 11,696,056	\$ 18,785,834	\$ 15,874,070	\$ 16,212,026	\$ 15,633,661
All Other Funds	51,027,103	49,901,351	45,774,164	51,413,168	40,890,526	47,353,447	40,703,078
TOTAL	\$ 62,492,528	\$ 64,141,376	\$ 57,470,220	\$ 70,199,002	\$ 56,764,596	\$ 63,565,473	\$ 56,336,739
FTE Positions	218.5	167.8	167.8	160.8	160.8	160.8	160.8
Non-FTE Uncl. Perm. Pos.	16.0	35.0	35.0	16.0	16.0	16.0	16.0
TOTAL	234.5	202.8	202.8	176.8	176.8	176.8	176.8

The **agency** requests FY 2016 expenditures totaling \$70.2 million, including \$18.8 million from the State General Fund. The request is an increase \$6.1 million, or 9.4 percent, including \$4.5 million, or 31.9 percent from the State General Fund, above the revised FY 2015 estimate. The majority of the increase is attributable to the addition of \$13.0 million for KEES on going operations, maintenance and enhancements, partially offset by reductions in transfers of \$2.6 million for KEES development costs. Additionally, the increases are partially

offset by salaries and wages expenditure decreases totaling \$1.5 million.

The **agency's** FY 2016 request includes \$9.4 million for salaries and wages, \$34.3 million for contractual services, and \$25.9 million for other assistance payments. The FY 2016 request includes State General Fund expenditures totaling \$18.8 million, \$25.1 million from the Children's Initiatives Fund and \$21.6 million from federal funds.

The **Governor** recommends FY 2016 expenditures totaling \$56.8 million, including \$15.9 million from the State General Fund. The recommendation is a reduction of \$13.4 million, or 19.1 percent, including \$2.9 million, or 15.5 percent, below the agency's request.

The recommendation includes a reduction of \$93,620, including \$46,085 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$7.3 million, including \$2.9 million from the State General Fund, to continue the 4.0 percent operating reduction. Reductions include \$6.7 million, including \$2.5 million from the State General Fund, to remove funding for the conversion of legacy computer systems away from the mainframe, other operating expenditures, office supplies and a reorganization of information technology services. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

The **Governor's** recommendation includes a reduction of \$25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Fund Accountability Fund. The recommendation also includes a reduction of \$6.0 million, all from the Children's Initiatives Fund, to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The **agency** requests FY 2017 expenditures totaling \$63.6 million, including \$16.2 million from the State General Fund. The request is a decrease of \$6.6 million, or 9.4 percent, including \$2.4 million, or 13.7 percent from the State General Fund, below the FY 2016 request. The majority of the increase is attributable to the anticipated completion of the mainframe conversion

project which was included in both the FY 2015 and FY 2016 agency request.

The **agency's** FY 2017 request includes \$9.7 million for salaries and wages, \$27.8 million for contractual services, and \$25.4 million for other assistance payments. The FY 2017 request includes State General Fund expenditures totaling \$16.2 million, \$25.1 million from the Children's Initiatives Fund and \$22.0 million from federal funds.

The **Governor** recommends FY 2017 expenditures totaling \$56.3 million, including \$15.6 million from the State General Fund. The recommendation is a reduction of \$7.2 million, or 11.4 percent, including \$578,365, or 3.6 percent, from the State General Fund, below the agency's request.

The recommendation includes a reduction of \$95,495, including \$47,007 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$1.1 million, including \$531,358 from the State General Fund, to continue the 4.0 percent operating reduction. Reductions include other operating expenditures, office supplies and a reorganization of information technology services. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

The **Governor's** recommendation includes a reduction of \$25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Fund Accountability Fund. The recommendation also includes a reduction of \$6.0 million, all from the Children's Initiatives Fund, to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

D. Regional Offices

Operations staff are employed throughout Kansas and deliver the bulk of all DCF benefits and many direct services in the four regional management areas (East, Kansas City, West, and Wichita). The staff in these four regions perform a variety of functions including: determining eligibility for DCF programs and medical programs administered by the Kansas Department of Health and Environment, Division of Health Care Finance;

investigating alleged abuse, neglect, and fiduciary abuse of adults, and help providing protective services; investigating alleged abuse and neglect of children, and coordinating with and overseeing all foster care, adoption, and family preservation contractors; coordinating all DCF programs and services; and conducting quality assurance and monitoring for children and adults receiving services.

REGIONAL OFFICES PROGRAM SUMMARY OF EXPENDITURES FY 2014 – 2017							
Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 91,742,786	\$ 95,935,488	\$ 94,932,880	\$ 96,683,554	\$ 94,337,674	\$ 101,097,073	\$ 97,665,951
Contractual Services	16,697,681	17,591,068	17,591,068	17,457,605	17,374,097	17,412,712	17,245,697
Commodities	934,918	971,883	971,883	983,610	977,582	995,666	983,610
Capital Outlay	174,076	494,700	494,700	494,700	394,950	494,700	295,200
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 109,549,461	\$ 114,993,139	\$ 113,990,531	\$ 115,619,469	\$ 113,084,303	\$ 120,000,151	\$ 116,190,458
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	80,422	79,503	79,503	0	0	0	0
TOTAL	<u>\$ 109,629,883</u>	<u>\$ 115,072,642</u>	<u>\$ 114,070,034</u>	<u>\$ 115,619,469</u>	<u>\$ 113,084,303</u>	<u>\$ 120,000,151</u>	<u>\$ 116,190,458</u>
Financing:							
State General Fund	\$ 63,643,328	\$ 66,355,216	\$ 65,586,035	\$ 66,624,899	\$ 64,573,230	\$ 69,107,181	\$ 66,321,615
All Other Funds	45,986,555	48,717,426	48,483,999	48,994,570	48,511,073	50,892,970	49,868,843
TOTAL	<u>\$ 109,629,883</u>	<u>\$ 115,072,642</u>	<u>\$ 114,070,034</u>	<u>\$ 115,619,469</u>	<u>\$ 113,084,303</u>	<u>\$ 120,000,151</u>	<u>\$ 116,190,458</u>
FTE Positions	1,771.2	1,726.4	1,726.4	1,729.4	1,729.4	1,729.4	1,729.4
Non-FTE Uncl. Perm. Pos.	99.0	167.0	167.0	167.0	167.0	167.0	167.0
TOTAL	<u>1,870.2</u>	<u>1,893.4</u>	<u>1,893.4</u>	<u>1,896.4</u>	<u>1,896.4</u>	<u>1,896.4</u>	<u>1,896.4</u>

The **agency** requests FY 2016 expenditures totaling \$115.6 million, including \$66.6 million from the State General Fund. The request is an increase of \$546,827, or 0.5 percent, including \$269,683, or 0.4 percent, from the State General Fund, above the revised FY 2015 estimate. The majority of the increase is attributable to increases in salaries and wages fringe benefits.

The **agency's** FY 2016 request includes \$96.7 million for salaries and wages and \$17.5 million for contractual services. The FY 2016 request includes State General Fund expenditures totaling \$66.6 million and \$49.0 million from federal funds.

The **Governor** recommends FY 2016 expenditures totaling \$113.1 million, including \$64.6 million from the State General Fund. The recommendation is a reduction of \$2.5 million, or 2.2 percent, including \$2.1 million, or 3.1 percent, from the State General Fund, below the agency's request.

The recommendation includes a reduction of \$1.3 million, including \$729,941 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$1.2 million, including \$1.3 million from the State General Fund, to continue the 4.0 percent operating reduction. Reductions include other operating expenditures, office supplies and funding shifts for programs. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

The **agency** requests FY 2017 expenditures totaling \$120.0 million, including \$69.1 million from the State General Fund. The request is an increase of \$4.4 million, or 3.8 percent, including \$2.5 million, or 3.7 percent, from the State General Fund, above the FY 2016 request. The majority of the increases are attributable to salaries and wages expenditures, including increases of \$1.8 million for fringe benefit increases and \$2.7 million for the 27th payroll period.

The **agency's** FY 2017 request includes \$101.1 million for salaries and wages and \$17.4 million for contractual services. The FY 2017 request includes State General Fund expenditures totaling \$69.1 million and \$50.9 million from federal funds.

The **Governor** recommends FY 2017 expenditures totaling \$116.2 million, including \$66.3 million from the State General Fund. The recommendation is a reduction of \$3.8 million, or 3.2 percent, from all funding sources, including \$2.8 million, or 4.0 percent, from the State General Fund, below the agency's request.

The recommendation includes a reduction of \$1.3 million, including \$744,221 from the State General Fund, to reduce employer contributions for state employee health insurance. Also included in the recommendation is a reduction of \$2.5 million, including \$2.0 million from the State General Fund, to continue the 4.0 percent operating reduction. Reductions include other operating expenditures, office supplies and funding shifts for programs. Also included is a reduction in salaries and wages associated with an increase in shrinkage savings.

PERFORMANCE MEASURES					
Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Child Support Enforcement					
Support collections to cost ration	\$4.10:\$1	\$5.51:\$1	\$5.50:\$1	\$5.50:\$1	\$5.50:\$1
Percent of cases paying support arrears	64.0%	64.0%	64.0%	64.0%	64.0%
Temporary Assistance to Families					
Percent of families leaving TANF who retain employment in the second quarter	45.0%	39.4%	41.0%	42.0%	43.0%
Rehabilitation Services					
Percent of rehabilitated clients gaining competitive employment	99.3%	99.7%	72.6%	72.6%	72.6%
Number of clients rehabilitated	1,800	1,555	1,800	1,800	1,800
Child Care and Early Childhood Development					
Percent of children in Early Head Start demonstrating developmental growth	89.0%	83.0%	85.0%	90.0%	90.0%
Percent of Kansas Early Head Start child care providers who have a Child Development Associate or higher in education	93.0%	94.0%	94.0%	94.0%	94.0%
Reintegration/Foster Care Contract					
Average number of children in foster care each month	5,538	5,561	5,830	5,990	6,130