

KANSAS COMMISSION ON VETERANS' AFFAIRS OFFICE

| Expenditure | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
|--------------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| Operating Expenditures: | | | | | |
| State General Fund | \$ 7,569,396 | \$ 6,317,934 | \$ 6,317,934 | \$ 7,434,307 | \$ 6,834,307 |
| Other Funds | 11,479,340 | 14,178,675 | 14,178,675 | 14,167,444 | 14,767,444 |
| TOTAL | \$ 19,048,736 | \$ 20,496,609 | \$ 20,496,609 | \$ 21,601,751 | \$ 21,601,751 |
| Capital Improvements: | | | | | |
| State General Fund | \$ 57,470 | \$ 34,900 | \$ 34,900 | \$ 9,900 | \$ 9,900 |
| Other Funds | 469,671 | 3,087,295 | 3,087,295 | 2,404,750 | 2,238,500 |
| TOTAL | \$ 527,141 | \$ 3,122,195 | \$ 3,122,195 | \$ 2,414,650 | \$ 2,248,400 |
| GRAND TOTAL | \$ 19,575,877 | \$ 23,618,804 | \$ 23,618,804 | \$ 24,016,401 | \$ 23,850,151 |
| Percentage Change: | | | | | |
| Operating Expenditures | | | | | |
| State General Fund | 1.5 % | (16.5) % | (16.5) % | 17.7 % | 8.2 % |
| All Funds | (2.4) | 7.6 | 7.6 | 5.4 | 5.4 |
| FTE Positions | 312.8 | 363.0 | 363.0 | 368.0 | 368.0 |
| Non-FTE Perm.Uncl.Pos. | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| TOTAL | 317.8 | 369.0 | 369.0 | 374.0 | 374.0 |

AGENCY OVERVIEW

The mission of the Kansas Commission on Veterans' Affairs Office (KCVAO) is to serve Kansas veterans and their families, relatives, and dependents with information, advice, direction, and assistance through the coordination of programs and services in the fields of education, health, vocational guidance and placement, and economic security.

Services provided by the agency include long-term nursing and assisted living care to eligible veterans, completion and maintenance of four state veterans' cemeteries, and coordination with federal agencies to provide financial assistance to Kansas veterans for health care and disability income.

The agency serves veterans through 13 field offices, six service organization offices, two mobile vans, and the central office located in Topeka. Additional services are provided through services grants to veterans' service organizations. Nursing and assisted living care are provided through the Kansas Soldiers' Home (KSH) at Fort Dodge and the Kansas Veterans' Home (KVH) in Winfield.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** added \$71,310 from the State General Fund in FY 2007 to fund two additional veterans' service representatives for positions which were previously vacant. The Legislature also added \$48,478 from the State General Fund in FY 2007 to allow for the reclassification of veterans' service representatives.

Also, the **2006 Legislature** passed 2006 House Sub. for SB 396, which directed the KCVA to establish and administer a Veterans' Claims Assistance Program (VCAP) to be implemented through annual grant agreements with veterans' service organizations. The program was to be established and operations to commence on or before August 1, 2006. The grants are subject to appropriation by the Legislature. Additionally, the 2006 Legislature added \$500,000 from the State General Fund in FY 2007 to fund the VCAP grants.

The **2007 Legislature** included \$500,000 from the State General Fund for the FY 2008 budget for the continuation of VCAP, which was established by the 2006 Legislature. The Legislature also added, from the State General Fund, \$32,988 to replace one tractor, \$53,012 to fund salaries and wages for an additional ten resident workers, and \$18,800 for one minivan to transport KSH residents. In addition, the Legislature added \$34,620 from the State General Fund for one nine-passenger minivan with a wheelchair lift to transport KVH residents.

In late 2007, the Department of Aging found several deficiencies at KSH. To correct these items, a Department of Administration task force was commissioned to consult with KSH. Several additional supplementals were requested in response to the task force.

The **2008 Legislature** added \$240,000, including \$40,000 from the State General Fund, in FY 2008 to fill the Emporia veterans' service representative position and pay for consulting fees related to the deficiencies found at KSH in Fort Dodge. The Legislature added \$658,173, including \$408,173 from the State General Fund, in FY 2009 for operating expenditures for a new cemetery at Fort Riley, salary and wage increases at KVH in Winfield, replacement of ten electric beds, replacement of a 12-passenger wheelchair lift van, and the shifting of 24.0 FTE positions to unclassified positions. The shift in staffing was an attempt to resolve issues related to insufficient nursing staff at KSH.

The **2009 Legislature** deleted \$118,895, all from the State General Fund, in FY 2009 and \$367,964, also all from the State General Fund, in FY 2010. The Legislature also deleted \$314,784, all from the State Institutions Building Fund and placed the capital improvements projects on hold pending the outcome of the state investigation into facilities closure.

The **2010 Legislature** added \$833,856, all from the State Institutions Building Fund, for roof repairs at KSH in FY 2011 and also added \$700,000, all from the State General Fund, to the Kansas Commission on Veterans' Affairs (KCVA) operations budget in FY 2011. In addition, the Legislature added language allowing the KCVA to expend Scratch Lotto funds received by the agency not only for the enhanced service delivery program but also for normal program operations in the Veterans Services program. The Legislature also closed Triplett Hall, a long term care nursing facility, at KVH and eliminated payment of veterans' spouses' pharmacy costs at KSH.

The **2011 Legislature** eliminated 158.0 FTE positions for FY 2012, all of which were vacant. The revised position limitation reflects the agency's FTE position funding.

The **2012 Legislature** added \$518,126, all special revenue funds, to increase expenditure authority at KVH, and \$623,592, all from special revenue funds, to increase expenditure authority at KSH to allow the agency to expend Medicare and Medicaid funds for existing resident services within facilities for FY 2012. The Legislature also eliminated 70.0 percent of vacant positions that had been unfilled for greater than 120 days as of June, 30, 2012, resulting in 29.5 non-FTE positions being eliminated from the agency.

In May 2013, Legislative Post Audit (LPA) identified a number of concerns with the KCVA including: inadequate financial controls, credit card controls, canteen fund controls, benefit fund controls, and employee travel reimbursement controls at the KVH and the KSH. The report also concluded that the central office has not provided adequate oversight of either facility. In response, the agency has instituted a number of reforms and reported its progress to both LPA and the Joint Committee on Kansas Security.

The **2013 Legislature** deleted \$492,830, including \$194,264 from the State General Fund, for FY 2014 and \$516,888, including \$203,755 from the State General Fund, for FY 2015 to maintain funding for salaries and wages at FY 2013 levels, after adjusting for both committee action and Kansas Public Employee Retirement System (KPERS) increases for FY 2014 and FY 2015.

The **2013 Legislature** added language giving authority to transfer existing State General Fund appropriations to the Vietnam War Era Veteran Recognition Award Fund in FY 2013, FY 2014, and FY 2015.

The **2014 Legislature** enacted HB 2681, which abolished the KCVA, establishing KCAVO in its place, with similar duties and functions. The 2014 Legislature added \$820,000, all from special revenue funds, for enhancements at the Soldiers' Home and the Veterans' Home. The Legislature added 32.0 FTE positions and approved an increase in salaries and wages and contractual services, primarily attributable to the Triplet Hall expansion, higher expenditures to decrease shrinkage in the Veterans' Services program, and the addition of an unclassified Chief Financial Officer position within the agency with reallocated funds from the administrative program. The Legislature also added 4.0 FTE positions for Veterans' Services positions.

The **2015 Legislature** added language to allow the agency to exceed the expenditure limitations for select funds upon specific authorization by the State Finance Council for FY 2016 and FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** submits a revised estimate of \$23.5 million, including \$6.4 million from the State General Fund, for operational expenditures and capital improvements in FY 2016. Of this amount, the agency submits a revised estimate of \$20.5 million, including \$6.3 million from the State General Fund, for operational expenditures in FY 2016. This is reflected as an all funds increase of \$798,121, or 4.1 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The revised estimate is reflected as an all funds increase because the agency is partially replacing funding in the Governor's allotment with funding from special revenue funds. A reappropriation of funding and the Governor's allotment automatically change the agency's approved expenditures from the State General Fund, but agency expenditures from special revenue funds to replace the difference requires Legislative action and does not automatically change the approved amount of funding. The increase is reflected as an increase in salaries and wages and capital outlay expenditures, partially offset by a decrease in contractual services, commodities, and other assistance expenditures. The agency submits a revised estimate for capital improvement

expenditures of \$3.1 million, including \$34,900 from the State General Fund, in FY 2016. This is an all funds increase of \$1.5 million, or 85.2 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature. The all funds increase is primarily attributable to the agency reappropriating funding from the State Institutions Building Fund for projects not completed in previous fiscal years.

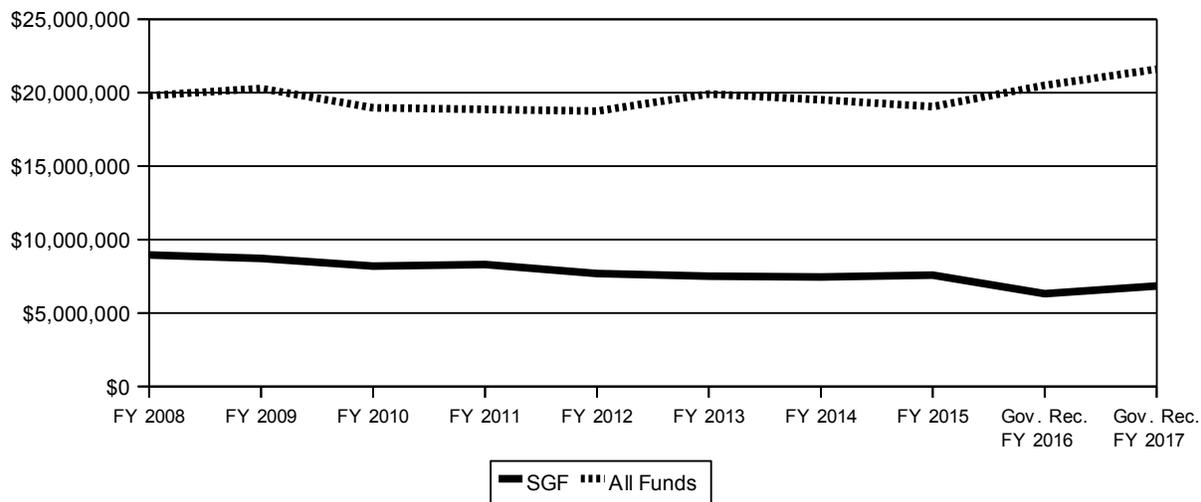
The **Governor** concurs with the agency FY 2016 revised estimate.

FY 2017 – Budget Year. The **agency** submits a revised estimate of \$24.0 million, including \$7.4 million from the State General Fund, for operational expenditures and capital improvements for FY 2017. Of this amount, the agency submits a revised estimate of \$21.6 million, including \$7.4 million from the State General Fund for operational expenditures for FY 2017. This is an all funds increase of \$1.2 million, or 5.9 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in salaries and wages, commodities, and capital outlay expenditures, partially offset by a decrease in contractual services and other assistance. The agency submits a revised estimate of \$2.4 million, including \$9,900 from the State General Fund, for capital improvements for FY 2017. This is an all funds increase of \$327,750, or 15.8 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$23.9 million, including \$6.8 million from the State General Fund, for operating expenditures and capital improvements for FY 2017. Of this amount, the Governor recommends operating expenditures of \$21.6 million, including \$6.8 million from the State General Fund, in FY 2016. This is the same all funds amount, and a State General Fund decrease of \$600,000, or 8.1 percent, below the agency's revised estimate. The decrease is attributable to the Governor's recommendation that the agency reduce State General Fund expenditures by \$600,000 and increase expenditures by \$600,000 from agency fee funds. The Governor recommends capital improvements expenditures of \$2.2 million, including \$9,900 from the State General Fund, for FY 2017. This is an all funds decrease of \$166,250, or 6.9 percent, and the same State General Fund amount as the agency's revised estimate. The decrease is attributable to the Governor not recommending the agency's supplemental requests for rehabilitation and repair and state cemeteries improvements for FY 2017.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

| Fiscal Year | SGF | % Change | All Funds | % Change | FTE |
|---------------------------------|----------------|----------|---------------|----------|---------|
| 2008 | \$ 8,955,250 | 11.1 % | \$ 19,799,498 | 10.2 % | 556.8 |
| 2009 | 8,712,946 | (2.7) | 20,284,990 | 2.5 | 522.0 |
| 2010 | 8,189,261 | (6.0) | 18,970,847 | (6.5) | 513.0 |
| 2011 | 8,301,274 | 1.4 | 18,859,098 | (0.6) | 498.0 |
| 2012 | 7,682,999 | (7.4) | 18,742,923 | (0.6) | 340.0 |
| 2013 | 7,503,064 | (2.3) | 19,910,982 | 6.2 | 309.0 |
| 2014 | 7,453,957 | (0.7) | 19,514,881 | (2.0) | 298.8 |
| 2015 | 7,569,396 | 1.5 | 19,048,736 | (2.4) | 312.8 |
| 2016 Gov. Rec. | 6,317,934 | (16.5) | 20,496,609 | 7.6 | 363.0 |
| 2017 Gov. Rec. | 6,834,307 | 8.2 | 21,601,751 | 5.4 | 368.0 |
| Ten-Year Change Dollars/Percent | \$ (2,120,943) | (23.7)% | \$ 1,802,253 | 9.1 % | (188.8) |

Summary of Operating Budget FY 2015 - FY 2017

Kansas Commission on Veterans' Affairs Office

| | Actual 2015 | Agency Estimate | | | | Governor's Recommendation | | | |
|--|----------------------|----------------------|----------------------|--------------------------------|---------------------------------|---------------------------|----------------------|--------------------------------|---------------------------------|
| | | Estimate FY 2016 | Estimate 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 | \$ 563,956 | \$ 577,664 | \$ 595,447 | \$ 17,783 | 3.1 % | \$ 577,664 | \$ 595,447 | \$ 17,783 | 3.1 % |
| Veterans' Services | 2,591,768 | 2,765,739 | 2,832,438 | 66,699 | 2.4 | 2,765,739 | 2,832,438 | 66,699 | 2.4 |
| Kansas Soldiers' Home | 7,158,455 | 7,298,589 | 7,505,077 | 206,488 | 2.8 | 7,298,589 | 7,505,077 | 206,488 | 2.8 |
| Kansas Veterans' Home | 7,799,365 | 8,930,819 | 9,717,260 | 786,441 | 8.8 | 8,930,819 | 9,717,260 | 786,441 | 8.8 |
| Cemeteries Program | 935,192 | 923,798 | 951,529 | 27,731 | 3.0 | 923,798 | 951,529 | 27,731 | 3.0 |
| TOTAL | \$ 19,048,736 | \$ 20,496,609 | \$ 21,601,751 | \$ 1,105,142 | 5.4 % | \$ 20,496,609 | \$ 21,601,751 | \$ 1,105,142 | 5.4 % |
| By Major Object of Expenditure: | | | | | | | | | |
| Salaries and Wages | \$ 13,246,436 | \$ 16,758,842 | \$ 17,609,821 | \$ 850,979 | 5.1 % | \$ 16,758,842 | \$ 17,609,821 | \$ 850,979 | 5.1 % |
| Contractual Services | 2,851,664 | 1,304,799 | 1,259,112 | (45,687) | (3.5) | 1,304,799 | 1,259,112 | (45,687) | (3.5) |
| Commodities | 1,925,443 | 1,567,064 | 1,866,643 | 299,579 | 19.1 | 1,567,064 | 1,866,643 | 299,579 | 19.1 |
| Capital Outlay | 407,939 | 265,904 | 266,175 | 271 | 0.1 | 265,904 | 266,175 | 271 | 0.1 |
| Debt Service | 0 | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| Subtotal - Operations | \$ 18,431,482 | \$ 19,896,609 | \$ 21,001,751 | \$ 1,105,142 | 5.6 % | \$ 19,896,609 | \$ 21,001,751 | \$ 1,105,142 | 5.6 % |
| Aid to Local Units | 0 | 0 | 0 | 0 | -- | 0 | 0 | 0 | -- |
| Other Assistance | 617,254 | 600,000 | 600,000 | 0 | 0.0 | 600,000 | 600,000 | 0 | 0.0 |
| TOTAL | \$ 19,048,736 | \$ 20,496,609 | \$ 21,601,751 | \$ 1,105,142 | 5.4 % | \$ 20,496,609 | \$ 21,601,751 | \$ 1,105,142 | 5.4 % |
| Financing: | | | | | | | | | |
| State General Fund | \$ 7,569,396 | \$ 6,317,934 | \$ 7,434,307 | \$ 1,116,373 | 17.7 % | \$ 6,317,934 | \$ 6,834,307 | \$ 516,373 | 8.2 % |
| Veterans' Home FF | 1,901,260 | 2,707,723 | 2,464,113 | (243,610) | (9.0) | 2,707,723 | 3,064,113 | 356,390 | 13.2 |
| Soldiers' Home FF | 1,593,896 | 1,564,416 | 1,569,621 | 5,205 | 0.3 | 1,564,416 | 1,569,621 | 5,205 | 0.3 |
| All Other Funds | 7,984,184 | 9,906,536 | 10,133,710 | 227,174 | 2.3 | 9,906,536 | 10,133,710 | 227,174 | 2.3 |
| TOTAL | \$ 19,048,736 | \$ 20,496,609 | \$ 21,601,751 | \$ 1,105,142 | 5.4 % | \$ 20,496,609 | \$ 21,601,751 | \$ 1,105,142 | 5.4 % |

*Revenues from Medicaid reimbursements at the Kansas Soldiers' Home and Kansas Veterans' Home are paid to the agency from the Kansas Department on Aging and Disability Services. This disbursement of funds is considered to be an expenditure for KDADS, so expenditures from these Medicaid funds are considered to be off budget expenditures. These off budget expenditures are not included in standard operating expenditures, but are included in further detail in the program level analysis as an off budget program.

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$7,602,716 for the KCVAO in FY 2016. 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 \$118, based on the reappropriation of FY 2015 funding which was not spent in FY 2015 and has shifted to FY 2016; and
- A reduction of \$1,250,000, as the result of the Governor’s State General Fund allotment pursuant to the authority granted in Senate Sub. for HB 2135.

These adjustments change the FY 2016 approved State General Fund to \$6,352,834. That amount is reflected in the table below as the currently approved FY 2016 State General Fund amount.

| CHANGE FROM APPROVED BUDGET | | | | | |
|-----------------------------|------------------------------------|-------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| | Legislative Approved FY 2016 | Agency Estimate FY 2016 | Agency Change from Approved | Governor Rec. FY 2016 | Governor Change from Approved |
| State General Fund | \$ 6,352,834 | \$ 6,352,834 | \$ 0 | \$ 6,352,834 | \$ 0 |
| All Other Funds | 14,975,054 | 17,265,970 | 2,290,916 | 17,265,970 | 2,290,916 |
| TOTAL | \$ 21,327,888 | \$ 23,618,804 | \$ 2,290,916 | \$ 23,618,804 | \$ 2,290,916 |
| FTE Positions | 363.0 | 363.0 | 0.0 | 363.0 | 0.0 |

The **agency** submits a revised estimate of \$23.5 million, including \$6.4 million from the State General Fund, for operational expenditures and capital improvements in FY 2016. Of this amount, the agency submits a revised estimate of \$20.5 million, including \$6.3 million from the State General Fund, for operational expenditures in FY 2016. This is reflected as an all funds increase of \$798,121, or 4.1 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The revised estimate is reflected as an all funds increase because the reappropriation and Governor’s allotment automatically lower the agency’s approved expenditures from the State General Fund, but agency expenditures from special revenue funds to replace the difference require Legislative action and do not automatically change the approved amount of funding. The increase is primarily attributable to the agency partially replacing expenditures from the State General Fund with expenditures from special revenue funds. The increase is reflected as an increase in salaries and wages and capital outlay expenditures, partially offset by a decrease in contractual services, commodities, and other

assistance expenditures. The remaining increase is attributable to the agency reappropriating funding for capital improvements yet to be completed from the State Institutions Building Fund.

The revised estimate absent adjustments is detailed below by object of expenditure.

- **Salaries and Wages.** The agency requests \$16.8 million, including \$4.5 million from the State General Fund, for salaries and wages in FY 2016. This is an all funds increase of \$1.4 million, or 8.9 percent, and a State General Fund decrease of \$895,779, or 16.6 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to a shift in funding sources of \$1.6 million, all from special revenue funds, for salaries and wages expenditures at the KSH and KVH, which were previously funded with off budget Medicaid funds. The increase is partially offset by an adjustment in salary and wages shrinkage savings.
- **Contractual Services.** The agency requests \$1.3 million, including \$586,040 from the State General Fund, for contractual services in FY 2016. This is all funds decrease of \$1.6 million, or 55.5 percent, and a State General Fund decrease of \$419,053, or 41.7 percent, below the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a shift in funding sources of \$1.7 million, all from special revenue funds, for contractual services expenditures at the KSH and KVH to off budget Medicaid funds. The decrease is partially offset by an increase in building repair expenditures, in-state travel expenditures, staffing and recruiting expenditures at the Soldiers' Home and Veterans' Home, and building space rental expenditures.
- **Commodities.** The agency requests \$1.6 million, including \$504,679 from the State General Fund, for commodities in FY 2016. This is an all funds decrease of \$238,416, or 13.2 percent, and a State General Fund increase of \$57,877, or 13.0 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in drug and pharmaceutical supplies expenditures.
- **Capital Outlay.** The agency requests \$265,904, including \$129,865 from the State General Fund, for capital outlay in FY 2016. This is an all funds increase of \$66,387, or 33.3 percent, and a State General Fund increase of \$7,073, or 5.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer equipment, computer software, and furniture expenditures.
- **Other Assistance.** The agency requests \$600,000, all from the State General Fund, for other assistance in FY 2016. This is an all funds decrease of \$15,000, or 2.4 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in grants.

The **Governor** recommends expenditures of \$23.6 million, including \$6.4 million from the State General Fund, for operating expenditures and capital improvements in FY 2016. Of this amount, the Governor recommends operating expenditures of \$20.5 million, including \$6.3 million from the State General Fund, in FY 2016. This is the same all funds and State General Fund amounts as the agency's revised estimate.

Governor's Allotments

The 2015 Legislature, through the enactment of Senate Sub. for HB 2135, authorized the Director of the Division of the Budget to lapse appropriations or transfer funding from special revenue funds to the State General Fund, up to a total of \$100.0 million, at any time during FY 2016 if the Director determines the unencumbered ending balance of the State General Fund for FY 2016 will be less than \$100.0 million. This authority does not apply to appropriations for the Judicial Branch, Legislative Branch agencies, debt service, employer contributions to the Kansas Public Employees Retirement System (KPERs), the Department of Education (except the agency's operating expenditures account), or demand transfers to the school district capital improvements fund. On July 30, 2015, the Director announced various State General Fund lapses and transfers totaling \$60.7 million of which \$17.7 million require legislative approval.

On November 6, 2015, the Consensus Revenue Estimating Group met to revise the State General Fund Revenue Estimate for FY 2016. The estimate was decreased by \$159.1 million, for FY 2016. Excluding Governor recommended legislative adjustments, the ending balance for FY 2016 was estimated to require \$135.9 million in adjustments to achieve a zero ending balance. This estimate assumes that human services caseloads are funded at the recommended level and school finance KPERs contributions are reduced to reflect current estimates. As a result, on November 6, 2015, the Director exercised his authority under Senate Sub. for HB 2135 to make an additional \$56.9 million in revenue adjustments. The Governor further made \$52.6 million in expenditure reductions under the Governor's allotment authority. Finally, the Governor recommended the Legislature make an additional \$14.3 million in revenue adjustments.

Between the July and November adjustments, the Governor has reduced expenditures by a total of \$73.2 million, made \$79.4 million in revenue adjustments, and recommended the Legislature enact an additional \$32.0 million through the allotment authority and authority under 2015 Senate Sub. for HB 2135 or the special allotment statute. These adjustments, including the recommended Legislative adjustments, would result in a State General Fund ending balance of approximately \$5.6 million in FY 2016. This estimate excludes monthly State General Fund receipts subsequent to the November 6, 2015 consensus revenue estimate and any further adjustments made within the FY 2016 Governor's Budget Recommendation. The impact of these adjustments on this agency is described below.

| GOVERNOR'S ALLOTMENTS | | | |
|------------------------------|-----------------------|-----------------------|------------|
| Allotment | SGF | All Funds | FTE |
| July Allotment | | | |
| SGF Lapse | | | |
| TOTAL | \$ (1,250,000) | \$ (1,250,000) | 0.0 |

A reduction of \$1.3 million, all from the KVH account of the State General Fund Operating Expenditures Fund. The agency submitted a plan to use fee fund expenditures to partially make up the difference in the loss of State General Fund expenditures.

B. FY 2017 – Budget Year

Adjustments to Approved State General Fund Budget

| | CHANGE FROM APPROVED BUDGET | | | | |
|--------------------|------------------------------------|-------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| | Legislative Approved FY 2017 | Agency Estimate FY 2017 | Agency Change from Approved | Governor Rec. FY 2017 | Governor Change from Approved |
| State General Fund | \$ 7,444,207 | \$ 7,444,207 | \$ 0 | \$ 6,844,207 | \$ (600,000) |
| All Other Funds | 15,043,083 | 16,572,194 | 1,529,111 | 17,005,944 | 1,962,861 |
| TOTAL | \$ 22,487,290 | \$ 24,016,401 | \$ 1,529,111 | \$ 23,850,151 | \$ 1,362,861 |
| FTE Positions | 368.0 | 368.0 | 0.0 | 368.0 | 0.0 |

The **agency** submits a revised estimate of \$24.0 million, including \$7.4 million from the State General Fund, for operational expenditures and capital improvements for FY 2017. Of this amount, the agency submits a revised estimate of \$21.6 million, including \$7.4 million from the State General Fund for operational expenditures for FY 2017. This is an all funds increase of \$1.2 million, or 5.9 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in salaries and wages, commodities, and capital outlay expenditures, partially offset by a decrease in contractual services and other assistance.

The revised estimate absent adjustments is detailed below by object of expenditure.

- Salaries and Wages.** The agency requests \$17.6 million, including \$4.8 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$1.8 million, or 11.3 percent, and a State General Fund decrease of \$431,195, or 8.3 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to a shift in funding sources of \$1.7 million, all from special revenue funds, for salaries and wages expenditures at the Soldiers' Home and Veterans' Home which were previously funded by off budget Medicaid reimbursement funds. The all funds increase is also partially attributable to an adjustment in salary shrinkage.
- Contractual Services.** The agency requests \$1.3 million, including \$915,916 from the State General Fund, for contractual services for FY 2017. This is an all funds decrease of \$780,081, or 38.3 percent, and a State General Fund increase of \$162,284, or 21.5 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a shift in funding sources of \$819,620, all from special revenue funds, for contractual services expenditures at the KSH and KVH to off budget Medicaid funds. The decrease is partially offset by an increase in building repair expenditures, in-state travel expenditures, staffing and recruiting expenditures at the Soldiers' Home and Veterans' Home, and building space rental expenditures.
- Commodities.** The agency requests \$1.9 million, including \$976,993 from the State General Fund, for commodities for FY 2017. This is an all funds increase of

\$134,908, or 7.8 percent, and a State General Fund increase of \$222,438, or 29.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in supplies for patient care at the Soldiers' Home and Veterans' Home. The increase is also partially attributable to a shift in funding sources for commodities expenditures at the Soldiers' Home and Veterans' Home which were previously funded by off budget Medicaid reimbursement funds.

- **Capital Outlay.** The agency requests \$266,175, including \$169,265 from the State General Fund, for capital outlay for FY 2017. This is an all funds increase of \$66,658, or 33.4 percent, and a State General Fund increase of \$46,473, or 37.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer expenditures, software expenditures, and furniture expenditures.
- **Other Assistance.** The agency requests \$600,000, all from the State General Fund, for other assistance for FY 2017. This is an all funds decrease of \$15,000, and the State General Fund amount is the same amount as approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in grants.

The **Governor** recommends expenditures of \$23.9 million, including \$6.8 million from the State General Fund, for operating expenditures and capital improvements for FY 2017. Of this amount, the Governor recommends operating expenditures of \$21.6 million, including \$6.8 million from the State General Fund, in FY 2016. This is the same all funds amount, and a State General Fund decrease of \$600,000, or 8.1 percent, below the agency's revised estimate. The decrease is attributable to the Governor's recommendation that the agency reduce State General Fund expenditures by \$600,000 and increase expenditures by \$600,000 from agency fee funds.

Supplemental Detail

| FY 2017 SUPPLEMENTALS | | | | | | |
|-------------------------------|-----------------|-------------------|------------|---------------------------|-------------------|------------|
| Supplementals | Agency Estimate | | | Governor's Recommendation | | |
| | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Remodel Custer House | \$ 0 | \$ 161,500 | 0.0 | \$ 0 | \$ 161,500 | 0.0 |
| Additional KSH R&R | 0 | 22,500 | 0.0 | 0 | 0 | 0.0 |
| Additional KVH R&R | 0 | 43,750 | 0.0 | 0 | 0 | 0.0 |
| State Cemeteries Improvements | 0 | 100,000 | 0.0 | 0 | 0 | 0.0 |
| Removal of Funds Limits | 0 | 0 | 0.0 | 0 | 0 | 0.0 |
| TOTAL | \$ 0 | \$ 327,750 | 0.0 | \$ 0 | \$ 161,500 | 0.0 |

The **agency** requests five supplemental requests for FY 2017.

- The agency requests \$161,500, all from the State Institutions Building Fund, to remodel several rooms in the Custer House at the KSH.

- The agency requests \$22,500, all from the State Institutions Building Fund, to increase rehabilitation and repair expenditures at the KSH.
- The agency requests \$43,750, all from the State Institutions Building Fund, to increase rehabilitation and repair expenditures at the KVH. Of this amount, \$15,251 is a planned reappropriation of funding not spent in FY 2016 and \$28,499 in new appropriation.
- The agency requests \$100,000, all from the Expanded Lottery Act Revenues Fund (ELARF), to purchase over-sized gravel liners for the veterans cemeteries.
- The agency requests that the expenditure limits on its limited funds be removed and converted to no-limit funds.

The **Governor** recommends supplemental expenditures of \$161,500, all from the State Institutions Building Fund, for FY 2017. The Governor recommended the supplemental request to remodel the Custer House at KSH, but did not recommend the other supplemental requests.

Funding Sources

| Funding Source | Agency Est. Percent of Total FY 2017 | Gov. Rec. Percent of Total FY 2017 |
|-------------------------|--|--|
| State General Fund | 34.4 % | 31.6 % |
| Soldiers' Home Fee Fund | 7.3 | 7.3 |
| Veterans' Home Fee Fund | 11.4 | 14.2 |
| All Other Funds | 46.9 | 46.9 |
| TOTAL | 100.0 % | 100.0 % |

Note: Details may not add to totals due to rounding.

Soldiers' Home Fee Fund Analysis

The Soldiers' Home Fee Fund includes revenues from resident fees and other miscellaneous revenues, such as farm and garage rentals, interest, and obsolete equipment and material sales. The Soldiers' Home Fee Fund is authorized by KSA 76-1952.

| Resource Estimate | Actual FY 2015 | Agency Estimate FY 2016 | Gov. Rec. FY 2016 | Agency Estimate FY 2017 | Gov. Rec. FY 2017 |
|---|----------------------|-------------------------------|----------------------|-------------------------------|-------------------------|
| Beginning Balance | \$ 12,701 | \$ (4,295) | \$ (4,295) | \$ 3,289 | \$ 3,289 |
| Revenue | 1,577,820 | 1,572,000 | 1,572,000 | 1,572,000 | 1,572,000 |
| Transfers in | 0 | 0 | 0 | 0 | 0 |
| Total Funds Available | \$ 1,590,521 | \$ 1,567,705 | \$ 1,567,705 | \$ 1,575,289 | \$ 1,575,289 |
| Less: Expenditures | 1,594,816 | 1,564,416 | 1,564,416 | 1,569,621 | 1,569,621 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Off Budget Expenditures | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | <u>\$ (4,295)</u> | <u>\$ 3,289</u> | <u>\$ 3,289</u> | <u>\$ 5,668</u> | <u>\$ 5,668</u> |
| Ending Balance as Percent of Expenditures | (0.3%) | 0.2% | 0.2% | 0.4% | 0.4% |
| Month Highest Ending Balance | August \$ 251,246 | July \$ 168,093 | July \$ 168,093 | September \$ 393,000 | September \$ 393,000 |
| Month Lowest Ending Balance | June \$ (4,295) | October \$ 22,422 | October \$ 22,422 | June \$ 2,379 | June \$ 2,379 |

Veterans' Home Fee Fund Analysis

The Veterans' Home Fee Fund includes revenues from resident fees, interest, rent of unimproved lands, oil royalties, and other miscellaneous sources. This fund is authorized by KSA 76-1952.

| Resource Estimate | Actual FY 2015 | Agency Estimate FY 2016 | Gov. Rec. FY 2016 | Agency Estimate FY 2017 | Gov. Rec. FY 2017 |
|---|--------------------|-------------------------------|-----------------------|-------------------------------|----------------------|
| Beginning Balance | \$ 84,931 | \$ 348,539 | \$ 348,539 | \$ 514,074 | \$ 514,074 |
| Revenue | 2,164,868 | 2,873,258 | 2,873,258 | 3,171,601 | 3,171,601 |
| Transfers in | 0 | 0 | 0 | 0 | 0 |
| Total Funds Available | \$ 2,249,799 | \$ 3,221,797 | \$ 3,221,797 | \$ 3,685,675 | \$ 3,685,675 |
| Less: Expenditures | 1,901,260 | 2,707,723 | 2,707,723 | 2,464,113 | 3,064,113 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Off Budget Expenditures | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | <u>\$ 348,539</u> | <u>\$ 514,074</u> | <u>\$ 514,074</u> | <u>\$ 1,221,562</u> | <u>\$ 621,562</u> |
| Ending Balance as Percent of Expenditures | 18.3% | 19.0% | 19.0% | 49.6% | 20.3% |
| Month Highest Ending Balance | May \$ 869,314 | January \$ 767,878 | January \$ 767,878 | May \$ 560,041 | May* \$ 560,041 |
| Month Lowest Ending Balance | July \$ 260,382 | June \$ 283,109 | June \$ 283,109 | July \$ 101,666 | July* \$ 101,666 |

* The Governor's recommendation includes an increase in expenditures from the Veterans' Home Fee Fund for FY 2017, which may affect the highest and lowest month ending balances for that year, however these adjustments are not reflected in the table above.

Federal Domiciliary *Per Diem* Fund

The Federal Domiciliary *Per Diem* Fund includes the Veterans' Home Domiciliary Fund (VA *Per Diem*) and the Soldiers' Home Domiciliary Fund (VA *Per Diem*). 38 Code of Federal Regulations, part 17, Subpart 51.40 provides that *per diem* for nursing care and domiciliary care is provided to an eligible veteran in a facility recognized as a state home for veterans. *Per diem* payments are paid to the facilities on a monthly basis. In order to qualify for *per diem*, State Homes for Veterans are required to maintain standards for health and safety.

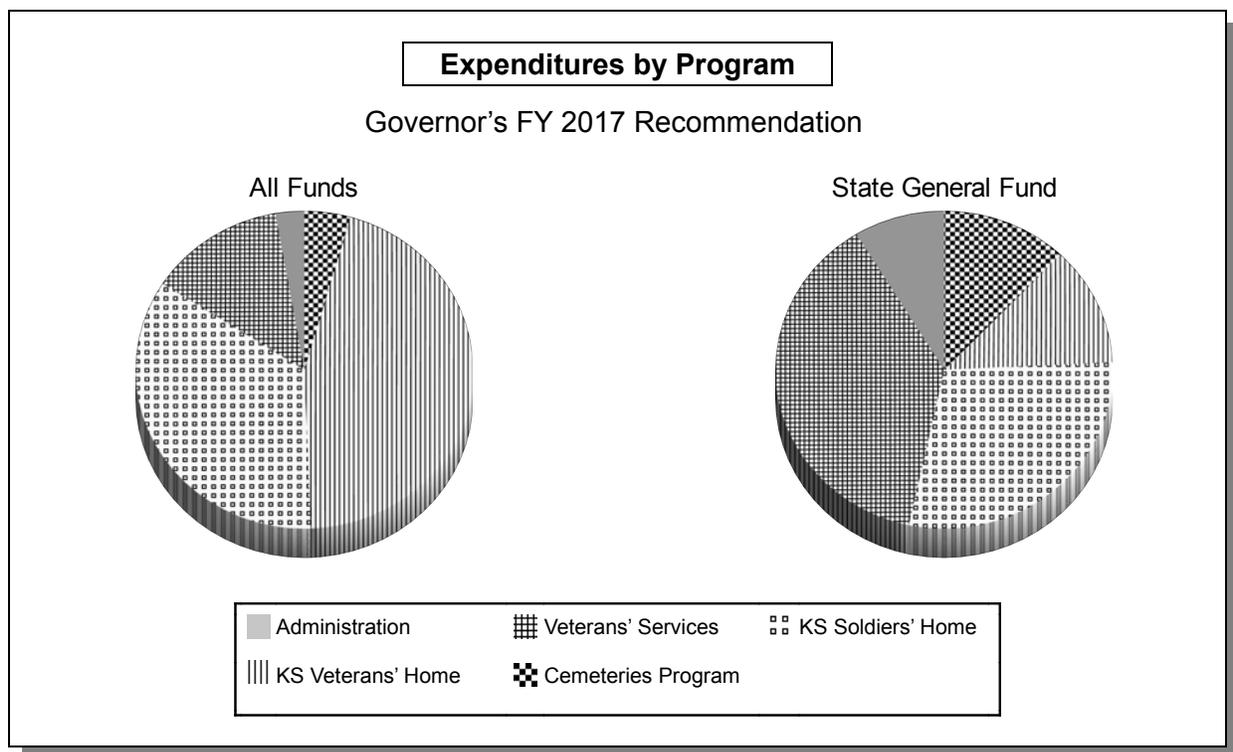
| Resource Estimate | Actual FY 2015 | Agency Estimate FY 2016 | Gov. Rec. FY 2016 | Agency Estimate FY 2017 | Gov. Rec. FY 2017 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|
| Beginning Balance | \$ 171,839 | \$ 245,058 | \$ 245,058 | \$ 189,714 | \$ 189,714 |
| Revenue | 1,458,598 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |
| Transfers in | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Funds Available | \$ 1,630,437 | \$ 1,765,058 | \$ 1,765,058 | \$ 1,709,714 | \$ 1,709,714 |
| Less: Expenditures | 1,385,379 | 1,575,344 | 1,575,344 | 1,599,150 | 1,599,150 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Off Budget Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Ending Balance | <u>\$ 245,058</u> | <u>\$ 189,714</u> | <u>\$ 189,714</u> | <u>\$ 110,564</u> | <u>\$ 110,564</u> |
| Ending Balance as Percent of Expenditures | 17.7% | 12.0% | 12.0% | 6.9% | 6.9% |
| Month Highest Ending Balance | October <u>\$ 805,107</u> | February <u>\$ 776,359</u> | February <u>\$ 776,359</u> | January <u>\$ 943,978</u> | January <u>\$ 943,978</u> |
| Month Lowest Ending Balance | December <u>\$ 249,784</u> | June <u>\$ 302,312</u> | June <u>\$ 302,312</u> | June <u>\$ 269,197</u> | June <u>\$ 269,197</u> |

Federal Long Term Care *Per Diem* Fund

The Federal Long Term Care *Per Diem* Fund includes the Veterans' Home Federal Fund Long Term Care (VA *Per Diem*) and the Soldiers' Home Federal Fund Long Term Care (VA *Per Diem*). 38 Code of Federal Regulations, Part 17, Subpart 51.40 provides that *per diem* for long term care is provided to an eligible veteran in a facility recognized as a state home for veterans. *Per diem* payments are paid to the facilities on a monthly basis. In order to qualify for *per diem*, State Homes for Veterans are required to maintain standards for health and safety.

| <u>Resource Estimate</u> | <u>Actual FY 2015</u> | <u>Agency Estimate FY 2016</u> | <u>Gov. Rec. FY 2016</u> | <u>Agency Estimate FY 2017</u> | <u>Gov. Rec. FY 2017</u> |
|---|-----------------------------|--|------------------------------|--|---------------------------------|
| Beginning Balance | \$ 589,081 | \$ 1,246,036 | \$ 1,246,036 | \$ 753,818 | \$ 753,818 |
| Revenue | 6,444,429 | 6,824,949 | 6,824,949 | 6,824,949 | 6,824,949 |
| Transfers in | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Funds Available | \$ 7,033,510 | \$ 8,070,985 | \$ 8,070,985 | \$ 7,578,767 | \$ 7,578,767 |
| Less: Expenditures | 5,787,474 | 7,317,167 | 7,317,167 | 7,517,100 | 7,517,100 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Off Budget Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Ending Balance | <u>\$ 1,246,036</u> | <u>\$ 753,818</u> | <u>\$ 753,818</u> | <u>\$ 61,667</u> | <u>\$ 61,667</u> |
| Ending Balance as Percent of Expenditures | 21.5% | 10.3% | 10.3% | 0.8% | 0.8% |
| Month Highest Ending Balance | June <u>\$ 1,259,838</u> | June <u>\$ 1,369,858</u> | June <u>\$ 1,369,858</u> | November <u>\$ 1,912,545</u> | November <u>\$ 1,912,545</u> |
| Month Lowest Ending Balance | November \$ 129,358 | December \$ 194,441 | December \$ 194,441 | June \$ 858,629 | June \$ 858,629 |

PROGRAM DETAIL



| Program | Gov. Rec. All Funds FY 2017 | Percent of Total | Gov. Rec. SGF FY 2017 | Percent of Total |
|-----------------------|-----------------------------------|---------------------|-----------------------------|---------------------|
| Administration | \$ 595,447 | 2.8 % | \$ 595,447 | 8.7 % |
| Veterans' Services | 2,832,438 | 13.1 | 2,591,129 | 37.9 |
| Kansas Soldiers' Home | 7,505,077 | 34.7 | 1,991,194 | 29.1 |
| Kansas Veterans' Home | 9,717,260 | 45.0 | 827,628 | 12.1 |
| Cemeteries Program | 951,529 | 4.4 | 828,909 | 12.1 |
| TOTAL | \$ 21,601,751 | 100.0 % | \$ 6,834,307 | 100.0 % |

| FTE POSITIONS BY PROGRAM FY 2015 – FY 2017 | | | | | |
|---|-------------------|------------------------|----------------------|------------------------|----------------------|
| Program | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
| Administration | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Veterans' Services | 31.0 | 32.0 | 32.0 | 32.0 | 32.0 |
| Kansas Soldiers' Home | 108.0 | 111.0 | 111.0 | 111.0 | 111.0 |
| Kansas Veterans' Home | 152.0 | 197.3 | 197.3 | 202.3 | 202.3 |
| Cemeteries Program | 16.8 | 16.8 | 16.8 | 16.8 | 16.8 |
| TOTAL | 312.8 | 363.0 | 363.0 | 368.0 | 368.0 |

A. Administration

The Administration program provides guidance and oversight for all veteran program while also providing leadership, direction, technical guidance, and support for all agency staff. The Administration program contains the agency's fiscal services, human resources, and information technology functions. The Administration program oversees the Central Office in Topeka, which includes the Agency Director and administrative staff, the State Veteran Services Program Director, the State Cemetery Program Director, the Human Resource Director, and the Chief Property and Fiscal Officer and staff. The program was split off from the Veterans' Services program for budgetary reasons beginning in FY 2006.

| ADMINISTRATION SUMMARY OF EXPENDITURES FY 2015 – FY 2017 | | | | | |
|---|-------------------|------------------------|----------------------|------------------------|----------------------|
| Item | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
| Expenditures: | | | | | |
| Salaries and Wages | \$ 441,640 | \$ 471,906 | \$ 471,906 | \$ 489,418 | \$ 489,418 |
| Contractual Services | 76,385 | 76,385 | 76,385 | 76,385 | 76,385 |
| Commodities | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 |
| Capital Outlay | 32,284 | 15,726 | 15,726 | 15,997 | 15,997 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operations</i> | <i>\$ 563,956</i> | <i>\$ 577,664</i> | <i>\$ 577,664</i> | <i>\$ 595,447</i> | <i>\$ 595,447</i> |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$ 563,956 | \$ 577,664 | \$ 577,664 | \$ 595,447 | \$ 595,447 |
| Financing: | | | | | |
| State General Fund | \$ 563,956 | \$ 577,664 | \$ 577,664 | \$ 595,447 | \$ 595,447 |
| All Other Funds | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$ 563,956 | \$ 577,664 | \$ 577,664 | \$ 595,447 | \$ 595,447 |
| FTE Positions | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Non-FTE Uncl. Perm. Pos. | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| TOTAL | 6.0 | 7.0 | 7.0 | 7.0 | 7.0 |

The **agency** submits a revised estimate of \$595,447, all from the State General Fund, for the Administration program for FY 2017. This is an all funds increase of \$38,505, or 6.9 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in salaries and wages, contractual services, commodities, and capital outlay expenditures.

The revised estimate is detailed below by object of expenditure.

- **Salaries and Wages.** The agency requests \$489,418, all from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$20,335, or 4.3 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a reallocation to salary shrinkage, partially offset by a decrease in employer contributions for state employee health insurance.
- **Contractual Services.** The agency requests \$76,385, all from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$5,057, or 7.1 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in in-state travel expenditures.
- **Commodities.** The agency requests \$13,647, all from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$3,416, or 33.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in data processing supplies, partially offset by a decrease in stationary and office supplies.
- **Capital Outlay.** The agency requests \$15,997, all from the State General Fund, for capital outlay for FY 2017. This is an all funds increase of \$9,697, or 153.9 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer equipment.
- **Other Assistance.** The agency did not request other assistance expenditures for FY 2017. This is the same amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$595,447, all from the State General Fund, for the Administration program for FY 2017. This is the same amount as the agency's revised estimate.

B. Veterans Services

The purpose of the Veterans' Services program is to provide and administer a system by which the eligible residents of Kansas can obtain assistance and advice in procuring benefits from the state and federal governments in the area of veterans' or survivors' benefits. Services are provided through 13 field offices located throughout the state, two mobile vans, and six offices located in the federal Department of Veterans' Affairs (VA) Medical Centers in Topeka, Leavenworth, and Wichita.

Additional services are provided through service grants to Veterans' Service Organizations (VSOs). Where services through VSOs are not available, the KCVA Veterans' Service Representatives (VSRs) provide services. Quality control measures are performed at

the Wichita VA Medical Center. Services provided by the program include assistance with obtaining services in the areas of education, health, vocational guidance, and economic security. KCVA is the State Approving Agency (SAA) for the federal GI Bill Education program.

| VETERANS SERVICES | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| SUMMARY OF EXPENDITURES FY 2015 – FY 2017 | | | | | |
| Item | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
| Expenditures: | | | | | |
| Salaries and Wages | \$ 1,505,509 | \$ 1,675,919 | \$ 1,675,919 | \$ 1,741,710 | \$ 1,741,710 |
| Contractual Services | 400,161 | 366,502 | 366,502 | 368,156 | 368,156 |
| Commodities | 46,831 | 58,942 | 58,942 | 58,196 | 58,196 |
| Capital Outlay | 39,267 | 64,376 | 64,376 | 64,376 | 64,376 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operations</i> | <i>\$ 1,991,768</i> | <i>\$ 2,165,739</i> | <i>\$ 2,165,739</i> | <i>\$ 2,232,438</i> | <i>\$ 2,232,438</i> |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| TOTAL | <u>\$ 2,591,768</u> | <u>\$ 2,765,739</u> | <u>\$ 2,765,739</u> | <u>\$ 2,832,438</u> | <u>\$ 2,832,438</u> |
| Financing: | | | | | |
| State General Fund | \$ 2,407,816 | \$ 2,535,464 | \$ 2,535,464 | \$ 2,591,129 | \$ 2,591,129 |
| All Other Funds | 183,952 | 230,275 | 230,275 | 241,309 | 241,309 |
| TOTAL | <u>\$ 2,591,768</u> | <u>\$ 2,765,739</u> | <u>\$ 2,765,739</u> | <u>\$ 2,832,438</u> | <u>\$ 2,832,438</u> |
| FTE Positions | 31.0 | 32.0 | 32.0 | 32.0 | 32.0 |
| Non-FTE Uncl. Perm. Pos. | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| TOTAL | <u>33.0</u> | <u>34.0</u> | <u>34.0</u> | <u>34.0</u> | <u>34.0</u> |

The **agency** submits a revised estimate of \$2.8 million, including \$2.6 million from the State General Fund, for the Veterans' Services program for FY 2017. This is an all funds increase of \$133,896, or 5.0 percent, and a State General Fund increase of \$131,879, or 5.4 percent, above the amount approved by the 2016 Legislature. The increase is primarily attributable to an increase in salaries and wages, contractual services, commodities, and capital outlay expenditures.

The revised estimate is detailed below by object of expenditure.

- **Salaries and Wages.** The agency requests \$1.7 million, including \$1.6 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$86,981, or 5.3 percent, and a State General Fund increase of \$84,796, or 5.7 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a reallocation of salary shrinkage, partially offset by a decrease in employer contributions for state employee health insurance.
- **Contractual Services.** The agency requests \$368,156, including \$309,141 from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$33,073, or 9.9 percent, and a State General Fund increase of

\$32,773, or 11.9 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in building space rental due to opening new office openings in Manhattan, Atchison, and Hays, and in-state travel expenditures.

- **Commodities.** The agency requests \$58,196, including \$52,773 from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$3,744, or 6.9 percent, and a State General Fund increase is \$4,614, or 9.6 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in supplies for the Mobile Office units.
- **Capital Outlay.** The agency requests \$64,376, including \$51,645 from the State General Fund, for capital outlay for FY 2017. This is an all funds increase of \$10,098, or 18.6 percent, and a State General Fund increase of \$9,696, or 23.1 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer expenditures.
- **Other Assistance.** The agency requests \$600,000, all from the State General Fund, for other assistance for FY 2017. This is the same amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$2.8 million, including \$2.6 million from the State General Fund, for the Veterans Services program for FY 2017. This is the same all funds and State General Fund amount as the agency's revised estimate.

C. Kansas Soldiers' Home

The mission of KSH at Fort Dodge is to provide quality, long-term health care and enhance the overall well-being of honorably discharged veterans and their dependents in an environment that supports the individuals' biological, sociological, and psychological needs.

KSH offers different levels of care including residential cottages, assisted living, and nursing home care. Cottage residency is open to any eligible veteran and his or her spouse; it provides independent living with assistance from social and health services staff available. Domiciliary care, or assisted living, provides residents with support services such as meal preparation and medication monitoring. Nursing home care is also available for residents who are not capable of supporting and caring for themselves.

**KANSAS SOLDIERS' HOME
SUMMARY OF EXPENDITURES FY 2015 – FY 2017**

| Item | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Expenditures: | | | | | |
| Salaries and Wages | \$ 4,573,094 | \$ 5,966,943 | \$ 5,966,943 | \$ 6,173,431 | \$ 6,173,431 |
| Contractual Services | 1,414,925 | 317,936 | 317,936 | 317,936 | 317,936 |
| Commodities | 1,036,894 | 942,350 | 942,350 | 942,350 | 942,350 |
| Capital Outlay | 126,306 | 71,360 | 71,360 | 71,360 | 71,360 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operations</i> | <u>\$ 7,151,219</u> | <u>\$ 7,298,589</u> | <u>\$ 7,298,589</u> | <u>\$ 7,505,077</u> | <u>\$ 7,505,077</u> |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 7,236 | 0 | 0 | 0 | 0 |
| TOTAL | <u>\$ 7,158,455</u> | <u>\$ 7,298,589</u> | <u>\$ 7,298,589</u> | <u>\$ 7,505,077</u> | <u>\$ 7,505,077</u> |
| Financing: | | | | | |
| State General Fund | \$ 2,003,051 | \$ 1,902,111 | \$ 1,902,111 | \$ 1,991,194 | \$ 1,991,194 |
| All Other Funds | 5,155,404 | 5,396,478 | 5,396,478 | 5,513,883 | 5,513,883 |
| TOTAL | <u>\$ 7,158,455</u> | <u>\$ 7,298,589</u> | <u>\$ 7,298,589</u> | <u>\$ 7,505,077</u> | <u>\$ 7,505,077</u> |
| FTE Positions | 108.0 | 111.0 | 111.0 | 111.0 | 111.0 |
| Non-FTE Uncl. Perm. Pos. | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| TOTAL | <u>110.0</u> | <u>114.0</u> | <u>114.0</u> | <u>114.0</u> | <u>114.0</u> |

The **agency** submits a revised estimate of \$7.5 million, including \$2.0 million from the State General Fund, for the KSH program for FY 2017. This is an all funds decrease of \$10,118, or 0.1 percent, and a State General Fund increase of \$152,912, or 8.3 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to an increase in salaries and wages and commodities, partially offset by a decrease in contractual services and capital outlay expenditures.

The revised estimate is detailed below by object of expenditure.

- **Salaries and Wages.** The agency requests \$6.2 million, including \$1.4 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$471,330, or 8.3 percent, and a State General Fund decrease of \$139,581, or 9.1 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to a shift in funding sources for salaries and wages expenditures previously funded by off budget Medicaid reimbursement funds, to other funds considered on budget. The all funds increase is reflected as an increase in classified salaries and wages and associated fringe benefits and an adjustment to salaries and wages shrinkage across all programs.
- **Contractual Services.** The agency requests \$317,936, including \$114,264 from the State General Fund, for contractual services for FY 2017. This is an all funds decrease of \$577,632, or 64.5 percent, and a State General Fund increase of \$14,697, or 14.8 percent, from the amount approved by the 2015 Legislature.

The all funds decrease is primarily attributable to a shift in funding sources for contractual services expenditures to off budget Medicaid funds.

- **Commodities.** The agency requests \$942,350, including \$441,025 from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$114,367, or 13.8 percent, and a State General Fund increase of \$302,983, or 219.5 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to a shift in funding sources for commodities expenditures previously funded by off budget Medicaid reimbursement funds.
- **Capital Outlay.** The agency requests \$71,360, including \$49,356 from the State General Fund, for capital outlay for FY 2017. This is an all funds decrease of \$18,183, or 20.3 percent, and a State General Fund decrease of \$25,187, or 33.8 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease on computer equipment and a shift in funding sources for capital outlay expenditures to off budget Medicaid funds.
- **Other Assistance.** The agency did not request other assistance for FY 2017. This is the same amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$7.5 million, including \$2.0 million from the State General Fund, for the Soldiers' Home program for FY 2017. This is the same all funds and State General Fund amounts as the agency's revised estimate.

D. Kansas Veterans' Home

The primary mission of KVH in Winfield is to provide nursing care to veterans and their eligible dependents. The KVH officially opened May 1, 2000, on the grounds of the former Winfield State Hospital and Training Center.

The 80-bed domiciliary, or assisted living program, in Donlon Hall provides shelter, food, and other necessary services required by each resident, while allowing the resident to maintain a certain level of independence. The third wing of Donlon Hall was opened on July 14, 2003.

The 104-bed Bleckley Hall was opened June 12, 2000, and is equipped for 78 residents in need of skilled nursing care and 26 residents in need of care related to Alzheimer's disease.

**KANSAS VETERANS' HOME
SUMMARY OF EXPENDITURES FY 2015 – FY 2017**

| Item | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Expenditures: | | | | | |
| Salaries and Wages | \$ 6,003,592 | \$ 7,904,924 | \$ 7,904,924 | \$ 8,438,381 | \$ 8,438,381 |
| Contractual Services | 821,984 | 465,014 | 465,014 | 417,673 | 417,673 |
| Commodities | 768,967 | 480,182 | 480,182 | 780,507 | 780,507 |
| Capital Outlay | 197,661 | 80,699 | 80,699 | 80,699 | 80,699 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operations</i> | <u>\$ 7,792,204</u> | <u>\$ 8,930,819</u> | <u>\$ 8,930,819</u> | <u>\$ 9,717,260</u> | <u>\$ 9,717,260</u> |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 7,161 | 0 | 0 | 0 | 0 |
| TOTAL | <u>\$ 7,799,365</u> | <u>\$ 8,930,819</u> | <u>\$ 8,930,819</u> | <u>\$ 9,717,260</u> | <u>\$ 9,717,260</u> |
| Financing: | | | | | |
| State General Fund | \$ 1,820,420 | \$ 526,399 | \$ 526,399 | \$ 1,427,628 | \$ 827,628 |
| All Other Funds | 5,978,945 | 8,404,420 | 8,404,420 | 8,289,632 | 8,889,632 |
| TOTAL | <u>\$ 7,799,365</u> | <u>\$ 8,930,819</u> | <u>\$ 8,930,819</u> | <u>\$ 9,717,260</u> | <u>\$ 9,717,260</u> |
| FTE Positions | 152.0 | 197.3 | 197.3 | 202.3 | 202.3 |
| Non-FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>152.0</u> | <u>197.3</u> | <u>197.3</u> | <u>202.3</u> | <u>202.3</u> |

The **agency** submits a revised estimate of \$9.7 million, including \$1.4 million from the State General Fund, for the KVH program for FY 2017. This is an all funds increase of \$1.0 million, or 12.0 percent, and a State General Fund decrease of \$323,296, or 18.5 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in salaries and wages, commodities, and capital outlay, partially offset by a decrease in contractual services and other assistance expenditures. The request includes 202.3 FTE positions, which is an increase of 22.0 FTE positions above the number approved by the 2015 Legislature.

The revised estimate is detailed below by object of expenditure.

- Salaries and Wages.** The agency requests \$8.4 million, including \$551,715 from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$1.2 million, or 16.8 percent, and a State General Fund decrease of \$396,745, or 41.8 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to a shift in funding sources for salaries and wages expenditures previously funding by off budget Medicaid funds, to other funds considered on budget. The increase is reflected as a reallocation of salaries and wages shrinkage across all programs, an increase in classified employees overtime pay, and employer contributions for state employee health insurance, partially offset by a decrease in classified temporary salaries and wages expenditures.

- **Contractual Services.** The agency requests \$417,673, including \$394,801 from the State General Fund, for contractual services for FY 2017. This is an all funds decrease of \$240,579, or 36.5 percent, and a State General Fund increase of \$120,338, or 43.8 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a shift in funding sources for contractual services expenditures to off budget Medicaid funds. The all funds decrease is primarily reflected to a decrease in institutional food service and computer services expenditures.
- **Commodities.** The agency requests \$780,507, including \$441,673 from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$13,381, or 1.7 percent, and a State General Fund decrease of \$86,328, or 16.3 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to a shift in funding sources for commodities expenditures previously funded by off budget Medicaid reimbursement funds.
- **Capital Outlay.** The agency requests \$80,699, including \$39,439 from the State General Fund, for capital outlay for FY 2017. This is an all funds increase of \$65,046, or 415.5 percent, and a State General Fund increase of \$39,439, above the amount approved by the 2015 Legislature. The increase is primarily attributable to computer and software expenditures.
- **Other Assistance.** The agency does not request other assistance expenditures for FY 2017. This is an all funds decrease of \$15,000, or 100.0 percent, all from special revenue funds, below the amount approved by the 2015 Legislature. The decrease is attributable to a decrease in grants.

The **Governor** recommends expenditures of \$9.7 million, including \$827,628 from the State General Fund, for the Veterans' Home program for FY 2017. This is the same all funds amount and a State General Fund decrease of \$600,000, or 42.0 percent, below the agency's revised estimate. The State General Fund decrease is attributable to the Governor's recommendation that the agency decrease expenditures from the State General Fund, and increase expenditures by a corresponding amount from the Veterans' Home Fee Fund.

E. Kansas Cemeteries Program

The Veterans' Cemeteries program provides veterans and their eligible dependents with interment opportunities for burial in a Kansas veterans' cemetery. The program manages and operates the four veterans' cemeteries, and provides staff support and assistance to veterans statewide regarding their interment options and procedures for pre-certification. Cemetery construction was 100.0 percent funded by federal grants from the federal Department of Veterans' Affairs National Cemetery Administration, State Cemetery Grants Programs. Ongoing cemetery operations is largely funded by the state, with minimal federal funding. The cemeteries are located at Fort Dodge, Fort Riley, WaKeeney, and Winfield.

**KANSAS CEMETERIES PROGRAM
SUMMARY OF EXPENDITURES FY 2015 – FY 2017**

| Item | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Expenditures: | | | | | |
| Salaries and Wages | \$ 722,601 | \$ 739,150 | \$ 739,150 | \$ 766,881 | \$ 766,881 |
| Contractual Services | 138,209 | 78,962 | 78,962 | 78,962 | 78,962 |
| Commodities | 59,104 | 71,943 | 71,943 | 71,943 | 71,943 |
| Capital Outlay | 12,421 | 33,743 | 33,743 | 33,743 | 33,743 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operations</i> | <u>\$ 932,335</u> | <u>\$ 923,798</u> | <u>\$ 923,798</u> | <u>\$ 951,529</u> | <u>\$ 951,529</u> |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 2,857 | 0 | 0 | 0 | 0 |
| TOTAL | <u>\$ 935,192</u> | <u>\$ 923,798</u> | <u>\$ 923,798</u> | <u>\$ 951,529</u> | <u>\$ 951,529</u> |
| Financing: | | | | | |
| State General Fund | \$ 774,153 | \$ 776,296 | \$ 776,296 | \$ 828,909 | \$ 828,909 |
| All Other Funds | 161,039 | 147,502 | 147,502 | 122,620 | 122,620 |
| TOTAL | <u>\$ 935,192</u> | <u>\$ 923,798</u> | <u>\$ 923,798</u> | <u>\$ 951,529</u> | <u>\$ 951,529</u> |
| FTE Positions | 16.8 | 16.8 | 16.8 | 16.8 | 16.8 |
| Non-FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>16.8</u> | <u>16.8</u> | <u>16.8</u> | <u>16.8</u> | <u>16.8</u> |

The **agency** submits a revised estimate of \$951,529, including \$828,909 from the State General Fund, for the Kansas Cemeteries program for FY 2017. This is the same all funds and State General Fund amounts approved by the 2015 Legislature.

The revised estimate is detailed below by object of expenditure.

- **Salaries and Wages.** The agency requests \$766,881, all from the State General Fund, for salaries and wages for FY 2017. This is the same amount approved by the 2015 Legislature.
- **Contractual Services.** The agency requests \$78,962, including \$21,325 from the State General Fund, for contractual services for FY 2017. This is the same all funds total, and a State General Fund decrease of \$10,581, or 33.2 percent, from the amount approved by the 2015 Legislature.
- **Commodities.** The agency requests \$71,943, including \$27,875 from the State General Fund, for commodities for FY 2017. This is the same all funds total, and a State General Fund decrease of \$2,247, or 7.5 percent, from the amount approved by the 2015 Legislature.
- **Capital Outlay.** The agency requests \$33,743, including \$12,828 from the State General Fund, for capital outlay for FY 2017. This is the same all funds total, and

a State General Fund increase of \$12,828, from the amount approved by the 2015 Legislature.

- **Other Assistance.** The agency does not request other assistance expenditures for FY 2017. This the same amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$951,529, including \$828,909 from the State General Fund, for the Cemeteries program for FY 2017. This is the same all funds and State General Fund amounts as the agency's revised estimate.

F. Off Budget Program

Operations at KSH and KVH are financed by expenditures from several revenue sources, including federal Veterans Affairs *Per Diem*, the State General Fund, Medicare reimbursements, and Medicaid reimbursements. Revenues from Medicaid reimbursements at KSH and KVH are paid to the agency from the Kansas Department for Aging and Disability Services (KDADS). This disbursement of funds is considered to be an expenditure for KDADS, so expenditures from these Medicaid funds are considered to be off budget expenditures. These off budget expenditures are not included in total on-budget standard operating expenditures, but are included below as an off budget program with further detail .

| OFF BUDGET PROGRAM SUMMARY OF EXPENDITURES FY 2015 – FY 2017 | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Item | Actual FY 2015 | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
| Expenditures: | | | | | |
| Salaries and Wages | \$ 2,034,584 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contractual Services | 71,154 | 1,839,529 | 1,839,529 | 1,838,842 | 1,838,842 |
| Commodities | 109,111 | 300,325 | 300,325 | 0 | 0 |
| Capital Outlay | 57,383 | 107,036 | 107,036 | 107,036 | 107,036 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operations</i> | <u>\$ 2,272,232</u> | <u>\$ 2,246,890</u> | <u>\$ 2,246,890</u> | <u>\$ 1,945,878</u> | <u>\$ 1,945,878</u> |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 | 0 | 0 |
| TOTAL | <u>\$ 2,272,232</u> | <u>\$ 2,246,890</u> | <u>\$ 2,246,890</u> | <u>\$ 1,945,878</u> | <u>\$ 1,945,878</u> |
| Financing: | | | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| All Other Funds | <u>2,272,232</u> | <u>2,246,890</u> | <u>2,246,890</u> | <u>1,945,878</u> | <u>1,945,878</u> |
| TOTAL | <u>\$ 2,272,232</u> | <u>\$ 2,246,890</u> | <u>\$ 2,246,890</u> | <u>\$ 1,945,878</u> | <u>\$ 1,945,878</u> |
| FTE Positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-FTE Uncl. Perm. Pos. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |

The **agency** submits a revised estimate of \$1.9 million, all from the special revenue funds, for off budget expenditures for FY 2017. This is a decrease of \$1.5 million, or 43.0

percent, all from special revenue funds, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to the agency shifting funding sources for categories of expenditures, so that all existing salaries and wages expenditures and commodities expenditures for KVH and KSH are shifted from off budget Medicaid reimbursement funds to other funding sources considered to be on budget funds. The agency has partially offset the decrease by changing funding sources to increase expenditures for contractual services and capital outlay from Medicaid funds.

The revised estimate is detailed below by object of expenditure.

- **Salaries and Wages.** The agency does not request expenditures for salaries and wages with off budget expenditures for FY 2017. This is a decrease of \$1.7 million, or 100.0 percent, below the amount approved by the 2015 Legislature. The decrease is attributable to the agency changing funding sources for salaries and wages expenditures by moving all existing salary and wage expenditures from the Soldiers' Home and Veterans' Home Medicaid reimbursement funds to other funding sources.
- **Contractual Services.** The agency requests expenditures of \$1.8 million, all from special revenue funds, for off budget contractual services for FY 2017. This is an increase of \$819,620, or 80.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to the agency changing funding sources for \$819,620 in contractual services expenditures to Medicaid reimbursement funds.
- **Commodities.** The agency does not request expenditures for off budget commodities for FY 2017. This is a decrease of \$611,671, or 100.0 percent, below the amount approved by the 2015 Legislature. The decrease is attributable to the agency changing funding sources for commodities expenditures by moving all existing commodities expenditures at the Soldiers' Home and Veterans' Home Medicaid reimbursement funds to other funding sources. The decrease is also attributable to a decrease in expenditures for patient food and drug and pharmaceutical expenditures.
- **Capital Outlay.** The agency requests expenditures of \$107,036, all from special revenue funds, for off budget capital outlay for FY 2017. This is an increase of \$34,590, or 47.7 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to the agency changing funding sources for \$43,810 in capital outlay expenditures to Medicaid reimbursement funds. The increase is partially offset by a decrease in equipment for patient care.
- **Other Assistance.** The agency does not request expenditures for off budget other assistance for FY 2017.

The **Governor** recommends expenditures of \$1.9 million, all from special revenue funds, for off budget expenditures for FY 2017. This is the same amount as the agency's revised estimate.

CAPITAL IMPROVEMENTS

| CAPITAL IMPROVEMENTS | | | | |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Project | Agency Est. FY 2016 | Gov. Rec. FY 2016 | Agency Est. FY 2017 | Gov. Rec. FY 2017 |
| KSH Major Maintenance | \$ 290,085 | \$ 290,085 | \$ 334,000 | \$ 311,500 |
| KSH Key Replacement | 165,000 | 165,000 | 0 | 0 |
| KSH Telephone System | 88,000 | 88,000 | 0 | 0 |
| KSH L & H Entrance | 220,000 | 220,000 | 0 | 0 |
| KSH Halsey Door & Thres | 200,000 | 200,000 | 0 | 0 |
| KSH Demo of Structures | 80,000 | 80,000 | 50,000 | 50,000 |
| KSH Window Replacement | 80,000 | 80,000 | 0 | 0 |
| KSH Halsey Hall Whirlpool | 66,000 | 66,000 | 0 | 0 |
| KSH Home Nurse Call | 75,000 | 75,000 | 0 | 0 |
| KSH Halsey Hall HVAC | 240,000 | 240,000 | 0 | 0 |
| KSH Halsey Electrical | 60,000 | 60,000 | 0 | 0 |
| KSH Halsey Room HVAC | 150,000 | 150,000 | 0 | 0 |
| KSH Halsey Mod Boilers | 120,000 | 120,000 | 0 | 0 |
| KSH Lincoln Bathroom | 150,000 | 150,000 | 0 | 0 |
| KSH Lincoln Hall Remodel | 363,960 | 363,960 | 0 | 0 |
| KSH Roof Replacement | 0 | 0 | 80,000 | 80,000 |
| KSH Lincoln Hall Electrical | 0 | 0 | 55,000 | 55,000 |
| KSH Halsey Hall Cover Ent | 0 | 0 | 55,000 | 55,000 |
| KSH Pershing Barracks | 0 | 0 | 330,000 | 330,000 |
| KSH Halsey Kitchen Reno | 0 | 0 | 412,500 | 412,500 |
| KSH L & G ADA Access | 0 | 0 | 165,000 | 165,000 |
| KVH Rehab & Repair | 293,750 | 293,750 | 143,750 | 100,000 |
| KVH Home Campus Sec | 110,000 | 110,000 | 0 | 0 |
| KVH Key Replacement | 165,000 | 165,000 | 0 | 0 |
| KVH Bariatric Remodels | 82,500 | 82,500 | 0 | 0 |
| KVH Telephone System | 88,000 | 88,000 | 0 | 0 |
| KVH Triplett Hall Carpet | 0 | 0 | 198,000 | 198,000 |
| KVH Bleckley Hall Window | 0 | 0 | 481,500 | 481,500 |
| Cemeteries Rehab/Repair | 9,900 | 9,900 | 9,900 | 9,900 |
| Cemeteries Storage Roofs | 25,000 | 25,000 | 0 | 0 |
| Cemeteries Grave Liners | 0 | 0 | 100,000 | 0 |
| TOTAL | <u>\$ 3,122,195</u> | <u>\$ 3,122,195</u> | <u>\$ 2,414,650</u> | <u>\$ 2,248,400</u> |
| Financing: | | | | |
| State General Fund | \$ 34,900 | \$ 34,900 | \$ 9,900 | \$ 9,900 |
| All Other Funds | 3,087,295 | 3,087,295 | 2,404,750 | 2,238,500 |
| TOTAL | <u>\$ 3,122,195</u> | <u>\$ 3,122,195</u> | <u>\$ 2,414,650</u> | <u>\$ 2,248,400</u> |

FY 2016 – Current Year. The agency submits a revised estimate of \$3.1 million, including \$34,900 from the State General Fund, for capital improvements in FY 2016. This is an all funds increase of \$1.5 million, or 85.2 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature. The all funds increase is primarily attributable to the agency reappropriating funding from the State Institutions Building Fund for projects not completed in previous fiscal years. The FY 2016 projects are listed by location.

Kansas Soldiers' Home

- **Major Maintenance.** This project is to repair facilities, including cottages, a long-term care facility, ancillary buildings and domiciliary buildings. This project totals \$290,085, all from the State Institutions Building Fund. This total includes \$150,000, which was the amount approved by the 2015 Legislature, and a reappropriation of \$140,085 of funding not spent in FY 2015.
- **Key Replacement System.** This project is for an automated master key swipe system for the entire Soldiers' Home campus, of more than 90 buildings. The project totals \$165,000, all from the State Institutions Building Fund.
- **Campus Telephone System.** The project is for a new telephone voice over Internet protocol system (VOIP), to replace the telephone system previously installed in 1998. The project totals \$88,000, all from the State Institutions Building Fund.
- **Lincoln and Grant Hall Entrance Renovations.** The project is to renovate the front entrances to Lincoln and Grant Halls. The project totals \$220,000, all from the State Institutions Building Fund.
- **Halsey Hall Door and Threshold Replacement.** The project is to replace all resident doors and thresholds in Halsey Hall with proper fire-coded doors. The project totals \$200,000, all from the State Institutions Building Fund.
- **Demolition of Outdated Campus Structures.** The project is to demolish three cottages that are no longer functional. The project totals \$80,000, all from the State Institutions Building Fund.
- **Lincoln and Grant Halls Window Replacement.** The project is to replace 20 second-floor windows in Lincoln Hall and 20 second-floor windows in Grant Hall, with more energy-efficient windows. The project totals \$80,000, all from the State Institutions Building Fund.
- **Halsey Hall Whirlpool Room Renovation.** The project is to renovate rooms which will house whirlpool bathtubs. The project totals \$66,000, all from the State Institutions Building Fund.
- **Home Call System Replacement.** This project will replace the existing hard-wired Dukane Nurse Call Light System with a wireless system for Lincoln Hall (assisted living), Halsey Hall (skilled nursing), and the cottage residents. The project totals \$75,000, all from the State Institutions Building Fund. This project

was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.

- **Halsey Hall PTAC Circulation System Upgrade.** This project will replace the entire circulation system for the heating/cooling system for each individual resident room, due to degrading circulation lines. The project totals \$240,000, all from the State Institutions Building Fund. This project was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.
- **Halsey Hall Electrical Upgrade.** This project will rewire all resident rooms to a dedicated 20 amp breaker and upgrade each duplex outlet to a 4-plex. The project totals \$60,000, all from the State Institutions Building Fund. This project was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.
- **Halsey Hall Resident Room HVAC Replacement.** This project will replace each of the individual HVAC units in the 46 resident rooms. The project totals \$150,000, all from the State Institutions Building Fund. This project was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.
- **Halsey Hall Modular Boiler Replacement.** This project will replace the original heat source that is tied into the master steam system that was constructed in 1970. The project totals \$120,000, all from the State Institutions Building Fund. This project was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.
- **Lincoln Hall Bathroom Renovation.** This project will renovate bathroom fixtures and replace wall coverings, to bring the fixtures and toilets under current ADA requirements. The project totals \$150,000, all from the State Institutions Building Fund. This project was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.
- **Lincoln Hall Remodel.** This project will remodel each of the 32 individual resident rooms to include new paint, ceilings, trim, and new fire-rated interior doors. The Activities Room, Dining Room, and Kitchen will also be remodeled. The washer and dryer rooms for residents will be reconfigured by moving electronic outlets, plumbing lines, and ventilation to make the space more ADA-accessible. The project totals \$363,960, all from the State Institutions Building Fund. This project was originally scheduled for completion in FY 2015, but funding was reappropriated to FY 2016 for completion.

Kansas Veterans' Home

- **Rehabilitation and Repair.** The project is for general rehabilitation and repair of five buildings and two shelters and their connecting hallway. The project totals for \$293,750, all from the State Institutions Building Fund. This amount includes \$100,000, which was the amount approved by the 2015 Legislature, and a reappropriation of \$193,750 of funding not spent in FY 2015.

- **Campus Security Equipment.** The project is for general rehabilitation and repair of five buildings and two shelters and their connecting hallway. The project totals \$100,000, all from the State Institutions Building Fund.
- **Key Replacement System.** The project will update and implement a master key system for the entire campus's interior doors. The project totals \$165,000, all from the State Institutions Building Fund.
- **Bariatric Room Remodels.** The project will convert and equip four semi-private rooms in Bleckley Hall for care and treatment of bariatric residents. The project totals \$82,500, all from the State Institutions Building Fund.
- **Campus Telephone System Replacement.** The project is for a new telephone VOIP, to replace the telephone system previously installed in 1998. The project totals \$88,000, all from the State Institutions Building Fund.

Kansas Cemeteries program

- **Rehabilitation and Repair.** The project is for rehabilitation and repair of the facilities at the state veterans cemeteries. The project totals \$9,900, all from the State General Fund.
- **Storage Unit Roofs.** The project is to install metal roofs on the existing concrete storage units at the veterans cemetery at WaKeeney. The project totals \$25,000, all from the State General Fund.

The **Governor** recommends capital improvement expenditures of \$3.1 million, including \$34,900 from the State General Fund, in FY 2016. This is the same all funds and State General Fund amounts as the agency's revised estimate.

FY 2017 – Budget Year. The agency submits a revised estimate of \$2.4 million, including \$9,900 from the State General Fund, for capital improvements for FY 2017. This is an all funds increase of \$327,750, or 15.8 percent, and the State General Fund amount is the same amount approved by the 2015 Legislature. The increase is attributable to an increase in capital improvement projects reflected in the agency's supplemental requests totaling \$327,750 for FY 2017.

Kansas Soldiers' Home

- **Major Maintenance.** The project is to repair facilities, including cottages, a long-term care facility, ancillary buildings and domiciliary buildings. The project totals \$334,000, all from the State Institutions Building Fund. This total includes \$150,000, which was the amount approved by the 2015 Legislature, and a supplemental request of \$184,000.
- **Demolition of Outdated Campus Structures.** The project is to demolish one cottage and the old carpenter shop, which are no longer functional. The project totals \$50,000, all from the State Institutions Building Fund.

- **Roof Replacement.** The project is to replace roofs on six structures, including five cottages and one garage. The project totals \$80,000, all from the State Institutions Building Fund.
- **Lincoln Hall Electrical Upgrade.** The project is to upgrade the electrical service in Lincoln Hall, to correct the current shortage of outlets in the dining room, kitchen, coffee rooms, day rooms, nurses' office, and computer room. The project totals \$55,000, all from the State Institutions Building Fund.
- **Halsey Hall Covered Entrance Access.** The project is to construct a front access awning for weather protection for the Halsey Hall handicapped loading and unloading area. The project totals \$55,000, all from the State Institutions Building Fund.
- **Pershing Barracks Access Renovation.** The project is to renovate the entrances and exits of the Pershing Barracks. The project totals \$330,000, all from the State Institutions Building Fund.
- **Halsey Hall Kitchen Renovation.** The project is to replace 40-year-old kitchen equipment with modern, energy-efficient equipment. In addition, the project will replace flooring, ceiling, and fixtures of the area, and will update the serving line floor plan to better accommodate handicapped residents. The project totals \$412,500, all from the State Institutions Building Fund.
- **Lincoln and Grant Halls ADA Access.** The project is to replace concrete slab platform and steps on the south and east sides of the courtyard between the two buildings. The project totals \$165,000, all from the State Institutions Building Fund.

Kansas Veterans' Home

- **Rehabilitation and Repair.** The project is for general rehabilitation and repair of five buildings and two shelters and their connecting hallway. The project totals \$143,750, all from the State Institutions Building Fund. This includes \$100,000, which was the amount approved by the 2015 Legislature, a reappropriation of \$15,251 of funding not spent in FY 2016, and a supplemental request of \$28,499.
- **Triplett Hall Carpet Replacement.** The project is to replace the existing carpet in Triplett Hall, which was installed in 1999. The project totals \$198,000, all from the State Institutions Building Fund.
- **Bleckley Hall Window Replacement.** The project is to replace single-pane windows installed in 1968, with more energy efficient double-pane windows. The project totals \$481,500, all from the State Institutions Building Fund.

Kansas Cemeteries Program

- **Rehabilitation and Repair.** The project is for rehabilitation and repair of the facilities at the state veterans cemeteries. The project totals \$9,900, all from the State General Fund.
- **Grave Liners.** The project is to purchase over-sized grave liners for the veterans cemeteries. The project totals \$100,000, all from the ELARF.

The **Governor** recommends capital improvement expenditures of \$2.2 million, including \$9,900 from the State General Fund, for FY 2017. This is an all funds decrease of \$166,250, or 6.9 percent, and the same State General Fund amount as the agency's revised estimate. The decrease is attributable to the Governor not recommending the agency's supplemental request to increase rehabilitation and repair expenditures by \$22,500, all from the State Institutions Building Fund, at the KSH; the supplemental request to increase Rehabilitation and Repair expenditures by \$43,750, all from the State Institutions Building Fund, at the KVH; and the supplemental request to expend \$100,000, all from the ELARF, to purchase over-sized grave liners at the state veteran cemeteries.

| PERFORMANCE MEASURES | | | | |
|--|--------------------------|-------------------|----------------------|----------------------|
| Measure | Gov. Rec. for FY 2015 | Actual FY 2015 | Gov. Rec. FY 2016 | Gov. Rec. FY 2017 |
| Administration | | | | |
| Number of veterans, spouses, and dependents served | 140,000 | 147,903 | 150,000 | 150,000 |
| Veterans' Cemeteries | | | | |
| Number of burials per year | 314 | 331 | 331 | 331 |
| Number of pre-certifications received per year | 425 | 430 | 430 | 430 |
| Kansas Soldiers' Home | | | | |
| Average daily census | 137 | 132 | 137 | 138 |
| Average daily census of Medicaid residents | 18 | 30 | 30 | 30 |
| Average daily census of Medicare residents | 3 | 3 | 3 | 3 |
| Kansas Veterans' Home | | | | |
| Average daily census | 120 | 114 | 123 | 137 |
| Average daily census of Medicaid residents | 25 | 28 | 31 | 31 |
| Average daily census of Medicare residents | 2 | 1 | 1 | 1 |