

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by BILL BUNTEN at _____
Chairperson

1:45 ~~xxx~~ p.m. on Wednesday, March 2, 1983 in room 514-S of the Capitol.

All members were present except: Representative Luzzati -- excused.

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

Conferees appearing before the committee:

Representative Duncan on SB 120.
Ed DeSoignie, Department of Transportation
Representative Farrar on SB 128.

Others present: (Attachment I).

The meeting was called to order at 1:45 p.m. by Chairman Buntен.

The Chairman recognized Representative Miller to reference Bill Draft 3RS1191, which is being requested by Legislative Post Audit, to be introduced by the Ways and Means Committee and have it referred back to this committee for consideration. Representative Miller moved that this bill be introduced by this committee and be referred back to the committee. Seconded by Representative Meacham. Motion carried. (Attachment II).

Senate Bill No. 120 -- "An Act concerning moving expenses of designated employees of department of transportation; repealing K.S.A. 75-5022."

The Chairman recognized Representative Duncan to review the provisions of this bill for the committee.

Mr. Ed DeSoignie appeared on behalf of the Department of Transportation in support of SB 120.

Representative Duncan moved that SB 120 be reported favorable for passage and that it be placed on the consent calendar. Seconded by Representative Chronister. Motion carried.

Senate Bill No. 128 -- "An Act relating to the joint committee on state building construction; concerning the chairperson thereof; authorizing such committee to introduce legislation; amending K.S.A. 46-1701 and repealing the existing section."

Representative Farrar was called upon by the Chairman to review this bill for the committee. Due to the fact that there appear to be several areas that need further research with regard to this bill, Chairman Buntен indicated to the committee members that further consideration and possible action would be deferred until tomorrow.

The Chairman turned to consideration of subcommittee reports.

House Bill 2135, DEPARTMENT OF EDUCATION FY83.
Representative Rolfs reported on this agency. The subcommittee concurs with the Governor's recommendation with some adjustments. (Attachment III). Representative Rolfs moved the adoption of the subcommittee report. Seconded by Representative Meacham. Motion carried.

House Bill 2064, Section 6, DEPARTMENT OF EDUCATION FY84.
Representatives Rolfs, Wisdom and Meacham reported on this section simultaneously. The subcommittee concurs with the Governor's recommendation with some adjustments. (Attachment IV). (NOTE: A typo appears in item 26. The amount of \$704,562.00 is for FY81 rather than FY82 as is printed.) Representative

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,
 room 514-S, Statehouse, at 1:45 ~~xxx~~/p.m. on Wednesday, March 2, 1983

Shriver questioned why the community college and Washburn state aid in item 24 was not funded. Representative Rolfs indicated that the position of the subcommittee was to review the statutes and there seems to be some disagreement as to whether or not this is a statutory entitlement or whether there should be such a proration. He further indicated that they have requested an Attorney General's Opinion, which they have not yet received. Until such an opinion is received, they opted to leave it out of the subcommittee report. Representative Shriver moved to make a recommendation to get these figures and put the amount into section 24. Seconded by Representative Myers. Following some committee discussion on this motion Representative Miller made a substitute motion that item 24 of the subcommittee report remain as it is in the report and that a separate bill be introduced to address this matter, as was referenced in item 24. Seconded by Representative Duncan. Motion carried. The Chairman indicated that this bill would be referred back to this committee for hearing.

Representative Rolfs moved the adoption of the subcommittee report. Seconded by Representative Meacham. Motion carried.

House Bill 2164, Section 7 ADVISORY COUNCIL OF VOCATIONAL EDUCATION FY 84. Representative Rolfs reported on this section. The subcommittee concurs with the Governor's FY 83 recommendation. The subcommittee also concurs with the Governor's FY 84 recommendation with some adjustments. (Attachment V). Representative Rolfs moved the adoption of the subcommittee report. Seconded by Representative Wisdom. Motion carried.

Before taking the subcommittee report on Department of Revenue School District Income Tax Fund, Chairman Bunten indicated to the members of the committee that a comment had been made by the Speaker that the receipts for the month of February were bad. The Chairman indicated that as soon as those figures are available, the members of the committee will be informed.

House Bill 2135, Section 7, DEPARTMENT OF REVENUE SCHOOL DISTRICT INCOME TAX FUND FY 83. Representative Louis reported on this section. The subcommittee concurs with the Governor's recommendation. Representative Louis moved the adoption of the subcommittee report. Seconded by Representative Bussman. Motion carried. (Attachment VI).

House Bill 2064, Section 3, DEPARTMENT OF REVENUE SCHOOL DISTRICT INCOME TAX FUND FY84. Representative Louis reported on this section. The subcommittee concurs with the Governor's recommendation. Representative Louis moved the adoption of the subcommittee report. Seconded by Representative Bussman. Motion carried. (Attachment VII).

House Bill 2107, Section 6, KANSAS WHEAT COMMISSION FY 84. Representative Farrar reported on this section. The subcommittee concurs with the Governor's recommendation with some adjustments and recommendations. (Attachment VIII). Representative Myers moved to strike the final sentence from item 2 in the subcommittee report. The motion was seconded by Representative Wisdom. Following committee discussion concerning this motion, Representative Solbach made a substitute motion to add the \$48,000.00 for moving expenses minus the \$6,700.00, that was felt was over-requested, to the subcommittee report. The motion was seconded by Representative Teagarden. Motion carried.

Representative Louis moved the adoption of the subcommittee report as amended. Seconded by Representative Solbach. Motion carried.

The Chairman turned to final action on HB 2107.

House Bill No. 2107 -- "An Act making and concerning appropriations for the fiscal year ending June 30, 1984, for the state board of agriculture, Kansas animal health department, Kansas state grain inspection department, board of state fair managers, Kansas wheat commission, state conservation commission and

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,
room 514-S, Statehouse, at 1:45 ~~xxx~~/p.m. on Wednesday, March 2, 1983

Kansas water office; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing."

Representative Shriver moved that House Bill 2107 be reported favorable for passage as amended. Seconded by Representative Chronister. Motion carried.

Chairman Bunten indicated that the subcommittee report on Public Television Board is completed but is not type-ready. Therefore, he asked Representative Meacham to briefly state what is contained in this subcommittee report for those who were in attendance at the meeting today specifically for the purpose of hearing this report. The Chairman indicated that this report would be considered in full tomorrow by the committee.

The meeting was adjourned at 2:50 p.m.

GUESTS

DATE 3-2-83

NAME	ADDRESS	REPRESENTING
1. Chuck Engel	Topeka	Washburn
2. Dale N. Anderson	Topeka	WA-KTWH
3. Jim Hays	Topeka	Division of the Budget
4. Gus Vanderhoff	Wichita	Guest
5. David Wright	Topeka	Transportation
6. Lawrence Fort	Topeka	SACVE
7. Don Moran	Topeka	KASB
8. Celestine Garcia	Topeka	KAPE
9. Linda Morse	Manhattan, KS	KAPE
10. Hans Lembeck	Lawrence	side Rep Rolfs
11. Jerry Tuttle	St. George	KAPE
12. Walter Reinhardt	Salina	KAPE
13. Janet Blumner	Topeka	KAPE
14. Catherine Allen	Manhattan	KAPE
15. Wilmer C. Allen	Manhattan	KAPE
16. Robert Kelly	Topeka	KAPE
17. DUANE Juslee	Topeka	KAPE
18. Ruth Groves	Topeka	KEPY & GARDN
19. Robert Hockett	Topeka	KAPE
20. Keith Haxton	Topeka	KAPE
21. Russ Chute	Topeka	KAPE
22. Judith Robinson	Lawrence	KAPE
23. Ron Dugger	Topeka	KAPE
24. Don Rice	Topeka	KAPE
25. Marjorie Gray	Topeka	KAPE

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GUESTS

DATE _____

NAME	ADDRESS	REPRESENTING
1. Mary Rethman	Topeka	KAPE
2. Connie Gelbert	Topeka	KAPE
3. Loren Besky	Lawrence	Luggate's father
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_____ BILL NO. _____

By

AN ACT concerning legislative post audit; relating to access to information and material; concerning persons subject to audit; amending K.S.A. 46-1114 and K.S.A. 1982 Supp. 79-3234 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 46-1114 is hereby amended to read as follows: 46-1114. (a) The legislative post audit committee is hereby authorized to direct the post auditor and the division of post audit to make an audit of any type described in K.S.A. 46-1107 or 46-1108, or amendments to these sections, of any records or matters of any person specified in this section, and may direct the object in detail of any such audit.

(b) Upon receiving any such direction, the post auditor, with the division of post audit, shall make such audit and ~~all persons to which such audit relates shall make all books, accounts, contracts and other records relating thereto available for audit by the post auditor or any officer or employee of the division of post audit, in accordance with and subject to the provisions of~~ shall have access to all books, accounts, records, files, documents and correspondence, confidential or otherwise, to the same extent permitted under subsection (g) of K.S.A. 46-1106 and amendments thereto.

(c) Audits authorized by this section are the following:

(1) Audit of any local subdivision of government or agency or instrumentality thereof which receives any distribution of moneys from or through the state.

(2) Audit of any person ~~that~~ who receives any grant or gift from or through the state.

(3) Audit of the contract relationships and the fiscal records related thereto of any person ~~that~~ who contracts with the

Atch. II

state.

(4) Audit of any person which is to any significant degree controlled by any state agency or institution or which who is regulated or licensed by any state agency or who operates or functions for the benefit of any state institution, except that this subsection (c)(4) shall not include audit of any person regulated by the state corporation commission.

Sec. 2. K.S.A. 1982 Supp. 79-3234 is hereby amended to read as follows: 79-3234. (a) All reports and returns required by this act shall be preserved for three ~~(3)~~ years and thereafter until the director orders them to be destroyed.

(b) Except in accordance with proper judicial order, or as provided in subsection (c) of this section, subsection (g) of K.S.A. 17-7511, ~~or~~ 46-1106 or 46-1114, and amendments thereto, it shall be unlawful for the director, any deputy, agent, clerk or other officer, employee or former employee of the department of revenue or any other state officer or employee or former state officer or employee to divulge, or to make known in any way, the amount of income or any particulars set forth or disclosed in any report, return, federal return or federal return information required under this act; and it shall be unlawful for the director, any deputy, agent, clerk or other officer or employee engaged in the administration of this act to engage in the business or profession of tax accounting or to accept employment, with or without consideration, from any person, firm or corporation for the purpose, directly or indirectly, of preparing tax returns or reports required by the laws of the state of Kansas, by any other state or by the United States government, or to accept any employment for the purpose of advising, preparing material or data, or the auditing of books or records to be used in an effort to defeat or cancel any tax or part thereof that has been assessed by the state of Kansas, any other state or by the United States government.

(c) Nothing herein shall be construed to prohibit the publication of statistics, so classified as to prevent the identification of particular reports or returns and the items

thereof, or the inspection of returns by the attorney general or other legal representatives of the state. Nothing in this section shall prohibit the post auditor from access to all income tax reports or returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106 and amendments thereto or K.S.A. 46-1114 and amendments thereto. Any person receiving any information under the provisions of this subsection shall be subject to the confidentiality provisions of subsection (b) of this section and to the penalty provisions of subsection (d) of this section.

(d) Any violation of subsections (b) or (c) of this section shall be a class B misdemeanor; and if the offender be an officer or employee of the state, he or she shall be dismissed from office.

(e) Notwithstanding the provisions of this section, the secretary of revenue may, in his or her discretion, permit the commissioner of internal revenue of the United States, or the proper official of any state imposing an income tax, or the authorized representative of either, to inspect the income tax returns made under this act and the secretary of revenue may make available or furnish to the taxing officials of any other state or the commissioner of internal revenue of the United States or other taxing officials of the federal government, or their authorized representatives, information contained in income tax reports or returns or any audit thereof or the report of any investigation made with respect thereto, filed pursuant to the income tax laws, as the secretary may consider proper, but such information shall not be used for any other purpose than that of the administration of tax laws of such state or of the United States.

Sec. 3. K.S.A. 46-1114 and K.S.A. 1982 Supp. 79-3234 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No 2135 Bill Sec. NA
 Analyst: Goering Analysis Pg. No. 23 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY83</u>	<u>Governor's Rec. FY 83*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,021,478	\$ 6,958,376	\$ (101,230)
Aid to Local Units	577,239,389	554,257,313	4,229,747
Other Assistance	2,145,000	2,139,800	—
TOTAL	<u>\$586,405,867</u>	<u>\$563,355,489</u>	<u>\$ 4,128,517</u>
State General Fund:			
State Operations	\$ 3,398,271	\$ 3,358,425	\$ (95,255)
Aid to Local Units	510,314,889	489,732,813	(1,121,155)
Other Assistance	130,000	124,800	—
TOTAL	<u>\$513,843,160</u>	<u>\$493,216,038</u>	<u>\$ (1,216,410)</u>
F.T.E. Positions	172.0	172.0	—

* Includes Governor's Budget Amendment No. 1, Item 3, and Governor's Budget Amendment No. 3, Item 1.

Agency Request/Governor's Recommendation

The Department of Education requested a supplemental State General Fund appropriation of \$380,000 for postsecondary vocational education aid. The request was based on a higher net operating cost per credit hour than was originally anticipated, as well as lower anticipated savings resulting from audit adjustments. Also requested was a supplemental State General Fund appropriation of \$156,110 to finance out-district state aid entitlements for Washburn University, based on higher than anticipated out-district enrollments for the fall 1982 semester.

The Governor's original budget recommendations did not address the supplemental requests. However, Governor's Budget Amendment No. 3 includes recommendations to replace the 4 percent allotment reductions made on January 1, 1983 for both postsecondary vocational education aid (\$360,000) and Washburn University out-district state aid (\$16,340). In addition, the Governor recommends increased FY 1983 State General Fund expenditures of \$9,237 for postsecondary vocational education aid based on a revised estimate submitted by the Department on February 15, 1983. The revised estimate took into account current year reductions in state aid provided to area vocational technical schools through other aid programs, lower numbers of eligible postsecondary credit hours, and a total overall prorated reduction of 4 percent. The revised estimate continues to assume higher net operating costs per credit hour and substantially lower savings resulting from audit adjustments. For Washburn University out-district state aid, the Governor also recommends the requested \$156,110 supplemental appropriation, which was originally computed assuming a 4 percent reduction for this entitlement program.

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Compared to the Governor's FY 1983 budget recommendations presented in January, the amendments include an additional \$369,237 for postsecondary vocational education aid and \$172,450 for Washburn University out-district state aid. Other adjustments contained in the Governor's budget amendments recommend savings in state aid for Fort Leavenworth School District, community college out-district credit hours, and school transportation entitlements.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's amended recommendations with the following adjustments:

1. Reduction of \$993,354 in State General Fund expenditures budgeted for reimbursement of special education transportation costs. The Subcommittee's revised recommendation of \$8,319,275 for FY 1983 is 7.2 percent more than actual reimbursements during FY 1982 of \$7,760,518. Given the recent stabilization of fuel costs and potential decreases in such costs for the remainder of the fiscal year, the Subcommittee is of the opinion that a 7.2 percent increase is more than adequate to meet entitlements in this program. The Subcommittee notes that the agency's revised estimate of \$9,312,629 for FY 1983 would have provided a 20 percent increase over actual FY 1982 entitlements.
2. Restoration of \$371,175 in State General Fund expenditures for special education teaching unit reimbursement. The Subcommittee learned that the 4 percent allotment reduction was applied to the entire line item for Special Education Services Aid, which includes both amounts for teaching unit distributions and transportation reimbursements. The total reduction of \$2,436,000, however, was deducted by the State Board of Education entirely from the amount approved for categorical teaching unit distributions, rather than proportionate reductions from each of the two types of special education state aid. The Subcommittee takes a dim view of such action by the Department of Education, when it was apparent that additional savings in special education transportation aid would be incurred due to lower than anticipated fuel costs. The Subcommittee recommends that the originally approved amount of \$9,979 per F.T.E. teaching unit for categorical aid be reduced by only 4 percent to \$9,580, rather than to \$9,500 as proposed by the Department of Education. The Subcommittee therefore recommends restoration of \$80 times an estimated 5,175 F.T.E. teaching units, for a total of \$371,175. The Subcommittee recommends further that the proviso limiting such reimbursement in the current fiscal year to \$9,979 per teaching unit be amended to limit such reimbursement to \$9,580.
3. Reduction of \$25,000 from State General Fund expenditures budgeted for salaries and wages, to reflect increased turnover savings during FY 1983.
4. Reduction of \$35,000 from State General Fund expenditures budgeted for travel and subsistence costs.
5. Reduction of \$27,280 from State General Fund expenditures budgeted for contracted printing costs.

6. Reduction of \$5,000 in State General Fund expenditures for communications costs.
7. Reduction of \$3,000 in expenditures budgeted for honorariums in the Special Education Services program, financed from the federal Education for Handicapped Children Fund.
8. Reduction of \$5,950 in expenditures budgeted for Vocational Education Services Program honorariums, of which half is financed from the State General Fund and half from Federal Vocational Education Funds.
9. Reduction of \$331,062 in additional savings for school transportation aid. The Subcommittee learned that actual transportation aid payments during the current fiscal year were \$36,668,938, or \$331,062 less than the estimate contained in the Governor's amended FY 1983 recommendation.
10. Reduction of \$167,914 in School Food Assistance state aid. The Subcommittee notes that the adjusted recommendation of \$2,510,486 in School Food Assistance provides the amount necessary to meet federal food assistance matching requirements. The Subcommittee also recommends an increase in the Federal Food Assistance expenditure limitation by \$5,350,902 to allow full expenditure of anticipated federal revenues for the current fiscal year.

The Subcommittee also anticipates savings in the current year budget for utilities costs, but defers to the Senate to make the appropriate adjustment based on actual expenditures during the current fiscal year.

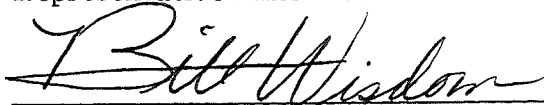
The Subcommittee recommends lapse of all State General Fund savings in aid programs, and further recommends that savings in state operating expenditures be reappropriated to reduce FY 1984 appropriations necessary from the State General Fund.



Representative Ed Rolfs
Subcommittee Chairman



Representative Mike Meacham



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No. 2064 Bill Sec. 6
 Analyst: Goering Analysis Pg. No. 23 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY84*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,505,540	\$ 6,902,278	\$ (571,026)
Aid to Local Units	666,345,937	615,427,713	(17,013,677)
Other Assistance	2,305,000	2,378,000	—
TOTAL	<u>\$676,156,477</u>	<u>\$624,707,991</u>	<u>\$(17,584,703)</u>
State General Fund:			
State Operations	\$ 4,399,718	\$ 3,808,761	\$ (609,315)
Aid to Local Units	605,930,937	559,412,713	(29,011,044)
Other Assistance	130,000	130,000	—
TOTAL	<u>\$610,460,655</u>	<u>\$563,351,474</u>	<u>\$(29,620,359)</u>
F.T.E. Positions	183.0	175.0	(5.0)

* Includes Governor's Budget Amendments No. 1, Item 3, and No. 3, Item 1.

House Subcommittee Recommendation

The House Subcommittee wishes to note that the Department of Education based its FY 1984 budget request on the recommended federal budget presented to Congress by President Reagan in February, 1982. The Continuing Resolution passed by Congress in December and signed into law on December 21, 1982, established funding levels for most federal grant programs through September 30, 1983. It is the assumption of this Subcommittee that this most recent enactment of federal outlays available for expenditure in Kansas during state FY 1984 is the best available information to date upon which to base the Department's FY 1984 budget. For this reason, the Subcommittee has made numerous adjustments based on information which was not available to the agency nor to the Governor during the fall, 1982 budget preparation months.

The Subcommittee concurs with the Governor's recommendation with the following adjustments:

Agencywide Adjustments

1. Deletion of \$178,255 in expenditures associated with the recommended 4 percent cost-of-living increase. This adjustment is to be financed as follows:

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State General Fund	\$102,682
Federal Food Assistance Fund	9,999
Federal Education for Handicapped Children Fund	11,394
Federal Vocational Education Fund	13,853
Certification Fee Fund	8,092
State Safety Fund	1,363
State Operations Fund - Federal	27,626
C.E.D. Credentials Processing Fee Fund	534
Proprietary School Fee Fund	681
Federal Adult Basic Education Fund	1,403
Federal CETA Fund	598
TOTAL ADJUSTMENT	<u>\$178,255</u>

Governance of Education

2. Reduction of \$8,000 in State General Fund expenditures for travel and subsistence.
3. Reduction of \$700 in State General Fund expenditures for membership fees associated with participation in the Education Commission of the States.

General Administration

4. Reduction of \$9,000 in travel and subsistence expenditures financed from the State General Fund.

Fiscal Auditing Section

5. Deletion of \$6,346 in State General Fund expenditures recommended to finance salaries and fringe benefits associated with reclassifying 2.0 F.T.E. Auditors I to Auditors II to supervise other personnel. The Subcommittee believes that if such reclassification should be approved, necessary amounts to finance additional costs should be absorbed within the FY 1984 salary budget. However, the Subcommittee is of the opinion that only one additional supervisory position is warranted for the Auditing Section, rather than two as proposed by the agency.
6. Shift in financing of 2.0 F.T.E. Auditor I positions' salaries and fringe benefits, totaling \$46,398, from the State General Fund to Federal Food Assistance Funds, as the positions are currently financed.
7. Shift in financing of 50 percent of the salaries and fringe benefits associated with another Auditor I position from the State General Fund to Federal Vocational Education Funds, allowing State General Fund savings of \$11,599.

Information Services Section

8. The Subcommittee commends the Information Services Section for the outstanding efforts put forth since the 1982 Legislature took action to approve a reduction of 2.0 F.T.E. Word Processing Typists from the section's staff. The Subcommittee recognizes the concerns expressed by the agency with regard to potential difficulties should one or more of the present employees retire or be absent for an extended period of time. However, the Subcommittee believes that at present the efforts taken to cross-train other secretarial personnel in the agency to assist with the word processing workload are working well. While the Subcommittee believes that it would not be appropriate to recommend restoration of a position at this time, it applauds the efforts of the Information Services Section to increase productivity despite substantially reduced staffing levels.
9. Reduction of \$38,269 in State General Fund expenditures for contracted printing costs. The Subcommittee applauds the agency's success in achieving savings by performing increasing amounts of printing tasks in-house using existing equipment and staff. The Subcommittee's recommended adjustment in printing costs takes advantage of such savings, and further assumes that the agency's Educational Directory would be updated every other year rather than annually. This assumption alone will allow savings of approximately \$8,000 per year.

Data Processing

10. Addition of 1.0 F.T.E. Programmer II position to allow existing staff to focus attention on the development of an integrated data base management system. The Subcommittee is of the opinion that the integration of the agency's separate data files will allow long-term savings in staffing and better use of existing data. The Subcommittee anticipates that the new position will be deleted by no later than FY 1987, as the implementation of the integrated data base is anticipated to occur during FY 1986. The additional cost of the new position is \$19,530 for salaries and \$2,775 for fringe benefits, for a total of \$22,305 in State General Fund expenditures.

Program Analysis and Evaluation

11. Shift in financing of 3.0 F.T.E. positions comprising this section from the State General Fund to State Operations Fund - Federal support, as the section is currently being financed. The Subcommittee's review of the status of federal funding levels available for expenditure during FY 1984 does not conclude that reduction in federal fund receipts are immediately forthcoming. The Subcommittee notes also that planning efforts carried out by this section are primarily mandated by federal rather than state laws. This adjustment allows State General Fund savings of \$76,579 for salaries and wages, \$13,051 for fringe benefits, and \$10,000 in other operating costs, by shifting such costs to the State Operations Fund - Federal. The Subcommittee anticipates an equivalent amount of revenues to that fund in excess of the level anticipated by the Department and assumed in the Governor's recommended budget.

Quality Control Services

12. Reduction of \$7,703 in State General Fund expenditures for travel and subsistence. The adjustment assumes that the Professional Teaching Standards and the School Administrator Professional Standards Advisory Boards will each meet three times annually rather than four times as recommended by the Governor. The Subcommittee concurs with the Governor's recommendation for travel and subsistence funds to allow the Professional Teaching Practices Commission to meet four times per year. The Subcommittee notes that for FY 1983, all three organizations are budgeted to meet only two times per year.
13. Reduction of \$4,500 for travel and subsistence costs associated with Department professional staff, financed from the State General Fund.

Comprehensive Teacher Preparation and Development Program

14. Deletion of 3.0 F.T.E. positions recommended by the Governor in association with the Comprehensive Teacher Preparation and Development Program. This adjustment allows savings of \$44,748 budgeted for salaries and wages, \$8,432 for fringe benefits, \$3,000 for communications, \$1,012 for travel expenses, and \$500 for stationery and office supplies. The total reduction of \$57,692 allows savings in State General Fund expenditures.
15. Deletion of \$156,000 for development and validation costs associated with implementation of required examinations for first-year teachers. The Subcommittee learned that the proposed examination has already been developed and validated for national use and is being used in a number of other states, and that the State Board of Education plans to require each teacher to pay for taking the test, much like other professionals who are required to take national boards. While the Subcommittee recognizes the possible need to validate the Core Battery exam using the Kansas teacher population to establish an appropriate cut-off score, it does not agree that the amount requested is necessary to perform this task. The Subcommittee also learned that a substantial component of the requested \$156,000 would finance development and validation costs associated with specialty examinations, which are also available currently from a national testing corporation but are not generally comparable to the specialty endorsements granted Kansas teachers under certain conditions. For these reasons, the Subcommittee recommends deletion of all amounts requested for test development and validation purposes, and suggests that the Department justify in detail to the Senate Subcommittee any amount it deems absolutely necessary for such purposes.
16. Deletion of \$1,000,000 in State General Fund expenditures recommended by the Governor for aid to school districts specifically to offset the costs of providing local inservice education programs for teachers.

Educational Assistance Section

17. Deletion of \$15,304 in State General Fund expenditures for salaries and wages associated with a consultant in the area of Economic and Consumer Education. The Subcommittee concurs with the recommendation of the 1982 House Subcommittee, that a portion of the salary cost of this position should be financed from an annual transfer of \$50,000 from the special revenue funds of the Consumer Credit Commission. The Subcommittee recommends that the reduction of \$15,304 in State General Fund expenditures be offset by an equivalent increase to be financed from the Special Revenue Fund, and that other operating costs associated with the program be reduced by an equivalent amount to remain within the \$50,000 total for the program.

Special Education Services

18. Reduction of \$5,000 in State General Fund expenditures recommended for communications costs.
19. Reduction of \$8,342 in State General Fund expenditures for travel and subsistence costs.

Postsecondary Education Services

20. Reduction of \$3,250 in State General Fund expenditures for travel and subsistence costs.

Vocational Education Services

21. Deletion of 3.0 F.T.E. Education Program Specialist positions. The Subcommittee recommends that the exact positions deleted be determined by the Department, but the Subcommittee does not recommend deletion of specialists in the area of industrial education. The Subcommittee is of the opinion that a high priority should be placed on strengthening the state's industrial training programs to meet the needs of industry for qualified personnel. The Subcommittee recommends that other specialty areas of lesser priority be consolidated so that fewer consultant positions are needed at the state level. Furthermore, the federal grant funds saved by such deletion will generate more federal aid to be passed on to local vocational training programs. The recommendation allows savings of \$39,572 in State General Fund expenditures for salaries and \$4,193 for fringe benefits, with equivalent amounts of savings totaling \$43,765 in federal fund expenditures, recommended for distribution instead as increased federal aid to local units.
22. Reduction of \$7,440 in State General Fund expenditures for travel and subsistence costs.

State and Federal Aid Programs

23. Separation of School Equalization and Transportation Aid into two separate line item appropriations.
 - a. The Subcommittee recommends a reduction of \$2,097,615 to the Governor's amended recommendation of \$40,600,000 for transportation aid. The Subcommittee is aware that FY 1984 disbursements for transportation aid will reimburse actual costs incurred during FY 1983. Due to the decrease in fuel prices, the Subcommittee assumes such costs will increase by no more than 5 percent. Therefore, the Subcommittee recommends an amount of \$38,502,385 for FY 1984 transportation aid, an amount which is 5 percent more than actual FY 1983 reimbursements for costs incurred in FY 1982.
 - b. The Subcommittee recommends State General Fund appropriations to finance the House recommendation on 1983-84 school year budget limitations contained in H.B. 2175, or \$376,056,000 in state aid plus \$89,970,000 in school district income tax rebates not included in the Department's budget. The Subcommittee's recommendation allows savings from the Governor's recommendation of \$27,012,000 in State General Fund expenditures.
24. Concurrence, with some reservations, with the Governor's recommended amounts for regular and out-district state aid to community college and Washburn University. However, the Subcommittee wishes to note that at present there has been no legislation introduced to amend 1982 S.B. 454, which provides that increases in such aid will go into effect July 1, 1983. The Subcommittee has reviewed current statutes, and is of the opinion that if such legislation is not introduced and passed this session, additional funds may be necessary to meet statutory entitlements in these programs. The Subcommittee Chairman has requested an Attorney General's Opinion on the extent to which underfinancing such entitlements both in FY 1983 (by reducing state aid 4 percent) and in FY 1984 (without passage of legislation eliminating the statutory increase) will affect disbursements which may legally be required to be made from future appropriations. The Subcommittee recommends that the opinion be considered by the Senate in its deliberations on the Department's budget.
25. Reduction of \$279,514 in State School Food Assistance, allowing sufficient expenditures to match federal food assistance revenues. The Subcommittee learned that federal nutritional assistance grants are expected to increase as a result of recent Congressional action, and therefore recommends an increase of \$5,500,000 on the expenditure limitation recommended by the Governor for this federal fund. Of the increase recommended, \$46,398 would finance salaries and wages in the Auditing Section as noted under Recommendation No. 6, and the remaining \$5,453,602 would be distributed as food assistance to local schools and other state agencies.

26. Reduction of \$100,000 in State General Fund expenditures for post-secondary vocational education aid, assuming that savings resulting from audit adjustments will be \$282,635 rather than \$182,635 as assumed by the Governor's amended recommendation. In past years, savings as a result of audit adjustments have ranged from \$704,562 in FY 1981 to \$262,066 in FY 1982. In FY 1979 and FY 1980, audit adjustment savings were \$411,943 and \$503,271 respectively. The Subcommittee is of the opinion that \$282,635 is a reasonably conservative assumption given the amount of net savings from audit adjustments over the past four years.
27. Separation of Special Education Services Aid into two separate line item appropriations for teaching unit reimbursement and transportation reimbursement.
 - a. The Subcommittee recommends restoration of \$2,575,740 for categorical teaching unit reimbursement. The Subcommittee learned that the Governor's recommendation assumes that "excess costs" will not exceed those originally assumed for the current fiscal year, computed to result in distributions of \$9,979 per F.T.E. teaching unit, less \$29,635 in anticipated net savings from audit adjustments. The Subcommittee recommends an amount of \$10,471 per teaching unit, based upon the budget limitations contained in H.B. 2175 and an assumed staff to student ratio of 1:4. The latter assumption results in 20,700 F.T.E. special education pupils and 5,175 F.T.E. teachers. The Subcommittee also recommends that an interim committee be appointed to make specific recommendations on the methodology for computing special education state aid.
 - b. The Subcommittee recommends a reduction in the amount appropriated for special education transportation aid to \$9,192,800, an amount which is 10.5 percent more than the Subcommittee's recommendation for FY 1983. This adjustment allows savings of \$1,097,655 in State General Fund expenditures from the amount recommended by the Governor for FY 1984.
28. Increase in the expenditure limitations for other federal aid programs as follows:

Adult Basic Education	\$ 350,000
Elementary and Secondary School Aid	4,750,000
Federal Vocational Education Program Aid	<u>1,400,000</u>
TOTAL	<u>\$6,500,000</u>

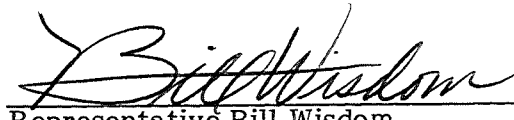
29. Revisions in the recommended structure of the appropriation bill to retain the traditional state operations appropriations for salaries and wages and other operating expenditures, rather than the program appropriations recommended by the Governor.
30. The Subcommittee also anticipates savings in the FY 1984 amount budgeted for utilities, based on projected savings in the current fiscal year. However, the Subcommittee defers to the Senate to make such adjustments based on savings during the first eight months of the current fiscal year.



Representative Ed Rolf
Subcommittee Chairman



Representative Mike Meacham



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Advisory Council on Vocational Education Bill No. 2064 Bill Sec. 7
 Analyst: Goering Analysis Pg. No. 43 Budget Pg. No. 3-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 115,511	\$ 105,075	\$ (4,054)
State General Fund	—	—	—
F.T.E. Positions	2.0	2.0	—

FY 1983

The Subcommittee concurs with the Governor's recommendation totaling \$105,269 for the current year operating budget.


FY 1984

The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Deletion of \$2,778 in expenditure authority associated with the recommended 4 percent cost-of-living increase.
2. Deletion of \$1,276 in expenditure authority recommended to finance rent payments for space leased from the Department of Education. The Subcommittee learned that the budgeted sum of \$2,553 recommended by the Governor for such lease costs assumes payment of \$6.90 per square foot annually for 370 square feet. The Subcommittee learned that the Department of Education pays only \$2.99 per square foot plus utilities for such space. Furthermore, the Subcommittee Chairman visited the Department of Education and noted that the space actually utilized by this agency appears to be less than 370 square feet. The Subcommittee is of the opinion that \$3.45 per square foot for 370 square feet is adequate to reimburse the Department of Education for its actual costs associated with space utilized by the Advisory Council for Vocational Education.

The Subcommittee notes that the agency is working jointly with the Advisory Council on Community Colleges to develop proposed guidelines for the State Board of Education on the future of postsecondary vocational and community education programs in Kansas. The Subcommittee is strongly supportive of the efforts of the Joint Committee, and recommends that the proposal, which is anticipated to be presented to the State Board in June, 1983, be reviewed and studied by a 1983 interim committee of the Legislature.

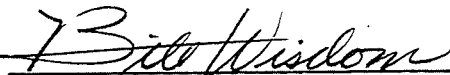
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Representative Ed Rolfs
Subcommittee Chairman



Representative Mike Meacham



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Department of Revenue
 Agency: School District Income Tax Fund Bill No. 2135 Bill Sec. 7
 Analyst: Ahrens Analysis Pg. No. 14 Budget Pg. No. 3-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 83</u>	<u>Governor's Rec. FY 83</u>	<u>Subcommittee Adjustments</u>
Aid to Local Units: State General Fund	\$ 83,131,284	\$ 83,241,284	—
F.T.E. Positions	—	—	—

Agency Request/Governor's Recommendations


The agency's estimate of expenditures for FY 1983 were prepared prior to consensus revenue estimates. The recommendation of the Governor adjusts the estimated expenditures to the consensus estimate of distributions. The Governor also recommends that a limitation be placed on expenditures from the School District Income Tax Fund in the amount of the revised estimate. In the past, the Fund has been appropriated without an expenditure limitation.

House Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor as to both the estimated amount of expenditures and placing a limitation on expenditures from the Fund.


 Representative David Louis
 Subcommittee Chairman


 Representative Ralph Bussman


 Representative John Solbach

A.L.C. II

SUBCOMMITTEE REPORT

Department of Revenue
 Agency: School District Income Tax Fund Bill No. 2064 Bill Sec. 3
 Analyst: Ahrens Analysis Pg. No. 14 Budget Pg. No. 3-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Aid to Local Units: State General Fund	\$ 88,500,000	\$ 89,970,000	—
F.T.E. Positions	—	—	—

Agency Request/Governor's Recommendations

The agency's estimate of expenditures for FY 1984 were prepared prior to consensus revenue estimates. The recommendation of the Governor adjusts the estimated expenditures to the consensus estimate of distributions. The Governor also recommends that a limitation be placed on expenditures from the School District Income Tax Fund in the amount of the revised estimate. In the past, the Fund has been appropriated without an expenditure limitation.

House Subcommittee Recommendation

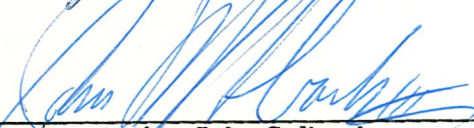
The Subcommittee concurs with the recommendations of the Governor as to both the estimated amount of expenditures and placing a limitation on expenditures from the Fund.



Representative David Louis
Subcommittee Chairman



Representative Ralph Bussman



Representative John Solbach

Atch. VII

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission Bill No. 2107 Bill Sec. 6
 Analyst: Brown Analysis Pg. No. 235 Budget Pg. No. 5-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustment</u>
State Operations:			
All Funds	\$ 1,449,719	\$ 1,437,011	\$ (7,107)
State General Fund	—	—	—
TOTAL	<u>\$ 1,449,719</u>	<u>\$ 1,437,011</u>	<u>\$ (7,107)</u>
 F.T.E. Positions	 8.0	 8.0	 —

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments and recommendations:

1. Reduction of \$7,107 to remove funding for a 4 percent cost-of-living increase.
2. The agency presented the Subcommittee with two requests that were not included in either the budget submission or the Governor's recommendations. The first request was for funds to upgrade the positions of the administrator and assistant administrator at a cost of \$15,912 (excluding fringe). The Commission also requested \$48,100 for the expense of relocating the agency to Manhattan. The Subcommittee makes no recommendation at this time, pending receipt of a Governor's Budget Amendment. The Subcommittee would point out, however, that if the relocation of the agency is approved, the agency has apparently overstated the estimated moving costs by at least \$6,700. The Subcommittee further notes that the proposed relocation to Manhattan appears to have merit because of the coordination and joint efforts of the Commission and Kansas State University.
3. The Committee would like to raise a concern about the nutritionist position in the Commission's budget. This position is currently vacant and the Subcommittee believes that the Commission should carefully examine the need to fill it. While time did not permit the Subcommittee to pursue the matter in depth, it appears that many of the nutritionist's activities are similar to the home economist extension work conducted by Kansas State. The Commission may be able to achieve its purpose by working through this network rather than employing its own staff person.
4. The Subcommittee notes that the Governor's recommendations add \$10,000 to the agency's budget for contractual services to evaluate the effectiveness of agency projects. The Subcommittee strongly supports such an evaluative effort and believes the Commission needs to address more exactly the results of their activities. The Commission's budget increased dramatically from FY 1982 to FY 1983 as a result of the increased mill levy and the Subcommittee believes that the Commission should provide evidence that the increased expenditures are having the desired effect.

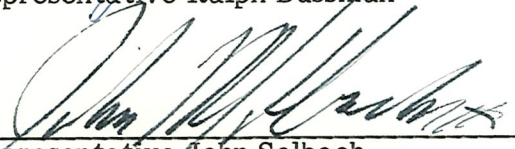
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Representative David Louis
Subcommittee Chairman



Representative Ralph Bussman



Representative John Solbach