

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Bill Bunten at  
Chairperson

1:30 ~~xxx~~/p.m. on Monday, February 14, 1983 in room 514-S of the Capitol.

All members were present except: Representative Solbach -- excused

Committee staff present: Marlin Rein -- Legislative Research  
Lyn Entrikin- Goering -- Legislative Research  
Bill Gilmore -- Legislative Research  
LewJene Schneider -- Administrative Assistant  
Charlene Wilson -- Committee Secretary

Conferees appearing before the committee:

Dr. Lynn Muchmore, Director of Budget  
Mr. Harley Duncan, Chief Budget Analyst, Division of Budget

Others present: (Attachment I)

The meeting was called to order by Chairman Bunten at 1:35 p.m.

The Chairman brought to the attention of the committee members an addition to tomorrow's agenda. Final Action on HB 2084 will be taken at that time.

Dr. Lynn Muchmore was called upon by the Chairman to brief the committee regarding the process by which the 1984 budget was arrived at.

Dr. Muchmore began by reviewing some of the conceptual principals that they rely on in the construction of both the 1983 and 1984 budgets. He stated that the objective is how to distribute the funds, which are limited across a great many possible uses, in order to achieve maximum public benefit. The budget process that they are involved with deals with extracting, assembling and analyzing the information that is necessary to underwrite such an objective in a way that not only the Governor can understand but also for those who work in the legislature.

Dr. Muchmore indicated that there are several important things that go into trying to gain success in forming the budgets. First of all information must exist about available alternatives. Information is needed to determine what might be achieved by spending money in one particular way as opposed to another way. In addition, information must come from the agencies as to what their needs are. Along with this question, the question arises as to how do the agencies justify requests for additional funds. Another technique which was utilized a couple of years ago approaches this from a different aspect, that being how can the agency array their activities to maximize public benefits with a fixed amount of money. This is what is referred to as a closed-end type of request. Dr. Muchmore went on to say that this year the information that they received from the agencies was a mixture of answers to both of the aforementioned questions. According to an Attorney General's Opinion last year, the Budget Division and the Governor could not limit the agency's budget requests. That ruling was dovetailed with the framework which they used last year, which has three different fixed budget levels. Dr. Muchmore stated that two problems arise as to the rationale with which the budget system change was made. First of all, chronically, budget requests come in high at levels which exceed by a wide margin the amount of money that is actually going to be available for expenditure. Secondly, there is nothing systematically built into the open-ended budget processes which provides you with alternatives. Typically, an agency is asked to furnish one request and in that request tell what they want and what they are going to do with the money they get. This is not to say that alternatives are not to be considered. The alternatives have to be constructed in a non-systematic and ad hoc fashion as Ways and Means Committees and the Governor's staff work through the budget deliberations. Dr. Muchmore stated that they feel it is important for the agencies to have some alternatives as a normal and systematic part of budget construction. This is the conceptual background on which they justify asking the agency for not just one fixed budget but for multiple budgets.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,  
room 514-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Monday, February 14, 1983.

Dr. Muchmore then proceeded on to explain the "Level A" and "Level B" allocations. He stated that what exists in terms of these allocations (Attachment II) are just a set of numbers that are assigned to all of the agencies that use general fund money. This is the framework within which the agencies proceed to construct their budget submission. This is issued on the first of June and serves as a go-ahead for the agencies to get them prepared for the three-tiered system of submissions that they have to give to the Division of Budget in September. As to where these figures come from, Dr. Muchmore referred to a memo that had been passed out to the committee (Attachment III). This memo consists of the information that they request be built into the work that is done by the analysts as they look at FY84. Once they have gone through the exercises, conforming with the principals as are set forth in this memo, and calling to the Governor's attention issues presented to them by the agencies, it is all pulled together in what amounts to the grist for some of the considerations and adjustments that the Governor made when he reviewed the results of the analysts output pursuant to the memorandum.

The \$1,691,000,000.00, or "Level B" budget, that was arrived at by this process was composed of expected revenue from current sources plus the severance tax. There was never any intention of going into this budget cycle without including severance tax in the budget. From this point they backed up to the \$1,573,000,000.00 which was at that time the projected FY84 revenue from current sources less severance tax. Thus resulting in a "Level A" budget.

Dr. Muchmore stated that it is important that all of these figures represent guidelines for the agencies to work under in terms of a specific expenditure level that is thought by the Budget Division to be realistic so that information that comes back is relevant to the kinds of adjustments that are within the prerogative of the Governor and also the legislature. As they came down to the final processes of working on the budget they were looking at only the "Level A" budgets.

Representative Rolfs asked if when the agencies were given their allocations were they given set amounts for salaries. Dr. Muchmore indicated that they were given a 7% salary increase policy based on a 5½% expected inflation rate and 1½% merit.

With regard to the turnover rate, Chairman Bunten asked what policy the Budget Division uses when there is an agency that has a number of positions that are not filled and haven't been filled for a number of years. Dr. Muchmore indicated that he could not answer this question with any surety. He further stated that one of the reasons he was hesitant to answer is because a policy was adopted about 1½ years ago in response to what they felt was the sentiment of the legislature about using turnover to fund reclassification. The policy of the agencies has been that when an agency asks for a reclassification mid-year the funds that are used to fund that reclassification must come from agencies that are over and above normal turnover. Therefore, the agencies are asked to identify to the Budget Division the position or positions that they intend to hold vacant for the duration of the fiscal year so as a result those positions may have been vacant in order to finance the reclassification. This was necessary because the agencies were taking advantage of turnover savings. They were reclassifying by using turnover savings and then at the end of the year there was no option but for the legislature and Budget Division to increase their salary base to keep from having to lay people off. The policy that the Budget Division has tried to enforce is that the agencies are to identify and hold those positions open for the duration of the year. So the question must be asked if a particular agency was one that was forced to hold the positions open or is the position open for some other reason.

Chairman Bunten asked what the policy of the Budget Division is with regard to the regulation on reclassification. Dr. Muchmore indicated that the reclassification must be approved by the Division of Personnel as well as the Division of the Budget. The Budget's role comes into play regarding the certification of the adequacy of funds, or whether the agency can afford the reclassification.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,room 514-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Monday, February 14, 1983.

Chairman Buntен asked Dr. Muchmore if the Budget Division does any type of review of an agency at any certain points during the year. Dr. Muchmore indicated that the analysts in the Budget Division have continuous access to the state's accounting records. He also indicated that they use a month-end report which is a condensed version of agency outlays as compared to the amount of time elapsed during the fiscal year so that they can identify where overexpenditures might be occurring. At this point they would contact the agency and warn them of the overexpenditures. Dr. Muchmore added, however, that they do not review the current year budgets with the same thoroughness with which they used to be viewed under the old system. The instructions that are given to the analysts in the Budget Division are to try and identify items in the current year budget where there are obvious overexpenditures or in some cases underexpenditures. The analysts are not asked to go through the current year budgets in detail because the main purpose of the Budget Division is to prepare for FY84. Chairman Buntен asked how they plan to lapse funds if they don't know if they are being underspent. Dr. Muchmore indicated that if it isn't spent by the end of the fiscal year then it is reappropriated or it lapses. As far as the Budget Division is concerned, they should do away with reappropriation except in those cases where there are multi-year projects or where there is some particular activity that was not completed in the current fiscal year.

Harley Duncan was called upon to complete the briefing on the Budget Division's allocation process. Mr. Duncan indicated that primarily they work off of the "Level A" budgets because the revenues were \$150 million less than they had anticipated they would be. They realized that this "Level A" budget would be unacceptable in some areas. When the submissions are received from the agencies the analysts had to look at whether the "Level A" was adequate enough to maintain the current services of that agency.

Chairman Buntен asked if, due to the reduction of what the severance tax would bring in as compared to what was thought the severance tax would bring, the Budget Division monitors the fluctuations in the oil costs. Mr. Duncan indicated that they do monitor them and he also stated that the Governor's budget was prepared under assumptions about production. Chairman Buntен stated that we shouldn't spend under the assumption that we will get the \$138 million from the severance tax, if in fact it isn't going to be there. Mr. Duncan indicated that this was a correct statement. He added that at this point they have not changed that estimate and indicated that this would probably be done sometime in late March if necessary. Chairman Buntен expressed some concern with the fact that they will not be looking at this until late March resulting in the fact that adjustments would have to be made throughout the budget because the severance tax money is spread throughout the budget. Representative Arbuthnot added that we don't want to repeat the same mistake that was made last year with regard to working the budgets based on 14% and then later finding out that only 4% would be available.

Additional information on this subject was submitted by the Legislative Research Department (Attachment IV).

The Chairman reminded those subcommittees who have reports that are due this Thursday, to be working on them so they will be ready.

The Chairman asked for a motion on the minutes of February 7,8,9,10, and 11th. Representative Shriver moved that the minutes be approved as written. Representative Louis seconded. Motion carried.

The meeting was adjourned at 2:45 p.m.

GUESTS

DATE 2-11-83

NAME	ADDRESS	REPRESENTING
1. Peggy S. Tillman	Vassar, KS 66543	United Methodist Church
2. Garys P. Streeter	Vassar, KS 66543	United Methodist Women
3. Jennie Miller	Cirleville, Ks. 66416	" " "
4. Billie Lybold	Topoka, Ka 66605	" " "
5. Virginia Knibbler	Securus, Mo. 66542	" " "
6. Leona Aye	Topoka, KS 66605	" " "
7. Dolores Field	Topoka, 66611	" " "
8. Ethel Brooks	Westmoreland, <del>Ks</del> <sup>66539</sup>	" " "
9. Rosetta Muech	Topoka	R.A.P.E.
10. Deb Miller	Topoka	Gov's office
11. Hedy Duran	Topoka	Bud & Danson
12. Lynn Machmore	"	"
13. Merton Zeisset	Leonardville, Ks. 66449	UM Church
14. Dorothy Maxwell	Lawrence, Ks.	" "
15. Nettie M. Wismer	Lawrence, Ks.	
16. Ron Miele	Topoka, Ks.	Bd of Ind. Def.
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		

Atch. I

Division of the Budget  
June 1, 1982

FY 1984 STATE GENERAL FUND ALLOCATIONS

<u>Agency</u>	<u>Level A</u>	<u>Level B</u>
Commission on Civil Rights	\$ 1,070,000	\$ 1,090,569
Attorney General	1,762,300	1,823,700
Capitol Area Plaza Authority	3,000	3,000
Department of Administration	16,475,900	17,023,000
State Finance Council	2,500	2,500
Kansas Energy Office	94,370	175,000
Public Disclosure Commission	192,845	199,890
Governor's Department	1,121,000	1,160,200
Veterans of World War I - Grants	2,000	2,000
Department of Economic Development	1,948,000	2,050,000
Insurance Department	3,413,952	3,543,240
Judicial Council	191,271	198,083
Kansas Arts Commission	437,475	445,586
Legislature (including Legislative agencies)	10,730,000	11,101,000
Lieutenant Governor	90,800	94,000
Board of Tax Appeals	579,200	594,000
Department of Revenue	24,631,060	25,450,000
Secretary of State	1,438,000	1,488,100
Aid to Indigent Criminal Defendants	2,994,831	3,099,195
State Treasurer	43,932,900	43,976,600
Judicial Branch	35,650,509	36,999,630

Atch. II

<u>Agency</u>	<u>Level A</u>	<u>Level B</u>
Department on Aging	\$ 1,833,926	\$ 2,249,166
Department of Human Resources	2,316,638	2,404,977
Pensions	9,232	9,232
Department of Revenue - Homestead Property Tax Refunds	8,200,000	8,200,000
Department of Social and Rehabilitation Services (including youth insti- tutions)	241,795,709	246,468,766
Soldiers' Home	1,474,821	1,532,909
Education Institutions under the Board of Regents	303,634,182	312,163,658
Kansas Public Employees Retirement System - School Retirement	50,267,390	50,541,950
State Library	1,509,271	1,581,429
Kansas Public Television Board	623,996	623,996
Department of Revenue - School District Income Tax Fund	96,000,000	96,000,000
School for the Visually Handicapped	1,696,275	1,755,386
School for the Deaf	3,411,729	3,530,619
Department of Education	533,192,668	440,923,937
Adjutant General	2,264,987	2,352,790
Attorney General (Kansas Bureau of Investigation)	4,767,988	5,018,022
Corrections Ombudsman Board	144,092	150,544
Crime Victims Reparations Board	150,000	150,000
Department of Corrections (including correctional institutions)	53,105,000	54,972,039

<u>Agency</u>	<u>Level A</u>	<u>Level B</u>
Kansas Adult Authority	\$ 431,861	\$ 448,561
Board of Agriculture	6,400,000	6,750,000
Animal Health Department	482,000	558,000
Kansas State Fair	150,000	162,000
State Conservation Commission	2,843,000	2,848,000
Kansas Water Office	3,237,000	3,383,000
Department of Health and Environment	12,865,964	13,392,781
Division of Mental Health and Retardation Services - including Mental Health and Mental Retardation Institutions	69,050,800	75,208,692
Historical Society	4,065,527	6,146,708
Park & Resources Authority	2,395,000	2,500,000
Department of Transportation	--	80,000,000
Highway Patrol	<u>17,700,000</u>	<u>427,071</u>
TOTAL	\$1,572,780,969	\$1,572,973,526

MEMORANDUM

TO: All Staff

FROM: Lynn Muchmore *LM*

DATE: April 12, 1982

SUBJECT: Fiscal Year 1984 Budget Allocations -- Reference Estimates

As was true last spring, we will again construct a preliminary budget for internal purposes and as background for the discussions we will have with Governor Carlin and his staff in Kansas City on May 18-19. To alleviate some of the malaise caused by last year's largely unstructured demand for a "defensible" budget, I am here establishing a few principles that you should use to guide your thoughts over the next several weeks. It is important to remember that in the final analysis the allocations reflect your judgment and therefore have an arbitrary dimension. However, it is also important to remember that we are not pre-empting the judgments of the Governor, only creating a reference framework that makes it less difficult for him to apply his own priorities.

These preliminary allocations are to be prepared at the program level and only for the "B" level budget. The "A" level allocation will be dealt with during and after the Kansas City retreat.

It seems to me that there are programs requiring seven distinct allocation approaches. I have listed these below and have provided what I hope will be some useful guidance.

1. Programs Whose Objectives Are the Delivery of Service

For example:

- inspections
- issuance of licenses
- technical assistance to persons  
or organizations
- investigations
- information
- therapy, rehabilitation,  
counseling

*Atch. III*



Principle:

The allocation should represent a defensible estimate of the fiscal year 1984 cost of fiscal year 1983 service levels. Conceptually, two questions should be considered here. Assuming the price of all inputs were to remain constant as between fiscal year 1983 and 1984, what would be the cost of sustaining 1983 service levels given your judgment about a reasonable increase in productivity? Having arrived at a judgment on the issue of productivity, to what degree will inflationary forces drive up nominal outlays in fiscal year 1984?

Within the next few days I will distribute a set of elementary inflation indices to be used in this calculation.

2. Programs Driven by Entitlements; that is, programs where outlays are made to individuals, organizations, or other units of government (except school districts) based upon formulas and eligibility requirements established by statute or regulation.

For example:

- medical assistance
- L.A.V.T.R.
- community college credit hour  
aid

Principle:

Project fiscal year 1984 outlays at fiscal year 1983 benefit levels with a judgmental estimate of recipient volume. For example, projected fiscal year 1984 outlays in General Assistance should reflect our best judgment about the welfare client load in fiscal year 1984 costed at fiscal year 1983 benefit levels. Do not presume any change in benefit levels for purposes of the reference budget.

3. Capital Improvements

Principle:

No new capital construction is to be included in the preliminary allocation except where compelling need exists in the judgment of the analyst. Emphasis is to be given

instead to major maintenance and repair. In higher education all capital construction is to be constrained to balances available from the educational building fund.

4. School Finance

Principle:

SDEA allocations should be estimated at the minimum requirement of current law (whatever that may be at the conclusion of the 1983 legislative session).

5. Programs Involving Extensive Reliance Upon Federal Funding Sources

Principle:

Do not reflect in these preliminary allocations any speculation about the proposed Reagan budget for fiscal year 1983. In instances where it is clear that federal funding flows will diminish, sustain a presumption against federal fund replacement to be overcome only by a judgment of compelling need rendered by the individual analyst.

6. Higher Education

Principle:

The preliminary allocation for higher education in fiscal year 1984 should set general use funding at a level representing a growth over fiscal year 1983 roughly equal to the growth of State General Fund revenues.

7. Highways

Principle:

For fiscal year 1984 we will again allocate to the Department of Transportation a share of General Fund revenues equal to the tax take from the automotive group.

Again, I wish to emphasize that we are only trying to build a basis upon which to predicate discussion of the fiscal year 1984 "B"

-4-

Staff - Allocations  
April 12, 1982

level allocations. Two major factors stand between this reference and the final allocations. First is a judgment by the analyst and by the Governor regarding appropriate changes in service levels, including the elimination of some programs and the addition of others. Those judgments are not to be reflected at the reference stage, but they should be kept in mind by each analyst as we proceed through the deliberations in Kansas City. The second factor, and the most important of all, is the Governor's set of priorities as defined by the content of issue papers and the advice of his staff.

Good luck!

LRM:asc

The Allocation Process

Purpose: To establish a target expenditure level that is consistent with expected resources and the purpose of the budget process and that will provide useful information about program operations and performance at the specified target levels.

Factors Considered:

- Issue Papers - Review of major issues confronting state government as identified by state agencies, private interest groups, Budget Division and Governor's staff and Governor's preference vis-a-vis those issues
- Major Budgetary Decisions - Governor's preliminary allocation of resources for such major areas as school aid, highways and salary policy
- Known Obligations - Adjustments for known increases or decreases in expenditures as a result of prior legislative action
- Projected Conditions - Perceptions or conditions that will drive expenditures in such areas as aid programs and assistance programs
- Cost Factors - Projected changes in the costs of goods and services purchased by state government
- Analyst Judgment - Perceptions of analysts regarding areas of emphasis and need in agencies as well as potential efficiencies and other operating changes possible in agencies
- Resources Available - All of the above are constrained by preliminary estimates of revenues for the forthcoming fiscal year

Result: A set of target expenditure levels that is consistent with expected resources and that is to be divided by agency managers among programs and operating units in a manner that is consistent with gubernatorial and agency priorities. The expenditure proposals prepared at these levels, accompanied by narrative and statistical information on the effect of the alternative levels on agency and program operations and performance, then enables the Governor to make rational decisions regarding the allocation of resources in a manner which achieves maximum benefits.

MEMORANDUM

February 14, 1983

TO: House Ways and Means Committee  
FROM: Kansas Legislative Research Department  
RE: Governor's Budget Allocations and Budget  
Recommendations for FY 1984

Attached is a table summarizing the Governor's Level A and Level B State General Fund budget allocations for FY 1984. Staff has also identified the Governor's FY 1984 recommendation. The recommended budget amount for each agency, or group or agencies, can be found in one of three columns headed "Gov. Rec." depending on whether the recommendation is below the A Level allocation, more than the A Level but less than the B Level, or greater than the Level B allocation. Those Level A allocation amounts that are underlined are instances in which the Governor's recommendation coincides with the Level A allocation.

The amounts shown in the "Approved FY 1983" column are the amounts approved by the 1982 Legislature and supplemented by the Finance Council for classified salary adjustments. The amounts have not been adjusted to reflect savings for the deferral of merit increases or the savings achieved through the imposition of the allotment system. For purposes of examining the budget allocations, it is more appropriate to compare them to the approved FY 1983 budgets without the allotment reductions. The Governor released his FY 1984 budget allocations on June 4, 1982 or prior to the time that it was recognized that current year budgets would have to be reduced.

MLR/sdp

Attachment

Atch. IV

APPROVED FY 1983 EXPENDITURES; BUDGET ALLOCATIONS FOR FY 1984;  
AND THE GOVERNOR'S RECOMMENDED FY 1984 EXPENDITURES  
FROM THE STATE GENERAL FUND

Agency	Approved FY 1983	FY 1984				
		Gov. Rec.	Level A	Gov. Rec.	Level B	Gov. Rec.
Commission on Civil Rights	\$ 1,045,038	\$ 974,376	\$ 1,070,000	\$ —	\$ 1,090,569	\$ —
Attorney General	1,696,476	—	1,762,300	1,798,618	1,823,700	—
Capitol Area Plaza Authority	3,000	1,000	3,000	—	3,000	—
Department of Administration	15,729,544	—	16,475,900	—	17,023,000	17,862,930
State Finance Council	2,500	—	<u>2,500</u>	—	2,500	—
Kansas Energy Office	90,660	43,947 <sup>a</sup>	94,370	—	175,000	—
Public Disclosure Commission	183,751	175,717	192,845	—	199,890	—
Governor's Department	1,054,298 <sup>b</sup>	1,096,000 <sup>b</sup>	1,121,000	—	1,160,200	—
Veterans of World War I - Grants	2,000	—	<u>2,000</u>	—	2,000	—
Department of Economic Development	1,943,449	—	1,948,000	—	2,050,000	2,208,169
Insurance Department	3,275,384	—	3,413,952	—	3,543,240	3,708,288 <sup>c</sup>
Judicial Council	184,127	185,131	191,271	—	198,083	—
Kansas Arts Commission	430,623	395,992	437,475	—	445,586	—
Legislative Branch	10,325,732	10,502,041 <sup>d</sup>	10,730,000	—	11,101,000	—
Lieutenant Governor	87,436	90,788	90,800	—	94,000	—
Board of Tax Appeals	538,118	563,995	579,200	—	594,000	—
Department of Revenue	23,566,777	23,627,764	24,631,060	—	25,450,000	—
Secretary of State	1,384,272	1,380,792	1,438,000	—	1,488,100	—
Board of Indigent Defense Services	2,910,654	2,842,998	2,994,831	—	3,099,195	—
State Treasurer	40,504,412	41,258,735 <sup>e</sup>	43,932,900	—	43,976,600	—
Judicial Branch	34,280,670	35,594,402	35,650,509	—	36,999,630	—
Department on Aging	1,802,028	1,569,564 <sup>f</sup>	1,833,926	—	2,249,166	—
Department of Human Resources	2,205,925	2,291,592	2,316,638	—	2,404,977	—
Pensions	9,232	—	<u>9,232</u>	—	9,232	—
Homestead Property Tax Refund	8,400,000	—	8,200,000	—	8,200,000	8,600,000
Social and Rehabilitation Services (including Youth Centers)	232,480,009	231,033,689	241,795,709	—	246,468,766	—
Soldiers' Home	1,427,283	1,341,878 <sup>g</sup>	1,474,821	—	1,532,909	—
Board of Regents (including Institutions)	291,199,691	292,000,859	303,634,182	—	312,163,658	—
KPERS - School Employees	46,474,777	49,176,860	50,267,390	—	50,541,950	—
State Library	1,481,547	1,507,036	1,509,271	—	1,581,429	—

Agency	Approved FY 1983	FY 1984				
		Gov. Rec.	Level A	Gov. Rec.	Level B	Gov. Rec.
Kansas Public Television Board	\$ 898,496	\$ —	\$ 623,996	\$ —	\$ 623,996	\$ 888,496 <sup>h</sup>
School District Income Tax Fund	83,300,000	89,970,000	96,000,000		96,000,000	
School for Visually Handicapped	1,652,870	1,642,646	1,696,275	—	1,755,386	—
School for Deaf	3,298,408	—	3,411,729	3,526,222	3,530,619	—
Department of Education	516,338,344	—	533,192,668	—	440,923,937 <sup>i</sup>	564,031,961
Adjutant General	2,177,014	—	2,264,987	—	2,352,790	2,364,746
Attorney General - KBI	4,579,330	—	4,767,988	4,976,368	5,018,022	—
Ombudsman Board	138,116	139,736	144,092	—	150,544	—
Crime Victims Reparations	239,088	99,841	150,000	—	150,000	—
Department of Corrections (including Institutions)	42,504,394	52,929,804	53,105,000	—	54,972,039	—
Adult Authority	415,514	405,565	431,861	—	448,561	—
Board of Agriculture	6,437,224	5,584,782	6,400,000		6,750,000	
Animal Health	457,788	449,452	482,000		558,000	
Kansas State Fair	216,898		<u>150,000</u>		162,000	
State Conservation Commission	2,787,547	2,285,422	2,843,000	—	2,848,000	—
Kansas Water Office	3,112,138	3,193,876	3,237,000	—	3,383,000	—
Department of Health and Environment	12,274,836	12,389,798	12,865,964	—	13,392,781	—
Division of Mental Health and Retardation (including Institutions)	64,322,170	67,231,077	69,050,800	—	75,208,692	—
Historical Society	4,447,798	3,898,433	4,065,527	—	6,146,708	—
Park and Resources Authority	2,317,695	2,277,865	2,395,000	—	2,500,000	—
Department of Transportation	—	—	—	21,125,000	80,000,000	—
Highway Patrol	391,931	—	17,700,000	364,349	427,071	—
TOTAL	<u>\$1,477,027,012</u>		<u>\$1,572,780,969</u>		<u>\$1,572,973,526</u>	

Note: Amounts underlined in the column "Level A" are the amounts recommended by the Governor.

- a) The Governor's recommendation is for a new Kansas Office of Federal Energy Grants Management.
- b) The FY 1983 amount excludes a \$25,000 amount for contingencies. The FY 1984 amount excludes a \$75,000 amount for task forces, special projects, and contingencies.
- c) The Governor's recommendation includes funding for new office quarters which was not reflected in the budget allocations.
- d) The Governor's recommendation is the amount requested by the agencies.
- e) Virtually all of the reduction from level A is the result of adjustments in demand transfers based upon the consensus estimate of sales tax receipts.
- f) The reduction represented by the Governor's recommendation is the result of higher estimates of federal nutrition program grants.
- g) The reduction represented by the Governor's recommendation principally results from a shift in financing from the General Fund to the agency's general fees fund.
- h) The Governor's recommendation reflects the shift from FY 1983 to FY 1984 of a grant of \$264,500 to expand the service area of KTWU (Washburn University).
- i) The level B allocation assumed that severance tax receipts used for school aid (\$118 million) would be handled through a special revenue fund. Including the estimated \$118 million, the Level B allocation totals \$558,923,937.