

MINUTES OF THE House COMMITTEE ON Ways and MeansThe meeting was called to order by Bill Bunten at
Chairperson10:00 a.m./~~p.m.~~ on Monday, April 23, 1984 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Ed Ahrens, Legislative Research
Lyn Goering, Legislative Research
David Monical, Legislative Research
Jim Wilson, Office of the Revisor
Nadine Young, Committee SecretaryConferees appearing before the committee: None Others present (Attachment 1)

Chairman Bunten called the meeting to order at 10:00 a.m. and recessed for 30 minutes to give the committee an opportunity to review the Omnibus Bill.

HCR 5071, concerning community hospitals in encouraging health care providers to locate in medically underserved areas of Kansas, was introduced and the committee did adopt it (Attachment 2).OMNIBUS BILL -- See attached copy titled "Items for Omnibus Consideration".ATTORNEY GENERAL

Section A-technical adjustment regarding overstating by \$6,418 the amount of appropriation required to finance the approved budget. Representative Lowther moved it be approved and included in the Omnibus Bill. Seconded by Representative Louis. Motion carried.

Section B-Governor's Budget Amendment No. 2, Item 11 - No Action taken.

INSURANCE DEPARTMENT

Section A - HB 3090 (pending). Representative Chronister moved that the proviso limiting administration expenses to \$41,240 be approved and included in the bill. Seconded by Representative Turnquist. Motion carried.

Section B-HB 3064 (pending) - No Action taken.

SECRETARY OF STATE

Section A-Governor's Budget Amendment No. 3, Item 4. Representative Arbuthnot moved this section be included in the bill. Seconded by Representative Turnquist. Motion carried.

Section B-Possible publication of proposed constitutional amendments.
No Action TakenSTATE TREASURER

Section A-HB 3098. Representative Shriver recommended an expenditure limitation of zero relating to Unclaimed Property Contract Fund. Seconded by Representative Heinemann. Motion carried.

LEGISLATIVE COORDINATING COUNCIL

Section A-Senate Substitute for HB 2903 asked for a benefit cost of \$9,180. Representative Arbuthnot moved we include this in the Omnibus Bill. Seconded by Representative Wisdom. Motion carried.

ADJUTANT GENERAL

David Monical presented this section.

Section A-Technical Adjustment. Representative moded the language to transfer the unencumbered balance in the Air National Guard Fund to Military Fees Fund be approved and included in the bill. Seconded by Representative Chronister. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 10:00 a.m./~~p.m.~~ on Monday, April 23, 1984

EMPORIA STATE UNIVERSITY

Section A - Capital Improvement Savings -- requests laspe action on \$42,000. Representative Chronister moved we approve this section. Seconded by Representative Teagarden. Motion carried.

PITTSBURG STATE UNIVERSITY

Section A-Legal Fees, page 1-9, requests \$35,000 for payment of legal fees, one-time only. Representative Lowther moved this section be approved. Seconded by Representative Hoy. Motion carried.

UNIVERSITY OF KANSAS

Section A, Technical Adjustment (page 1-9), requesting adjustment to FY 85 expenditure limitation contained in 1984 HB 2805. Representative Shriver moved the section be approved. Seconded by Representative Heinemann. Motion carried.

Section B, Technical Adjustment - State General Fund Accounts-HB 2703 Representative Shriver moved this section be approved. Seconded by Representative Chronister. Motion carried.

K. U. MEDICAL CENTER

Section A - Other Operating Expenditure Increase-technical adjustment (page 1-10). Representative Arbuthnot stated that the K.U. Med Center people are happy with the 6%, therefore, we will not include this section in the bill.

Section B-SB 507. An additional amount of \$346,940 is requested. Representative Hamm moved it be included in the bill. Seconded by Representative Mainey. Motion carried.

Section C-Nuclear Magnetic Resonance (NMR) Imaging System. HB2805. Representative Farrar spoke to this request. It requires no additional money in FY 85. It transfers lease/purchase money to the site preparation fund. Representative Meacham suggested we pass on this item because it is still on the House floor and will be controversial. Lynn Goering further explained the request. Representative Farrar moved, and Representative Heinemann seconded that we approve the request to increase the capital improvement expenditure for preparing site for the equipment. Motion carried.

Chairman adjourned the meeting for lunch at 12:00 Noon and we reconvened at 1:30 p.m.

Representative Wisdom presented a proposal (Attachment 3) to provide \$10,000 to purchase an in-plant ambulance on a budget line item. Representative Rolfs seconded on the motion. Motion carried.

Representative Bussman presented a letter (Attachment 4) from K-State University which requests \$51,000 for building a research barn at the Mound Valley site and moved it be added on a line item. Seconded by Representative Solbach. Motion carried. The funds are to be taken from Major Maintenance Accounts of Regents Office.

SYSTEMWIDE REGENTS -- presented by David Monical

Section A-Technical Adjustment (page 1-4). Representative Chronister moved we include this adjustment of \$85,000 in the bill. Seconded by Representative Meacham. Motion carried.

Section B-Substitute for HB 3081 (page 1-4) -- No Action Taken

Section C-Telephone Rates (page 1-5) -- Request total of \$141,615 for FY 84 and \$558,670 for FY 85. This item was not approved and will not be in the bill (at least not from this committee).

Section D-Utilities FY 84 and FY 85 Supplemental appropriations (page 1-7) Additional funds requested are \$1,461,530 for FY 84 and \$1,607,685 for FY 85.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 10:00 a.m./p.m. on Monday, April 23, 1984

Representative Arbuthnot moved that we approve 50% for each University except for K. U. Med Center, then approve a 7% increase on the FY 85 figures. Representative Hoy seconded. Motion carried.

Representative Arbuthnot also moved that we allow the universities to use the savings to invest in energy related items and make that a policy change in that regard for this coming year and have it applied to FY 84 and FY 85 those savings be reappropriated in next year's budget. Representative Luzzati seconded. The motion lost.

Representative Mainey presented a proposal to allow funding to continue with the Meteorology Department at University of Kansas of approximately \$27,000 for students pursuing a Bachelor of Science degree. Representative Wisdom seconded and the Motion Carried.

BOARD OF AGRICULTURE -- presented by Lyn Goering

A. SB 735 (page 1-11). Representative Luzzati moved this section be included in the bill. Representative Mainey seconded. Motion carried.

B. HB 2831 (page 1-12) Requests additional funds of \$13,028 be included in the bill. Representative Farrar moved it be approved. Representative Mainey seconded. Motion carried.

C. HB 3119 (page 1-12) This bill still in Senate Agriculture Committee and the committee took no action.

D. Governor's Budget Amendment No. 2, Item 9 -- Representative Shriver moved this section be included in the bill. Representative Turnquist seconded and the motion carried.

DEPARTMENT OF EDUCATION -- presented by Lyn Goering

A. HB 3067 (page 1-14) represents member savings of \$10,000 for Teaching and School Administration Professional Standards Advisory Board. Representative Rolfs recommended it be approved. Seconded by Representative Meacham. Motion carried.

B. HB 3092 enacts State Inservice Education Opportunities Act. Request for additional funding for 1½ positions as recommended by the Governor. Representative Rolfs moved that we approve one position for FY 85 for approximately \$28,000. Representative Meacham seconded. Motion carried.

C. HB 3091 (Attachment 5) Representative moved that we allow the ongoing cost of \$40,000 for the testing and \$5,000 OOE, to be taken out of certificate fee fund. Also recommend \$60,000 for the validation of the tests from State General Fund. Seconded by Representative Meacham. Motion carried.

D. Job Training Partnership Act Funds (page 1-17) -- Representative Rolfs moved we establish the limitation to one position, the clerical position. Seconded by Representative Farrar. Motion carried.

One additional item-- Representative Rolfs moved that we restore the \$25,760 for CETA and that this amount be included in the budget. Seconded by Representative Wisdom. Motion carried.

STATE HISTORICAL SOCIETY -- presented by Carolyn Rampey

Section A-Technical correction (page 1-19) to correct language regarding trust fund. Representative Louis moved it be adopted. Seconded by Representative Dyck. Motion carried.

Section B-Budget Amendment No. 2, Item 15 (page 1-19) - request for funds to repair and restore cornice on the Memorial Building. Representative Hamm moved it be approved. Representative Louis seconded. Motion carried.

Section C-Budget Amendment No. 2, Item 18-utility cost for Memorial Bldg. No Action Taken.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 10:00 a.m. on Monday, April 23, 1984

STATE BOARD OF HEALING ARTS -- presented by Carolyn Rampey

Section A -- technical correction to lapse \$15,000. Representative Chronister moved this section be approved. Seconded by Representative Turnquist. Motion carried.

Representative Hamm moved that the \$15,000 be allowed to be spent in FY 84. Seconded by Representative Mainey. Motion carried.

Section B-SB 507 relating to Health Care Stabilization Fund. Representative Hamm moved we approve this section and allow them some experience to find out if it works. Representative Luzzati seconded. Motion carried.

KANSAS ARTS COMMISSION -- presented by Lynne Holt

A. Substitute for HB 2643 - Statue on Top of Capitol. Representative Chronister moved that a new fund be created with zero limitation. Seconded by Representative Heinemann. Motion carried.

PENSIONS -- presented by Lynne Holt

Section A - Senate Substitute for HB 2903 (page 1-22)

Representative Arbuthnot moved we delete the second section of SB 514 to eliminate a duplication. Representative Luzzati seconded. Motion carried.

Representative Louis presented a letter from Kansas Wheat Commission (Attachment 6) which asks for \$10,000 to purchase a station wagon. Representative Bussman seconded. Motion carried.

The same letter also requests \$10,000 in travel money to contract for evaluation of the programs. Solbach seconded. Motion carried.

STATE CORPORATION COMMISSION -- presented by Sherry Brown

Item A-SB 812 - Mined Land Reclamation Fund was omitted. Representative Chronister moved to put the fund in the bill. Representative Turnquist seconded. Motion carried.

An additional request asks for funding for financing contractual and aid programs of \$31,934 in energy money. They are asking for our permission for this adjustment to spend available energy money. Moved by Representative Chronister. Seconded by Representative Teagarden. Motion carried.

DEPARTMENT OF ADMINISTRATION

Section A-HG 2678 requests two positions for a total of \$10,904. Representative Rolfs moved we approve it. Seconded by Representative Meacham. Motion carried.

Section B-HB 3121. No Action Taken

Section C-HB 870. No Action Taken

Section D-SB 721. No Action Taken

Section E-SB 696 -- Request to appropriate fund as a "no limit" fund for sale of used vehicles. Representative Farrar moved this section be approved. Seconded by Representative Hamm. Motion carried.

Section F--Budget Amendment No. 2 - Utilities Governor recommends addition of \$509,034 for Statehouse utilities. Representative Rolfs recommended we offer one-half this amount for Legislature and Department of Administration. Seconded by Representative Miller. Motion carried.

Section G - Data Processing Representative Rolfs recommended we insert the money in the program that was previously recommended. Seconded by Representative Meacham. Motion carried.

Chairman Bunten announced the next meeting to be at 8:30 a.m. Tuesday, April 24, 1984.

Meeting adjourned at 4:50 p.m.

4-23-84

GUESTS -- 1984

Name	Address	Representing
1. Charles Dobson	701 JACKSON	KAPE
2. Steve FARR 200E	RR#1 Winfield	KS Wheat Comm
3. Steven Graham	Hutchinson	KS. Wheat Comm.
4. Don Strole	Topeka	KS Bd of Healing Arts
5. Walt Darling	Topeka	Division of Budget
6. Dennis Williams	"	" " "
7. Marvin Burris	✓	Regents, Bd. of
8. Doug FARR	-	UPI
9. Kay FARR	Topeka	K-NFA
10. Ted Shulock	3644 Burlingame ^{Topeka}	Topeka KS ASSN OF REACTORS
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		

①

ITEMS FOR OMNIBUS CONSIDERATION

Attorney General

A. Technical Adjustment. In the posting of legislative changes to Section 3(a) of H.B. 2692, the FY 1985 State General Fund appropriations for the Attorney General, an error was made which overstated by \$6,418 the amount of appropriation required to finance the approved budget for other operating expenditures. The error can be corrected by lapsing such amount effective July 1.

B. Governor's Budget Amendment No. 2, Item 11. This budget amendment contains the Governor's recommendation that a \$135,000 FY 1985 State General Fund appropriation be provided the Attorney General "to contract with legal service providers for the provision of information, advice, counsel, and representation on behalf of farmers who are unable to pay for such services and are seeking relief from federal credit agencies." H.B. 3027, as amended by the House Committee on Judiciary and as further amended by the House Committee on Ways and Means, would authorize the Attorney General to contract for such services. The bill is currently on the House Calendar under General Orders. In its current form, H.B. 3027 directs the Attorney General, subject to appropriations therefor, to enter into contracts with certain nonprofit corporations for legal advice and representation and general information and educational outreach services to farm families under United States government programs relating to borrowing, debt service, and debt relief. The Attorney General is required to adopt rules and regulations setting forth criteria for eligibility of individuals to receive services. The bill spells out budget and expenditure reporting requirements for service providers. The provisions of H.B. 3027 would expire July 1, 1986. On the basis of a statement made to the House Committee on Ways and Means by the Executive Director of Kansas Legal Services, Inc., \$135,000 would purchase approximately 3,430 hours of attorneys' services (at \$30.06 per hour) and 1,400 hours of paralegal services (at \$22.43 per hour). The hourly rates were described as inclusive of salaries, secretarial help and all office expenses. The organization estimated that legal representation could be provided to 100-140 eligible farmers; advice, counsel and assistance could be provided to an additional 375 eligibles; and statewide training sessions would attract the attendance of at least 2,000 persons. As of now, no money has been appropriated for this proposed program.

Insurance Department

A. House Bill No. 3090 (Pending). On the Senate Calendar under General Orders, H.B. 3090 would make significant changes in the premiums tax receipts and expenditures for the firemen's relief program. However, insofar as appropriation language is concerned, enactment of the bill requires only a change in the name of the present "Firemen's Relief Fund" to that of "State Firefighters Relief Fund." The proviso limiting administration expenses to \$41,240, as presently contained in the FY 1985 appropriations bill, H.B. 2692, would be added to the newly-named fund. Because H.B. 3090 abolishes the presently-named fund, there would be no need to strike the present language in H.B. 2692.

B. House Bill No. 3064 (Pending). House Bill No. 3064, whose passage was recommended by the House Committee on Ways and Means, is now on the Senate Calendar under General Orders. The bill amends K.S.A. 40-2,103 to require that certain health insurance coverages now imposed by law for certain health insurance policies shall apply to all insurance policies, subscriber contracts or certificates of insurance delivered, renewed, or issued for delivery within or outside of this state or used within this state by or for an individual who resides or is employed in this state. The new mandates would require insurance coverage to include reimbursement or indemnity for services performed by optometrists, dentists, podiatrists, osteopaths, medical doctors, chiropractors, and certified psychologists. In addition, insurance coverage would be required for newly-born children for certain contracts. The Insurance Department stated that if H.B. 3064 is enacted by the Legislature, the Department would notify all affected carriers of the new law; and, in order to comply with the new law, insurers would be required to submit amendatory instruments to contracts and revised policy forms to the Department for review. The agency has stated that it anticipates that H.B. 3064 would require a continuing additional workload with respect to review and approval of instruments of insurance. The agency estimates that this additional workload would necessitate hiring a Policy Examiner I. The salary costs of an additional position are stated by the agency to be \$24,165; and supporting other operating expenditures are estimated to total \$4,135 of which \$1,400 would be communications, \$365 for supplies, and \$2,370 for capital outlay.

Secretary of State

A. Governor's Budget Amendment No. 3, Item 4. At the request of the Secretary of State, the Governor recommends the shifting of \$1,443 in FY 1984 State General Fund appropriations from the other operating expenditures line item to the official hospitality line item. The shifting to official hospitality financing is to provide (1) \$493 for the purchase of copies of the publication, Kansas in Color, from the University Press of Kansas to be given to each of the secretaries of state at the national convention of the National Association of Secretaries of State, of which Secretary Brier is currently President; and (2) \$950 to purchase 1,900 50-cent state flags to be flown by Astronaut Steve Hawley of Salina in the spring flight of the space shuttle and then distributed to Kansas schools.

B. Possible Publication of Proposed Constitutional Amendments. Several proposed constitutional amendments are currently under consideration, but none has passed. If one or more should pass, it is the statutory obligation for the Secretary of State to publish them in a newspaper in every county for three weeks prior to an election. Publication would require State General Fund expenditures which have not been anticipated in the agency's FY 1985 budget. Costs depend upon the length of the amendment, but a typical amendment's publication cost is estimated by the agency to be \$7,000 or \$8,000.

State Treasurer

A. House Bill No. 3098. House Bill No. 3098 abolishes the State Treasurer's Unclaimed Property Expense Recovery Fund and establishes a new Unclaimed Property Contract Fund. The provisions of H.B. 2692, which includes the FY 1985 appropriations for the State Treasurer, reflect the abolition of the Expense Recovery Fund but not the appropriation of the new fund. The Contract Fund will derive its receipts from

proceeds from the disposition of unclaimed properties; and under the provisions of H.B. 3098, its unencumbered balance may not exceed \$20,000. Expenditures from the new fund may be made for the sole purpose of paying for contracts for the location and collection of unclaimed properties. Such contracts are primarily intended to be used in connection with multi-state agreements for efforts to locate and recover unclaimed properties held by multi-state corporations headquartered in locations outside the respective states. The number and cost of such contracts for FY 1985 are not known at this time, although the cost of any single contract is not expected to exceed \$20,000 in the opinion of a representative of the agency. In the absence of a firm estimate of total expenditures, the Legislature may wish to consider a "No Limit" expenditure limitation. An option might be to establish some dollar limitation which could be adjusted by Finance Council or further action by the 1985 Session of the Legislature.

Legislative Coordinating Council

A. Senate Substitute for House Bill No. 2903. Sub. for H.B. 2903 includes as Section 20 a new retirement benefit for certain employees of the Legislature which is to be administered by the Division of Legislative Administrative Services. Benefit eligibility is limited to persons employed by the Legislature on and after January 1, 1984, who are not eligible for KPERS membership and whose employment with the Legislature is not credited under any state retirement system, who have attained age 65, and who have been employed by the Legislature 50 days or more in ten or more calendar years. The benefit for an individual is to be a monthly amount equal to \$5 multiplied by the total number of years in which the individual was employed by the Legislature for 50 days or more. According to the Director of Legislative Administrative Services, there are presently 13 employees who would be eligible to apply for the benefit. Assuming all eligible employees would apply effective July 1, 1984, FY 1985 benefit costs would total \$9,180. Section 20 contains a provision for proration among claimants should the amount available be insufficient to pay full benefits. The amount appropriated and whether or not the appropriation is to be a separate line item are matters to be determined by the Legislature.

Adjutant General

A. Technical Adjustment. Beginning in FY 1985, federal matching expenditures for support of various National Guard activities will be from the Military Fees Fund. During FY 1984 the federal portion of Air National Guard support is budgeted from the Air National Guard OMA Fund. This fund is budgeted for a "\$0" expenditure limitation in FY 1985 (1984 S.B. 552). Because there will be some federal funds remaining in this account at the end of FY 1984, it is necessary to provide language to transfer, on July 1, 1984, any unencumbered balance in the Air National Guard OMA Fund to the Military Fees Fund. Expenditure of these balances is already assumed within the \$3,295,461 expenditure limitation on the Military Fees Fund approved for FY 1985.

B. Senate Bill No. 72 (Pending). S.B. 72 creates a program to provide tuition grants for persons who are members of the Kansas Army or Air National Guard. The program would be administered by the Adjutant General's Office and would be open to National Guard members attending any postsecondary educational institution in the state which is an eligible institution under the federal guaranteed student loan program.

The amount of the award shall not exceed the appropriate percentage of tuition at the Regents' institutions. Thus, students attending private institutions would receive the same size grant as those attending Regents' institutions, while students attending community colleges and area vocational-technical schools would receive lower grants due to lower tuitions. As amended by the House Committee, grants would be 10 percent of tuition in FY 1985, 20 percent in FY 1986, 30 percent in FY 1987, 40 percent in FY 1988, and 50 percent in FY 1989.

The Adjutant General identifies no additional administrative costs for the program. It is estimated that approximately 10 percent (850) of the National Guard members would participate with approximately 80 percent enrolled part-time (680) and 20 percent enrolled full-time (170). Tuition rates for FY 1985 are estimated at \$356 per year for part-time students and \$900 for full-time students. These represent tuition at the University of Kansas and are based on a 10 percent increase over FY 1984 tuition levels. University of Kansas tuition rates are used because they represent the maximum tuition on which grant awards would be determined. Assuming 680 part-time students at 10 percent tuition (\$35) and 170 full-time students at 10 percent tuition (\$90), the total fiscal impact is estimated at \$39,100. Assuming no increase in tuition and no increase in participation, future year expenditures would equal \$78,880 in FY 1986; \$118,524 in FY 1987; \$158,032 in FY 1988; and \$197,540 in FY 1989.

Regents Systemwide

A. Technical Adjustments. The 1983 Legislature created and funded the Kansas Advanced Technology Commission and provided \$610,000 for Research Projects Grants at the University of Kansas, Kansas State University, Wichita State University, and Pittsburg State University (1983 Laws, Ch. 24, Sec. 8(a)). Allocation of these funds to the campuses was contingent on securing a 150 percent match from private sources. In order to allow the campuses to receive equipment donations from private sources as part of the required match, it was necessary to transfer funds from the research overhead accounts at the universities into the Research Projects Grants Matching Funds. Legislative action is now required to transfer back to the research overhead accounts any funds previously transferred for matching purposes. This will enable the campuses to make expenditures from the research overhead accounts at the level previously approved by the 1983 Legislature. The amounts required for transfer are KSU - \$200,469, KU - \$150,000, and WSU - \$51,900. Because the Division of Accounts and Reports can treat these transfers as reverse journal entries, there is no need to adjust previously approved expenditure limitations on the research overhead accounts.

B. Substitute for H.B. 3081 (Pending). Sub. for H.B. 3081 creates and provides funding for Centers of Excellence at the University of Kansas, Kansas State University, and Wichita State University. For FY 1985 the bill appropriates \$210,000 from the State General Fund for the operations of each center. Expenditure of up to \$70,000 from the State General Fund is contingent on securing an equal match from private sources. Thus, the maximum total fiscal impact is \$630,000 from the State General Fund and \$210,000 from private funds, for a total of \$840,000 for all three centers.

The reason for raising this bill as an item for Omnibus bill consideration is to allow the Legislature to consider if there is a need to reconcile its provisions with those of 1984 H.B. 2805. H.B. 2805 contains FY 1985 appropriations for the Regents'

institutions. State General Fund support for Centers of Excellence contained in H.B. 2805 is \$140,050 for Kansas State, \$139,876 for the University of Kansas, and \$138,245 for Wichita State University. The required private match is 150 percent of state funding for a total of \$210,075 at Kansas State, \$209,814 at the University of Kansas, and \$207,368 at Wichita State. In addition, proviso language is included in H.B. 2805 which allows for reappropriation of any unexpended balances from FY 1984 to FY 1985.

Based on the above discrepancies, and on a determination whether the funding in Sub. for H.B. 3081 is in addition to the funding in H.B. 2805, the Legislature may find it necessary to amend the relevant sections of H.B. 2805 to accurately reflect the appropriations and intent of Sub. for H.B. 3081.

C. Telephone Rates -- FY 1984 and FY 1985 Supplemental Appropriations.
 On February 17, 1984, the Board of Regents approved requests for additional funding in FY 1984 and FY 1985 for increased telephone costs. The requests total \$141,615 for FY 1984 and \$558,670 for FY 1985 as shown in the following table:

	<u>FY 1984</u>	<u>FY 1985</u>
KU	\$ 67,309	\$144,476
KSU	38,903	128,512
WSU	6,257	24,181
ESU	10,722	36,163
PSU	2,142	19,830
FHSU	7,450	42,892
KTI	2,077	5,241
VMC	3,290	10,870
KUMC	3,465	146,505
TOTAL	<u>\$141,615</u>	<u>\$558,670</u>

The requests are based on information supplied by the Division of Telecommunications in December 1983 which estimated changes due to divestiture. The requests represent general use funded increases in excess of the 6.5 percent increase in other operating expenditures provided by the 1983 Legislature for FY 1984 and the excess over the 5.0 percent increase recommended by the Governor for FY 1985.

In a memorandum dated April 16, 1984, the Division of Telecommunications revised the estimated cost increases on which the Regents' requests were based. These revisions represent an aggregate decrease from the original estimate and reflect rate changes actually imposed and the deferral of other rate changes. Therefore, it appears appropriate to adjust the Regents' request in proportion to the revised estimate of the cost increases.

Adjustments to FY 1984 Requests

	<u>Original Request</u>	<u>Adjustment Factor</u>	<u>Adjusted Request</u>
KU	\$ 67,309	.766	\$ 51,559
KSU	38,903	.801	31,161
WSU	6,257	.864	5,406
ESU	10,722	.912	9,778
PSU	2,142	1.086	2,326
FHSU	7,450	.608	4,530
KTI	2,077	.647	1,344
VMC	3,290	.801	2,635
KUMC	3,465	.292	1,012
TOTAL	<u>\$141,615</u>	<u>—</u>	<u>\$109,751</u>

The same procedure can be followed with regard to the FY 1985 request, although in this instance it is necessary to further reduce the original request by the additional 2.0 percent increase in other operating expenditures provided by the Legislature in 1984 H.B. 2805. The revised requests are shown below.

Adjustments to FY 1985 Requests

	<u>Original Request</u>	<u>Adjustment Factor</u>	<u>Adjusted Request</u>	<u>Additional OOE</u>	<u>Revised Request</u>
KU	\$144,476	.761	\$109,946	\$ (21,000)	\$ 88,946
KSU	128,512	.782	100,496	(22,261)	78,235
WSU	24,181	1.088	26,309	(8,743)	17,566
ESU	36,163	.900	32,547	(4,701)	27,846
PSU	19,830	.852	16,895	(3,514)	13,381
FHSU	42,892	.651	27,923	(4,472)	23,451
KTI	5,241	.650	3,407	(585)	2,822
VMC	10,870	.782	8,500	(1,883)	6,617
KUMC	146,505	.574	84,094	(35,640)	48,454
TOTAL	<u>\$558,670</u>	<u>—</u>	<u>\$410,117</u>	<u>\$(102,799)</u>	<u>\$307,318</u>

Based on the above assumptions and calculations, the requests could be reduced by \$31,864 for FY 1984 and \$251,352 for FY 1985. However, the Legislature should note that many decisions impacting telephone rates have not been finalized or are subject to change. As a result, the requests, either in their original form or as adjusted, can only be viewed as estimates.

D. Utilities — FY 1984 and FY 1985 Supplemental Appropriations. On March 16, 1984, the Board of Regents approved requests for additional utility expenditures at the institutions totaling \$1,461,530 for FY 1984 and \$1,607,684 for FY 1985. The FY 1985 request is the FY 1984 supplemental appropriation increased by 10.0 percent. Shown below are the Board approved requests by institution.

Requested Additional Utilities Funding

	FY 1984	FY 1985
KU	\$ 411,555	\$ 452,711
KSU	516,303	567,933
WSU	127,375	140,113
ESU	61,301	67,431
PSU	60,388	66,427
FHSU	138,911	152,802
KTI	17,685	19,454
VMC	128,012	140,813
KUMC	—	—
TOTAL	\$1,461,530	\$1,607,684

The institutions were requested in April to provide revisions based on more current information. The revised requests for FY 1984 are shown below along with FY 1985 requests reflecting the 7.0 percent increase in utilities approved by the Legislature in 1984 H.B. 2805, rather than the 10.0 percent increase requested by the Board.

Revised Utilities Funding

	FY 1984	Change From Original	FY 1985	Change From Original
KU	\$ 411,555	\$ 0	\$ 440,364	\$ (12,347)
KSU	550,153	33,850	588,664	20,731
WSU	93,385	(33,990)	99,922	(40,191)
ESU	66,971	5,670	71,659	4,228
PSU	60,388	0	64,615	(1,812)
FHSU	125,164	(13,747)	133,925	(18,877)
KTI	20,312	2,627	21,734	2,280
VMC	93,098	(34,914)	99,615	(41,198)
KUMC	(325,000)	(325,000)	(347,750)	(347,750)
TOTAL	\$1,096,026	\$(365,504)	\$1,172,748	\$(434,936)

The 1984 Legislature, in H.B. 2805, has continued the proviso allowing for reappropriation of any unencumbered balances in the utility line item appropriation and the expenditure of these savings in FY 1985 for energy conservation projects. The 1983 Legislature provided \$2,007,353 in supplemental utility appropriations for FY 1983 and \$904,107 (45.0 percent) was reappropriated into FY 1984 for energy conservation measures. Shown below are actual expenditures for FY 1983 (excluding savings used for energy conservation), the FY 1984 base budget, the requested supplemental appropriations, and the resulting requested total expenditures for FY 1984. Also shown are the percent increases which the revised FY 1984 estimate represent over actual FY 1983 expenditures and the original FY 1984 base budget.

FY 1984 Utilities

	<u>FY 1983 Actual*</u>	<u>FY 1984 Base</u>	<u>Requested Supp.</u>	<u>Revised FY 1984 Est.</u>	<u>% Revised Over Actual FY 1983</u>	<u>% Revised Over Base FY 1984</u>
KU	\$ 4,983,410	\$ 5,815,405	\$ 411,555	\$ 6,226,960	25.0%	7.1%
KSU	3,558,594	4,079,209	516,303	4,595,512	29.1	12.7
WSU	1,904,381	2,298,434	127,375	2,425,809	27.4	5.5
ESU	769,199	838,155	61,301	899,456	16.9	7.3
PSU	802,292	887,252	60,388	947,640	18.1	6.8
FHSU	766,419	818,623	138,911	957,534	24.9	17.0
KTI	861,599	1,044,366	128,012	1,172,378	36.1	12.3
VMC	70,766	82,431	17,685	100,116	41.5	21.5
KUMC	4,704,457	5,227,753	—	5,227,753	11.1	11.1
TOTAL	<u>\$18,421,117</u>	<u>\$21,091,628</u>	<u>\$1,461,530</u>	<u>\$ 22,553,158</u>	<u>22.4%</u>	<u>6.9%</u>

* Excludes savings used for energy conservation.

Presumably any adjustment for utilities in FY 1985 will be a function of the amount of the supplemental appropriation for FY 1984 incremented by any legislatively approved increase. At this time, FY 1985 utilities are funded at \$22,700,607, which represents a 7.0 percent increase on the FY 1984 base (\$1,476,414) plus \$132,565 for utilities associated with the occupancy of new buildings.

The requested supplemental appropriations represent 73 percent of the \$2.0 million provided for FY 1983. This is due, in part, to the fact that the base for FY 1984 was increased for the \$2.0 million supplemental appropriation, even though actual utility expenditures in FY 1983 were only \$1.1 million above the original estimates. This results in the FY 1984 base being 14.5 percent above actual FY 1983 expenditures.

The FY 1984 supplemental request is the result of several factors, of which the two most significant are increased consumption and increased unit rates. This is particularly the case for electricity, which appears to be the main contributor toward

the need for increased utility funding. The increase in electrical consumption and rates has more than offset any savings the institutions have realized in natural gas rates and consumption. In addition, other data submitted by the institutions indicate that the weather extremes thus far in FY 1984 have resulted in a greater number of heating/cooling degree days, thereby increasing consumption above comparable periods in FY 1983.

Emporia State University

A. Capital Improvement Savings. The 1981 Legislature appropriated \$554,000 for FY 1982 from the Educational Building Fund for roof and floor replacement in the physical education building (1981 Laws, Ch. 32, Sec. 25). The University has recently completed bidding the final portion of this project and there is \$42,000 in savings which can be lapsed. Unless action is taken to lapse the unencumbered balance, these funds will be reappropriated to FY 1985 under the provisions of 1984 H.B. 2805.

Pittsburg State University

A. Legal Fees. By way of a letter to the Ways and Means Committee Chairmen dated March 28, 1984, the University requests \$35,000 for payment of legal fees associated with meet and confer responsibilities under the Public Employer-Employee Relations Act. This request is for a one-time only supplemental appropriation for other operating expenditures which does not become part of the University's base budget.

University of Kansas

A. Technical Adjustments -- Expenditure Limitations. In a letter dated April 12, 1984, the University requests adjustments to the FY 1985 expenditure limitations contained in 1984 H.B. 2805. The requested increases will reflect the actions of the 1984 Legislature in approving a 7.0 percent increase in unclassified salaries and other operating expenditures, a 5.0 percent increase for student salaries, and deletion of funding for classified salary increases. Specifically the adjustments requested are a \$11,125 increase in the expenditure limitation on the Law Enforcement Training Center Fund (from \$830,912 to \$842,037) and a \$28,046 increase in the expenditure limitation on the Sponsored Research Overhead Fund (from \$3,486,722 to \$3,514,768).

B. Technical Adjustment -- State General Fund Accounts. The 1984 Legislature in H.B. 2703 shifted \$750,000 in current year funding from the State General Fund to the General Fees Fund. This shift of funding was reflected as a reduction in the FY 1984 appropriation for other operating expenditures. In a letter dated April 16, 1984, the University requests that the current year adjustment be made to the salaries and wages appropriation rather than to the appropriation for other operating expenditures.

University of Kansas Medical Center

A. Other Operating Expenditure Increase. The Legislature provided a 7 percent increase in the Regents' institutions' OOE base budgets for FY 1985. For the University of Kansas Medical Center, the additional amount necessary to finance this increase is \$563,081. However, due to a staff computation error, only \$525,510 was included for the OOE base increase in H.B. 2805. In order to correctly finance the Legislature's policy on base budget adjustments for FY 1985, an additional State General Fund appropriation of \$37,571 needs to be included in the Omnibus bill for the Medical Center's FY 1985 operating expenditures.

B. Senate Bill No. 507. Among other things, S.B. 507 doubles the minimum professional liability insurance coverage which must be maintained by Kansas health care providers, except those that are self-insured. The bill also removes current statutory limitations on the annual premium surcharge levied by the Commissioner of Insurance to finance the Health Care Stabilization Fund, which provides liability coverage in excess of the minimum coverage which must be maintained by individual providers.

The University of Kansas Medical Center estimates that FY 1984 premium payments for basic liability coverage under current law will total \$341,187. In addition, the amount anticipated for expenditure for the premium surcharge at the current surcharge percentage of 50 percent is \$170,594. For FY 1985, it is anticipated that basic coverage premium payments under S.B. 507 will increase to \$457,429 and the surcharge to \$434,558, the latter figure based upon the 95 percent surcharge rate anticipated for FY 1985 by the Commissioner of Insurance.

The Legislature has previously approved an increase of 7 percent for the other operating expenditure base budget. Applying this percentage to the anticipated FY 1984 liability coverage expenses yields \$365,070 currently budgeted for basic liability coverage and \$182,536 for the Health Care Stabilization Fund surcharge. The FY 1985 expenditures which will likely result for the Medical Center from passage of S.B. 507 exceed these amounts by \$92,359 and \$252,022 respectively, or a total additional amount of \$344,381. This sum, if the Legislature wishes to approve it, would be financed from the State General Fund.

C. Nuclear Magnetic Resonance (NMR) Imaging System. Previously appropriated in H.B. 2805 were amounts of \$200,000 from the Hospital Fund to plan and prepare a site for installation of an NMR imaging system, and \$250,000 in general use funds for initiating lease or lease-purchase of such equipment beginning in January, 1985. The total anticipated cost of acquiring the equipment over a five-year period was \$2.4 million, excluding capital improvement expenditures and staffing costs.

Further study by the University has concluded that the \$200,000 previously appropriated from the Hospital Fund for planning and site preparation for NMR installation will not be adequate. Further, it does not appear to be possible to have the equipment installed and fully operational until July 1, 1985, six months later than originally anticipated by the University during Subcommittee deliberations.

The University proposes that the \$250,000 previously approved for expenditure from the Hospital Revenue Fund to initiate lease or lease-purchase of the equipment be transferred instead to the Hospital Fund, and that the appropriation from

the latter fund for planning and site preparation be increased from \$200,000 to \$450,000. The University also proposes to broaden the title of the line item appropriation from the Hospital Fund to allow expenditures for lease of the equipment in addition to planning and site preparation costs.

If the Legislature wishes to approve the University's request, total expenditure authority for FY 1985 would remain the same as previously approved. However, the total project cost over the long term would increase, because the proposed revision simply defers up to \$250,000 in previously approved lease or lease purchase payments from FY 1985 to future years. It should also be noted that the revision would shift \$250,000 from the operating budget to a line item previously approved as a capital improvement expenditure. The Joint Committee on State Building Construction had recommended the amount of \$200,000 for planning and initiating site preparation, and did not envision immediate acquisition of the NMR equipment in light of the rapidly developing technology associated with this new diagnostic technique.

Board of Agriculture

A. Senate Bill 735. This legislation adopts by reference the section of the State Water Plan submitted to the 1984 Legislature which pertains to the establishment of minimum desirable streamflow standards for four Kansas rivers.

The Board of Agriculture's Division of Water Resources would be responsible for enforcing the minimum streamflow standards. The agency has submitted the following itemized expenditure estimate deemed necessary as a result of passage of S.B. 735:

Salaries and Wages:		
2.0 F.T.E. Engineering Technicians V		\$39,912
Temporary Staff		4,989
Fringe Benefits		8,533
Subtotal		<u>\$53,434</u>
Other Operating Expenditures:		
Contractual Services		
Communication	\$ 520	
Travel and Subsistence	<u>15,560</u>	\$16,080
Commodities:		
Clothing	100	
Professional Supplies	150	
Stationery and Office Supplies	200	
Other Supplies	<u>150</u>	600
Capital Outlay:		
(2) Executive Desks at \$272	544	
(2) Executive Chairs at \$151	<u>302</u>	846
Subtotal		<u>\$17,526</u>
TOTAL		<u>\$70,960</u>

The Governor has recommended this sum, to be financed from the State General Fund, in Budget Amendment No. 2, Item 9. The amended recommendation was not received until after Senate Committee deliberations on H.B. 2693, the regular FY 1985 appropriation bill for the agency, were completed. However, both the House and Senate Ways and Means Subcommittees anticipated that additional staffing and funds for this purpose would be necessary if the Legislature were to adopt the minimum streamflow standards as proposed by the Kansas Water Authority.

B. House Bill No. 2831 (Pending). Currently in Conference Committee, H.B. 2831 prohibits untruthful and inaccurate advertising involving sales of food, particularly meat, poultry, and seafood. Section 5 of the bill requires the State Board of Agriculture to inspect places of business of sellers who would be subject to the bill's provisions. This responsibility would be in addition to inspection activities currently conducted by the state's meat and poultry inspection program established under K.S.A. 65-6a30 et seq.

The Board of Agriculture estimates that passage of the bill would require the addition of a half-time Clerk-Typist II position to perform clerical and enforcement activities associated with the new responsibilities required of the agency. The agency also requests increased other operating expenditure authority deemed necessary to implement the bill.

The itemized fiscal impact for FY 1985, as submitted by the agency, is as follows:

Salaries and Wages:	
0.5 F.T.E. Clerk-Typist II	\$ 5,186
Fringe Benefits	1,169
Subtotal	<u>\$ 6,355</u>
Other Operating Expenditures:	
Communications	\$ 1,000
Repairs and Servicing	400
Travel and Subsistence	14,226
Fees - Other Services	1,000
Professional Supplies	2,575
Office Supplies	500
Subtotal	<u>\$19,701</u>
TOTAL	<u><u>\$26,056</u></u>

The agency indicates that the Federal Meat and Poultry Inspection Fund would finance 50 percent of the additional costs, or a total of \$13,028. The remaining \$13,028 would be financed from the State General Fund.

C. House Bill No. 3119 (Pending). H.B. 3119 relates to the authority of the State Board of Agriculture with regard to (1) scales having a weighing capacity of 5,000 or more pounds and (2) liquefied petroleum gas meters. Fees established by the bill would generate increased revenues to the Weights and Measures Fee Fund.

The effect of the bill with regard to large-capacity scales would be to shift the primary responsibility for ensuring the accuracy of such scales from the Board of Agriculture's Division of Weights and Measures to the private sector. The bill would require that large scale service and testing companies obtain an annual license for each place of business in Kansas, for which a license fee of \$50 would be imposed. The bill also authorizes the agency to test for accuracy any large scale reported to be out of tolerance by a licensed testing and service company. For each such validation test, the agency would be authorized (but not required) to charge and collect a fee of \$50 from the licensed company which performed repairs to the scale if it is still not in compliance with tolerances.

For liquefied petroleum gas (LPG) meters, the bill imposes an annual inspection fee of \$50 for the first LPG meter used by each commercial LPG dealer in Kansas. If any commercial dealer uses more than one meter, the annual inspection fee for the second and each additional meter would be \$25.

Passage of the bill is anticipated by the Board of Agriculture to allow salaries and wages savings associated with deletion of 1.0 F.T.E. Agricultural Inspector I position. This reflects a staff reduction from 3.0 to 2.0 F.T.E. positions for the large scale inspection program, which would result from shifting some of the agency's present responsibilities to licensed large scale service and testing firms. The agency anticipates the following itemized savings, which would be from the State General Fund:

Salaries and Wages:	
1.0 F.T.E. Agricultural Inspector I	\$ (15,324)
Fringe Benefits	(2,970)
TOTAL	<u>\$ (18,294)</u>

It should be noted that the Senate Ways and Means Subcommittee, in anticipation of passage of H.B. 3119, suggested that the position no longer needed for large scale inspection should be retained to expand anhydrous ammonia safety activities. The House Ways and Means Subcommittee anticipated a reduction of 1.0 F.T.E. position but deferred this adjustment for Omnibus bill consideration.

Revenue increases are anticipated by the agency as follows:

Scale Service and Testing Company Annual License Fees (35 Places of Business Anticipated)	\$ 1,750
Large Scale Reinspection Fees (50 Estimated at \$50 each)	2,500
LPG Meter Annual Inspection Fees (412 Dealers x 1.5 Average Meters Each)	25,750
TOTAL (Increased Revenue)	<u>\$30,000</u>

Increased receipts of \$30,000 to the Weights and Measures Fee Fund could be used to offset currently authorized State General Fund expenditures for the Division of Weights and Measures. The House Ways and Means Subcommittee suggested that such an adjustment be considered for inclusion in the Omnibus bill.

D. Governor's Budget Amendment No. 2, Item 9. On March 16, 1984, following Senate Ways and Means Committee action on H.B. 2693, the Governor amended his budget recommendations for the Board of Agriculture for both FY 1984 and FY 1985. Neither of the amended recommendations has been addressed in the regular appropriations bills.

For FY 1984, the Governor recommends an increase of \$2,500 in expenditure authority for the Wheat Quality Survey Fund. This request was one of nine supplemental expenditure adjustments submitted by the agency on January 5, 1984. The House Ways and Means Subcommittee which reviewed the agency's budget anticipated a Governor's Budget Amendment and urged favorable action on this request by the Senate. However, the budget amendment was not received until after Senate Committee deliberations were completed. The agency requests authority to expend additional revenue which has been received from the Wheat Commission in consideration for attaching mailing labels to its newsletters. The publication is now being distributed six times per year rather than four as in past years. As a result, the Statistical Services subprogram of the Board of Agriculture received \$2,500 more from the Wheat Commission than the \$24,000 anticipated when the FY 1984 budget was approved. The agency has documented that the additional expenditure authority would be expended for temporary staff (\$2,000) and computer processing fees (\$500).

The Governor also recommends an additional \$70,960 in State General Fund expenditures and 2.0 F.T.E. professional positions for the Division of Water Resources. The additional staffing is deemed necessary to allow for the Division's enforcement responsibilities resulting from legislative adoption of minimum streamflow standards for four Kansas streams. (See previous discussion on S.B. 735.)

Department of Education

A. House Bill No. 3067 consolidates the Professional Teaching Standards Board and the School Administrator Professional Standards Advisory Board into a new organization called the Teaching and School Administration Professional Standards Advisory Board. The new advisory body would have 19 members to be appointed by the State Board of Education. Under current law, the two existing boards have a combined total of 28 members.

The bill also reduces the membership of the Professional Teaching Practices Commission from 17 to 9 and changes the name of that body to the Professional Practices Commission.

The aggregate membership reduction from 45 to 28 which will result from passage of the bill will reduce expenditures of the Department of Education for travel and subsistence. Members do not currently receive per diem salary compensation, nor would they receive such payments under H.B. 3067.

The Department of Education anticipates that the reduced membership of the two new advisory organizations would allow total savings in travel and subsistence costs of \$10,000. Savings would be from the State General Fund.

B. House Bill No. 3092 enacts the State Inservice Education Opportunities Act. The bill requires the State Board of Education to (1) adopt policies and guidelines for the promotion of inservice education for all educational agency personnel who

require certification by the State Board of Education, (2) establish standards and criteria for procedures, activities, and services to be provided in inservice education programs, and (3) establish standards and criteria for reviewing, evaluating, and approving school district inservice education programs and applications for inservice education state aid.

The bill authorizes state aid for partial support of the costs of such programs, subject to appropriation acts and within certain limitations. In order to be eligible for state aid, the applicant school district must maintain an inservice education program which has been approved by the State Board of Education. The State Board may provide local school boards, on request, with technical advice and assistance in the establishment and operation of inservice education programs, and may study and disseminate information regarding materials, resources, procedures, programs, and personnel which may be available for use in such programs.

The House amended the bill to defer the effective date of the program from July 1, 1984, as recommended by the Governor, to July 1, 1985. Both the House and Senate Ways and Means Committees had removed from H.B. 2684 funding associated with the proposed inservice education program pending passage of H.B. 3092. The Senate Subcommittee specifically endorsed restoration of the full amounts recommended by the Governor following passage of the bill.

The Department of Education requests funding and authorization in FY 1985 for 1.5 F.T.E. positions associated with the inservice education program to assist school districts in developing inservice education plans. During FY 1986, the requested staff would be responsible for distributing state aid appropriated pursuant to H.B. 3092.

Because the effective date of the bill defers the program by one year, it would appear that neither additional state aid funding nor the associated 1.5 F.T.E. positions would be necessary until FY 1986. The Legislature had previously deleted \$34,536 for salaries and wages, 1.5 F.T.E. positions, and \$1,000,000 in Inservice Education State Aid appropriations recommended by the Governor to initiate the program in FY 1985. It should be noted that the agency's FY 1985 budget request proposed \$2,500,000 for Inservice Education State Aid but did not include additional staffing associated with the program.

C. House Bill No. 3091 (Pending). H.B. 3091 was introduced by the House Ways and Means Committee as a companion measure to H.B. 3092. The bill amends current statutes regarding teacher certification to require passage of a core battery examination by certain teachers applying for certification to teach in Kansas.

The House version of the bill differs significantly (in regard to fiscal impact) from the current version. Two of the amendments added by the House Committee of the Whole were stricken by the Senate Education Committee.

One House amendment would have required the adoption of rules and regulations by the State Board "providing for an examination fee sufficient to cover the cost and administration of the examination not to exceed \$50." The House Committee of the Whole amendment did not specify the fund to which this fee would be credited. Hence, according to the Revisor of Statutes' Office, any revenues derived from this fee under the wording of this amendment would be credited to the State General Fund. The Senate Education Committee deleted this amendment, thereby eliminating authority for

the State Board to impose a separate examination fee. It should be noted that the testing program, as proposed by the Governor and as envisioned by the House Ways and Means Subcommittee which recommended introduction of the bill, would require examinees to pay any test fee directly to the independent educational testing service which would administer the examinations. The State Board's involvement in the test would be limited to coordinating its validation and evaluating test results for purposes of issuing teacher certificates to new teachers. The amount of additional State General Fund revenues which would be generated during FY 1985 as a result of this House amendment is unknown.

The other House Committee of the Whole amendment which was stricken by the Senate Education Committee relates to the funding source for the costs incurred by the State Board of Education. The amendment provided that all costs for administration and validation of the examinations were to be paid from the Certificate Fees Fund. Presumably the intent of this amendment is that operating costs of the Department of Education related to the new examination requirement would be financed from the Certificate Fees Fund.

The FY 1985 appropriations bill for the Department, as passed by the Legislature, includes 2.0 F.T.E. positions, \$40,331 in salaries and wages expenditures, \$5,000 in other operating expenditures, and \$60,000 in contractual costs for validation of the examination. The total of \$105,331 was financed from the State General Fund pending passage of H.B. 3091. The \$60,000 sum was determined adequate by the Conference Committee on H.B. 2684 to finance FY 1985 validation costs if the contract were to be awarded to the University of Kansas. However, it should be noted that both the House and the Senate Committee versions of the bill require that both validation and administration of the examinations are to be conducted under contract with an "independent educational testing service." That the latter term is not defined by the bill causes uncertainty on the part of staff as to whether a state university could be construed as an "independent educational testing service."

In summary, the House version of the bill would finance the costs incurred by the Department for validating the examination and for evaluating test results from the Certificate Fees Fund. It should be noted that most of the revenues to this fund anticipated by the Department for FY 1985 have been committed for other purposes pursuant to H.B. 2684. Given the present anticipated FY 1985 certificate fee rate of \$16, unexpended balances in the fund based on legislative expenditure adjustments to date for both FY 1984 and FY 1985 would total \$48,916. An additional \$31,000 in revenues could be generated under current statutory authority if the State Board were to establish the fee effective July 1, 1984, at the present statutory maximum rate of \$18. Hence, without amending another statute regarding maximum certificate fees, the largest amount available for expenditure from the Certificate Fees Fund for such purposes in FY 1985 would be \$79,916. Each dollar increase in the maximum fee beyond the current statutory cap of \$18 would generate approximately an additional \$15,500.

As amended by the Senate Committee, the bill is silent with regard to the funding source for the program. According to the Revisor of Statutes' Office, current statutory restrictions on the use of moneys in the Certificate Fees Fund would allow partial or total financing of such program costs from that funding source, because the expenses would be connected with the issuance of teacher certificates.

Several questions probably need to be addressed in determining whether adjustments need to be made in the Omnibus bill:

1. Is \$60,000 an adequate amount for validation of the examination in FY 1985 if the exam must be validated by an "independent educational testing service" under contract with the State Board?
2. Should all or part of the cost of the validation and the added staffing of 2.0 F.T.E. positions previously approved by the Legislature be shifted to the Certificate Fees Fund?
3. In order to generate sufficient moneys to cover the cost of implementing this new certification prerequisite, should teacher certificate fees be increased? Alternatively, is the new certification prerequisite of sufficient benefit to the general public to warrant State General Fund financing of the entire cost?

It may be helpful in considering these questions to keep in mind that currently, all costs associated with the Teacher Certification Section of the Department of Education are financed from the Certificate Fees Fund.

D. Job Training Partnership Act Funds. P.L. 97-300 established the Job Training Partnership Act (JTPA) as a replacement for the Comprehensive Employment and Training Act (CETA), which expired on September 30, 1983. Under Section 123 of the new law, 8 percent of the federal JTPA funds are reserved for use by the state educational agency in developing and implementing cooperative agreements for the provision of training services for disadvantaged persons to prepare them for entry into the labor force. The Department of Education has entered into a cooperative agreement with the Department of Human Resources to administer the JTPA State Education Coordination and Grants Program.

As submitted, the FY 1985 budget of the agency did not include estimates of JTPA funding anticipated for either FY 1984 or FY 1985; nor has the Governor addressed the issue in the original budget recommendations or in any subsequent budget amendments. However, the Legislature anticipated the receipt of information regarding JTPA moneys to be made available to the Department and inserted the appropriate fund, with a \$0 expenditure limitation, into H.B. 2684. Information was not received by the Department in adequate time for the Senate Subcommittee to incorporate the necessary adjustments in its report to the full Committee.

On March 22, 1984, the Department submitted a supplemental FY 1984 expenditure request totaling \$603,549, all of which would be financed from JTPA federal funds. The supplemental expenditure request has since been revised downward slightly due to delays in hiring program staff. On March 28, the Department submitted revised FY 1985 budget pages indicating that anticipated expenditures from this funding source next year will be \$919,978.

Under the JTPA program, the state is divided into five Service Delivery Areas (SDAs) through which the actual job services and training are to be provided by educational institutions within each SDA. Most of the funding would be passed through to the five SDAs by the Department.

The itemized expenditure breakdowns for both fiscal years, as submitted by the Department, are as follows:

	<u>FY 1984</u>	<u>FY 1985</u>
<u>State Operations:</u>		
Salaries and Wages:		
1.0 F.T.E. Educational Specialist	\$ 4,266	\$ 27,834
1.0 F.T.E. Clerical Position	1,984	12,023
	<u>\$ 6,250</u>	<u>\$ 39,857</u>
Other Operating Expenditures:		
Communications	\$ 500	\$ 2,000
Printing and Advertising	100	500
Rents	280	820
Repairing and Servicing	70	280
Travel and Subsistence	2,200	7,200
Fees-Other Services	3,000	5,000
Utilities	75	300
Professional Supplies	500	1,000
Stationery and Office Supplies	125	500
Subtotal	<u>\$ 6,850</u>	<u>\$ 17,600</u>
State Operations Total	<u>\$ 13,100</u>	<u>\$ 57,457</u>
<u>Financial Aid:</u>		
Federal Aid to Local Units	\$235,237	\$717,621
Federal Aid to Qualified Nonstate Organizations	94,958	144,900
Federal Aid to Other State Agencies	<u>257,219</u>	<u>—</u>
Federal Aid Total	<u>\$587,414</u>	<u>\$862,521</u>
GRAND TOTAL	<u>\$600,514</u>	<u>\$919,978</u>

Additional F.T.E. positions requested — 2.0*

* A clerical position, proposed for funding from CETA funds, was deleted by the Legislature from the FY 1985 budget pending receipt of information regarding the availability of JTPA funds. The Department requests restoration of this position to be financed from the new funding source.

The Department currently has the legal authority and adequate F.T.E. positions in FY 1984 to expend any JTPA funds made available to the agency. However, the Legislature may wish to include anticipated expenditures for FY 1984 in its recommended revised budget for the Department.

In order to authorize the revised expenditure request for FY 1985, a section would be necessary in the Omnibus bill to authorize 2.0 additional F.T.E. positions and to revise the present expenditure limitation of \$0 for the JTPA fund to the level deemed appropriate by the Legislature.

State Historical Society

A. Technical Correction. The All-Sports Hall of Fame, administered by the State Historical Society, is funded by revenues from the All-Sports Hall of Fame Trust Fund. Each year, a transfer is made from the Trust Fund to the All-Sports Hall of Fame Fund from which operating expenditures are made. For FY 1985, S.B. 550 sets an expenditure limitation of \$13,918 on the All-Sports Hall of Fame Fund, but no provision is made to transfer money from the Trust Fund to the operating fund. Approval is requested to provide for the transfer.

B. Budget Amendment No. 2, Item 15. The Governor recommends expenditures of \$22,925 during FY 1984 and \$435,000 during FY 1985 for the purpose of repairing and restoring the cornice on the Memorial Building. During the past year the cornice has deteriorated to the point that parts of it have fallen off and a net has been put up to protect people and property below. The Division of Architectural Services identifies immediate needs totaling \$22,925 which consist of an engineering study and the installation of protective walkways, fences, signs, and monitoring devices. The Governor recommends that these items be paid for from existing resources, the result of the Society having to spend less to move its museum artifacts than was expected. The Governor recommends that this be accomplished by legislation transferring funds from the Society's museum program account to the administration program account. (The transfer could also be made by the Governor who has the authority to reallocate funds within an agency from one account to another.)

To pay for the actual repair and restoration of the cornice, the Governor recommends an appropriation of \$435,000 for FY 1985 from the State General Fund. This is the amount the Division of Architectural Services has estimated will be necessary to complete the work. According to the Division, the amount could vary depending upon the results of the engineering study.

C. Budget Amendment No. 2, Item 18. The Governor recommends an appropriation of \$54,800 from the State General Fund to pay heating costs at the Memorial Building. The amount is in addition to funds already budgeted for utilities and is necessitated by a delay in the anticipated completion date of the capitol complex heating plant. Because of the delay, the Historical Society will have to purchase steam from KP&L longer than was expected, resulting in a higher estimate for heating costs in FY 1985.

State Board of Healing Arts

A. Technical Correction. Section 25 of H.B. 2703 refers to a lapse of \$15,000 in the amount available to the Board of Healing Arts for FY 1984. The language used in the bill should refer to a reduction in the Board's expenditure limitation instead of a lapse. Approval is requested to make the correction.

B. Senate Bill No. 507 amends statutes relating to the Health Care Stabilization Fund, creates a statutory privilege protecting peer review committee records and reports from discovery under certain conditions, and strengthens the ability of the State Board of Healing Arts to identify and discipline persons who are licensed under the Kansas Healing Arts Act (medical, osteopathic, and chiropractic doctors). The bill requires the Board to appoint a disciplinary counsel whose duties are to investigate matters involving the unprofessional conduct or incompetency of doctors

and, when appropriate, institute formal proceedings against licensees and prosecute all complaints that proceed to hearing before the Board.

The new disciplinary procedure set forth in S.B. 507 includes the appointment of review committees by the Board to evaluate the results of investigations by the disciplinary counsel of complaints against doctors. Based upon recommendations of the review committees, formal proceedings may be instituted against licensees and charges brought before the Board for hearing. Each review committee will consist of three doctors who practice the same branch of the healing arts as the person whose conduct is being reviewed.

The Board of Healing Arts identifies the following costs which are, in the Board's opinion, either directly associated with the implementation of S.B. 507 or are reasonable consequences of the new legislation:

Salary and wages for disciplinary counsel	\$ 33,723
Per diem salary for peer review committee members (9 members meeting 1 day per month)	4,061
Other operating expenses (travel and subsistence for peer review committee members and disciplinary counsel; general office expenses)	7,500
Expert witness fees (assumes \$2,000 for expert witnesses to review records and testify at 10 hearings)	20,000
TOTAL	<u>\$ 65,284</u>

In addition, the Board would like to employ a full-time investigator instead of continuing its present arrangement of contracting for investigative services on an hourly basis. The fiscal effect of that change is shown below:

Salary and wages for full-time investigator	\$ 26,662
Travel and subsistence for investigator	7,000
Delete current amount budgeted for contract with investigator	(30,000)
Net Increase	<u>\$ 3,662</u>

The Board also believes it could be necessary to hire part-time or temporary employees to do clerical, secretarial, or research work in the event the Board's workload increases during FY 1985 as a consequence of implementing S.B. 507. The Board requests \$7,000 for these temporary employees. However, the salary for a law clerk (\$7,000) and fees for professional services for a hearing officer (\$4,000) which are currently included in the Board's FY 1985 budget could be deleted if the Board's request for other additional funding to implement S.B. 507 is approved.

In summary, the Board is requesting the following adjustment to its budget for FY 1985:

Disciplinary counsel	\$ 33,723
Per diem salary for peer review committees	4,061
Other operating expenses	7,500
Expert witness fees	20,000
Full-time investigator	26,662
Travel for investigator	7,000
Delete contract for investigator	(30,000)
Temporary employees	7,000
Delete legal clerk	(7,000)
Delete hearing officer	(4,000)
Net Increase	\$ 64,946

The effect of the adjustment would be to increase the Board's budget for FY 1985 as currently approved by the Legislature from \$350,461 to \$415,407. In addition, the staff would be increased from 8.0 F.T.E. to 10.0 F.T.E. positions. The Board's estimate of expenditures associated with implementing S.B. 507 assumes that the existing position of attorney for the Board would be retained to perform duties not performed by the disciplinary counsel. The existing position was authorized beginning July 1, 1984. S.B. 507 expressly states that the disciplinary counsel can not otherwise be an attorney for the Board.

Kansas Arts Commission

A. Substitute for House Bill No. 2643 (Pending). This bill concerns the placement of a statue on the State Capitol dome. It would require the Kansas Arts Commission to coordinate the process of selecting a work of sculpture and would also authorize the Commission to receive any grants, gifts, contributions, or bequests for the costs involved with the sculpture. For the purpose of receiving moneys for this project, the bill specifies that the State Capitol Dome Sculpture Fund be established.

The Governor has not recommended FY 1985 expenditures for the acquisition and placement of the statute nor for administrative functions related to the project. Should this bill be enacted, however, the Commission intends to apply for a National Endowment for the Arts grant to defray any costs associated with its coordination of the project and for artists' fees associated with the project. The Division of Architectural Services estimates the cost of casting the statue, modifying the dome, and placing the statue upon it to be \$205,530, which would be financed from grants, gifts, contributions or bequests.

In order to implement Sub. for H.B. 2643, it would be necessary to add the new fund to the FY 1985 appropriations for the Kansas Arts Commission. The Legislature could choose to appropriate all moneys in the fund without limitation, if maximum flexibility is desired for the project to proceed. Alternatively, the Legislature may wish to place an expenditure limitation of zero on the fund in order to ensure that any expenditures from the new fund during FY 1985 would be reviewed by the State Finance Council or the 1985 Legislature.

Pensions

A. Senate Substitute for House Bill No. 2903 makes numerous changes affecting the Kansas Public Employees (KPERS), Kansas Police and Fire (KP&F), and Judges Retirement Systems. Among those changes is the provision in New Sec. 23 for including the four widows, Mrs. Leah Wagner, Mrs. Catherine Wilson, Mrs. May Burch, and Mrs. Lois Robb, as special members of the Kansas Public Employees Retirement System. This provision, as requested by the Legislature during the 1984 Session, would result in the deletion of Section 2 of S.B. 514 which authorizes a total appropriation of \$9,232 from the State General Fund for the widows' pensions in FY 1985. The same amount, as authorized by that appropriations bill, shall be provided to those widows under New Sec. 23 of Senate Sub. for H.B. 2903.

State Corporation Commission

A. Senate Bill No. 812 (Pending). This bill provides for the crediting of interest income to the Mined Land Reclamation Fund to bring the Mined Land Conservation and Reclamation Board into compliance with federal and state regulations. Revenues to this fund are derived from bond forfeitures and civil penalties assessed on surface coal mining operations. Expenditures from the fund are statutorily limited to mined land reclamation. In the past, appropriations from this fund have been authorized without limit. However, for FY 1984 and in the State Corporation Commission's FY 1985 appropriation bill, all reference to the Mined Land Reclamation Fund is omitted. Since expenditures from the fund are unpredictable, the Legislature may wish to return to the previous policy of a no-limit appropriation. In any case the fund should be included in the agency's appropriation regardless of the outcome of S.B. 812.

Department of Administration

A. House Bill No. 2678 establishes the Kansas State Employees Health Care Commission, composed of the Secretary of Administration, the Commissioner of Insurance, and an appointee of the Governor, to administer a health care benefits program. The bill creates an unclassified position of technical administrator who is responsible to the Commission and places the budgeting function within the Department of Administration. The Department estimates administrative costs as follows:

Administrator	\$ 40,000
Secretary III	14,640
Fringe Benefits	8,994
Subtotal	<u>\$ 63,634</u>
Consultant/actuary	20,000
Other operating expenditures	20,000
Equipment acquisitions	3,270
Total	<u>\$106,904</u>

Both administrative and program expenses, according to the bill, are to be paid from the Health Care Benefits Program Fund. No estimate of program expenditures was provided; however agencies have budgeted \$85 per employee per month, which would presumably cover both program and administrative costs. Expenditure authority for these costs could be established with no limit, with a limit encompassing both categories or, by proviso, with a limit on administrative expenditures only.

B. House Bill No. 3121 (Pending). This bill establishes a new Division of Information Systems and Communications that incorporates the current Telecommunications Office and the Division of Information Systems and Computing. The Department of Administration estimates additional costs totaling \$86,900 and 2.0 F.T.E. positions would be required. According to the Department, estimated expenditures include \$63,630 for salaries, \$20,000 for other operating, and \$3,270 for office furniture and equipment. If additional expenditures are financed from the special revenue funds that currently support the two functions involved, and are allocated proportionately, the budgeted expenditures from the Computer Services Fund would increase by approximately \$83,424 and by \$3,476 from the Communications Services Fund.

C. Senate Bill No. 870 (Pending) authorizes a memorial to law enforcement officers who have lost their lives in the line of duty to be placed on the grounds of the State Capitol. The Director of Architectural Services is authorized to oversee the design of the memorial, which is to be inscribed annually with the names of officers to be honored. The Director of Architectural Services is also authorized to receive contributions and grants to finance construction and upkeep of the memorial and the bill creates the Law Enforcement Memorial Fund for this purpose. The Legislature may wish to establish the fund with no limit on expenditures given the restricted purpose for which the funds can be used.

D. Senate Bill No. 721 (Pending). This bill establishes the State Agency Unemployment Claims Audit Fund to be used for the cost of auditing claims for unemployment compensation made against the state's account. The Secretary of Administration is authorized to collect a fee from all covered state agencies of not to exceed .1 percent of covered wages, except for FY 1985 the fee may not exceed .04 percent of covered wages. Although S.B. 721 states that these fees shall be deducted from amounts collected from state agencies to reimburse the state's account for payment of claims, the U.S. Department of Labor indicates that the audit fee must be collected in addition to the reimbursement charges. As a practical matter this poses no budgeting problem since agencies have slightly more budgeted in FY 1985 than needed for the reimbursement collection.

The Department of Administration estimates FY 1985 revenues of approximately \$270,000 from the .04 percent charge and requests expenditure authority totaling \$230,118. The Department is proposing that claims auditing would be performed on a contractual basis and that the state would pay for data processing equipment for use by the consulting firm to access personnel records. Estimated costs, according to the Department are as follows:

Consultant fees and audit services	\$220,000
Terminal and communication lines	5,378
Programming charges	2,720
Travel	1,670
Printing	300
Postage	50
	<u>\$230,118</u>

E. Senate Bill No. 696 would allow the sale of used state vehicles and highway equipment by means of either auction or sealed competitive bids. A Motor Vehicle and Highway Equipment Sales Fee Fund is created by S.B. 696 to be utilized by the Director of Purchases to defray expenses associated with vehicle sales. Fees assessed by the Director of Purchases for conducting such sales would be deposited to the credit of the new fund and would be deducted from proceeds of the sale.

S.B. 696 is designed to increase receipts from sale of used state vehicles and highway equipment. The bill, as amended, contains permissive authority for auctions; consequently, sales could continue under previous sealed bid procedures, if auctions did not generate higher revenues. The degree to which auctions would generate additional revenue is an unknown; however, such additional revenues would offset future State General Fund and State Highway Fund expenditures for vehicles and equipment.

To implement the intent of S.B. 696 it would be necessary to appropriate the Motor Vehicle and Highway Equipment Sales Fee Fund, which is created by the bill. The expenditures which would be made from this fund are also unknown. Information submitted by the Division of Purchases indicates that expenditures for vehicle auctions during 1977 were approximately 2.9 percent of gross sales receipts. At this rate, auction expenditures would be approximately \$5,800 per auction or approximately \$63,800 annually. Nevertheless, the Director presumably would not repeatedly conduct auctions if receipts were not significantly above the level that could be expected from sealed bid sales.

Inasmuch as the Motor Vehicle and Highway Equipment Sales Fee Fund is restricted to expenses related to vehicle and equipment sales, it could be authorized without limitation. A second option would be authorization of the fund at a specified level representing estimated expenditures for vehicle sales.

F. Budget Amendment No. 2 - Utilities. The Governor's original FY 1985 recommendations for utility costs at the Statehouse and State Office Building were predicated on a November, 1984 completion date for construction of a new heating plant, which is expected to reduce expenditures for utilities. The estimated completion date has subsequently been delayed until February, 1985. In Budget Amendment No. 2, the Governor recommends the addition of \$72,700 to the Statehouse utilities budget and an additional \$134,200 for the State Office Building. These increases result in a \$509,034 total for Statehouse utilities and a \$1,157,015 total for the State Office Building. Current year estimates for utilities are \$737,788 for the Statehouse and \$1,091,360 for the State Office Building.

G. Data Processing. Conferees on S.B. 550, which contained appropriations for the Department of Administration, removed from the bill for further study all of the Department's data processing funding. Earlier the Senate had removed all of the

Governor's recommended \$4,398,945, but the House had restored funds totaling \$4,497,532 and added 2.0 F.T.E. positions based on the assumption that the Division of Information Systems and Computing (DISC) should proceed with an upgrade to the Univac mainframe. The upgrade was designed to allow full implementation of the Kansas Integrated Personnel/Payroll System (KIPPS), to provide backup processing capability and to provide sufficient capacity to begin developing a distributed network, i.e., placement of minicomputers in major agencies to handle part of the KIPPS requirements.

A variety of options has been proposed with respect to funding for the Department's data processing activities, most of which differ primarily with respect to the various upgrades that are available on the Univac side of DISC's operation. It should be noted before discussing any options that the State General Fund appropriation to the Department does not directly finance DISC operations. Rather, it acts as a departmental account which DISC bills for services as it bills other agencies. As a result, it becomes difficult to isolate those portions of the DISC budget that are financed by the Department's account. For example, salaries of the administrative staff are built into rates as an overhead cost and the salary of any one individual can not necessarily be traced to the financing provided to the Department of Administration any more directly than it can be linked to the Department of Revenue's data processing budget. This problem of relating DISC expenditures to sources of financing is alleviated somewhat by the fact that, in general, the Department of Administration's data processing appropriation is charged to finance costs associated with the Univac center while charges to other agencies finance the IBM side of DISC operations. But the allocation of certain costs to one center or the other is less than a precise science; the following estimates represent the best available at this time.

The Department originally submitted a "base" budget request of \$3,229,517 which essentially proposed continuation of current operations and a "C" level request of \$4,085,365, which assumed an upgrade of the Univac from an 1100/63 to an 1100/64. The base request for FY 1985 represents a 24.6 percent increase over the FY 1984 appropriation and DISC allocated the increases in the following cost categories:

	<u>FY 1984</u>	<u>FY 1985</u>	<u>Percent Increase</u>
Salaries and Wages	\$ 1,125,221	\$ 1,229,733	9.3
Hardware/Software Rents	939,665	1,331,044	41.7
Hardware/Software Maintenance	278,216	305,940	9.7
Space Rents	113,925	127,578	12.0
ADP Supplies	65,196	78,700	20.7
Capital Outlay	3,778	41,275	
Other Operating	108,479	157,924	45.6
	<u>\$ 2,634,480*</u>	<u>\$ 3,272,194*</u>	24.2

* Assumes financing of \$42,677 from agencies other than the Department of Administration.

The significant increase (\$637,714) in base expenditures from FY 1984 to FY 1985 is attributed, in addition to some allowance for inflation, to two primary factors. The first, which accounts for over 65 percent of the dollar increase, is a result of increases in the annual payment for equipment and software (including maintenance) that were acquired in the current year. In this instance, the vendor offers a first year "discount", but the annual lease/purchase price increases in the subsequent and following years. The second major area of increase is due to a shift in the way costs are allocated between the Univac and IBM centers. As Univac center costs rise in proportion to the total DISC budget, more of the overhead costs are shifted to Univac rates. According to DISC staff, the current rate schedule does not appropriately reflect all of the overhead costs that are properly attributable to the Univac center. As a result, certain DISC expenditures could remain constant from FY 1984 to FY 1985, but the Department of Administration's data processing budget would still increase to cover its share of those costs. It should be noted that not all of the FY 1985 base is composed strictly of continuation costs. Most notably, the increase in capital outlay reflects planned expenditures for new equipment, office furniture, and software.

When the agency submitted its budget request in the fall, it was assumed that the requested upgrade would allow for full implementation of KIPPS and satisfy the Department's needs until the move to the Santa Fe Office Building in the spring or early summer of 1986. However, subsequently problems arose when the University of Kansas was issued its first payroll from KIPPS and when the current machine capacity was taken up much more rapidly than had been predicted. Presumably, these two events are the main reasons that the Governor recommended \$4,398,945, or \$313,580 and 4.0 F.T.E. positions above the agency request. The Governor's recommendation assumed a more substantial upgrade, to an 1100/73, and also envisioned full implementation of KIPPS.

The House recommendation, as noted previously, assumed an upgrade to an 1100/64, installation of an 1100/72, and acquisition of a minicomputer to begin development of a distributed data processing network. The House Subcommittee explored a number of options related to the Univac center and concluded that, in the long run, this option was less expensive than the other alternatives that were presented. The House recommendation assumes no additional upgrades when DISC moves to Santa Fe, but would require acquisition of additional minicomputers for placement in the major user agencies.

ITEMS FOR OMNIBUS CONSIDERATION

Department of Transportation

A. Technical Adjustment. The FY 1984 budget for the Department of Transportation (KDOT), as approved by the 1983 Legislature, included \$220,000 to replace heating and air conditioning at District One Headquarters. KDOT has indicated that although the engineering phase of the project has been completed, the actual work will not be contracted in FY 1984. Therefore, the agency has requested that authority be granted to complete this project in FY 1985, rather than FY 1984. This could be accomplished by increasing an FY 1985 expenditure limitation by \$200,000 and decreasing an FY 1984 expenditure limit by a similar amount.

Kansas Bureau of Investigation

A. Senate Bill No. 595 provides that every municipality which licenses merchant and security policemen shall collect the fingerprints of applicants and submit the fingerprints to both the Kansas and Federal Bureaus of Investigation to determine whether the applicant has a criminal record.

The KBI is requesting an additional Fingerprint Technician (\$16,132 including fringe benefits) in conjunction with administering provisions of this bill. An exact estimate is not available of the additional workload associated with S.B. 595. However, the KBI indicates that it is short staffed in its identification section and any increase in workload would result in requests for additional staffing.

Social and Rehabilitation Services

A. House Bill No. 2893 would extend the "sunset" of the Kansas Commission for the Hearing Impaired to July 1, 1992 and change its name to the Kansas Commission for the Deaf and Hearing Impaired. FY 1985 costs of the existing Commission (\$50,478) are included in S.B. 514 and do not need to be financed in the Omnibus Appropriations Bill. H.B. 2893 also expands the responsibilities of the Commission by adding the following new duties:

1. to provide interpreter services to be funded from user fees;
2. to provide telecommunication message relay service; and
3. to provide sign language instruction to be funded from user fees.

Although H.B. 2893 gives the Commission permissive authority to set charges and collect fees for interpreter service and sign language instruction, the collections are to be deposited in the State General Fund. Consequently, provision of those services cannot directly be paid from user fees but would require a State General Fund appropriation, if provisions of H.B. 2893 are to be financed.

SRS requests a total of \$67,416 from the General Fund to finance the new provisions of H.B. 2893. Of that amount, \$50,184 would finance part-time interpreters. This amount equates to 3.0 full-time positions, although several interpreters would be employed. The agency is requesting \$14,832 to install a telecommunication message relay service, of which \$3,600 is for long distance communication expenditures and \$11,232 is for a Clerk Typist II to be an operator. Finally, the agency requests \$2,400 to finance contractual services for sign language instruction (\$150 for 16 training sessions). Assuming the full cost of interpreters and sign language instructors was collected, \$52,584 would be deposited in the State General Fund. H.B. 2893 does not contain authority to charge fees for telecommunication message relay services.

B. House Bill No. 2796 allows law enforcement to take a child into custody if the law enforcement agency has a report that the child is missing or is a runaway. Such authority, when combined with other provisions of the Code for Care of Children, is likely to involve SRS paying for any additional juveniles taken into custody through provisions of H.B. 2796.

SRS has indicated that additional expenditures would be relatively limited, as several counties already follow the procedure enumerated in this bill. SRS has requested \$25,000 from the State General Fund, as a result of provisions of H.B. 2796. (Note: The Foster Care budget, as approved in S.B. 514, contains \$19,193,593.)

C. House Bill No. 3049 (Pending), Senate Final Action amendments to H.B. 3049 would allow law enforcement officers, upon taking an alleged juvenile offender into custody, to place such a juvenile with a person or facility designated by the Secretary of SRS. The amendments allow SRS to pay for care of the juvenile from the time an alleged juvenile offender is taken into custody, rather than when custody is awarded to the Secretary of SRS.

SRS indicates that the first year (FY 1985) impact of this provision would increase foster care expenditures by approximately \$10,000. This estimate is based upon preadjudication placements during previous fiscal years. However, SRS also indicates that such placements were limited as counties were required to finance them. It is the agency's opinion that if the state became responsible for payment, such expenditures could increase to approximately \$184,000 annually within three years.

D. House Bill No. 2997 (Pending) would increase special revenue funds available for child abuse prevention programs financed by the Family and Children Trust Fund. The bill is now in Conference Committee and significant differences exist between the House and Senate versions of this bill. The Senate version would raise additional revenue of approximately \$140,928 for the Trust Fund from an \$8 increase in the docket fees for petitions involving divorce, annulment, separate maintenance, or other types of domestic relation actions. The House version of H.B. 2997 would provide additional Family and Children Trust Fund revenue of approximately \$163,028 through a \$4 fee on each live birth registered with the Secretary of Health and Environment through provisions of K.S.A. 65-2409.

E. Medical Assistance Program. During its consideration of appropriations for SRS, the Legislature reduced the FY 1984 medical assistance budget by \$4,482,180 of which \$2,474,163 was from the State General Fund. That reduction was agreed upon in Conference Committee, based upon review of medical assistance expenditures in the Omnibus Appropriations Bill. The \$4.5 million reduction was based upon actual

expenditures thru mid-February and estimated expenditures for the remaining months of FY 1984. In that FY 1984 adjustment, State General Fund savings were reappropriated, rather than lapsed. Consequently, if FY 1984 expenditures exceeded the revised budget, shortfalls would occur in State General Funds availability in FY 1985.

Column 1 of the table which follows reflects the estimate upon which the FY 1984 Legislative adjustment was based. Column 2 reflects actual data for February and March; an estimate for April, based upon expenditures thru April 20, 1984; and expenditures which could occur during May and June and not exceed the revised FY 1984 budget. These expenditure levels would allow some margin for payment of hospital claims denied during January, as a result of new administrative procedures.

	FY 1984 Medical Assistance Expenditures	
	Column 1 FY 1984 Rev. Legislative Budget	Column 2 FY 1984 Expend. Thru Mid-April
July, 1983	\$ 22,855,704	\$ 22,855,704
August, 1983	18,970,253	18,970,253
September, 1983	21,340,361	21,340,361
October, 1983	16,560,900	16,560,900
November, 1983	17,879,793	17,879,793
December, 1983	17,242,086	17,242,086
January, 1984	17,354,519	17,354,519
February, 1984	16,308,557	15,957,846
March, 1984	18,366,198	19,972,548
April, 1984	23,121,439	18,595,676 (estimate)
May, 1984	18,366,198	20,001,260 (based upon funds remaining)
June, 1984	18,366,198	20,001,260
TOTAL	\$226,732,206	\$226,732,206

Kansas Highway Patrol

A. Senate Bill No. 831 (Pending) would transfer the office of emergency medical services (EMS) from the Department of Health and Environment to the Kansas Highway Patrol. The Governor's FY 1985 budgetary recommendations included \$390,586 to finance EMS operations in the Department of Health and Environment. Upon passage of S.B. 831, it would be necessary to consider EMS funding in the budget of the Kansas Highway Patrol. If it was the Legislature's intent to provide the \$390,586, recommended by the Governor, it would be necessary to appropriate \$363,086 from the State General Fund and \$27,500 from the Emergency Medical Service Attendant Testing Fund. Major items of expenditure in the Governor's recommendations include:

Salaries and Wages (7.0 F.T.E.) — State EMS Office	\$ 140,897
Other Operating Expenditures — State EMS Office	82,689
Administrative Grants-In-Aid to Regional EMS Councils	120,000
Grants to Regional Councils for Expenses of Communication System	47,000
TOTAL	<u>\$ 390,586</u>

In addition to the Governor's EMS recommendations, the Kansas Highway Patrol requests 1 — Account Clerk to handle the additional accounting responsibilities and additional office space for the EMS operation. The cost of an Account Clerk II would be \$15,481, including fringe benefits. If EMS office space totaling 2,000 square feet was secured in a state building, the cost would be \$20,000 in FY 1985. The present EMS operation occupies approximately 2,000 square feet at the Department of Health and Environment.

Inasmuch as the present EMS budget includes four clerical positions, it is possible that the clerical and accounting workload could be reorganized in a manner that would not require an additional account clerk. However, unless the EMS office remains at its existing location at the Department of Health and Environment, it appears likely that additional expenditures would be necessary for office rental.

Department of Health and Environment

A. Senate Bill No. 831 (Pending). The bill would transfer the EMS program from the Department of Health and Environment to the Kansas Highway Patrol. The Governor's recommendation for the program consisted of \$124,000 of State General Funds for state operations and \$167,000 State General Funds for administrative aid to the regional EMS councils and operation and maintenance of the communication system. In addition, the Governor recommended expenditure of \$27,500 transferred from the Attendant Testing Fund of the K.U. Medical Center and \$72,084 from the federal Preventive Health Block Grant. The appropriation for the Department contained in S.B. 514 does not include the amount of State General Funds recommended by the Governor nor the Attendant Testing Fund transfer. The federal block grant funds were reallocated to another program within the Department to offset State General Fund expenditures. The Governor's recommended staffing level for the program was 7.0 F.T.E. positions, all of which has been deleted from the limitation established in S.B. 514.

B. House Bill No. 2864 adds galactosemia to the newborn screening law that currently requires the Department of Health and Environment to screen for phenylketonuria (PKU) and hypothyroidism. The bill also requires the Department to conduct educational activities, maintain a registry of cases identified and provide necessary follow-up for diagnosed cases as long as medically indicated. The law goes into effect on January 1, 1985.

The Department's estimate of the first year cost of implementing the program is \$36,000 which amount includes the salary of an additional chemist, supplies, and equipment to carry out the screening tests. The cost of follow-up and educational activities is estimated to be \$5,000. The expenditure estimate is predicated on a full

year of program operation. The Department has indicated that it will be ready to begin conducting the screening tests early in FY 1985.

C. Senate Bill No. 640 provides for establishment of a program for the care and treatment of persons suffering from hemophilia. The scope of activities is to be within the appropriation made for that purpose. The Department estimates that \$75,000 to \$100,000 would be necessary to conduct the program during the first year of implementation. This amount would be utilized to provide treatment to patients. The Department indicates that no additional staff would be necessary to implement the program.

D. House Bill No. 2101 requires inclusion of social security numbers of persons granted divorces or annulments in the reports filed by court clerks with the Registrar of Vital Statistics. The Department's estimate of the cost of revising, reprinting, and distributing the divorce certificates and worksheets is \$7,500. This amount is predicated on production and distribution of 150,000 certificates and worksheets at a cost of 5 cents each. The bill takes effect upon publication in the Kansas Register, so the Department requests that the \$7,500 be appropriated for the current fiscal year.

E. Senate Bill No. 659 establishes a state licensing requirement for home health agencies as a responsibility of the Secretary of Health and Environment, creates a Home Health Services Advisory Council and authorizes the Secretary to establish a license fee schedule in rule and regulation. The bill also authorizes the Secretary to require home health aides to participate in a course of instruction and pass an examination in order to continue employment with a licensed agency. An examination fee is authorized to defray all or a portion of the cost.

The Department estimates that the fiscal impact of the bill totals \$34,715, which is composed of a \$31,650 reduction in Medicare funds, \$2,065 per diem and travel for the Advisory Council, and \$1,000 for development of the aide training program. The loss of federal funds will occur upon implementation of the licensure program because the Department will no longer be able to charge the full cost of inspections to the federal grant. No estimate of fee revenue is currently available.

F. House Bill No. 2726 (Pending). The bill creates a Hazardous Waste Cleanup Fund as the repository for funds obtained by the Secretary for the investigation and cleanup of hazardous waste sites. The permissible expenditures from the fund are delineated in the bill and the Secretary is given authority to recover the cost of cleanup activities from the responsible parties. Any amounts recovered would be deposited in the fund.

The Department requested, and the Governor recommended, that \$500,000 be transferred from the State General Fund to the Pollutant Discharge Cleanup Fund for the purposes set forth in the bill. The Senate Ways and Means Committee deleted the transfer and the expenditure authority pending passage of the bill. The House Ways and Means Committee included the fund as a State General Fund appropriations but it was removed by the Conference Committee pending consideration of the bill by both Houses.

Judicial Branch

Senate Bill No. 719 (Pending). The bill amends the garnishment form contained in Chapter 61, Limited Actions and permits garnishment once each pay period

rather than once per month as allowed by the current statute. The Office of Judicial Administration estimates that this change could increase by 50 percent the number of garnishments filed in the district courts. The fiscal impact of that increase is estimated to be \$146,713 in personnel costs which amount is requested for temporary help, should the bill become law in its current form.

Securities Commissioner

A. Governor's Budget Amendment No. 2-13. In October of 1983 a discrimination suit filed in 1980 against the KCC and five employees of the agency was dismissed. The suit sought damages of over \$1,000,000. The individuals named in the suit retained private counsel to be paid from the Securities Act Fee Fund as approved by the Attorney General. The budget amendment is for increased expenditure authority totaling \$3,725 for the current fiscal year to pay the remaining outstanding legal fees.

Board of State Fair Managers

A. Position Reclassifications. In its FY 1985 budget request, the agency included \$27,072 to fund the reclassification of five administrative positions and one maintenance position. The Governor recommended a total of \$13,230 for these reclassifications. The Legislature deleted all funds for reclassifications pending receipt of approval of the reclassifications from the Division of Personnel. The Division of Personnel's approval and recommendations have been received and an increase in fee fund expenditures of \$21,444 will fully fund the changes.

Larned State Hospital

A. House Bill No. 2684 specifies a categorical aid rate of \$11,434 per eligible teaching unit for special education services. Larned's educational budget, as approved in S.B. 579, presumed a categorical aid rate of \$11,330 per eligible teaching unit. Adjustment to Larned's budget, due to the \$11,434 aid rate, would allow a reduction of \$2,575 to the General Fund appropriation contained in S.B. 579.

B. Senate Bill No. 507 removes the maximum surcharge percentage of 65 percent from the law relating to the Health Care Stabilization Fund and grants the Commissioner of Insurance the authority to assess a premium surcharge that would ensure the solvency of the fund. The bill also increases the basic limits required on each policy of professional liability insurance from \$100,000 to \$200,000 per occurrence and from \$300,000 to \$600,000 for all claims made during a policy period. According to information supplied by the Insurance Department, a 95 percent surcharge will be assessed in FY 1985. These provisions of S.B. 507 would increase medical malpractice insurance costs at Larned by \$59,251.

C. Governor's Budget Amendment 3-1. The Governor is recommending a decrease of \$169,308 in the State General Fund appropriation for FY 1985 due to higher than anticipated fee fund receipts. The Governor is also recommending an increase of \$16,306 in the State General Fund appropriation for FY 1985 based on revised fee fund revenue projections. The Legislature has recommended a decrease in State General Fund appropriations of \$242,548 in FY 1984 and \$77,141 in FY 1985.

Osawatomie State Hospital

A. House Bill No. 2684 specifies a categorical aid rate of \$11,434 per eligible teaching unit for special education services. Osawatomie's educational budget, as approved in S.B. 579, presumed categorical aid at the rate of \$10,339 per eligible teaching unit. Adjustment to Osawatomie's budget, due to the \$11,434 aid rate, would allow a reduction of \$18,162 to the General Fund appropriation contained in S.B. 579.

B. Senate Bill No. 507, as discussed in Section B on Larned State Hospital, includes provisions which increase the medical malpractice insurance costs at Osawatomie by \$50,966, according to information supplied by the Insurance Department.

C. Governor's Budget Amendment 3-1. The Governor is recommending an increase of \$216,059 in the State General Fund appropriation for FY 1984 due to shortfalls in fee fund revenue at Osawatomie. The Governor is also recommending an increase of \$594,534 in the State General Fund appropriation for FY 1985 based on revised projections of anticipated fee fund revenue. The Legislature has made no recommendation for the projected shortfall in FY 1984 and has recommended an increase of \$508,917 in the State General Fund appropriation for FY 1985.

Topeka State Hospital

A. House Bill No. 2684 specifies a categorical aid rate of \$11,434 per eligible teaching unit for special education services. The Topeka State Hospital education budget, as approved in S.B. 579, presumed a categorical aid rate of \$10,850 per eligible teaching unit. Adjustment of the Topeka State Hospital's budget, due to the \$11,434 aid rate, would allow a reduction of \$21,717 to the State General Fund appropriation contained in S.B. 579.

B. Senate Bill No. 507, as discussed in Section B on Larned State Hospital, includes provisions which increase the medical malpractice insurance costs at Topeka State Hospital by \$49,498, according to information supplied by the Insurance Department.

C. Governor's Budget Amendment 3-1. The Governor is recommending an increase of \$132,194 in the State General Fund appropriation for FY 1984 due to shortfalls in fee fund revenues at Topeka State Hospital. The Governor is also recommending an increase of \$495,179 in the State General Fund appropriation for FY 1985 based on revised projections of anticipated fee fund revenue. The Legislature has made no recommendation for the FY 1984 shortfall and has recommended an increase of \$567,247 in the State General Fund appropriation for FY 1985.

Rainbow Mental Health Facility

A. House Bill No. 2684 specifies a categorical aid rate of \$11,434 per eligible teaching unit for special education services. Rainbow's education budget, as approved in S.B. 579, presumed a categorical aid rate of \$10,339 per eligible teaching unit. Adjustment to Rainbow's budget, due to the \$11,434 aid rate, would allow a reduction of \$27,274 to the General Fund appropriation contained in S.B. 579.

B. Senate Bill No. 507, as discussed in Section B on Larned State Hospital, includes provisions which increase medical malpractice insurance costs at Rainbow by \$6,520, according to information supplied by the Insurance Department.

C. Governor's Budget Amendment 3-1. The Governor is recommending a decrease of \$147,035 in the State General Fund appropriations for FY 1984 based on higher than projected fee fund receipts. The Governor is also recommending a decrease of \$58,617 in the State General Fund appropriation for FY 1985 based on revised fee fund revenue projections. The Legislature has recommended a decrease in State General Fund appropriations of \$123,806 in FY 1984 and \$64,586 in FY 1985.

Kansas Neurological Institute

A. House Bill No. 2684 specifies a categorical aid rate of \$11,434 per eligible teaching unit to finance special education services during FY 1985. The educational budgets, contained in S.B. 579, were based on a rate of \$10,339. The rate adjustment, provided in H.B. 2684, will allow a reduction in State General Fund expenditures of \$32,179.

B. Governor's Budget Amendment No. 3, Item 1. Item 1 of Governor's Budget Amendment No. 3 would amend the utilization of KNI's fee fund in such a manner as to provide a year end balance equivalent to one months receipts which is the basis of the present recommendation approved by both houses. The Governor's recommendations would amend FY 1984 funding and FY 1985 appropriations included in S.B. 579 to reflect the following adjustments:

	FY 1984		FY 1985	
	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>
State General Fund	\$ (29,795)	\$ —	\$ (4,865)	\$ (16,293)
Fee Fund	29,795	—	4,865	16,293

Parsons State Hospital and Training Center

A. House Bill No. 2684 specifies a categorical aid rate of \$11,434 per eligible teaching unit to finance special education services during FY 1985. The educational budgets, contained in S.B. 579, were based on a rate of \$10,339. The rate adjustment, provided in H.B. 2684, will allow a reduction in State General Fund expenditures of \$37,112.

B. Governor's Budget Amendment No. 3, Item 1. Item 1 of Governor's Budget Amendment No. 3 would amend the utilization of Parsons State Hospital and Training Center's budget in such a manner as to provide a year end balance equivalent to one months receipts which is the basis of the present recommendation approved by both houses. The Governor's recommendations would amend FY 1984 funding and FY 1985 appropriations included in S.B. 579 to reflect the following adjustments:

	FY 1984		FY 1985	
	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>
State General Fund	\$ (6,754)	\$ —	\$ 151,103	\$ 95,223
Fee Fund	6,754	—	(151,103)	(95,223)

Norton State Hospital

A. Governor's Budget Amendment No. 3, Item 1. Item 1 of Governor's Budget Amendment No. 3 would amend the utilization of Norton State Hospital's budget in such a manner as to provide a year end balance equivalent to one months receipts which is the basis of the present recommendation approved by both houses. The Governor's recommendations would amend FY 1984 funding and FY 1985 appropriations included in S.B. 579 to reflect the following adjustments:

	FY 1984		FY 1985	
	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>
State General Fund	\$ (24,205)	\$ (30,104)	\$ (22,577)	\$ (24,987)
Fee Fund	24,205	30,104	22,577	24,987

Winfield State Hospital and Training Center

A. House Bill No. 2684 specifies a categorical rate of \$11,434 per eligible teaching unit to finance special education services during FY 1985. The educational budgets, contained in S.B. 579, were based on a rate of \$10,339. The rate adjustment, provided in H.B. 2684, will allow a reduction in State General Fund expenditures of \$39,985.

B. Governor's Budget Amendment No. 3, Item 1. Item 1 of Governor's Budget Amendment No. 3 would amend the utilization of Winfield State Hospital and Training Center's budget in such a manner as to provide a year end balance equivalent to one months receipts which is the basis of the present recommendation approved by both houses. The Governor's recommendations would amend FY 1984 funding and FY 1985 appropriations included in S.B. 579 to reflect the following adjustments:

	FY 1984		FY 1985	
	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>	<u>Gov. Rec.</u>	<u>Legis. Rec.</u>
State General Fund	\$ 144,168	\$ 116,492	\$ 54,307	\$ 54,307
Fee Fund	(144,168)	(116,492)	(54,307)	(54,307)

Animal Health Department

A. Senate Bill No. 574. The enactment of S.B. 574, as amended, will require livestock dealers to register with the Kansas Animal Health Department and will require each registered dealer to maintain an accurate account of all animals bought and sold on a commission basis for a period of two years. The bill refers only to order buyers and traders and does not include public livestock market operators or licensed feed lot operators. In its fiscal note on the introduced version of the bill, the Division of the Budget reported that the fiscal impact would result in additional special revenues of \$5,000 and expenditures of approximately \$2,000 per year. The House and Senate acknowledged the need for additional expenditures in their review of the agency's budget with passage of S.B. 574. Additional staff to administer the activity is not requested; however, the bill will require the addition of the Livestock Dealers' Registration Fee Fund.

The agency has requested an expenditure limitation of \$2,000 on this Fund for miscellaneous other operating expenditures.

Crime Victims Reparations Board

A. Senate Bill No. 678 amends existing state law to increase the total fees charged for a marriage license from \$17 to \$25 and provides that 32.0 percent or \$8 per license fee be credited to the Protection From Abuse Fund, created by this bill. The fund will be administered by the Crime Victims Reparations Board for the purpose of providing grants to domestic abuse programs located across the state. The fiscal impact of S.B. 678 is estimated to be \$238,768 for FY 1985. The Crime Victims Reparations Board submitted a request for a no limit fund to be included in the Omnibus bill to allow grants for domestic abuse programs to be made subject to the balance of revenues in the fund. One additional point of clarification, the bill prohibits expenditures from the fund prior to the promulgation of rules and regulations adopted by the Crime Victims Reparations Board.

Youth Center at Topeka

A. House Bill No. 2684 specifies categorical aid at \$11,434 per certified teaching unit. This is an increase from the \$10,339 per certified teaching unit as recommended by the Governor and approved by the Legislature in S.B. 579. Therefore, an adjustment to the Youth Center at Topeka budget will be a reduction from the State General Fund of \$30,754.

Youth Center at Beloit

A. House Bill No. 2684 specifies categorical aid at \$11,434 per certified teaching unit. This is an increase from the \$10,339 per certified teaching unit as recommended by the Governor and approved by the Legislature in S.B. 579. Therefore, an adjustment to the Youth Center at Beloit budget will be a reduction from the State General Fund of \$17,564.

Youth Center at Atchison

A. House Bill No. 2684 specifies categorical aid at \$11,434 per certified teaching unit. This is an increase from the \$10,339 per certified teaching unit as recommended by the Governor and approved by the Legislature in S.B. 579. Therefore, an adjustment to the Youth Center at Atchison budget will be a reduction from the State General Fund of \$16,425.

Kansas Park and Resources Authority

A. Technical Correction. In consideration of the FY 1985 budget, both the House and Senate approved the use of \$50,000 from the General Fees Fund for capital improvement projects. However, \$50,000 was also added in error to the expenditure limitation placed on the General Fees Fund account for state operations. Authority is requested to make this correction.

B. Senate Bill No. 381 authorizes the Authority to take over a federally-controlled area at Wilson Reservoir, but did not address a similar land transaction at Melvern Reservoir. The appropriation bill, S.B. 550, for the Park Authority had added a park technician position and a pickup truck, funded from the General Fees Fund, to support the agency's proposed takeover of the Outlet Area at Melvern. Therefore, adjustments will include a reduction of 1.0 F.T.E. and a reduction of \$23,437 in the General Fees Fund account for state operations in FY 1985.

Kansas Department of Economic Development

A. Technical Correction. In consideration of the FY 1985 budget, both the House and Senate approved research project grants totaling \$610,000. The Kansas Advanced Technology Commission through the Office of the Secretary of Kansas Department of Economic Development (KDED), has requested that this amount be subject to the same individual limitations that were established in FY 1984: \$220,000 for the University of Kansas; \$175,000 for Kansas State University; \$130,000 for Wichita State University; and \$85,000 for Pittsburg State University.

B. Budget Amendment No. 2-20. Governor's Budget Amendment No. 2 recommends that the KDED budget be increased by \$15,000 for additional operating expenditures in FY 1985. This amount adds \$12,050 for advertising and \$2,950 for in-state travel associated with the Kansas film services program in the Travel and Tourism Division.

Additionally, the Governor recommends that the expenditure limitation on a planning grant from the Economic Development Administration be increased in the current fiscal year by \$7,800 from \$25,000 to \$32,800. The agency plans to use the \$7,800 to fund a temporary position affiliated with the CDBG program.

C. House Bill No. 2654 requires the Secretary of Economic Development to maintain a file of all applications, forms, and documents which are filed by state agencies and to provide copies of the same to any person, firm, or corporation establishing and operating any business, commercial or industrial enterprise in this state. The Governor recommended 1.0 F.T.E. position and other operating expenditures totaling \$34,400 for this "one-stop permitting" project in KDED's FY 1985 budget; expenditures which were subsequently deleted in H.B. 2692, pending passage of H.B. 2654. The agency requests that the position be reauthorized with operating expenditures totaling \$27,266.

D. House Bill No. 2652 authorizes the Department of Economic Development to establish incubator facilities within the state. Under the bill, the Secretary of KDED is authorized to make one-time grants, in an amount not to exceed \$50,000, to nonprofit corporations associated with community industrial development committees. The state grant must be matched in cash or in real estate value by either local government units or other interests. The agency estimates that three grants will be awarded in FY 1985 and is requesting \$150,000 from the State General Fund to finance this program.

Kansas Public Employees Retirement System

A. Senate Substitute for House Bill No. 2903. This is an omnibus retirement bill which mainly affects the Kansas Public Employees Retirement System (KPERs), Kansas Police and Firemen's Retirement System (KP&F), and Judges Retirement System. The bill makes numerous changes in the benefits for active members and retirants of KPERs. The agency is requesting \$5,400 in FY 1984 and \$29,764 in FY 1985 from the Kansas Public Employees Retirement Fund to finance increased operating expenses associated with the statutory changes. The FY 1984 amount of \$5,400 would be used to print and mail a special issue of "KPERs Papers" to all active and retired members of KPERs informing them of the provisions of Senate Sub. for H.B. 2903. For FY 1985 the agency is seeking \$24,264 for printing and distribution of 116,000 individual employee information manuals to update the publications as a result of the actions of the 1984 Legislature. In addition, the agency is requesting \$5,500 for computer programming modifications to implement the bill.

Kansas State Penitentiary

A. House Bill No. 2992. This bill, which is the claims against the state legislation, provides a total claim of \$8,537 against the State Penitentiary. This amount represents four different incidents involving personal injury and damage to personal property of inmates or employees. The Department of Corrections maintains that the agency does not have the resources to pay the claims.

B. Senate Bill No. 879 and House Bill No. 3124 (Pending). These are identical bills introduced at the request of the Governor to address, in part, the prison overcrowding problem. Both bills provide \$92,700 in FY 1984 and \$231,500 in FY 1985, all from the State General Fund, to provide additional bedspace for inmates. The proposal would renovate at a cost of \$64,100 the second floor of the Laundry Building into a dormitory which would accommodate 112 inmates. The Governor is also recommending 12.0 F.T.E. positions (ten security and two counselors) to staff the dormitory. Salaries and wages for the positions total \$20,800 for one payroll period in FY 1984 and \$226,500 for FY 1985. Other operating costs for capital outlay items and clothing in FY 1984 total \$7,800. In FY 1985 the Governor recommends \$5,000 for utilities for the dormitory facility.

C. FY 1984 Appropriation. The agency is requesting that \$225,245 from the State General Fund that was reappropriated in S.B. 552 to FY 1985 not be reappropriated, but instead be used to meet expenditures in the current year. The agency maintains that expenditures for medical costs, utilities, and inmate pay will all be higher than estimated when S.B. 552 was considered.

State Industrial Reformatory

A. Senate Bill No. 879 and House Bill No. 3124 (Pending). These are identical bills introduced at the request of the Governor to address, in part, the prison overcrowding problem. Both bills provide \$72,900 in FY 1984 and \$236,500 in FY 1985, all from the State General Fund, to finance additional bedspace for inmates. The

proposal would renovate at a cost of \$39,100 the old Kansas Correctional Industries Clothing Building into a dormitory which would accommodate 80 inmates. The Governor is also recommending 12.0 F.T.E. positions (ten security and two counselors) to staff the dormitory. Salaries and wages for the positions total \$20,800 for one payroll period in FY 1984 and \$226,500 for 12 months in FY 1985. Other operating costs for capital outlay items and clothing in FY 1984 total \$13,000. In FY 1985 the Governor recommends \$10,000 for utilities for the dormitory facility.

Department of Corrections

A. Senate Bill No. 879 and House Bill No. 3124 (Pending). These are identical bills introduced at the request of the Governor to address, in part, the prison overcrowding problem. Both bills provide \$275,000 from the State General Fund in FY 1984 for planning funds and a feasibility study for the Department of Corrections. The Governor is recommending \$100,000 for a study to be conducted on the feasibility of converting existing buildings and institutions for use by the Department. The Governor is also recommending \$175,000 for planning funds for a new women's 300 bed correctional facility.

B. Senate Bill No. 654. This bill provides for access to certain inmate files under the provisions of open records for state documents. The Department estimates a clerical position will be needed to handle inquiries, verification of proper access to inmate records in addition to the actual copying of records and billing for expenses. The Department estimates an expenditure of \$9,229 from the State General Fund for FY 1985 and one additional F.T.E. position.

Mental Health and Retardation Services

A. Senate Bill No. 879 and House Bill No. 3124 (Pending). These are identical bills introduced at the request of the Governor to address, in part, the prison overcrowding problem. Both bills provide \$50,000 from the State General Fund in FY 1984 for the Division of Mental Health and Retardation Services. The Governor recommends that the funds would be used to conduct a feasibility study of converting existing Department of Social and Rehabilitation Services buildings and institutions for use by the Department of Corrections. The study would attempt to address where existing SRS patients and programs could be moved or transferred to accommodate the needs of the Department of Corrections.

Board of Tax Appeals

A. Clerical Assistance. For Omnibus bill consideration, the Senate Ways and Means Committee asked the Chairman of the Board to assess staff needs in regard to industrial revenue bond (IRB) filing requirements. In a letter dated March 23, 1984, the Chairman requested financing for a law clerk to work full time for six months to reduce the backlog of files. State General Fund financing of \$7,913 would be required. The House Ways and Means Committee had recommended that the Board study the problem and report to the 1985 Legislature its needs relative to IRB filings. S.B. 869 was introduced at the request of the Board and the Chairman of the Senate Assessment

and Taxation Committee to address another aspect of the IRB filing requirements in order to reduce the amount of documentation filed with the Board, thus reducing the likelihood that a permanent full-time position would be required.

Department of Human Resources

A. Technical Adjustment. H.B. 2703 and 3093 established a \$0 limit for expenditures from the Special Employment Security Fund, but by proviso allowed that any expenditures for purposes specified in K.S.A. 44-713a would be in addition to the \$0 limitation for FYs 1984 and 1985. Further search of the statutes revealed that K.S.A. 75-6210 allows funds to be transferred to the Director of Accounts and Reports' Account Services Recovery Fund in conjunction with set-off procedures specified in statute. The Committee should consider adding this other statutory reference which would allow funds to be used FYs 1984 and 1985 without State Finance Council approval for the purposes stated in statute.

B. H.B. 2629 requires no legislative action, but an adjustment in the FY 1985 expenditure estimate for the Employment Security Trust Fund amounting to a \$6 million reduction can be made. The bill freezes unemployment weekly benefits at a \$175 maximum for two years. Consequently, the agency estimates a reduction in its earlier projected expenditure of \$166.3 million which was included in the Governor's Budget Report and approved by the 1984 Legislature.

C. H.B. 2797 (Pending) would authorize the Secretary of Human Resources to conduct wage surveys. The agency estimates that to implement the bill would require \$82,912 from the State General Fund and 2.0 F.T.E. new positions. Financing of \$39,265 for salaries and benefits for two full-time positions and other operating costs of \$43,647, including \$24,056 for data processing expenses, is requested for conducting wage surveys in FY 1985. The agency had requested \$70,992 and 3.0 F.T.E. positions in its FY 1985 budget for wage survey activities, but the Governor's recommendation did not fund those activities for FY 1985. The primary differences between the earlier budget request and the fiscal note on H.B. 2797 are the data processing costs of \$24,056 and the elimination of one Clerk III at \$11,208. DISC has not completed its review of the data processing requests, but it appears less expensive options would be available in leasing rather than buying data processing equipment.

Department of Revenue

A. Bills Enacted which have an administrative cost impact on the agency are listed below in Items 1-8 and a special section on data processing costs is Item 9.

1. S.B. 401 establishes the State Bingo Regulation Fund, with one-third of the receipts collected under K.S.A. 79-4704 as amended to be deposited for state enforcement activities. The bill also gives the Secretary of Revenue authority to administer the bingo laws.

The agency's fiscal note of January 30, 1984, estimates \$262,931 of expenditures and 9.0 F.T.E. positions would be needed for the purpose of enforcement of bingo laws. An estimated \$320,000 in receipts is projected to be deposited in the new fund during FY 1985 when enforcement activities would begin. However, the revenue

estimate was formulated prior to passage of S.B. 401 which makes numerous changes in the bingo laws, some of which may reduce FY 1985 receipts to the Fund.

A revised fiscal note submitted on April 16, 1984, after both houses had passed S.B. 401 estimates FY 1985 expenditures of \$242,649, including \$173,245 for 7.5 F.T.E. new positions (which staggers hiring of personnel requested in the earlier fiscal note). Six positions are budgeted to begin June 18, 1984, and another three six months later to generate some phase-in salary savings. Also, the salaries and benefits calculated by the agency overstate actual levels of benefits, and savings are possible. Actual staffing would include an Attorney I (\$28,150), Field Supervisor (\$24,923), two Auditors II (\$24,923 and \$12,462), four Field Investigators (\$21,034 for two each and \$10,517 for two each) and a Clerk Typist II (\$12,065).

Annual expenditures in the revised fiscal note for other operating expenses are estimated at \$63,136, including \$19,800 for mileage, \$30,250 for subsistence and \$8,000 for office space. The amount of overnight travel and subsistence may be overstated if agents are based in the three metropolitan areas and one assigned to the west. One-time expenses of \$6,268 would outfit an office for nine staff members.

2. S.B. 516 allows tax stamps to be used on packages of 20 or 25 cigarettes. Currently, stamps are used on packages of 20. The agency requests \$3,000 in FY 1985 from the State General Fund to contract for three million cigarette stamps for use on packages of 25.

3. S.B. 618 reinstates licensure of motor vehicle salesmen and requires the agency to administer an examination for licensure of salesmen. Administrative costs of \$996 in FY 1984 and \$19,631 in FY 1985 from the Division of Vehicles (DOV) Operating Fund are requested. The FY 1985 request includes 1.0 F.T.E. new Clerk Typist II (\$12,798), postage of \$3,715, and documents costing \$3,118. The 1983 Legislature passed S.B. 309 which eliminated licensure of salespeople, but no positions or operating costs were deleted from the Salesman Licensing Section which then included 3.0 F.T.E. positions (including one Clerk III financed at \$18,472 and other operating expenses of \$6,875 attributed to salesmen licensure). Currently, 2.0 F.T.E. positions are assigned to that unit for FY 1984.

4. S.B. 633 extends from 15 to 30 days temporary vehicles registration permits. The agency's fiscal note of February 27, 1984, estimates administrative costs of \$100 to print 100,000 new paper permits in FY 1985. In a subsequent fiscal note submitted April 9, 1984, after both houses had passed the bill, the agency estimates issuance of 150,000 permits in FY 1984 and FY 1985 at a cost of \$17,250 each year financed from the DOV Operating Fund. The higher cost is attributed to the use of cardboard permits which will be affixed to the vehicle license plate area instead of the rear window as was the case with paper permits.

5. H.B. 2827 includes provisions of seven tax bills, some of which have administrative costs totaling \$45,187. FY 1984 expenditures of \$12,822 and FY 1985 expenditures of \$32,865 from the State General Fund are requested in conjunction with this bill.

FY 1984 costs of \$12,822 would be used to notify 60,000 employers of a reduction in the withholding tax penalty rate for late payments and to change

instructions in coupon books for newly-registered accounts to reflect the lower delinquency charges.

FY 1985 costs of \$20,432 are requested for salary and benefits of an additional Tax Examiner III for one year to handle Section 337 modifications or credits claimed in conjunction with corporate liquidations. Recalculation of benefits for a nonpermanent employee would reduce the requested amount. Another \$150 is requested for office supplies.

FY 1985 data processing costs of \$11,783 are discussed in Item 9 below.

6. H.B. 2860 permits special fuel dealers (primarily diesel) to sell special fuels to unlicensed users. The unlicensed users will not be required either to submit a report of purchases or to post a bond as required of licensed special fuel users. The agency proposes to develop an audit program focusing on the unlicensed special fuels users since they are required to purchase special fuels from licensed Kansas dealers who in turn may sell special fuels to unlicensed users only if the fuel will be used for operation of motor vehicles on the highways.

Administrative costs of \$115,627 in FY 1985 from the State General Fund are requested, including \$78,551 for 3.0 F.T.E. new positions for auditing. Recalculation of fringe benefits using current projected amounts would reduce the costs. Further, application of the agency rate of salary turnover savings would further reduce the costs for the three positions should they be approved. The positions include a Revenue Auditor II (\$25,992) and two Revenue Auditors I (\$23,888 each).

Of \$34,715 requested for other operating expenses, \$32,280 would be for travel and subsistence costs associated with auditing. One-time expenses of \$2,361 to establish an office for three people are requested. The remainder of the funds would be used for data processing costs which are discussed in Item 9 below.

7. H.B. 3031 prohibits the sale or distribution of smokeless tobacco products to persons under the age of 18. The agency requests \$1,240 in FY 1985 from the State General Fund to notify tobacco products licensees of legislative changes.

8. H.B. 3076 provides a three-month period of amnesty on past due excise and state income taxes effective July 1, 1984 to September 30, 1984. No administrative costs were requested in the fiscal note submitted March 5, 1984, after the final legislative amendment of the bill. However, the agency has indicated in a letter to the Ways and Means Chairmen the need for \$7,150 in FY 1984 and \$65,450 in FY 1985 from the State General Fund. Salaries and benefits of two Tax Examiner II positions for four months each at a total of \$12,000 are requested in FY 1985. Because part-time staff do not receive the same fringe benefits as regular full-time employees, the fringe benefits could be recalculated for savings of \$1,987. Other operating costs of \$7,150 in FY 1984 for publicizing the amnesty period and \$53,450 in FY 1985 are requested.

9. Data Processing expenses are estimated by the agency in conjunction with five bills which have been enacted:

	<u>Annual S&W</u>	<u>Annual OOE</u>	<u>One-Time S&W</u>	<u>One-Time OOE</u>	<u>Total SGF</u>	<u>Total AOF</u>
<u>FY 1984</u>						
S.B. 503	\$ --	\$ --	\$ 776	\$ 276	\$ 1,052	\$ --
H.B. 2860	—	—	3,702	500	4,202	—
			<u>\$ 4,478</u>	<u>\$ 776</u>	<u>\$ 5,254</u>	
<u>FY 1985</u>						
S.B. 166	\$ --	\$ --	\$ 326	\$ 375	\$ 701	\$ --
S.B. 176	485	—	—	200	—	685
H.B. 2827	—	1,938	6,095	3,750	11,783	—
H.B. 2860	706	750	—	—	1,456	—
TOTAL	<u>\$1,191</u>	<u>\$2,688</u>	<u>\$ 6,421</u>	<u>\$ 4,325</u>	<u>\$13,940</u>	<u>\$ 685</u>

As will be noted, most financing is for salaries and wages either as an annual expense or one-time cost. The projected workload probably can be absorbed by the current staff. Other operating costs, on the other hand, represent DISC fees for data processing expenses, with \$2,688 of annual expenses and \$4,325 of one-time costs requested in FY 1985, of which all but \$200 would be from the State General Fund in FY 1985. These costs would be in addition to financing approved for DISC fees in FY 1985: \$6,813 from the State General Fund and \$200 from the DOV Operating Fund. In FY 1984, \$776 from the State General Fund would be required for DISC fees.

B. Bills Pending include nine measures, one of which has been vetoed by the Governor. Each bill has an estimated administrative cost impact for the agency if enacted.

1. S.B. 275 (Conference Committee) would require a statewide program of gathering reappraised values of all real property over the next four years. The administrative costs are related to the state's responsibilities (a) to supervise an appraisal program; (b) to provide a comprehensive computer system to assist in reappraisal; and (c) to assume a portion of the cost incurred by counties, in particular by developing a payment schedule on a per parcel basis. FY 1985 State General Fund expenditures to implement provisions of S.B. 275 are estimated at \$1,690,300 for state operations. An additional \$17,000 of local costs in FY 1985 are estimated for six counties to acquire on-site computer equipment, but the apportionment of financing either to the State General Fund or to local funds is not defined. Multiyear costs are analyzed in a separate memorandum.

(a) In order to supervise a statewide program of reappraisal, the agency requests 21.0 F.T.E. new positions as property appraisers to augment the current staff of 13.0 F.T.E. property appraisers in the Property Valuation Division's (PVD) local appraisal section. Total additional FY 1985 operating expenditures projected for PVD are \$782,000 more than the financing approved by the 1984 Legislature for current programs. The agency's request for 21 new staff would cost an estimated \$570,000 according to the agency fiscal note which indicates a July 1, 1984 starting date for most new personnel. The 21 new staff would be assigned to supervise the appraisal of the

state's estimated 1.6 million parcels of real property, with an average workload of 75,000 parcels each. The duties of the current 13 staff (eight of whom are field-based appraisers), relative to statewide reappraisal are not clearly defined in the agency's fiscal note, but the question should be raised as to why some, of these existing staff could not be used as supervisors to reduce the number of new positions in the request. If 21 new positions were approved, some cost savings in FY 1985 would be possible by recalculating the fringe benefits on the basis of current figures since the agency used outdated information in preparing its estimates. In addition, salary turnover savings could be anticipated since the annual pay period begins June 18, 1984 (and new staff are not scheduled to start work until July 1). By applying the agency's average turnover savings or assuming the phase-in of staff over several months, additional reductions in funding could be achieved. The agency request for new personnel includes four Property Appraiser II positions (\$29,245 each) and 17 Property Appraiser I positions (\$25,992 each) to be financed from the State General Fund. Other operating expenditures for PVD are estimated at \$212,000 in FY 1985, with most of the costs associated with travel and subsistence expenses of \$186,000 for reappraisal activities. The estimate may overstate expenses if the program were to be delayed by slow hiring of personnel.

The FY 1985 C level budget request by the agency included 21.0 F.T.E. new positions for statewide reappraisal at a cost of \$415,433 from the State General Fund, based on phasing in new staff. Other operating costs requested in the budget totaled \$109,160 for PVD, including \$92,820 for travel and subsistence.

(b) A comprehensive state computer system would depend upon the acquisition and modification of an appropriate software package and initial data entry provided under contract, with both elements estimated to cost a total of \$580,000 in FY 1985. Additional expenditures of \$80,000 for 3.0 F.T.E. new staff and \$248,300 in other operating costs associated with data processing are projected in FY 1985, with State General Fund financing requested. Total data processing related costs are estimated at \$908,300. Two Computer Analysts II and one Programmer II positions are requested. Recalculation of fringe benefits and application of the agency average turnover rate would lower the initial costs. In previous fiscal notes, the expenses of a Computer Analyst II assigned to coordinate remote site installation of equipment and to maintain the telecommunications system had been assigned to DISC, but in the revised fiscal note, the Department of Revenue requests financing of staff for this purpose. The other two data processing positions are requested to maintain the system software once it is installed.

The FY 1985 C level budget request by the agency included 2.0 F.T.E. new positions at a cost of \$78,646 from the State General Fund. Other operating costs requested in the budget included \$250,000 to purchase software to be used in reappraisal.

(c) The agency in its fiscal note states ". . .it is a policy matter yet to be resolved as to what portion of the cost will be borne by the state and what portion by the counties." In FY 1985, the agency anticipates installing computer terminals in six counties at a cost of \$17,000, but the source of financing for these costs is undefined. FY 1986 costs of \$242,000, FY 1987 costs of \$600,000, and FY 1988 costs of \$716,000 are projected to install terminals in all other counties. Whether these expenses should be incurred by the state in FY 1985 is the first test of this policy question which is discussed in the background memorandum in more detail.

2. S.B. 467 (Vetoed) concerns the use of trending factors in the valuation of personal property for taxation purposes. Administrative costs estimated by the agency total \$88,028 from the State General Fund in FY 1985. Financing for 2.0 F.T.E. new positions and for part-time computer programming assistance is requested at \$64,327, while annual other operating expenses of \$7,303 and one-time costs of \$16,398 are requested.

The two new Property Appraiser II positions (\$29,245 each) would be used to gather appraisal data through on-site inspections and then to compile tabular data on trended factors which would assist in valuation of personal property. The agency's estimate for salaries and benefits overstates the level of expenditure if fringes are recalculated using more recent estimates of costs and if the agency's average turnover rate is applied. Other operating costs include \$2,840 of annual and \$12,600 of onetime travel and subsistence expenses for a total of \$15,440 for site visits by the two new staff. It is not clear whether the annual expenses are included in the onetime costs, but if they were, then total expenditures would be \$12,600.

Data processing expenses are estimated at \$2,483 for onetime salaries and benefits, \$170 for annual personnel costs, \$750 for onetime DISC costs, and \$1,638 for annual DISC fees. The \$2,388 in DISC costs would be in addition to financing from the State General Fund approved for computer expenses in FY 1985, while the personnel costs are related to services that will be performed by existing staff.

3. S.B. 494 (Conference Committee) amends the list of documents which are acceptable as proof of identity for issuance of duplicate drivers' licenses and identification cards. The agency estimates \$21,304 of data processing costs from the DOV Operating Fund to implement changes in numerous motor vehicle programs. Expenses are projected as follows: \$8,958 for onetime salaries and benefits for reprogramming costs; \$8,410 for annual programming expenses; \$2,250 for onetime DISC charges; and \$1,686 for annual DISC fees. Most of the reprogramming work would be performed by existing staff, but the agency indicates that 125 days of data entry work (about 0.5 F.T.E.) will be required as an annual expense. Funding of \$7,375 for a Data Entry Operator III is requested for such work at the rate of \$59 per day. A part-time Data Entry Operator I employed for less than 1,000 hours would cost \$5,192. DISC charges of \$3,936 would be in addition to the approved FY 1985 amount for the Division of Motor Vehicles.

4. S.B. 670 (Rereferred to House Federal and State Affairs) changes the method of indexing the Homestead Property Tax refund tables. Administrative costs of \$18,883 are estimated by the agency, including \$10,945 for staff and \$7,938 for other expenses to be financed from the State General Fund in FY 1985. A new Account Clerk I at \$7,315 for six months in FY 1985 is requested to handle the joint issuance of refund checks made payable to both claimants and County Treasurers when a portion of the property tax is delinquent. Office equipment and rents are estimated at \$1,188 for the new position.

Data processing costs total \$10,380 according to agency estimates. Expenses of \$2,200 for onetime programming and \$1,430 for annual programming charges, plus \$2,250 in onetime DISC fees and \$4,500 in annual DISC fees are requested. Current staff will presumably perform programming duties, but \$6,750 in DISC fees would be above the financing approved for FY 1985 data processing costs.

5. S.B. 738 (Rereferred to House Federal and State Affairs) allows refunds on motor vehicle registration when the amount exceeds \$5. Administrative costs of \$2,849 for postage in FY 1985, financed from the DOV Operating Fund, would allow the agency to mail 15,400 notices authorizing counties to pay refunds. In FY 1984, \$475 is requested since the bill would be effective upon publication in the Kansas Register.

6. S.B. 813 (House Committee of the Whole) requires that agricultural land be valued on the basis of productivity or income as well as fair market value whenever statewide reappraisal is undertaken. The administrative cost impact of this bill appears included in S.B. 275, but the agency submitted a separate fiscal note indicating projected expenses of \$62,922 in FY 1985 from the State General Fund. New staffing by 2.0 F.T.E. Property Appraiser I positions at \$54,842 is requested, plus \$5,476 annual support costs and onetime expenses of \$2,602 to equip an office. The salaries and benefits appear overstated for entry level positions. Furthermore, the request may duplicate funding sought by the agency for staffing in S.B. 275 on statewide reappraisal.

7. S.B. 840 requires that background color's on driver's license photographs be different for minors and nonminors. FY 1985 other operating expenses of \$22,353 are requested from the DOV Operating Fund to reissue licenses in accordance with the bill's provisions.

8. S.B. 864 (House Committee of the Whole) requires proof of payment of the federal heavy vehicle use tax prior to releasing registrations. In FY 1985 the agency requests \$1,085 for part-time clerical help and \$934 for other expenses to be financed by \$2,019 from the DOV Operating Fund.

9. H.B. 2614 (Conference Committee) pertains to the mandatory automobile insurance requirement. Administrative costs of \$6,327 in FY 1984 and \$2,531 in FY 1985 for mailing new forms to the courts and law enforcement agencies to collect information regarding violations for crosschecking against insurance policies. Financing would be from the DOV Operating Fund. The bill eliminates the requirement that the agency randomly select drivers and verify insurance coverage. The cost savings are not indicated by the agency due to this change, although a number of staff have been employed in this activity.

HOUSE CONCURRENT RESOLUTION NO. _____

For Consideration by Committee on Ways and Means

A CONCURRENT RESOLUTION declaring the need for active support to continue the role of small community hospitals in encouraging health care providers to locate in medically underserved areas of Kansas and directing that the University of Kansas Medical Center undertake a program to provide support for community hospitals.

WHEREAS, For more than a decade the Legislature of the State of Kansas and the University of Kansas Medical Center have been engaged in a joint effort to educate larger numbers of health care providers and to encourage them to serve in areas of Kansas where they are most needed; and

WHEREAS, This joint effort has begun to pay dividends to the people of Kansas as graduates of enlarged programs in medicine, nursing and allied health have established their practices in areas which were previously underserved by health care providers, with the result that the number of medically underserved areas and communities in Kansas has begun to decrease; and

WHEREAS, The existence of community hospitals in areas of smaller population in Kansas is important in the retention of health care providers in those areas; and

WHEREAS, Changes in the methods by which federal and other third-party payers reimburse hospitals for services provided will unquestionably have a significant impact on the fiscal viability of many hospitals and particularly on smaller hospitals which have limited or no capability to absorb reductions in third-party reimbursement; and

WHEREAS, The fiscal impact of such changes in the way health care costs are paid could result in the closing of smaller community hospitals unless they receive certain kinds of support from larger hospitals; and

(2)

WHEREAS, The closing of smaller community hospitals would likely result in an exodus of health care providers from such communities and the loss of the gains achieved in recent years in locating health care providers in local communities: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the Legislature hereby declares that programmatic support, clinical services and other assistance is needed and should be provided to smaller hospitals in order that they can continue serving their communities and remain an attraction for health care providers who are needed in those communities; and

Be it further resolved: That the University of Kansas Medical Center is hereby directed to work with the Kansas Hospital Association to develop educational programs and packages of clinical services which can be provided as needed to the smaller hospitals in Kansas in order to sustain their fiscal viability; and

Be it further resolved: That the Secretary of State be directed to send enrolled copies of this resolution to the State Board of Regents in care of the Executive Officer of the board, to the Chancellor of the University of Kansas, to the Executive Vice-Chancellor of the University of Kansas Medical Center and the Executive Director of the Kansas Hospital Association.



TAYLOR-DUNN

Speedy Rescue Anywhere in Your Plant

Model B

Ambulance

(IN-PLANT)



In-plant ambulance equipped with optional protection from foul weather and privacy of the injured. Special enclosure shown requires factory quote.

Fast transportation to aid station or ambulance!

- Emergency siren and flashing red light.
- Hinged side for easy access to stretcher area.
- Optional side curtains for privacy of injured and for foul weather use.
- Fast, easily maneuvered in congested areas.
- Large capacity: 3 passengers, stretcher and first aid equipment.

Optional features shown in these photos:
Safety windshield, fiberglass top, removable Naugahyde doors, drop side curtains, red light and siren.

- Smooth ride on leaf springs with shock absorbers.
- Safe, quiet, fume-free operation.
- Low maintenance, a dependable emergency vehicle.
- Large deep foam seats for sitting patients.

This Taylor-Dunn ambulance is built to accommodate 3 passengers and stretcher plus several square feet of space for first aid equipment. Electrically powered for smooth and quiet, yet fast transportation of ill or injured. Can travel or park almost anywhere. Extremely dependable and maintenance-free—always ready for that possible emergency...

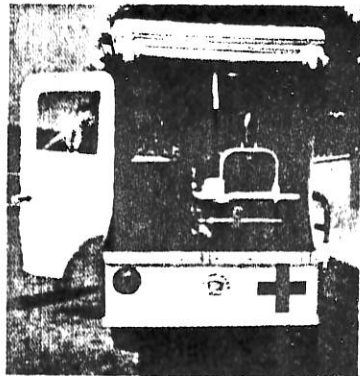
Capacity: 3 passengers and stretcher	Overall Width: 44½"
Bed Height: 25"	Overall Length: 122"
Bed Size: 24" x 76" Stretcher area	Overall Height: 45" (70" with cab)
Tread: 36"	
Wheelbase: 55" (4 wheel model)	
Turning Radius: 138" (4 wheel model)	

First aid equipment supplied by user

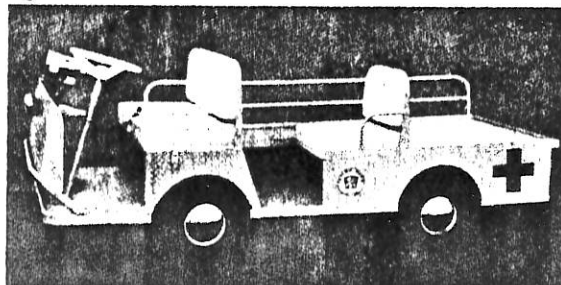
Conforms to requirements for type E as stated in O.S.H.A. Standard Section 1910.178 (Powered Industrial Trucks).



Ample space for stretcher and equipment, with attendant near patient. Shown with optional top, windshield, doors and curtains.



Designed to transport most major brands of equipment and stretchers. Shown with optional cab, doors and curtains.



Basic three passenger, four wheel ambulance with optional red light and siren.

This vehicle is not designed for highway use.



TAYLOR-DUNN ELECTRIC EMERGENCY VEHICLES

2114 West Ball Rd., Anaheim, Calif. 92804 (714) 956-4040 • Telex 65-5393
Mailing Address: P.O. Box 4240, Anaheim, Calif. 92803

CS177-B Amb



OF KANSAS CITY, INC.

MATERIAL HANDLING SPECIALISTS

Mark Peters
Sales Manager

(816) 241-6360

2720 NICHOLSON • KANSAS CITY, MO 64120

3



Southeast Kansas Branch
Experiment Station

Box 316
Parsons, Kansas 67357
316-421-4826

C: Mike Johnson 10/3/83
President Acker "
ean Dunbar "

*Repr.
Lussman
K-State*

RECEIVED

NOV 01 1983

VICE-PRESIDENT FOR UNIVERSITY
FACILITIES, K.S.U.

October 31, 1983

Gene B. Cross, Vice President
University Facilities
Anderson Hall
Kansas State University
Manhattan, KS 66506

Dear Mr. Cross:

In response to the question of minimum cost of absolutely essential replacement facilities for those lost in the barn fire at our Mound Valley Unit in November, 1982, I submit the following:

Building	\$30,000
Permanent Scales	10,000
Four 4-ton bins	6,000
Concrete Slab	4,000
Squeeze Chute	1,000

TOTAL \$51,000

You may recall that the total replacement cost would be \$110,902.00, with \$66,600.00 for the building. The \$30,000.00 cost indicated above is possible by resorting to pole type construction rather than all steel and reducing the size to cover feed storage, supply storage, record keeping area and a weighing and handling area. The cattle pens would not be under cover. The concrete slab is needed under this outside holding area because of muddy conditions prevailing under the 40-inch average annual rains of southeastern Kansas.

The scales are permanently installed as opposed to the temporary, portable ones now used which present considerable concern in research because of their reduced reliability compared to the permanent ones.

4

Page 2

Mr. Cross

October 31, 1983

We lost 11 bins with a total capacity of 15 tons in the fire. We propose to replace them with four 4-ton bins. This number and size is essential to give us adequate total capacity and sufficient flexibility for nutritional research.

We lost a squeeze chute in the fire and a replacement is needed to restrain cattle for all work such as tagging for identification, veterinary work, implantings, etc.

We appreciate your efforts in providing for partial replacement of these vital facilities.

Sincerely yours,



Richard J. Johnson, Head
SEK Experiment Station

RJJ:mb

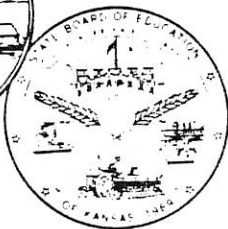
c Dr. Kurt Feltner

Lyn

Kansas State Department of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612



April 20, 1984

TO: Senator Paul Hess
Representative Bill Bunten

FROM: Harold L. Blackburn
Commissioner of Education

SUBJECT: 1984 House Bill 3091

I would like to review several suggestions concerning 1984 House Bill 3091 (initial certification testing) which we hope will be of some assistance to the Legislature in making their final decision. There has been some confusion on this bill and its interpretation. We would like to offer the following suggestions for implementation.

1. Amend the bill to permit the sampling of students during the validation process.
2. Authorize the State Board of Education to begin testing students after November 1, 1984, for purposes of validation.
3. The Legislature has provided state general fund money for the validation cost in the amount of \$60,000 for fiscal year 1985. An additional \$15,000 will be requested in fiscal year 1986. The \$60,000 has already been approved and appropriated by the 1984 Legislature (House Bill 2684).
4. The Legislature has provided for one (1) professional and one (1) support staff member. The positions and supporting funds have already been approved by the Legislature (House Bill 2684). Listed below is the role and responsibilities of staff.
 - a. Coordinate the validation process with the identified contracted agency.
 - b. Coordinate with contracted agency the testing sites, dates, and statewide notification.
 - c. Gather data for study and comparison.
 - d. Prepare analyses and reports for teacher education institutions, the State Board of Education, and the Legislature.

5

Senator Paul Hess
Representative Bill Buntten
Page 2
April 20, 1984

- e. Coordinate responsibility with other states using certification test to determine the acceptability of such test in lieu of Kansas test.
 - f. Administer test scores for the purpose of certification.
 - g. Coordinate the results and evaluation of testing to improve teacher education programs.
 - h. Ongoing evaluation and study of extending testing in specific endorsement areas of certification.
 - i. Responsible for providing information to the educational community and the community at large as to the relationship to teacher testing and improved instruction.
5. The cost for the students taking the test during the validation process would be paid from the certification fee fund. This would require an increase in the limitation by \$40,020 (640 in-state students and 230 out-of-state students for a total of 870 students at \$46.00 per student).
6. The bill be amended to permit the State Board of Education to contract with a Kansas university to validate the test. We are unsure whether a state university could be defined as an independent educational testing service (see line 59).

We hope this information will be of assistance to you in finalizing legislation on House Bill 3091.

David Louis

KANSAS WHEAT COMMISSION

1021 NORTH MAIN—HUTCHINSON, KANSAS 67501—PHONE: A. C. 316/662-0273

STAFF:
STEVEN M. GRAHAM
DAVID E. FREY
JOHN R. DUKELOW
ROSE E. WHINERY

COMMISSIONERS:
VERNON V. SCHRAEDER
Chairman
District #1
Jetmore, Kansas

DONALD H. TURNQUIST
Vice Chairman, Member at Large
Lindsborg, Kansas

KENT B. LAMB
Secretary
District #2
Macksville, Kansas

WINSTON E. PETERSON
District #3
Monument, Kansas

ROBERT W. ANDERSON
District #4
Kinsley, Kansas

ADRIAN J. POLANSKY
District #5
Belleville, Kansas

STEPHEN K. FRAZIER
District #6
Winfield, Kansas

DR. JOHN O. DUNBAR
Dean of Agriculture
Kansas State University
Ex Officio Member
Manhattan, Kansas

HARLAND PRIDDLE
Secretary, Kansas State
Board of Agriculture
Ex Officio Member
Topeka, Kansas

April 17, 1984

Representative William Buntent
Chairman
House Ways and Means Committee
State Capitol Building
Topeka, Kansas 66612

Dear Representative Buntent:

I am writing on behalf of the Kansas Wheat Commission to ask your help in making two adjustments to our **FY84 and FY85 budgets.**

1. In our FY84 budget, we had planned to buy one intermediate station wagon. The Wheat Commission owns a K-car station wagon, a Volare station wagon and a Suburban wagon. The Volare was the car to be traded off in FY84.

When we learned of the new Chrysler mini-vans being introduced this past January 1984, we realized such a van would be the perfect vehicle for the Commission - sized between the little K-car and the Suburban wagon.

We will need such a vehicle to haul groups around Manhattan and other parts of the state. We sometimes need to rent an extra van to supplement our Suburban when we get two groups at once. The K-car is too small for some groups.

We contacted the Division of Purchases and asked them to get bids and buy a mini-van for the Commission. However, due to the immense popularity of the mini-vans, no dealer will bid on them until August or September. Thus, we would like to request that \$10,400 be moved from our FY84 budget for capital outlay to our FY85 budget, in order to permit purchase of a mini-van.

2. In our FY84 budget, Representative David Louis and the rest of the House Subcommittee for the KWC budget moved \$10,000 from travel money to a contract for Evaluation of the Programs and Effectiveness of the KWC. We have been working on finding a person, group or organization capable of carrying out such a contract and have found that this is no easy task.

Many people are willing to take the \$10,000 and do next-to-nothing; others will do something for \$10,000 that will satisfy no one. We have finally gotten onto the trail of some people or organizations which should understand what we want and understand something about agriculture, wheat and market development work.

(H)
David Louis
+ Salbach

6

Representative William Bunten - Page 2 - April 17, 1984

These are very busy people so, when we finally get some proposals from them with bids on the work and come to an agreement with one we can trust, we will be into fiscal year 85. Since we do not know who we will select at this time, we cannot encumber the money in FY84. Therefore, we would like to ask your help in transferring the \$10,000 from our FY84 to our FY85 budget.

We would like to thank you for your help with these two problems. If you have any questions, we will be pleased to answer them.

Sincerely,



Steven M. Graham
Administrator

SMG/jl

cc: Lynne Holt