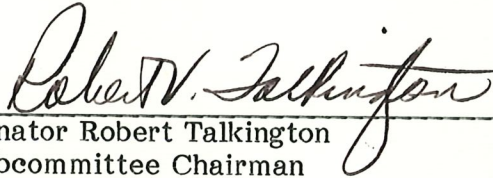


SENATE SUBCOMMITTEE REPORT

SENATE BILL NO. 506

FY 1985 APPROPRIATIONS FOR:

DEPARTMENT OF TRANSPORTATION
KANSAS HIGHWAY PATROL



Senator Robert Talkington
Subcommittee Chairman



Senator Frank Gaines



Senator Joseph Harder

SUBCOMMITTEE REPORT

Agency: Department of Transportation Bill No. 506 Bill Sec. 2
 Analyst: Hauke Analysis Pg. No. 52 Budget Pg. No. 8-15

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$128,589,905	\$125,753,460	\$ (4,269,021)
Aid to Local Units	71,958,091	71,438,306	—
Other Assistance	1,755,215	85,000	—
Operating Expenditures	<u>\$202,303,211</u>	<u>\$197,276,766</u>	<u>\$ (4,269,021)</u>
Capital Improvements	270,221,801	269,533,001	(72,400)
TOTAL	<u><u>\$472,525,012</u></u>	<u><u>\$466,809,767</u></u>	<u><u>\$ (4,341,421)</u></u>
 State General Fund	 —	 —	 —
 F.T.E. Positions	 3,154	 3,154	

Senate Subcommittee Recommendations — FY 1984

The Subcommittee concurs with the Governor's revised FY 1984 recommendations, including adoption of Governor's Budget Amendment No. 1, concerning KDOT. Governor's Budget Amendment No. 1 reduces budgeted FY 1984 expenditures from the Special City and County Highway Fund by \$7,079,479. The manner in which the Special Fund's ending balance is handled in the Governor's original recommendation causes FY 1984 expenditures to be overstated. Adoption of Governor's Budget Amendment No. 1, merely alters the expenditures contained in the budget and does not impact actual distributions from the Fund.

Senate Subcommittee Recommendations — FY 1985

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

1. The Subcommittee recommends deletion of \$4,269,021 included in the Governor's recommendations for salary adjustments of 5 percent plus \$17 monthly, as salary adjustments will be considered separately. This amount would be deleted from the various divisions within KDOT as follows:

Administration	\$ 270,401
Planning and Development	190,569
Engineering and Design	418,108
Operations	3,386,493
Aviation	3,450
TOTAL	<u><u>\$4,269,021</u></u>

2. The Subcommittee adopts the recommendations of the Joint Committee on State Building Construction on KDOT building projects. This recommendation reduces the budget for building remodeling and special maintenance by \$72,400 (from \$1,002,700 to \$930,300). The Governor's recommendations increased the budget for two projects above amounts requested by the agency. The Subcommittee's recommendations reduce those projects to the

level of the agency request and modify certain other projects. A portion of the savings is utilized to finance two additional projects, which were not financed in the Governor's recommendations. A comparison of the Governor's recommendation and the Joint Committee on Building Construction's recommendation by project is as follows:

<u>Project</u>	<u>Gov. Rec.</u>	<u>Com. Rec.</u>
Reroofing Projects	\$ 340,000	\$ 189,300
Air Handling Unit - Topeka Paint Shop	10,000	9,500
Mechanical Improvements - Turkey Creek	25,000	22,500
Construct Electronic Repair Facility - Wichita	—	82,000
Construct Welding Shop Addition - Topeka	168,500	168,500
Insulate and Weatherproof Subarea Shops	321,700	202,400
Insulate and Weatherproof Area and KHP Offices	—	132,300
KHP Firearms Range - Olathe	37,500	23,800
Purchase Facility for Subarea Shop - Hutchinson	100,000	100,000
TOTAL	<u>\$1,002,700</u>	<u>\$ 930,300</u>

3. The Subcommittee learned that the agency experiences a technical problem as a result of unexpected agency refunds counting against approved expenditure limitations. Therefore, the Subcommittee recommends that a proviso be attached to the State Highway Fund allowing refunds to be in excess of any expenditure limitation.
4. The Subcommittee learned that the Railroad Rehabilitation Loan Guarantee Fund was inadvertently omitted from S.B. 506, as recommended by the Governor. The Subcommittee recommends that this fund be authorized with a No-Limit appropriation but that expenditures be subject to Finance Council approval. Such an appropriation format was authorized for this fund in FY 1984 by the 1983 Legislature. It is the recommendation of the Subcommittee that the Secretary proceed with the loan guarantee on the loan between the Federal Railroad Administration and the Mid-States Port Authority. In Attorney General's Opinion No. 84-13, the Attorney General indicated that moneys received by the state should be deposited in the State Railroad Planning and Assistance Fund, an existing fund. The Subcommittee recommends that a proviso be attached to the State Railroad Planning and Assistance Fund, during both FY 1984 and FY 1985. This proviso would specify that

"expenditures may be made from the state railroad planning and assistance — federal fund from the federal railroad administration for payment of federal redeemable preference shares received under section 505 of the railroad revitalization and regulatory reform act of 1976 as amended, to the mid-states port authority for acquisition or rehabilitation of railroad facilities in Kansas. Provided, however, that no expenditures

may be made from this fund for payment of such federal redeemable preference shares except upon approval of the state finance council acting on the matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, except that such approval also may be given when the Legislature is in session."

SUBCOMMITTEE REPORT

Agency: Highway Patrol Bill No. 506 Bill Sec. 3
 Analyst: Hauke Analysis Pg. No. 65 Budget Pg. No. 8-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 25,912,402	\$ 20,433,732	\$ (817,401)
Capital Improvements	436,924	—	—
TOTAL	<u>\$ 26,349,326</u>	<u>\$ 20,433,732</u>	<u>\$ (817,401)</u>
State General Fund:			
State Operations	\$ 22,714,872	\$ 18,013,550	\$ (721,271)
Capital Improvements	436,924	—	—
TOTAL	<u>\$ 23,151,796</u>	<u>\$ 18,013,550</u>	<u>\$ (721,271)</u>
 F.T.E. Positions	 797.0	 569.0	

* Includes Governor's Budget Amendment No. 1.

Senate Subcommittee Recommendations

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

1. Deletion of \$841,357 budgeted for salary increases of 5 percent plus \$17 monthly. The Subcommittee understands that salary plan revisions will be considered as a separate issue. This amount will be subtracted from the following funds:

State General Fund - Patrol	\$725,752
State General Fund - Capitol Area Security	19,475
Turnpike Patrol Fund	63,747
Capitol Area Security Intergovernmental Fund	32,383
Total	<u>\$841,357</u>

2. Addition of \$11,133 to finance purchase of 180 riot helmets. The Subcommittee concurs with the Patrol's intent to issue better protective headgear to troopers involved in crowd control assignments.
3. Addition of \$10,778 to finance purchase of an additional 50 Rueger rifles.
4. Addition of \$2,045 to finance purchase of a replacement stencil maker. The Subcommittee learned that such stencil making equipment allows the agency to duplicate many of its forms, reports, and training aides internally.
5. The Subcommittee received a request from the Patrol for several additional items of equipment, including mechanics tools (\$750); projector screens (\$396); slide projectors (\$1,275); and breath testing simulators (\$420). The Subcommittee is not adverse to any of those items but is of the opinion that they can be absorbed within a \$10,000 item which the Governor recommended for miscellaneous equipment and supplies.

6. The Subcommittee recommends adoption of Governor's Budget Amendment No. 1, which increases the Highway Patrol's travel and subsistence budget by \$8,000. The additional expenditures are related to travel and subsistence for troopers providing security to the Governor. Those expenditures had formerly been included in the budget for the Governor's Office. Governor's Budget Amendment No. 1 recommends a reduction of \$8,000 in expenditures for the Governor's Office.
7. The Subcommittee received an appeal from the agency for an additional 20 patrol vehicles, above the 126 contained in the Governor's FY 1985 recommendations. The Subcommittee is of the opinion that additional units will be necessary, if the agency is to maintain a policy of vehicle replacement at 75,000 miles. The Subcommittee reviewed the Patrol's budget and submits the following observations and recommendations concerning the 20 vehicles appealed by the agency.
 - a. The bid opening on 1983 model vehicles was substantially less than budgeted, allowing a surplus in the FY 1984 vehicle acquisition budget. The Subcommittee learned that this surplus was partially used to acquire five additional vehicles.
 - b. The bid opening on 1984 model vehicles produced a bid price of \$10,550 per unit. This price should apply to units purchased during FY 1985. The Governor's FY 1985 recommendations are based upon \$11,100 per vehicle. The difference between actual bids and the Governor's budget is \$550 per unit. When applied to 126 vehicles, this difference equates to savings of \$67,863 and could be utilized to acquire six additional vehicles.

The savings enumerated in items (a) and (b) would finance purchase of 11 additional vehicles. Funding of \$94,950 (assuming \$10,550 per unit) would be required to finance the remaining nine vehicles in the agency appeal. The Subcommittee would respond favorably to a Governor's Budget Amendment for these additional units.

8. The Subcommittee recommends a technical adjustment to S.B. 506 concerning the position limitation on the Capitol Area Security Patrol. To accurately reflect the Governor's recommendations, S.B. 506 should authorize 56.5 positions, rather than 53.5. Financing for 56.5 is contained in the Governor's recommendations. Consequently, this item is technical only.
9. The Subcommittee learned that a technical conflict exists between K.S.A. 74-2124 and S.B. 506. K.S.A. 74-2124 specifies that proceeds from sales of retired patrol vehicles be credited to the State Highway Patrol Fund, a fund which is abolished July 1, 1984. S.B. 506 specifies that those proceeds be deposited to a Highway Patrol General Fees Fund. To resolve this conflict, the Subcommittee recommends that K.S.A. 74-2124 be amended to specify that proceeds from retired vehicle sales be deposited in the Highway Patrol's General Fees Fund.

SUBCOMMITTEE REPORT

SENATE BILL NO. 514

FY 1985 Appropriations For

Pensions
Homestead Property Tax Relief
Social and Rehabilitation Services
Health and Environment
Department on Aging



Senator Ross Doyen
Subcommittee Chairman



Senator Frank Gaines



Senator Paul Hess

SUBCOMMITTEE REPORT

Agency: Pensions Bill No. 514 Bill Sec. 2

Analyst: Lynne Holt Analysis Pg. No. 2-41 Budget Pg. No. 2-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Other Assistance, Grants, and Benefits:			
All Funds	\$ 9,832	\$ 9,232	\$ —
State General Fund	9,832	9,232	—

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

SUBCOMMITTEE REPORT

Department of Revenue —
 Agency: Homestead Property Tax Refunds Bill No. 514 Bill Sec. 3
 Analyst: Efird Analysis Pg. No. 374 Budget Pg. No. 2-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Other Assistance:			
All Funds	\$ 7,000,000	\$ 7,100,000	\$ —
State General Fund	7,000,000	6,200,000	—

Senate Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's current year estimate of \$8,600,000 financed from the State General Fund. That amount coincides with the November 1983 consensus estimates.

FY 1985. The Subcommittee concurs with the Governor's estimate for FY 1985, of which \$900,000 would be financed from federal revenue sharing funds and \$6,200,000 from the State General Fund. Refunds of \$7,100,000 as recommended by the Governor, coincide with the November 1983 consensus estimates for FY 1985.

SUBCOMMITTEE REPORT

Agency: Social and Rehabilitation Services Bill No. 514 Bill Sec. 4

Analyst: Hauke Analysis Pg. No. 374 Budget Pg. No. 2-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$105,517,672	\$100,705,260	\$ (3,980,462)
Other Assistance	423,222,828	400,547,965	—
Subtotal - Operating	<u>\$528,740,500</u>	<u>\$501,253,225</u>	<u>\$ (3,980,462)</u>
Capital Improvements	134,488	123,040	(48,040)
TOTAL	<u><u>\$528,874,988</u></u>	<u><u>\$501,376,265</u></u>	<u><u>\$ (4,028,502)</u></u>
State General Fund:			
State Operations	\$ 39,821,400	\$ 44,502,317	\$ (1,905,747)
Other Assistance	210,557,137	185,282,459	—
Subtotal - Operating	<u>\$250,378,537</u>	<u>\$229,784,776</u>	<u>\$ (1,905,747)</u>
Capital Improvements	—	—	—
TOTAL	<u><u>\$250,378,537</u></u>	<u><u>\$229,784,776</u></u>	<u><u>\$ (1,905,747)</u></u>
F.T.E. Positions	2,861.0	2,726.1	—

Senate Subcommittee Recommendations

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

1. The Subcommittee recommends deletion of amounts included in the Governor's recommendation for a salary increase of 5 percent plus \$17 monthly, as salary increases will be considered as a separate issue. This deletion totals \$3,980,462, of which \$1,905,747 is from the State General Fund. Detailed worksheets concerning this reduction can be obtained from the Legislative Research Department.
2. The Subcommittee reviewed caseload estimates contained in the Governor's FY 1985 recommendations. The Subcommittee is of the opinion that the Governor's caseload projections for Aid to Dependent Children and General Assistance are based upon extremely optimistic assumptions concerning reduced caseload. The Subcommittee encourages SRS to remain within its approved budget. However, the Subcommittee wishes to note that it may be necessary to supplement the Governor's FY 1985 recommendations on assistance programs, if caseloads exceed the levels contained in the Governor's Budget.

3. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction concerning miscellaneous capital improvements at SRS Facilities for the Blind. The Subcommittee recommends \$75,000 for those improvements and recommends that federal Vocational Rehabilitation Funds be used for 80 percent of project cost (\$60,000) with the State Institutions Building Fund financing the remaining 20 percent (\$15,000). The Subcommittee recommends that a replacement Heating and Air Conditioning project be removed from the Governor's recommendations. Rather than financing replacement at this time, the Committee is recommending that a proviso be attached to the major maintenance account of Mental Health and Retardation Services, allowing that account to be used for projects at the Vocational Rehabilitation complexes. In that fashion such equipment could be repaired or replaced should failure of it occur. However, it will not be necessary to replace said equipment simply due to its age.
4. The Subcommittee recommends that \$30,000 of funding budgeted for Youth Community Services Grant be earmarked for specialized training of private child care agency personnel to develop in-home programs related to child abuse. The Subcommittee recommends that a proviso stipulating such expenditures be attached to the Governor's recommended appropriation for Youth Services.
5. The Subcommittee recommends that an interim legislative study occur related to the cost effectiveness of the medical assistance program. This study should include review of the basic services offered, compared to those offered by Medicare and Blue Cross/Blue Shield. Additionally this study should review cost effective alternatives to service provision, including use of existing hospitals to provide ambulatory medical services.
6. The Subcommittee reviewed new staff positions recommended by the Governor for Income Maintenance and Social Services. The Subcommittee considered the alternative of not funding those positions and using the savings to finance an additional 1/2 percent increase in cash grant allowances. The Subcommittee decided to concur with the Governor's recommendations but highlights this option as an alternative that was considered.

SUBCOMMITTEE REPORT

Department of
 Agency: Health and Environment Bill No. 514 Bill Sec. 5
 Analyst: Galligan Analysis Pg. No. 396 Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 24,656,676	\$ 23,113,515	\$ (1,961,800)
Aid to Local Units	8,130,560	6,044,306	--
Other Assistance	8,500,000	8,500,000	--
Operating Expenditures	\$ 41,287,236	\$ 37,657,821	\$ (1,961,800)
Capital Improvements	6,852,000	--	--
TOTAL	\$ 48,139,236	\$ 37,657,821	\$ (1,961,800)
State General Fund:			
State Operations	\$ 15,775,892	\$ 13,576,235	\$ (976,585)
Aid to Local Units	3,372,821	1,286,567	--
Other Assistance	--	--	--
Operating Expenditures	\$ 19,148,713	\$ 14,862,802	\$ (976,585)
Capital Improvements	6,852,000	--	--
TOTAL	\$ 26,000,713	\$ 14,862,802	\$ (976,585)
F.T.E. Positions	613.2	596.2	(23)

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. In accordance with Committee policy, deletion of \$830,784 budgeted for the pay plan adjustment. This amount is composed of \$689,478 of State General Funds and \$141,306 of special revenue funds.
2. Deletion of \$581,016 budgeted for salaries and benefits of 23 new positions in the Department. Of that amount \$237,107 is State General Funds.
3. Deletion of the \$500,000 transfer from the State General Fund to the Pollutant Discharge Cleanup Fund.
4. Deletion of \$50,000 of State General Funds budgeted to obtain professional consultation in the area of hazardous waste management.
5. The Subcommittee reviewed the costs to the department of development of the water data base which is a joint effort involving the Division of Water Resources, the Kansas Water Office, the Corporation Commission, and the Geological Survey. The Subcommittee recommends expenditure of the \$60,688 over the Governor's budget for the project in FY 1985 provided that a Governor's Budget Amendment is made.

6. The Subcommittee recommends that the House Subcommittee review in detail the amount of Food Service and Lodging fees used to support inspections performed by local health departments.
7. Removal of the cap on local administrative costs of the WIC program contained in line 352 of 1984 S.B. 514. The Subcommittee would leave the cap on state operations and allow the fund to have an overall no expenditure limitation.
8. The Subcommittee recommends that the appropriation bill be reformatted to correspond to 1983 S.B. 110.

SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 514 Bill Sec. 6

Analyst: Holt Analysis Pg. No. 408 Budget Pg. No. 2-3

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,080,655	\$ 928,799	\$ (39,961)
Other Assistance	10,847,321	10,111,320	—
TOTAL	<u>\$ 11,927,976</u>	<u>\$ 11,040,119</u>	<u>\$ (39,961)</u>
State General Fund:			
State Operations	\$ 602,634	\$ 462,609	\$ (19,861)
Other Assistance	2,309,130	1,302,968	—
TOTAL	<u>\$ 2,911,764</u>	<u>\$ 1,765,577</u>	<u>\$ (19,861)</u>
F.T.E. Positions	30.0	28.5	—


Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment:


1. According to Committee policy, deletion of \$39,961 in salary plan revision, of which \$19,861 would be from the State General Fund.
2. The agency informed the Subcommittee that there might be a shortfall of \$60,000 in the in-home nutrition program. As noted in the FY 1984 report, the Subcommittee is recommending financing to avert a shortfall in the current fiscal year and recommends that funding should be reappropriated to FY 1985. The Subcommittee is not recommending additional FY 1985 appropriations at this point beyond reappropriation authority related to the FY 1984 moneys. The Subcommittee is of the opinion that a variety of factors could reduce the potential FY 1985 shortfall and recommends that such a shortfall be addressed at a later date, given additional information.

SENATE SUBCOMMITTEE REPORT ON S.B. 550

- Section 2 - Department of Administration
- Section 3 - Finance Council
- Section 4 - Park and Resources Authority
- Section 5 - Kansas Fish and Game Commission
- Section 6 - State Corporation Commission
- Section 7 - State Historical Society



Senator Ron Hein



Senator Joe Warren

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 550 Bill Sec. 2
 Analyst: Brown Analysis Pg. No. 323 Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,225,428	\$ 20,006,182	\$ (5,078,429)
Aid to Local Units	525,000	525,000	
Other Assistance	30,000	30,000	
Capital Improvements	5,445,150	4,798,650	(463,100)
TOTAL	<u>\$ 26,225,578</u>	<u>\$ 25,359,832</u>	<u>\$ (5,541,529)</u>
State General Fund:			
State Operations	\$ 19,186,977	\$ 18,949,983	\$ (5,060,945)
Capital Improvements	5,307,900	4,704,900	(463,100)
TOTAL	<u>\$ 24,494,877</u>	<u>\$ 23,654,883</u>	<u>\$ (5,524,045)</u>
F.T.E. Positions	903.5	902.5	(5.0)

Senate Subcommittee Recommendations

FY 1984. The Subcommittee examined expenditures to date for salaries and recommends the following reductions based on anticipated savings. All amounts are to be reappropriated to FY 1985; all are State General Fund reductions.

General Administration	\$ 16,633
Budget Division	26,178
Personnel Services	58,488
Central Mail	12,282
Supreme Court	2,113
TOTAL	<u>\$115,694</u>

FY 1985. The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments and recommendations. Unless otherwise indicated, all adjustments are financed from the State General Fund:

1. Reduction of \$643,099, of which \$630,439 is from the State General Fund, to remove the recommended salary increase of 5 percent plus \$17 per month. An additional reduction of \$428,215 is made in nonreportable salaries.
2. Reduction of \$4,815 in the Accounting Services Recovery Fund to provide partial funding for an Account Clerk II recommended for the accounts receivable set-off program.
3. Reduction of \$13,190 in the Division of Architectural Services, comprised of \$11,500 for communications and \$1,690 for data processing.
4. Reduction of \$28,269 financed from special revenue funds and one F.T.E. recommended for the Division of General Services to study methods for management and storage of state records.

5. Reduction of \$13,380, which leaves a like amount to provide six months financing for a new position in Central Purchases to examine current purchasing practices and the feasibility of a state surplus property program. The Subcommittee suggests that delay in filling the position would allow a full year of study for results to be presented to the 1986 Legislature.
6. Reduction of \$5,000 for Budget Division operations.
7. The Subcommittee learned that the Central Motor Pool rotates its new vehicles on a 60,000-mile basis, with trucks and vans rotated every 80,000 miles. The Subcommittee suggests that, especially with regular maintenance, the rotation schedule could be extended. Consequently, a \$1,250,000 reduction in FY 1985 expenditures is recommended to place a one-year moratorium on certain vehicle replacements. However, addition of \$125,000 is recommended to increase funds available for vehicle maintenance.
8. The Subcommittee would like to note its concern with the state's handling of copier acquisitions. It appears that the policy is totally in favor of renting versus purchasing and that interpretation of competitive bid requirements can result in acceptance of lower quality products. More detailed and substantiated information is needed on this issue.
9. The Subcommittee would reiterate concerns it has raised in previous years about the state's investment in the Kansas Integrated Personnel/Payroll System (KIPPS). The Subcommittee feels that the magnitude of this investment (estimated and recommended expenditures in FY 1984 and FY 1985 alone exceed \$4 million) is far in excess of that envisioned by previous Legislatures and the benefits have not been convincingly demonstrated. The Subcommittee recommends that the entire State General Fund appropriation (\$4,398,945) for the Department's data processing be removed from this bill pending further study and investigation of options.
10. The issues surrounding KIPPS cause this Subcommittee considerable concern. Although some resolution of funding issues will have to be achieved during this session, the Subcommittee recommends that a management consulting firm be retained to review the efficiency and effectiveness of the Division of Information Systems and Computing. The technical and complex nature of this division makes legislative oversight virtually impossible at certain levels. The Legislature needs some means to assure itself about the division's operations. The possibility of contracting for data processing services should also be explored. The Subcommittee recommends that financing should be provided to the Division of Post Audit for consultant services.
11. The Subcommittee refers to the full Committee the decision on the Governor's recommendation to provide the addition of three Telecommunications Specialists (\$36,849 for the latter half of FY 1985) and approximately \$54,000 in other operating expenditures associated with implementation of a statewide telephone system. Pending this review, the Subcommittee recommends deletion of these amounts from the Communications Services Fund.

12. The Subcommittee would like to note that funding is included for the addition of a special assistant position in the Secretary's Office but the Subcommittee is not recommending an increase in the position limitation. The Subcommittee would point out that funding for a Special Assistant was provided in FY 1984 and this action, in effect, will provide for two such positions.
13. The Subcommittee questions, as it has in previous years, the practice of providing municipal accounting services. It appears that possible benefits may be outweighed by the cost of a service statewide when the function is located in Topeka.
14. The issues related to KIPPS and Telecommunications, in particular, lead the Subcommittee to recommend that Ways and Means Subcommittee work should not be confined to the Session. Major budget and policy issues cannot be effectively addressed given the time constraints of the legislative session. The Subcommittee recommends that a continuation of the budget review process by the Ways and Means Committees during the interim would be a more productive use of that time, with intensive work on selected areas involving significant sums of money.
15. The Subcommittee was informed that the Department requested a change in the title of the appropriation line item for reroofing the south wing of the State Office Building. The Department asked that specification of the south wing be deleted to provide more flexibility and the Subcommittee so recommends.
16. The Subcommittee recommends adoption of the recommendations of the Joint Committee on State Building Construction. These recommendations would delete \$66,000 for DISC space improvements, provide multiyear financing of the new printing plant (\$3,278,400 in FY 1985 and \$578,500 in FY 1986), provide a multiyear appropriation for exterior work on the Statehouse (\$150,000 in FY 1986), add \$45,000 for painting and sealing the dome windows, add \$99,400 for energy conservation projects, and add \$37,000 to refurbish the second floor entrances of the Statehouse.

SUBCOMMITTEE REPORT

Agency: State Finance Council

Bill No. 550

Bill Sec. 3

Analyst: Brown

Analysis Pg. No. 337

Budget Pg. No. 1-125

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 1,500	\$ 1,500	--
F.T.E. Positions	--	--	--

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Park and Resources Authority Bill No. 550 Bill Sec. 4
 Analyst: Stanfield Analysis Pg. No. 337 Budget Pg. No. 7-15

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,537,744	\$ 2,429,264	\$ (201,877)
General Fees Fund	1,642,622	1,629,144	75,394
Other Funds	1,230,500	1,205,500	25,000
Subtotal	<u>\$ 6,410,866</u>	<u>\$ 5,263,908</u>	<u>\$ (101,483)</u>
Capital Improvements:			
State General Fund	\$ 1,579,000	\$ 225,000	\$ 50,000
General Fees Fund	—	—	50,000
Other Funds	704,500	225,000	100,000
Subtotal	<u>\$ 2,283,500</u>	<u>\$ 450,000</u>	<u>\$ 200,000</u>
TOTAL	<u>\$ 8,694,366</u>	<u>\$ 5,713,908</u>	<u>\$ 98,517</u>
 F.T.E. Positions	 123.0	 115.8	 (0.8)

FY 1985 Senate Subcommittee Recommendations

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

1. Deletion of the \$23,456 (SGF) for the recommended cost-of-living salary increase.
2. Deletion of the Planner III position (\$40,800 of SGF). The Subcommittee further recommends that the updating of the State Comprehensive Outdoor Recreation Plan (done every five years) be undertaken on a contractual basis for \$50,000. This contractual amount would be jointly funded from the State General Fund (\$25,000) and from Land and Water Conservation Funds - Federal (\$25,000).
3. While the Subcommittee concurs with the Governor's recommended amount for travel costs, the Subcommittee believes that a proviso may be necessary to limit the out-of-state travel of the Authority's board members. The Subcommittee recommends that no out-of-state travel be authorized for the members of the Park Authority Board.
4. The Subcommittee recommends the addition of \$15,000 (SGF) to the Maintenance Contingency Account to be used for payment of salary costs resulting from several retirements of personnel in FY 1985.

Park Operations. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of the \$131,782 (SGF) for the recommended cost-of-living salary increase.
2. Deletion of one Park Ranger position (\$18,082) and a pickup (\$8,300) at Cedar Bluff State Park. The Subcommittee is concerned about imbalances in the level of staffing among the parks and in reviewing the staffing needs with the agency, recommends permanent staff reassignments in FY 1985, as proposed in items number 2, 3, 4, and 5. The Subcommittee also expects the agency to address additional reallocating of staff in its FY 1986 budget request.
3. Addition of one Park Technician II position (\$17,275) and a pickup (\$8,300) at Wilson State Park, funded from the General Fees Fund. This recommendation is based on the agency's proposed takeover of a Corps Area at Wilson Reservoir. The Subcommittee understands that this new area will generate approximately \$28,000 in user fees in FY 1985.
4. Addition of one new Ranger position (\$18,082) and a pickup (\$8,300) at El Dorado State Park, funded from the General Fees Fund. The Subcommittee deleted this position last year on the basis that the park was not fully developed. The agency reports that the entire Bluestem Point Area, in addition to the Shady Creek Area, will be fully operational by June of this year and will generate additional fees to fund this recommendation.
5. The Subcommittee concurs with the Governor's recommendation of four new park technician positions for the proposed northeast Kansas honor camp. However, the Subcommittee supports the agency's proposed takeover of the Corps controlled Outlet Area at Melvern State Park and recommends that one of the new park technician positions (\$15,137) and a pickup (\$8,300) be funded for all of FY 1985 from the General Fees Fund. This reduces the Governor's recommended amount by \$6,745 (SGF).
6. The Subcommittee reviewed the agency's estimate of FY 1985 General Fees Fund receipts. The Subcommittee believes that the agency estimates should be revised upwards by \$150,000 due to the proposed takeover of two federally controlled areas and full operations at El Dorado State Park. The Subcommittee understands that the addition of these areas is addressed in S.B. 381.
7. The Subcommittee recommends the addition of \$50,000 from the State General Fund, \$50,000 from the General Fees Fund, and \$100,000 from the Land and Water Conservation Fund — federal for capital improvements in FY 1985. The Subcommittee concurs with the Joint Committee on State Building Construction in this recommendation which will allow the agency the flexibility in the use of the funds on a prioritized project basis.
8. The Subcommittee would like to see the Park and Resources Authority broaden its availability to the public regarding the sale of park permits. Presently, permits are only available at the park offices, the Topeka office, and city or county clerk offices (K.S.A. 1983 Supp. 74-4509(e)). Therefore, the Subcommittee recommends that a bill be introduced to allow the Authority to contract with private persons, firms, or corporations as permit vendors, in addition to the presently authorized distributors. The

Subcommittee also has concerns regarding the gate hosts programs and the duties of the park office clerks in the selling, collecting and accounting procedures involving permits. The Subcommittee believes that if statutory authorization is given to sell permits outside of the parks, the need for clerical staffing at all of the parks would be reduced. Additionally, the Subcommittee encourages the House Ways and Means Subcommittee to explore the use of gate hosts; specifically regarding their status of employment. The agency reports that some of the gate hosts are considered state employees while others are strictly hired on a contractual basis, thus saving the state the costs of fringe benefits. Finally, the Subcommittee recommends that the clerical positions at Melvern, Perry, Cedar Bluff, Kanopoles, Elk City, Wilson, Milford and Glen Elder be reduced to 0.4 positions. This recommendation is a reduction of .8 F.T.E. and totals a reduction of \$12,712 from the State General Fund.

Additionally, the Subcommittee believes the same availability of Kansas hunting and fishing licenses would increase revenues for the Fish and Game Commission. The Subcommittee recommends that K.S.A. 19-328 be amended to allow the Commission to contract with private persons, firms, or corporations directly as license vendors.

SUBCOMMITTEE REPORT

Agency: Fish and Game Commission Bill No. 550 Bill Sec. 5
 Analyst: Stanfield Analysis Pg. No. 344 Budget Pg. No. 7-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
Fish and Game Fee Fund	\$ 10,544,181	\$ 10,191,664	\$ (497,944)
Boat Account	356,862	348,222	—
Nongame Wildlife Fund	149,100	149,100	—
Subtotal - Operating	<u>\$ 11,050,143</u>	<u>\$ 10,688,986</u>	<u>\$ (497,944)</u>
Capital Improvements:			
Fish and Game Fee Fund	\$ 310,603	\$ 191,266	\$ 44,450
Boat Account	2,700	—	—
Subtotal - Capital	<u>\$ 313,303</u>	<u>\$ 191,266</u>	<u>\$ 44,450</u>
TOTAL	<u>\$ 11,363,446</u>	<u>\$ 10,880,252</u>	<u>\$ (453,494)</u>
 F.T.E. Positions	 271.0	 270.0	 —

Senate Subcommittee Recommendations

FY 1984. The agency requested and the Governor recommended a supplemental appropriation of \$152,250 for two land acquisitions. The Legislature approved this recommendation with the passage of S.B. 576. The Governor also recommended a reduction of \$190,474 in the agency's operating budget, with adjustments being made in contractual services (\$106,181) and commodity purchases (\$84,293). The Subcommittee concurs with the Governor's recommendation.

FY 1985. The Governor's recommendation of \$10,688,986 is \$361,157 below the amount requested by the Commission. Of that amount, \$196,257 is related to new projects proposed by the agency. The remaining \$164,900 is deleted from ongoing operations and maintenance projects, including \$52,905 in capital outlay, \$31,123 in printing and advertising, and \$24,391 in travel and subsistence.

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

1. Deletion of the \$365,225 recommended for the cost-of-living salary increase pending legislative determination of salary policy with respect to all state agencies.
2. Reduction of \$51,645 in the amounts budgeted for motor vehicle supplies. This adjustment is attributed to a lower than estimated purchase price of motor vehicle fuel and allows for a 7.0 percent increase over FY 1984.
3. Reduction of \$15,000 in costs associated with the operation of the Milford Fish Hatchery, which is now projected to be fully operational in the spring of 1985.
4. Reduction of \$2,654 in the furbearer management data project.

5. Restoration of \$4,080 which will allow the agency to purchase standard police lighting for the fleet of 24 law enforcement vehicles.
6. Reduction of \$67,500 in the vehicle replacement program, including a reduction of \$17,500 in the purchase of 25 pick-ups provided in the Governor's recommendation. The agency estimated the cost of a pick-up at \$9,000, while the Division of the Budget instructions suggest a cost of \$8,300. Further, the Subcommittee recommends that the agency review its replacement schedule of 75,000 miles minimum per vehicle and recommends an additional \$50,000 reduction in the program.
7. Addition of \$44,450, as recommended by the Joint Committee on State Building Construction, for major maintenance to agency facilities.
8. While the Subcommittee concurs with the Governor on the funding for the Kansas Wildlife magazine, the Subcommittee feels that the agency's fee fund receipts in this area must be addressed. The Subcommittee believes that the agency estimates should be revised upwards by \$75,000 in FY 1984 and \$125,000 in FY 1985 if the magazine is actually to become self-supporting. The Subcommittee further recommends that the agency provide the House Ways and Means Subcommittee a monthly accounting of new subscriptions and corresponding receipts to oversee the agency's progress in reaching the current fiscal year goal of \$150,000.
9. The Subcommittee wishes to call attention to the fact that the Fish and Game Commission presently is providing housing to 34 employees with both free rent and free utilities.
10. While the Governor recommended that the Landowner Newsletter project be funded out of existing resources, the Subcommittee recommends that this project be deleted and not be undertaken by the agency.
11. The Subcommittee concurs with the Governor that the Animal Depredation Control project, which was recommended by the Special Committee on Energy and Natural Resources, not be funded.

Shown below is the fee fund analysis for the Fish and Game Commission based on the Subcommittee's adjustments:

<u>Resource Estimate</u>	<u>Actual FY 83</u>	<u>Est. FY 84</u>	<u>Est. FY 85</u>
Beginning Balance	\$ 2,742,601	\$ 4,416,442	\$ 4,874,899
Net Receipts	10,815,503	10,324,333	11,194,735
Total Funds Available	<u>\$13,558,104</u>	<u>\$14,740,775</u>	<u>\$16,069,634</u>
Less: Expenditures	9,141,662*	9,865,876	9,929,436
Ending Balance	<u>\$ 4,416,442</u>	<u>\$ 4,874,899</u>	<u>\$ 6,140,198</u>

* Includes nonreportable expenditures.

SUBCOMMITTEE REPORT

Agency: State Corporation Commission Bill No. 550 Bill Sec. 6
 Analyst: Brown Analysis Pg. No. 351 Budget Pg. No. 1-93

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 10,953,382	\$ 10,276,643	\$ (838,371)
Aid to Local Units	460,665	460,665	
Other Assistance	646,018	646,018	
Total	<u>\$ 12,060,065</u>	<u>\$ 11,383,326</u>	<u>\$ (838,371)</u>
State General Fund:			
State Operations	\$ 49,334	\$ 45,888	\$ (45,888)
F.T.E. Positions	257.0	253.0	(1.0)

Senate Subcommittee Recommendations

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

1. Reductions totaling \$328,261 to remove the recommended funding for salary increases.
2. Reduce travel in the Utilities Division by \$25,000.
3. Reduce the communications budget in the Conservation Division by \$7,000.
4. Remove \$8,424 for salary upgrades for the Commissioners' administrative assistants.
5. Reduce federal energy funds by \$406,088 and remove the State General Fund match of \$45,888, funds which are associated with the State Energy Conservation Plan and the Energy Extension Service. After reviewing planned expenditure of these funds, the Subcommittee would like to voice its concern about the policy change that the Commission is proposing. Planned expenditures de-emphasize Energy Extension Service programs and place greater emphasis on low-income energy consultations. The Subcommittee prefers to endorse the philosophy of an educational approach rather than a one-on-one service delivery model.

Furthermore, according to the most recent information provided to the Subcommittee, funds have not yet been released to Kansas State University in the current year for its Energy Extension Program. The Subcommittee urges the Commission and KSU to resolve apparent differences over this contractual arrangement as soon as possible. The Subcommittee suggests that the House Subcommittee review this area carefully and examine funding alternatives for the Energy Extension Service in FY 1985.

6. A \$152,500 reduction in the Research and Energy Analysis Division and a like increase in the Utilities Division. The funds are to finance consultants for the Wolf Creek investigation and an excess capacity study, both of which the Subcommittee feels are more appropriately handled by the Utilities Division.

7. A reduction of \$27,710 and one F.T.E. position in the Mined Land Division to remove a full-time attorney. The Subcommittee is of the opinion that the Division does not require this level of legal resources. However, the Subcommittee recommends the addition of \$10,000 for legal services.
8. The Subcommittee would like to point out that gross receipts in the Public Service Regulation Fund are projected to increase from \$2,887,500 in FY 1984 to \$4,051,520 in FY 1985, a 40.3 percent increase. Since the funds are derived from assessments against public utilities and common carriers, it is a cost passed on directly to the residents of Kansas.
9. The Commission has drafted two bills related to fees of the Mined Land Division and the Subcommittee recommends that they be introduced.
10. Adjustments to the appropriation bill that would impose salary and wage limitations, make provisions for certain unclassified positions and correct a transposition of line item titles.

SUBCOMMITTEE REPORT

Agency: Historical Society Bill No. 550 Bill Sec. 7

Analyst: Rampey Analysis Pg. No. 361 Budget Pg. No. 7-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,014,103	\$ 4,868,534	\$ (55,897)
Other Assistance	25,000	122,865	—
Subtotal	<u>\$ 6,039,103</u>	<u>\$ 4,991,399</u>	<u>\$ (55,897)</u>
Capital Improvements	1,207,817	513,695	(25,270)
TOTAL	<u><u>\$ 7,246,920</u></u>	<u><u>\$ 5,505,094</u></u>	<u><u>\$ (81,167)</u></u>
State General Fund:			
State Operations	\$ 5,621,708	\$ 4,498,229	\$ (46,703)
Other Assistance	25,000	25,000	—
Subtotal	<u>\$ 5,646,708</u>	<u>\$ 4,523,229</u>	<u>\$ (46,703)</u>
Capital Improvements	1,207,817	513,695	(25,270)
TOTAL	<u><u>\$ 6,854,525</u></u>	<u><u>\$ 5,036,924</u></u>	<u><u>\$ (71,973)</u></u>
 F.T.E. Positions	 156.95	 136.20	 1.0

Senate Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation for FY 1984.

FY 1985. The Subcommittee makes the following adjustments to the Governor's recommendations:

1. Administration Department
 - a. Delete \$35,473 from the State General Fund for the Governor's salary plan revision.
 - b. Concur with the Governor's recommendation of \$5,000 for a contingency fund for emergency repairs, and recommend that the fund be used for emergency repairs to any Society-owned building or property. (Presently, the contingency fund is used for emergency repairs to the Memorial Building and to historic properties. The Subcommittee's recommendation would extend the fund to cover repairs to the museum and any other building owned by the Society.)
 - c. Increase the Society's position limitation by 1.0 F.T.E. to add the position of Folklife Coordinator. However, the Subcommittee does not recommend additional funding for the salary and other expenses associated with the position. A Folklife Coordinator has been employed by the Society for two years and has been paid for primarily with a grant from the National Endowment for the Arts. The Society has made application for a continuation of the grant. It is the Subcommittee's intention that the Folklife Coordinator position be included within the Society's position limitation, but that the Society should fund the position from funds which are available or which may be obtained in the form of grants.

2. Collections program (made up of the archives, library, manuscripts, and archeology departments).
 - a. Delete \$52,044 for the Governor's salary plan revisions for the following departments: archives (\$11,058), library (\$16,980), manuscripts (\$8,690), archeology-state (\$10,011), and archeology-fees (\$5,305). Of the amount deleted, \$46,739 would be from the State General Fund and \$5,305 would be from the Archeology Fee Fund.
 - b. Add \$21,967 from the State General Fund to the archeology department for temporary workers and other expenses associated with investigating and possibly excavating archeological sites on the bottom of Lake Scott. (The project would be undertaken when the Lake is drained so that the spillway may be replaced. The Subcommittee calls attention to the fact that the Society has initiated efforts to determine whether inmate labor can be used for certain projects, such as the Lake Scott excavation, for which manual labor is needed. The Subcommittee commends and encourages the Society in this effort.

3. Historic Preservation Department
 - a. Delete \$7,778 for the Governor's salary plan revision, of which half (\$3,889) would be from the State General Fund and half (\$3,889) from federal historic preservation funds.
 - b. The Subcommittee concurs with the Governor's recommendation that there be no limit on the National Historic Preservation Act Fund into which federal funds are deposited and expended for local historic preservation projects.

4. Historic Properties Department
 - a. Delete \$22,552 from the State General Fund for the Governor's salary plan revision.
 - b. The Subcommittee notes that S.B. 553 would give the Society statutory authority to charge admittance fees to any state-owned historic site. (Presently, the authority to charge fees appears as a proviso in the Society's annual appropriations bill. The Society currently charges an admittance fee at two of the sites.) However, the Subcommittee recommends that S.B. 553 be amended to give the Society authority to charge admittance fees to any Society-owned building or property. The Subcommittee recommends that other statutes pertaining to the Society be amended, if necessary, to conform to S.B. 553, with amendments recommended by the Subcommittee.

5. Museum Department

- a. Delete \$42,970 from the State General Fund for the Governor's salary plan revision.
- b. Add \$82,953 from the State General Fund for security personnel at the museum. The money would be in addition to \$142,047 for security personnel as recommended by the Governor.
- c. The Subcommittee notes that the Society requested several laborer positions for the museum department which were not recommended by the Governor. The Subcommittee recognizes that some temporary workers will be needed to assist in the construction of museum exhibits. The Subcommittee is pleased that the Society has indicated a willingness to consider using workers from the Kansas Correctional and Vocational Training Center and the Topeka Work Release Center to perform certain manual duties at the museum, to the extent that the use of these workers is compatible with security precautions which must be taken to protect valuable museum artifacts. (The Society has also been asked to consider using inmates from honor camps to perform manual labor at the historic properties and for other projects for which laborers are needed.) The Subcommittee encourages the Society in this effort, which would contribute to the rehabilitation of minimum-security inmates by providing work experience and would be less expensive to the state than hiring additional state employees.
- d. The Subcommittee calls attention to the Society's budget document which contains the statement that any unspent funds in the museum department's budget will be redirected toward exhibit construction. The statement is made in the context that estimates for certain items may be high due to difficulties associated with estimating costs for a new building which has just come into use. The Subcommittee recognizes the Society's good intentions in proposing to use any unencumbered balances for the construction of exhibits and does not wish to deny the agency the flexibility it needs to operate. However, it is the Subcommittee's opinion that funds appropriated for specific purposes should be used for those purposes and that, as a rule, unencumbered balances should not be used for items for which they were not budgeted.

In addition, the Subcommittee is aware of the difficulties involved in estimating the time it will take to construct the museum exhibits and the costs associated with this construction. It is the Subcommittee's expectation that the Society be able to account for expenditures made for exhibit construction during FY 1985 and that any unencumbered balances for exhibit construction would be available for reappropriation for exhibit construction the following year.

- e. The Subcommittee notes that a number of items which have contributed to the significant growth in expenditures associated with the museum either have been funded or are recommended for FY 1985. These items include major construction costs, most of the museum furniture and equipment, additional personnel, the museum access road, and almost 40 percent of the estimated total cost of exhibit construction. Major expenditures which will be requested for FY 1986 and subsequent years consist primarily of additional funds for exhibit construction (approximately \$1.4 million) and additional personnel.

In some cases, estimates of expected expenditures have been high. For example, based upon earlier estimates that more than \$1.3 million would be needed to furnish and equip the museum, it was expected that the request for capital outlay for the museum in FY 1985 would approximate \$.5 million. Earlier estimates, however, appear to have been too high, primarily because the Society received unexpectedly low bids on some of its storage equipment. The result is a capital outlay request of \$40,198 for FY 1985 which is considerably lower than what was projected when the museum was being planned. Another example is the access road; the actual bid received by the Society is \$102,573 less than what was appropriated.

With the exception of the remainder of exhibit construction costs and some additional personnel, the Subcommittee believes most of the extraordinary funding needs associated with building, equipping, and staffing the museum have been addressed.

6. Capital Improvements

The Subcommittee concurs with the following recommendations made by the Joint Committee on State Building Construction:

- a. Add \$31,534 for the Historic Properties Maintenance Program. (The Joint Committee and the Subcommittee concur with the Governor's recommendation of \$9,733 for repairs to the Goodnow Home and add \$21,801 for repairs to the Pratt Ranch.)

The Joint Committee and the Subcommittee wish to state that the purpose of the Historic Properties Maintenance Program is to make money available to the Society for projects which are minor in scope but exceed the definition of routine maintenance. These projects are reviewed and approved by appropriate committees of the Legislature each year.

In the event that an unencumbered balance remains in the Historic Properties Maintenance and Repairs Fund after approved projects have been completed, it is the intention of the Joint Committee and the Subcommittee that the Society be

permitted to use this money for other maintenance projects at the properties. It is expected that the Society will keep the Joint Committee informed regarding expenditures from the fund.

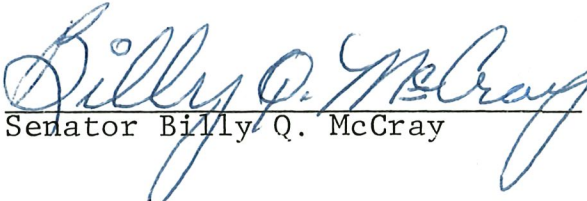
- b. Add \$11,885 for replacement of an air conditioning unit in the Memorial Building. (The Joint Committee and the Subcommittee concur with the recommendation of the Governor.)
- c. Add \$30,000 for planning money to begin the adaptive renovation of the Pottawatomie Baptist Mission.
- d. Add \$25,502 to install a fire detection and surveillance system at the warehouse.
- e. Lapse \$102,573 of the funds appropriated by the 1983 Legislature for use in FY 1985 to construct the museum access road. (The 1983 Legislature appropriated \$492,077 for FY 1985 for the road, but the actual bid received by the Society in January 1984, is \$389,504.)

SUBCOMMITTEE REPORT ON SENATE BILL NO. 552

- Sec. 2 - Adjutant General
- Sec. 3 - State Fire Marshal
- Sec. 4 - Adult Authority
- Sec. 5 - Department of Corrections
- Sec. 6 - State Correctional-Vocational Training Center
- Sec. 7 - Kansas Correctional Institution at Lansing
- Sec. 8 - State Industrial Reformatory
- Sec. 9 - Kansas State Penitentiary
- Sec. 10 - State Reception and Diagnostic Center
- Sec. 11 - Corrections Ombudsman Board



Senator Merrill Werts
Subcommittee Chairman



Senator Billy Q. McCray

SUBCOMMITTEE REPORT

Agency: Adjutant General Bill No. 552 Bill Sec. 2

Analyst: Monical Analysis Pg. No. 413 Budget Pg. No. 4-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,808,279	\$ 6,468,769	\$ (158,222)
Aid to Local Units	1,775,000	1,775,000	—
Other Assistance	4,519	4,519	—
Subtotal	<u>\$ 8,587,798</u>	<u>\$ 8,248,288</u>	<u>\$ (158,222)</u>
Capital Improvements	297,040	300,000	(22,500)
TOTAL	<u><u>\$ 8,884,838</u></u>	<u><u>\$ 8,548,288</u></u>	<u><u>\$ (180,722)</u></u>
State General Fund:			
State Operations	\$ 2,846,019	\$ 2,589,107	\$ (60,793)
Aid to Local Units	—	—	—
Other Assistance	4,519	4,519	—
Subtotal	<u>\$ 2,850,538</u>	<u>\$ 2,593,626</u>	<u>\$ (60,793)</u>
Capital Improvements	297,040	300,000	(22,500)
TOTAL	<u><u>\$ 3,147,578</u></u>	<u><u>\$ 2,893,626</u></u>	<u><u>\$ (83,293)</u></u>
 F.T.E. Positions	 130.5	 129.5	 —

Agency Request/Governor's Recommendation

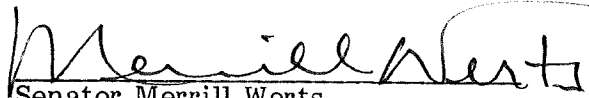
The agency requests an FY 1985 budget of \$8,884,838 of which \$3,147,578 is requested from the State General Fund. Of the amount requested from the State General Fund, \$297,040 is requested for armory roof repairs. The request includes the addition of 18.0 F.T.E. positions of which one position, an Auditor I, would be totally financed from the State General Fund. Of the remaining 17.0 F.T.E. positions requested, 13.0 F.T.E. positions are 100 percent federally funded and would be used to expand the fire protection program at Forbes Field, 2.0 F.T.E. positions are requested for maintenance support at the McConnell facility in Wichita and would be funded 15 percent by the state and 85 percent from federal funds; and 2.0 F.T.E. positions would be assigned to the area of nuclear civil protection planning and supported totally by federal funds.

The Governor recommends FY 1985 expenditures of \$8,548,288 of which \$2,893,626 is recommended from the State General Fund. Included in the recommendation is \$300,000 from the State General Fund for armory roof repairs. With the exception of the state-supported Auditor I position, the Governor recommends the other 17.0 F.T.E. positions as requested by the agency.

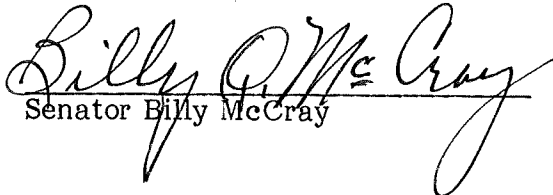
Senate Subcommittee Recommendations

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

1. Pursuant to Committee policy, deletion of \$156,182 for the Governor's recommended salary increases. Of the amount deleted, \$55,491 is from the State General Fund, \$79,527 from the Military Fees Fund, and \$21,164 from various federal funds supporting the Division of Emergency Preparedness.
2. Reduction of \$3,262 in the State General Fund appropriation for Physical Plant Operations and a corresponding increase in the expenditure limitation on the Military Fees Fund. This corrects minor errors in the Governor's recommendation regarding the split between state and federal funding sources.
3. Deletion of \$2,040 in the State General Fund appropriation for operational management to eliminate excess funding of health insurance premiums.
4. The Subcommittee recommends funding for roof replacements of \$277,500. This is \$22,500 below the level recommended by the Governor and the reduction reflects the amount required for emergency gas line repairs in FY 1984 at the Kansas City armory.



Senator Merrill Werts
Subcommittee Chairman



Senator Billy McCray

SUBCOMMITTEE REPORT

Agency: State Fire Marshal Bill No. 552 Bill Sec. 3
 Analyst: Conroy Analysis Pg. No. 442 Budget Pg. No. 4-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,402,026	\$ 1,275,225	\$ (47,584)
State General Fund	1,321,967	1,193,887	(44,354)
F.T.E. Positions	37.0	36.0	—

Agency Request/Governor's Recommendation

The agency's request of \$1,402,026, while maintaining the current level of operations, also provides for one additional clerical position and funds for the continued development of the computerized fire information reporting system.

The Governor's recommendation provides for continuation of the current level of operation and includes funds for the fire information reporting system expansion. However, the Governor makes no provision for the additional clerical position.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$47,584 (\$44,354 in State General Funds and \$3,230 in other funds) for the recommended salary plan increase of 5 percent and \$204 per year.
2. The addition of a proviso in the appropriation language to allow for establishment of an official hospitality account with a limit of \$200.
3. The Subcommittee notes that the development of the building inspection program is the fourth and final component of the computerized fire information reporting system and that no additional development costs for the system will be necessary in FY 1986.

SUBCOMMITTEE REPORT

Agency: Adult Authority Bill No. 552 Bill Sec. 4
 Analyst: Conroy Analysis Pg. No. 425 Budget Pg. No. 4-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 446,648	\$ 319,282	\$ (13,509)
State General Fund	446,648	319,282	(13,509)
F.T.E. Positions	10.0	8.0	—

Agency Request/Governor's Recommendation

The agency's request of \$446,648, while maintaining the current approved level of operations, also provides funds for out-of-state travel (\$18,065) and professional staff development (\$1,000).

The Governor's recommendation provides for the deletion of two Authority members which would reduce the size of the board from five to three members. The Governor also recommends no specific funds for out-of-state travel or professional staff development.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$13,509 for the recommended salary plan increase of 5 percent and \$204 per year.
2. The Subcommittee notes that their recommendation is based on the passage of S.B. 568 which reduces the Adult Authority from five to three members.

SUBCOMMITTEE REPORT

Agency: Department of Corrections Bill No. 552 Bill Sec. 5

Analyst: Conroy Analysis Pg. No. 427 Budget Pg. No. 4-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,794,240	\$ 13,090,608	\$ (289,086)
Aid to Local Units	5,326,277	4,839,277	—
Operating Expenditures	\$ 19,120,517	\$ 17,929,885	\$ (289,086)
Capital Improvements	2,090,430	1,750,000	—
TOTAL	\$ 21,210,947	\$ 19,679,885	\$ (289,086)
State General Fund:			
State Operations	\$ 9,920,440	\$ 9,215,242	\$ (247,615)
Aid to Local Units	5,326,277	4,839,277	—
Operating Expenditures	\$ 15,246,717	\$ 14,054,519	\$ (247,615)
Capital Improvements	2,090,430	1,750,000	—
TOTAL	\$ 17,337,147	\$ 15,804,519	\$ (247,615)
F.T.E. Positions	339.5	323.0	—

Agency Request/Governor's Recommendation

The agency's request of \$21,210,947, while maintaining the current level of operations, also provides for the first full-year operation of the prerelease centers at Winfield and Topeka. The request also provides 30.5 additional positions, 18 of which are associated with a proposed new honor camp. The remaining new positions would assist with various support services programs throughout the agency. The agency is seeking \$2,090,430 for capital improvements, of which \$1,659,041 is for a third honor camp and the remaining amount would be for various improvements at the two existing honor camps. The agency is also requesting \$159,852 for an expansion of the community corrections program.

The Governor's recommendation of \$19,679,885 provides for continuation of the current level of operation and includes funds for 18 additional positions. Of the new positions, 15 are associated with a third honor camp. The additional honor camp construction is recommended by the Governor at \$1,450,000. The Governor also recommends \$300,000 for establishment of a maintenance and repair account for the correctional institutions. Finally, the Governor's recommendation provides \$160,000 for the expansion of the community corrections program.

Senate Subcommittee Recommendations

Fiscal Year 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$289,086 (\$247,615 — State General Fund and \$41,471 in other funds) for the recommended salary plan increase of 5 percent and \$204 per year.

2. The Subcommittee concurs with the Governor's recommendation to not develop local community resources to assist with crisis invention for parolees. However, the Subcommittee notes that the new prerelease centers will provide a mechanism to deal with technical parole violators.
3. The Subcommittee concurs with the Governor's recommendation to expand the community corrections program. This expansion provides planning grants to Douglas, Saline and Cherokee/Crawford/Labette counties. It also provides actual operational support for Montgomery County. It is anticipated that the Montgomery County program will divert 25 individuals annually from correctional institutions. The Subcommittee further concurs with funding for Johnson County to reenter the program for the last two quarters of FY 1985. The Subcommittee recommends that during the 1985 interim a study be conducted on the progress of the community corrections program.
4. The Subcommittee concurs with the recommendations of the House Committee on Communication, Computers and Technology and the Division of Information Systems and Computing for the agency to acquire a new IBM System 36.
5. The Subcommittee recommends that the Correctional Industries Fund be changed to a "no-limit" fund. The Subcommittee believes this will allow the agency greater flexibility in purchasing raw materials and the handling of sale receipts within the fund.
6. The Joint Committee on State Building Construction is still reviewing the proposed third honor camp. The Subcommittee makes no recommendation on the honor camp, but urges the House Subcommittee to closely review the matter once a recommendation is made by the Joint Committee.

SUBCOMMITTEE REPORT

Agency: Kansas Correctional-Vocational Training Center (KCVTC) Bill No. 552 Bill Sec. 6
 Analyst: Conroy Analysis Pg. No. 434 Budget Pg. No. 4-23

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,809,122	\$ 3,700,378	\$ (133,450)
Capital Improvements	682,105	400,000	—
TOTAL	<u>\$ 4,491,227</u>	<u>\$ 4,100,378</u>	<u>\$ (133,450)</u>
State General Fund:			
State Operations	\$ 3,795,902	\$ 3,687,158	\$ (133,450)
Capital Improvements	682,105	400,000	—
TOTAL	<u>\$ 4,478,007</u>	<u>\$ 4,087,158</u>	<u>\$ (133,450)</u>
F.T.E. Positions	104.0	103.5	—
Average Inmate Census	220	220	—

Agency Request/Governor's Recommendation

The agency's request of \$4,491,227, while maintaining the current level of operations, also provides for the addition of 1.6 F.T.E. positions (a nurse and an increase in the physician position from .4 to full-time) and \$676,705 to replace the roofs on all buildings and \$5,400 to replace carpeting in the Administration Building.

The Governor's recommendation provides for continuation of the current level of operation and includes funds for the additional nurse position, but increases the physician position from .4 to .5 F.T.E. The Governor also recommends \$400,000 to replace and repair the roofs on selected buildings. The Governor's recommendation does not specifically address the replacement carpeting for the Administration Building.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Delete \$133,450 for the recommended salary plan increase of 5 percent and \$204 per year.
2. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction which provides \$400,000 for roof repair and replacement.

SUBCOMMITTEE REPORT

Agency: Kansas Correctional Institution
at Lansing (KCIL) Bill No. 552 Bill Sec. 7

Analyst: Conroy Analysis Pg. No. 438 Budget Pg. No. 4-19

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,064,111	\$ 2,689,819	\$ (107,193)
Capital Improvements	228,041	200,041	—
TOTAL	<u>\$ 3,292,152</u>	<u>\$ 2,889,860</u>	<u>\$ (107,193)</u>
State General Fund:			
State Operations	\$ 3,060,611	\$ 2,686,319	\$ (107,193)
Capital Improvements	228,041	200,041	—
TOTAL	<u>\$ 3,288,652</u>	<u>\$ 2,866,360</u>	<u>\$ (107,193)</u>
F.T.E. Positions	97.0	82.0	—
Average Inmate Census	200	170	—

Agency Request/Governor's Recommendation

The agency's request of \$3,292,152, while maintaining the current level of operations, also provides for 19 new positions for security and support services. The agency's request is based on an average inmate census of 200. Approximately 40 out of the 200 inmates would be male with the remainder being female. The agency also requested funds for construction of a new food service facility (\$200,041 in FY 1985 and \$394,144 in FY 1986.)

The Governor's recommendation provides for continuation of the current level of operation and includes funds for four additional positions (one security and three support services). The Governor's recommendation is based on an average inmate population of 170, all females. The recommendation also includes funds for the new food service facility.

Senate Subcommittee Recommendation

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$107,193 for the recommended salary plan increase of 5 percent and \$204 per year.
2. The Subcommittee concurs with the Governor's recommendation for an average inmate population of 170 inmates. However, the Subcommittee makes no recommendation as to the gender of the inmates to be housed at the institution.
3. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to construct a new food service facility (\$200,041 in FY 1985 and \$394,144 in FY 1986). The Subcommittee also concurs with the proviso that preliminary plans on the structure be presented to the Joint Committee for their approval prior to actual construction. The plans shall address the specific type of roof to be used on the building.

SUBCOMMITTEE REPORT

Agency: Kansas State Industrial Reformatory Bill No. 552 Bill Sec. 8
 (KSIR)

Analyst: Conroy Analysis Pg. No. 443 Budget Pg. No. 4-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 13,305,384	\$ 12,178,491	\$ (421,431)
Capital Improvements	2,904,755	2,078,256	--
TOTAL	\$ 16,210,139	\$ 14,256,747	\$ (421,431)
<u>State General Fund:</u>			
State Operations	\$ 13,137,616	\$ 12,010,723	\$ (421,431)
Capital Improvements	2,904,755	2,078,256	--
TOTAL	\$ 16,042,371	\$ 14,088,979	\$ (421,431)
F.T.E. Positions	358.5	329.5	--
Average Inmate Census	1,143	1,100	--

Agency Request/Governor's Recommendation

The agency's request of \$16,210,139, while maintaining the current level of operations, also provides for the addition of 53 positions for security and support services. Of the 53 requested positions, 24 relate to the new 96-bed modular facility which is presently under construction and scheduled to be completed by October 1, 1984. The agency is also requesting several capital improvement projects, including renovation of "D" cellhouse (\$1,453,205) and a replacement standby generator (\$382,815).

The Governor's recommendation provides for continuation of the current level of operation and includes funds for 24 new positions, all related to the new 96-bed modular facility. The Governor also recommends the "D" cellhouse renovation (\$900,000 in FY 1985 and \$600,000 in FY 1986) and the replacement standby generator. The Governor's recommendation is based on an average inmate census of 1,100 which assumes the new prerelease centers will provide some relief on overcrowding.

Senate Subcommittee Recommendation

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$421,431 for the recommended salary plan increase of 5 percent and \$204 per year.
2. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction which provides \$900,000 in FY 1985 and \$600,000 in FY 1986 for renovation of "D" cellhouse and \$382,815 for a replacement standby generator. The Subcommittee also concurs with the Joint Building Committee proviso which provides that funds for the standby generator will be released by the Finance Council only after the agency investigates and reports to the Joint Committee on the possibility of alternative power sources to the institution.

SUBCOMMITTEE REPORT

Agency: State Penitentiary Bill No. 552 Bill Sec. 9
 Analyst: Alan Conroy Analysis Pg. No. 449 Budget Pg. No. 4-63

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 19,551,962	\$ 17,733,983	\$ (564,278)
Capital Improvements	8,879,057	5,714,307	--
Total	<u>\$ 28,431,019</u>	<u>\$ 23,488,290</u>	<u>\$ (564,278)</u>
State General Fund:			
State Operations	\$ 19,536,962	\$ 17,718,983	\$ (564,278)
Capital Improvements	8,879,057	5,714,307	--
Total	<u>\$ 28,416,019</u>	<u>\$ 23,433,290</u>	<u>\$ (564,278)</u>
F.T.E. Positions	578.0	525.5	--
Average Inmate Census	2,094	1,958	--

Agency Request/Governor's Recommendation

The agency's request of \$28,431,019, while maintaining the current level of operations also provides for 160.5 additional positions. Of the 160.5 new positions requested, 134 are for the new medium security facility currently under construction and scheduled to be completed by January 1, 1985. The remaining 26.5 positions would provide additional support services for the increasing inmate population. The agency also requested \$4,623,500 in additional funds for continued development of the medium security facility and \$2,889,704 for various renovation projects and water system improvements.

The Governor's recommendation provides for continuation of the current level of operation and includes funds for 94 additional positions. Of the new positions recommended, 89 are associated with the new medium custody facility and five support services positions are for the expanded Outside Dormitory No. 2. The Governor also recommends \$2,554,000 for continued development of the medium custody facility and \$1,794,454 for various renovation projects and water system improvements.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$564,278 for the recommended salary plan increase of 5 percent and \$204 per year.
2. The Subcommittee notes that while the positions for the new medium custody facility will be established for the full year, funds are recommended for staffing those positions for only part of FY 1985.
3. The Subcommittee notes that the Joint Committee on State Building Construction is still reviewing the medium security facility project. However, the Subcommittee makes no adjustment to the Governor's recommendation and urges the House Subcommittee to review this project once the Joint Committee recommendations are made.

SUBCOMMITTEE REPORT

Agency: State Reception and Diagnostic Center (SRDC) Bill No. 552 Bill Sec. 10
 Analyst: Conroy Analysis Pg. No. 457 Budget Pg. No. 4-67

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 3,288,500	\$ 3,244,456	\$ (149,886)
State General Fund	3,282,900	3,238,856	(149,886)
F.T.E. Positions	107.6	105.6	—
Average Inmate Census	132	132	—

Agency Request/Governor's recommendation

The agency request of \$3,288,500, while maintaining the current level of operations, also provides for two additional correctional officers. The new positions would provide enhanced security for the inmate's recreational programs and housing areas.

The Governor's recommendation provides for continuation of the current level of operation. The Governor makes no provision for the additional security positions.

Senate Subcommittee Recommendation

Fiscal Year 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$149,886 for the recommended salary plan increase of 5 percent and \$204 per year.

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman Board Bill No. 552 Bill Sec. 11

Analyst: Conroy Analysis Pg. No. 460 Budget Pg. No. 4-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 209,034	\$ 147,107	\$ (3,281)
State General Fund	209,034	147,107	(3,281)
F.T.E. Positions	6.0	5.0	—

Agency Request/Governor's Recommendation

The agency request of \$209,034, while maintaining the current level of operations, also provides for a Deputy Ombudsman position to expand the number of correctional institutions that are served by the agency.

The Governor's recommendation while continuing the current operations of the agency staff, provides for a reduction in the Ombudsman Board from ten to five members. The Governor makes no provision for the additional staff position.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:


1. Delete \$6,431 for the recommended salary plan increase of 5 percent and \$204 per year.
2. The Subcommittee notes S.B. 480 would reduce the size of the Ombudsman Board from ten to five members. However, the Subcommittee recommends that \$3,150 be added for continuation of the Board at its present size of ten members. The Subcommittee believes that a ten-member board provides the necessary backgrounds and perspectives to deal with complex correctional issues.

SUBCOMMITTEE REPORT


SENATE BILL NO. 578

FY 1984 Appropriations Sections Pertaining to


Social and Rehabilitation Services
Health and Environment



Senator Ross Doyen
Subcommittee Chairman



Senator Frank Gaines



Senator Paul Hess

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment Bill No. 578 Bill Sec. 2
 Analyst: Galligan Analysis Pg. No. 396 Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,413,243	\$ 20,413,243	\$ --
Aid to Local Units	6,242,230	6,242,230	--
Other Assistance	8,138,109	8,138,109	--
Subtotal - Operating Expenditures	<u>\$ 34,793,582</u>	<u>\$ 34,793,582</u>	<u>\$ --</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$ 34,793,582</u></u>	<u><u>\$ 34,793,582</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 12,170,137	\$ 11,949,697	\$ --
Aid to Local Units	1,015,300	1,015,300	--
Other Assistance	--	--	--
Subtotal - Operating Expenditures	<u>\$ 13,185,437</u>	<u>\$ 12,964,997</u>	<u>\$ --</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$ 13,185,437</u></u>	<u><u>\$ 12,964,997</u></u>	<u><u>\$ --</u></u>
F.T.E. Positions	573.2	573.2	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following exception:

1. The \$220,440 of State General Fund expenditures that is offset by increases of the expenditure limitations on certain of the federal funds should be reappropriated to offset the FY 1985 appropriation for the department.

SUBCOMMITTEE REPORT

Agency: Social and Rehabilitation Services Bill No. 578 Bill Sec. 4

Analyst: Hauke Analysis Pg. No. 374 Budget Pg. No. 2-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures			
All Funds	\$ 11,549,124	\$ 6,520,999	\$ 6,520,999
State General Fund	(10,564)	(496,115)	(496,115)
Capital Improvements			
All Funds	5,775	5,775	(5,775)
State General Fund	--	--	--

Senate Subcommittee Recommendations

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

1. The Senate Subcommittee concurs with the recommendations of the Joint Committee on Building Construction and deletes \$5,775 recommended by the Governor for miscellaneous improvements at Blind Rehabilitation Centers. These projects are included in the FY 1985 Committee recommendations.

SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 578 Bill Sec. --
 Analyst: Holt Analysis Pg. No. 408 Budget Pg. No. 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Funds			
All Funds	\$ --	\$ --	\$ 15,000
State General Fund	--	--	15,000

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's FY 1984 recommendations with the following adjustment:

1. The agency informed the Subcommittee that due to increases in numbers of meals being served, it may experience a shortfall in funding for its in-home nutrition program. The Subcommittee learned that the agency will probably be able to absorb the potential shortfall; if the shortfall cannot be absorbed, however, reductions in the scope of the program might occur after the legislature has adjourned. Therefore, the Subcommittee recommends a supplemental appropriation of \$15,000 in FY 1984 and also recommends that this funding be allowed to reappropriate to FY 1985, as the agency will probably not require these funds until FY 1985.

SUBCOMMITTEE REPORT

Agency: Park and Resources Authority Bill No. NA Bill Sec. NA
 Analyst: Stanfield Analysis Pg. No. NA Budget Pg. No. NA

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Recommendations</u>
Operating Expenditures:			
State General Fund	\$ —	\$ (12,903)	\$ —
All Other Funds	—	(2,876)	—
Subtotal	<u>\$ —</u>	<u>\$ (15,779)</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
All Other Funds	20,000	—	20,000
Subtotal	<u>\$ 20,000</u>	<u>\$ —</u>	<u>\$ 20,000</u>
TOTAL	<u>\$ 20,000</u>	<u>\$ (15,779)</u>	<u>\$ 20,000</u>

Agency Request/Governor's Recommendation

The agency requested a \$20,000 supplemental appropriation for construction of a parking lot at Sand Hills State Park. The Subcommittee recommends this project as requested, which is to be funded with \$10,000 from private donations and \$10,000 from Land and Water Conservation Funds.

The Governor recommended a reduction of \$15,779 in operating expenditures including \$12,903 from the State General Fund and \$2,876 from the General Fees Fund. The recommendation provided for the approved level of staffing of 111.0 F.T.E. positions. The Subcommittee concurs with the Governor's FY 1984 recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas Water Office Bill No. — Bill Sec. —
 Analyst: Goering Analysis Pg. No. 239 Budget Pg. No. 5-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 18,693	\$ 10,593	\$ (71,047)
State General Fund	9,531	1,431	(71,047)

Agency Request/Governor's Recommendation

The agency's revised FY 1984 budget estimate exceeds the current approved expenditure level by \$18,693. The increase is proposed to be financed with \$9,162 in federal funds received in FY 1983 which were carried forward to FY 1984, and \$9,531 from reappropriated State General Fund moneys approved for FY 1983 relocation expenses. Together with anticipated savings in other budgeted expenditure categories, these amounts are requested to finance a \$25,000 study to determine the amount of water lost in transit between the point of reservoir release and the point downstream at which water is withdrawn and used. Also proposed by the agency in the revised FY 1984 budget is expenditure of \$1,431 in reappropriated funds for expenses related to relocation of the office to the Mills Building in late FY 1983. Neither of the proposed expenditure revisions would require legislative action.

The Governor recommends the requested expenditure increase of \$1,431 for relocation costs. Also recommended for expenditure is a total of \$16,900 for the proposed water transit loss study. This amount is recommended by the Governor to be financed with \$9,162 in carryforward federal moneys and an additional \$7,738 in State General Fund expenditures originally approved by the Legislature for other purposes.

House Subcommittee Recommendation

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

1. Reduction of \$69,747 in State General Fund expenditures for operation and maintenance costs associated with state-controlled water storage capacity in federal reservoirs. These savings are possible because the Office was able to defer, beyond October 1, 1983, acceptance of control of water capacity in three of the nine reservoirs. The recommended expenditure reduction incorporates savings based on the assumption that such action can be deferred for Council Grove and Milford reservoirs to a point later than March 31, 1984. The Subcommittee would note that additional action may be taken in the Omnibus Bill to further adjust this expenditure item.
2. Deletion of \$1,300 in State General Fund expenditures for express mail costs.

The Subcommittee recommends that the identified savings in freight and express be reappropriated to FY 1985 and that the State General Fund appropriation recommended for that year by the Governor be reduced accordingly. The operation and maintenance payment savings anticipated are also recommended for reappropriation, but the Subcommittee recommends that up to \$18,736 of such savings remain legally expendable by the Water Office in case it is necessary to take control of storage capacity in Milford or Council Grove

reservoirs during the period between July 1 and September 30, 1984. The Subcommittee's FY 1985 budget recommendations does not assume such action will be necessary.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House Committee recommendation with the following comment:

1. The Subcommittee learned that the agency has expended a total of \$601.15 to date for freight and express mail service. The House Subcommittee has recommended reappropriation of the entire sum of \$1,300 budgeted for such purposes in FY 1984. The Senate Subcommittee reviewed the amount budgeted for communications in FY 1985, which was not adjusted by either the Governor or the House Subcommittee. The Senate Subcommittee is of the opinion that the shortfall of \$601.15 can be easily absorbed by the agency, prior to the end of FY 1985, within the amount recommended by the House for communications.

SUBCOMMITTEE REPORT

Agency: State Conservation Commission Bill No. — Bill Sec. —
 Analyst: Goering Analysis Pg. No. 235 Budget Pg. No. 5-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 5,170	\$ 4,761	\$ (4,503)
Aid to Local Units	—	—	—
Other Assistance	29,852	29,852	—
TOTAL	<u>\$ 35,022</u>	<u>\$ 34,613</u>	<u>\$ (4,503)</u>
State General Fund:			
State Operations	\$ —	\$ (409)	\$ (4,503)
Aid to Local Units	—	—	—
Other Assistance	29,852	29,852	—
TOTAL	<u>\$ 29,852</u>	<u>\$ 29,443</u>	<u>\$ (4,503)</u>
F.T.E. Positions	—	—	—

Agency Request/Governor's Recommendation

The Commission's FY 1984 revised estimate exceeds the current approved budget by a total of \$35,022. Of the increase, \$5,170 is estimated for state operating expenditures to be financed from federal funds carried forward from prior years. The requested increase in administrative expenditures includes \$300 for communications, \$2,500 for printing and advertising, \$1,500 for travel and subsistence, \$570 for stationery and office supplies, and \$300 for capital outlay. The balance of the total requested supplemental expenditures reflects reappropriated savings from FY 1983 of \$29,852 for the Water Resources Cost-Share Program. Neither of the requested expenditure increases necessitates legislative action.

The Governor's recommendation provides a net increase of \$34,613 in supplemental expenditures over the current approved FY 1984 budget. The Governor recommends the additional budgeted expenditures as requested by the agency for nonsalary operating expenditures and for the Water Resources Cost-Share Program. However, these increases are slightly offset by a recommended reduction of \$409 in salaries and wages expenditures from the State General Fund. The adjustment recommended by the Governor reflects an increase from \$875 to \$1,225 in the amount budgeted for per diem compensation payments to eligible Commission members, a reduction from \$1,000 to \$300 for budgeted overtime pay, and associated adjustments in fringe benefits.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations for FY 1984 with the following adjustments:

1. Reduction of \$1,035 in State General Fund expenditures for salaries and wages, plus \$130 for associated fringe benefits, for a total reduction of \$1,165. The anticipated turnover savings results from employment of a half-time clerical worker at a salary range lower than that assumed when the original budget was approved. A portion of the savings was incurred because the position was not filled until the second payroll period in FY 1984.

2. Elimination of \$300 recommended for overtime pay, plus \$38 for associated fringe benefits, for a total reduction of \$338 in State General Fund salaries and wages expenditures. The Subcommittee learned that no overtime expenditures had been required as of February 14, 1984, and is of the opinion that the half-time clerical position added effective FY 1984 should obviate the need for such costs in the future.
3. Reduction of \$3,000 in State General Fund expenditures for travel and subsistence. The Subcommittee notes that the agency had expended \$7,613 for travel and subsistence reimbursements as of February 14, 1984. The Governor's recommendation for FY 1984 provides \$19,970 for travel costs, of which \$18,470 would be financed from the State General Fund and \$1,500 from reappropriated federal funds. The Subcommittee has reviewed actual travel and subsistence costs incurred in prior years, and is of the opinion that a total of \$16,970 for travel should be adequate to finance such costs in FY 1984. The Subcommittee's recommendation has also taken into consideration the increases in travel reimbursement rates approved by the Secretary of Administration following adjournment of the 1983 Legislature.
4. The Subcommittee recommends that savings in state operating costs anticipated to be incurred in the current fiscal year by both the Governor (\$409) and the Subcommittee (\$4,503) be reappropriated to reduce the FY 1985 State General Fund appropriation by a total of \$4,912. The Governor had recommended lapse of the anticipated FY 1984 savings. Because savings are anticipated to be reappropriated, no legislative action is required for this agency in the supplemental appropriation bill.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House Subcommittee recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission Bill No. NA Bill Sec. NA
 Analyst: Holt Analysis Pg. No. 230 Budget Pg. No. 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,471,509	\$ 1,463,219	\$ (20,236)
State General Fund	—	—	—

House Subcommittee Recommendations

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

1. Reduction of \$4,000 for office rental expenditures. The Governor's recommendation was based on the assumption that the Commission would move its office headquarters from Hutchinson to Manhattan in January, 1984. The Commission has subsequently revised its plans and now claims that the move is scheduled for the beginning of May. For that reason, office rental expenditures have been adjusted to reflect approximately ten months of office rental in Hutchinson and two months in Manhattan.
2. Deletion of \$16,236 for salaries and wages for the Nutritionist position in the current fiscal year. This position has been vacant since January, 1983 and the Commission has expressed no intention of filling it until after its move to Manhattan. Because of the Commission's imminent relocation and proximity to the Kansas State University Extension Service in Manhattan, the Subcommittee encourages the Commission to investigate the possibility of coordinating with the Extension Service to use the services of one of its Nutritionists.
3. It should be noted that the Commission's FY 1984 budget includes \$10,000 which would enable the Commission to contract for an evaluation of its projects. To date, no funds have been expended for that purpose. Therefore, the Subcommittee strongly urges the Commission to enter into a contract for such an evaluation during this current fiscal year because it considers this activity to be extremely important. The Subcommittee requests that this evaluation also examine the projects funded by the U.S. Wheat Associates in an effort to determine if that organization's promotional level of hard red winter wheat is commensurate to the amount of funding contributed annually by Kansas.
4. The Commission had budgeted \$6,000 for utilities expenditures because office rental in Manhattan would not include these costs. Since the Commission has postponed its move to Manhattan to a later date than had originally been anticipated, it does not foresee the need to expend the entire amount for that purpose. The Commission has recently indicated, however, that it plans to purchase its telecommunications equipment and had not budgeted for that purchase. Therefore, the Subcommittee recommends that funds not used to pay for utility expenses be reallocated to purchase telecommunications equipment.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation.

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department Bill No. NA Bill Sec. NA
 Analyst: Holt Analysis Pg. No. 224 Budget Pg. No. 5-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 4,973,309	\$ 4,534,511	\$ (1,849)
State General Fund	—	—	—
F.T.E. Positions	207.0	207.0	—

House Subcommittee Recommendations

With certain exceptions, the Subcommittee concurs with the Governor's amended recommendations for the current fiscal year, which reflect the deletion of \$545,000 in nonreportable user fee payments to the federal Grain Inspection Service.

The exceptions include the following:

1. Reduction of \$11,555 in expenditures for other supplies, materials, and parts in the Inspection Division.
2. Reduction of \$600 in expenditures for stationery and office supplies in the Administration Division.
3. Reduction of \$1,000 in expenditures for stationery and office supplies in the Inspection Division.
4. Reduction of \$8,694 in repairing and servicing expenditures in the Inspection Division.
5. Addition of \$20,000 for expenditures related to contract sampling in the Inspection Division.

House Committee Recommendation

The House Committee concurs with the recommendations of the House Subcommittee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation.

SUBCOMMITTEE REPORT

Agency: Animal Health Department Bill No. NA Bill Sec. NA
 Analyst: Gilmore Analysis Pg. No. 220 Budget Pg. No. 5-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,534,380	\$ 1,469,626	\$ --
Other Assistance	3,867	3,867	--
TOTAL	<u>\$ 1,538,247</u>	<u>\$ 1,473,493</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 434,669	\$ 401,560	\$ --
Other Assistance	3,867	3,867	--
TOTAL	<u>\$ 438,536</u>	<u>\$ 405,427</u>	<u>\$ --</u>
F.T.E. Positions	40.0	40.0	--

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1984 recommendation with the following adjustment:

1. The Subcommittee learned that the Governor's recommendation to increase the expenditure limitation in the Animal Health Department Fee Fund by \$1,354 to offset expenditure reductions from the State General Fund was inadvertently omitted from the regular House supplemental bill, H.B. 2703. The Subcommittee, therefore, recommends an adjustment to the Animal Health Department Fee Fund to raise the expenditure limitation by \$1,354 to finance the Governor's recommended budget.

Note: The Subcommittee is aware that the incidence of Brucellosis diseased animals in Kansas reflects the same rate of occurrence as in FY 1983. Further, the Department implemented an increased pay schedule for veterinarians (\$1 to \$2 per head) on November 1, 1983, which has increased the expenditure estimate for the Brucellosis testing activity. The Subcommittee recommends that the Senate review this activity during their deliberations and make a recommendation based on a more accurate review of expenditure needs with respect to the primary testing period which ends during the month of April.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House concurs with the House Committee recommendations.

Senate Committee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Total Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ —	\$ 1,469,626	\$ (20,000)
Other Assistance	—	3,867	—
TOTAL	<u>\$ —</u>	<u>\$ 1,473,493</u>	<u>\$ (20,000)</u>
State General Funds:			
State Operations	\$ —	\$ 401,460	\$ (20,000)
Other Assistance	—	3,867	—
TOTAL	<u>\$ —</u>	<u>\$ 405,427</u>	<u>\$ (20,000)</u>

The Subcommittee concurs with the House recommendations with one adjustment:

1. Reappropriate \$20,000 from State General Fund expenditures for Brucellosis testing to FY 1985 based upon a revised estimate of FY 1984 expenditures.

Agency: Board of Agriculture Bill No. 2703 Bill Sec. Ne ctionAnalyst: Goering Analysis Pg. No. 198 Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 163,094	\$ 631	\$ (3,307)
Fee Funds	(92,005)	(2,896)	(40,000)
Federal Grants	(47,496)	(8,800)	8,800
Other Funds	2,500	—	(7,000)
All Funds Total	<u>\$ 26,093</u>	<u>\$ (11,065)</u>	<u>\$ (41,507)</u>

Agency Request/Governor's Recommendation

The agency's revised FY 1984 budget submitted in September, 1983, totaled \$10,228,794, an amount which is \$3,685 less than the total budget approved by the 1983 Legislature, as adjusted in June for salary plan revisions. The reduction reflects State General Fund savings of \$789 and Feeding Stuffs Fee Fund savings of \$2,896 which are attributable to fringe benefit rate revisions. The agency's FY 1984 budget estimate has not been revised to include federal fund expenditures totaling \$68,935 authorized by the Finance Council on September 30, 1983.

On January 5, 1984, the agency submitted nine supplemental expenditure requests totaling \$199,318, offset in part by proposed special revenue fund expenditure reductions totaling \$100,605. The supplemental requests included \$163,883 in proposed State General Fund appropriations. In summary, the State General Fund increase is comprised of:

1. \$37,416 to finance publication of an agricultural report in the current fiscal year;
2. \$21,065 to replace a projected deficit in revenues to the Agricultural Liming Materials Fee Fund;
3. \$9,000 to supplant a projected loss of federal reimbursements for postage costs incurred on behalf of the federal government;
4. \$18,862 to finance a portion of the costs of paying retirees for accumulated annual and sick leave;
5. \$7,000 to pay the FY 1984 membership fee to an agricultural marketing organization;
6. \$41,500 to replace a projected deficit in revenues to the Weights and Measures Fee Fund; and
7. \$29,040 to replace a projected deficit in nonfederal revenues to the Entomology Fee Fund.

The agency also requests a \$2,500 increase in expenditure authority for the Wheat Quality Survey Fund to reflect increased revenues forthcoming from the Wheat Commission for services provided to that agency in addressing its newsletters. An additional \$2,496 in Fertilizer Fee Fund expenditure authority is requested to finance payments to retirees for accumulated leave. Finally, the agency requests establishment of a new "no-limit" fund to allow expenditure of \$30,439 in unanticipated federal revenues for entomology pest survey work conducted under contract with the federal Animal and Plant Health Inspection Service (APHIS).

The Governor recommends the fringe benefit expenditure reductions totaling \$3,685 as proposed by the agency. The Governor's recommended expenditure reductions, however, are offset by a net increase of \$1,420 in State General Fund expenditures for the Administrative Services and Statistical Support program and an increase of \$60,135 to reflect a portion of the federal fund expenditures authorized by the Finance Council on September 30, 1983. The Governor's recommendations do not include the remaining \$8,800 in federal grant expenditures recommended by the Finance Council for upgrade of the Marketing Division's computer system. The Governor has not addressed any of the supplemental expenditure revisions submitted by the agency on January 5, 1984.

House Subcommittee Recommendation

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

1. Reduction of \$1,000 in State General Fund expenditures for court reporter services in the Water Appropriation subprogram.
2. Reduction of \$6,000 in State General Fund expenditures for microfilming services in the Water Structures subprogram.
3. Reduction of \$15,000 in State General Fund expenditures for computer processing in the Division of Water Resources' Data Processing subprogram.
4. Increase of \$7,000 in State General Fund expenditures for postage costs in the Statistical Services subprogram, offset by a decrease of \$7,000 in the expenditure limitation on the Postage Reimbursable Fund. This adjustment is necessary because revenues to this special revenue fund for costs incurred in FY 1984 were actually credited to the account in state fiscal year 1983. The present expenditure limitation on the fund assumed that new revenues would be forthcoming in FY 1984 in addition to the unusually high FY 1983 receipts. Because this assumption was apparently in error, the Subcommittee recommends a State General Fund supplemental appropriation of \$7,000 to adequately finance the subprogram's communications costs in the current fiscal year.
5. Addition of \$25,000 in State General Fund expenditures for the Division of Weights and Measures, offset by a decrease of \$25,000 in expenditures currently authorized from the Weights and Measures Fee Fund.
6. Addition of \$15,000 in State General Fund expenditures for the Entomology subprogram, offset by a reduction of \$15,000 in fee expenditures currently authorized from the Entomology Fee Fund.

7. Addition of \$8,800 in special revenue expenditures approved by the Finance Council on September 30, 1983, but inadvertently omitted from the agency's revised request.
8. Reduction of \$28,307 in State General Fund salaries and wages expenditures in the Division of Water Resources.

The Subcommittee notes that Governor's Budget Amendments are anticipated to address two of the nine supplemental appropriation requests. One would allow expenditure of \$2,500 in additional revenues provided by the Wheat Commission for attaching mailing labels to its newsletters. The other would address the additional federal funds anticipated for entomology pest survey activities. The Subcommittee had not received these amendments in sufficient time to incorporate those adjustments in its recommendations, but encourages the Senate to take favorable action on these issues should the Governor so amend his budget recommendations.

The Subcommittee recommends that State General Fund savings be reappropriated to finance the FY 1985 budget, including those amounts which the Governor's budget recommendations assume would lapse at the end of FY 1984.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Committee Adjustments</u>	<u>House Committee Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (3,307)	\$ (2,676)	\$ 2,600
Fee Funds	(40,000)	(42,896)	—
Federal Grants	8,800	—	—
Other Funds	(7,000)	(7,000)	—
Total	<u>\$ (41,507)</u>	<u>\$ (52,572)</u>	<u>\$ 2,600</u>

The Senate Subcommittee concurs with the recommendations of the House Subcommittee with the following adjustments:

1. Restoration of \$1,000 in State General Fund expenditures for court reporter services.
2. Restoration of \$1,600 in State General Fund expenditures for microfilming services.

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission Bill No. NA Bill Sec. N.L.
 Analyst: Holt Analysis Pg. No. 504 Budget Pg. No. 1-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 256,876	\$ 256,876	\$ (857)
Aid to Local Units	75,000	75,000	—
Other Assistance	455,526	455,526	—
TOTAL	\$ 787,402	\$ 787,402	\$ (857)
<u>State General Fund:</u>			
State Operations	\$ 199,210	\$ 199,210	\$ (857)
Aid to Local Units	35,000	35,000	—
Other Assistance	191,228	188,768	—
TOTAL	\$ 425,438	\$ 422,978	\$ (857)
F.T.E. Positions	8.0	8.0	—

House Subcommittee Recommendations

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

1. Because the Commission is permitted to remain in its present location and is not forced to move to more expensive quarters as had been anticipated when the FY 1984 revised estimate was submitted, a savings of \$3,857 in rental expenditures should be realized. The Subcommittee therefore recommends that \$3,000 of that amount be used to purchase a micro-computer and software. The Subcommittee further recommends that the remaining \$857 in rental savings from the State General Fund be reappropriated in FY 1985.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation for the current fiscal year with the following adjustments:

1. Addition of \$870 for the purchase of a microcomputer and software. The Commission has just been informed that the microcomputer unit it had originally intended to purchase at a lower cost would be incompatible with the Mid-America Arts Alliance Computer System.

2. The Commission was recently awarded \$25,400 in a new grant for Folk Arts, to be funded by the National Endowment of the Arts. In response to the Commission's request, the Senate Subcommittee recommends increasing the expenditure limitation by \$1,145 in federal funds for state operations, the amount of which would be used to administer the grants program.

SUBCOMMITTEE REPORT

Agency: Adjutant General Bill No. NA Bill Sec. NA

Analyst: Monical Analysis Pg. No. 413 Budget Pg. No. 4-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,882,473	\$ 3,882,473	\$ —
Aid to Local Units	1,119,073	1,119,073	—
Other Assistance	4,519	4,519	—
Subtotal	<u>\$ 5,006,065</u>	<u>\$ 5,006,065</u>	<u>\$ —</u>
Capital Improvements	100,000	100,000	22,430
TOTAL	<u><u>\$ 5,106,065</u></u>	<u><u>\$ 5,106,065</u></u>	<u><u>\$ 22,430</u></u>
State General Fund:			
State Operations	\$ 2,246,628	\$ 2,246,628	\$ —
Aid to Local Units	74,073	74,073	—
Other Assistance	4,519	4,519	—
Subtotal	<u>\$ 2,325,220</u>	<u>\$ 2,325,220</u>	<u>\$ —</u>
Capital Improvements	100,000	100,000	22,430
TOTAL	<u><u>\$ 2,425,220</u></u>	<u><u>\$ 2,425,220</u></u>	<u><u>\$ 22,430</u></u>
F.T.E. Positions	112.5	112.5	—

Agency Request/Governor's Recommendation

The agency requests an \$18,288 increase in the FY 1984 expenditure limitation on the "Emergency Preparedness - RADEF Instrument Maintenance Fund." This would increase the expenditure limitation for the federally-funded Hazardous Material Radiological Systems Management section of the agency from \$110,890 to \$129,178. The request is to expend additional federal funds to engage in increased planning activities affecting both counties and the state.

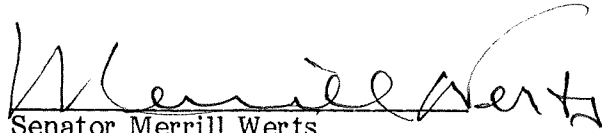
The Governor recommends the requested \$18,288 expenditure limitation increase and includes his recommendation in S.B. 577 (the emergency supplemental appropriation bill).

On February 15, 1984, the Adjutant General requested a State General Fund supplemental appropriation of \$22,430 to replace the natural gas line at the Kansas City armory. A gas leak was discovered on February 13, 1984 which necessitates the complete replacement of the gas line.

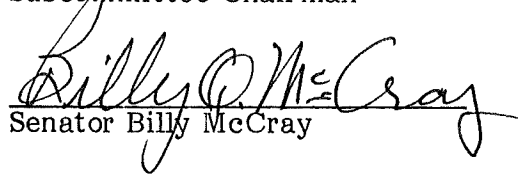
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation regarding the \$18,288 increase in expenditure authority of federal funds.

On February 15, 1984 the Subcommittee was informed of the need for a \$22,430 supplemental appropriation for emergency repairs of a gas line at the Kansas City armory. The Subcommittee has requested a Governor's Budget Amendment for this project and been informed one will be forthcoming. The Subcommittee endorses the requested project and has reduced its FY 1985 recommendations for capital improvement by an amount sufficient to finance the gas line repair in FY 1984.



Senator Merrill Werts
Subcommittee Chairman



Senator Billy McCray

SUBCOMMITTEE REPORT

Agency: State Corporation Commission Bill No. 578 Bill Sec. --
 Analyst: Brown Analysis Pg. No. 351 Budget Pg. No. 1-93

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 9,698,046	\$ 9,462,407	\$ (227,575)
Aid to Local Units	460,665	400,000	
Other Assistance	400,000	400,000	
TOTAL	<u>\$ 10,558,711</u>	<u>\$ 10,262,407</u>	<u>\$ (227,575)</u>
State General Fund:			
State Operations	\$ 46,994	\$ 46,994	\$ —
F.T.E. Positions	245.0	244.0	—

Agency Request/Governor's Recommendation

The agency requested expenditure increases totaling \$962,762 in the current year, primarily in association with the Wolf Creek investigation, consultants for anticipated telephone rate cases, establishment of a new Communications Section in the Utilities Division, and operating expenditures in the Conservation Division. The Governor's recommendation of \$727,123 would finance most of the request, with reductions in the currently approved budget offsetting the net increase. The Governor's recommendation provides an addition of \$441,572 and 4.0 F.T.E. positions in the Utilities Division, \$53,187 in the Conservation Division, \$28,198 in the Mined Land Division, and \$143,501, plus 2.0 F.T.E. positions, in the Division of Research and Energy Analysis. (Note: Of the recommended increase, \$424,742 was provided in the emergency supplemental bill, which financed increases for the Wolf Creek investigation, the Communications Section, and provided the addition of 6.0 positions.)

Senate Subcommittee Recommendations

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

1. Reduction of \$15,000 for travel in the Utilities Division.
2. Reduction of \$12,000 for Compustat in the Utilities Division.
3. Reduction of \$190,865 for consultants in the Utilities Division.
4. Reduction of \$9,710 for a special projects attorney in the Mined Land Division, which leaves \$5,000 for legal services.
5. The Subcommittee would like to note the continuing growth of the Research and Energy Analysis Division (formerly Special Projects) and provides the following budget data about the Division for the Committee's information:

<u>Fiscal Year</u>		<u>F.T.E.</u>
1981	\$ 433,497	12.0
1982	610,322	12.0
1983	603,052	14.0
1984 Est.	2,195,741 (929,902 without the trans- ferred functions of the Energy Office)	22.5
1985 Rec.	2,238,084 786,343 without energy- related functions)	22.5

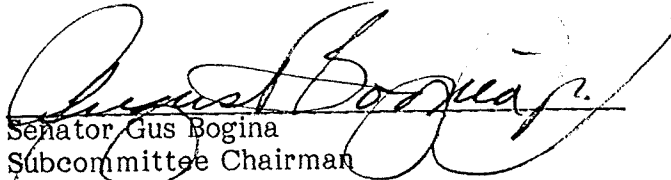
6. The Subcommittee notes that all recommended expenditure limitation increases were originally included in the emergency supplemental bill, a portion of which was removed by the Senate. Consequently, the Subcommittee's concurrence with the Governor's recommendation will require the addition of financing in S.B. 578, the regulate Senate supplemental bill.

SENATE SUBCOMMITTEE REPORT

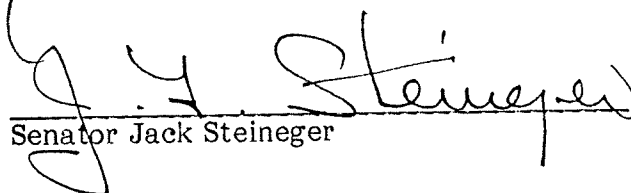
S.B. 579

FY 1984 AND FY 1985 APPROPRIATIONS

SRS INSTITUTIONS



Senator Gus Bogina
Subcommittee Chairman



Senator Jack Steineger

SENATE SUBCOMMITTEE REPORT

SENATE BILL NO. 579

FY 1984 and FY 1985 Appropriations

Institutions Under the Jurisdiction of Social and Rehabilitation Services

Systemwide Recommendations

1. The Subcommittee reviewed dietary budgets based upon FY 1984 consumption to date and learned that inflation has been less than the 5.9 percent budgeted for food expenditures in FY 1984. The Subcommittee also learned that populations in some institutions are lower than had been projected and some savings in dietary budgets may be realized. The Subcommittee is recommending that the projected savings be reappropriated into FY 1985 and that FY 1985 dietary appropriations be reduced by an equal amount. The Subcommittee understands that savings will probably not be realized at KNI, Larned, and Osawatomie due to shortfalls and resulting adjustments in other budget areas. Further, the Subcommittee is recommending that FY 1985 dietary projections be based on: (1) the reduced FY 1984 per person day charge, (2) revised census projections, and (3) an 8.5 percent inflation factor.
2. The Subcommittee reviewed utility budgets based upon FY 1984 expenditures to date. The Subcommittee learned that several institutions will realize utility savings in the current fiscal year. The Subcommittee recommends that these savings be reappropriated into FY 1985 and FY 1985 appropriations be reduced by an equal amount. The Subcommittee also recommends that FY 1985 utility budgets be based on the revised FY 1984 base and an 8.5 percent inflation factor.
3. The Subcommittee adopts capital improvement decisions of the Joint Committee on State Building Construction. These recommendations are incorporated into Subcommittee reports for the individual institutions.
4. The Subcommittee reviewed the education contracts involving the institutions. The Subcommittee learned that these contracts are largely governed by the salary schedules of the school districts with which SRS contracts. The Subcommittee recommends that FY 1985 institutional budgets include 8.5 percent inflation, over the FY 84 revised budget, for contractual salary increases. This rate was also included in FY 1984 budgets as approved by the 1983 Legislature.
5. The Subcommittee reviewed communication budgets based upon FY 1984 expenditures to date. The Subcommittee learned that most institutions' communication expenditures will be less than budgeted. The Subcommittee is recommending that these savings be reappropriated into FY 1985. Further, the Subcommittee is recommending FY 1985 communication reductions based on: (1) a reduced FY 1984 base and (2) a 15 percent rate of inflation in place of the Governor's recommended 25 percent increase.
6. The Subcommittee reviewed collections to institutional fee funds and learned that collection rates have changed since the original budget estimates were prepared. The Subcommittee reprojected FY 1984 fee revenues, based upon an annualized estimate of collections to date. Fee fund expenditures in FY 1985 were then

revised based upon the following assumptions: (a) a revised balance forward from FY 1984; (b) FY 1985 collections assuming budgetary inflation to revised FY 1984 revenue estimates; and (c) an FY 1985 ending balance equal to one months estimated revenue from patient fee collections. In certain instances projections are above those made a year ago and the resulting savings have been incorporated into the Subcommittee's report. In other instances, receipts are substantially lower than were projected. The Subcommittee understands that the Governor's recommendation regarding the handling of these shortfalls will be forthcoming before the end of the Session.

7. The Subcommittee learned that the FY 1985 estimate for the annual premium surcharge for Professional Liability Insurance, based on the current statute (K.S.A. 40-3404), would be 50.0 percent rather than the 25.0 percent surcharge recommended by the Governor. In addition, the fiscal impact of S.B. 507, if passed, would raise the premium surcharge to 75.0 percent. As a result, the Subcommittee recommends that \$134,542 in State General Fund be appropriated and apportioned to the state institutions to finance the 50.0 percent premium surcharge based on current statute. The Subcommittee further recommends that, if S.B. 507 passes, an additional \$240,437 in State General Funds be appropriated to the state institutions to finance the 75.0 percent surcharge estimate for FY 1985. The recommendations, based on the current statute, are incorporated in the Subcommittee reports for the individual institutions.

Agency: Youth Center at Topeka Bill No. 579 Bill Sec. 2

Analyst: Stanfield Analysis Pg. No. 265 Budget Pg. No. 4-79

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 5,562,981	\$ 5,490,781	\$ (287,473)
General Fees Fund	38,130	38,130	—
Other Funds	124,775	124,775	—
Subtotal - Operating	<u>\$ 5,725,886</u>	<u>\$ 5,653,686</u>	<u>\$ (287,473)</u>
Capital Improvements:			
Other Funds	\$ 537,800	\$ 370,100	\$ (7,000)
TOTAL	<u>\$ 6,263,686</u>	<u>\$ 6,023,786</u>	<u>\$ (294,473)</u>
 F.T.E. Positions	 203.0	 202.0	 —

Senate Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$230,043 recommended for the cost-of-living increase.
2. Delete \$8,864 in teacher contracts pursuant to systemwide recommendation number 4.
3. Delete \$21,579 budgeted for utilities.
4. Delete \$13,602 budgeted for food costs pursuant to systemwide recommendation number 1.
5. Delete \$10,733 from maintenance costs.
6. Delete \$2,652 in communication costs, pursuant to systemwide recommendation number 5.
7. Delete \$7,000 in capital improvements regarding a project to raze a staff cottage and garage.
8. The Subcommittee wishes to express its concern regarding the agency's FY 1985 projection regarding a population reduction. Since many of the Subcommittee recommendations are based on the agency's population projection, the Subcommittee requests that the House Ways and Means Subcommittee review this area with careful deliberation.

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,727,810	\$ 2,662,244	\$ (141,423)
General Fees Fund	14,000	20,000	—
Other Funds	66,670	66,670	—
Subtotal - Operating	<u>\$ 2,808,480</u>	<u>\$ 2,748,914</u>	<u>\$ (141,423)</u>
Capital Improvements:			
Other Funds	\$ 525,200	\$ 525,200	\$ (245,122)
TOTAL	<u>\$ 3,333,680</u>	<u>\$ 3,274,114</u>	<u>\$ (386,545)</u>
F.T.E. Positions	98.0	96.0	—

Senate Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation except for the following:

1. Delete \$107,303 recommended for the cost-of-living increase.
2. Delete \$5,903 in teacher contracts pursuant to systemwide recommendation number 4.
3. Delete \$17,387 budgeted for utilities.
4. Add \$1,873 in food costs pursuant to systemwide recommendation number 1.
5. Increase maintenance material costs by \$465.
6. Delete \$5,882 budgeted for supplies.
7. Delete \$7,286 in communication costs pursuant to systemwide recommendation number 5.
8. Adoption of the Joint Committee on State Building Construction's recommendations for capital improvements including \$160,122 reduction in the heating and air conditioning of the Administration Building project and deferral of the purchase of a new phone system, \$85,000.
9. The Subcommittee would like to bring to the attention of the full Committee and commend the Youth Center at Beloit for its efforts in the area of energy conservation and overall budget management. The Subcommittee believes that this institution and its fine record of fiscal conservation should serve as an example to the other youth centers.

SUBCOMMITTEE REPORT

Agency: Youth Center at Atchison Bill No. 579 Bill Sec. 4

Analyst: Stanfield Analysis Pg. No. 274 Budget Pg. No. 4-71

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,231,388	\$ 3,151,196	\$ (156,168)
General Fees Fund	16,000	20,000	—
Other Funds	58,075	58,405	—
Subtotal - Operating	<u>\$ 3,305,463</u>	<u>\$ 3,229,601</u>	<u>\$ (156,168)</u>
Capital Improvements:			
Other Funds	\$ 91,700	\$ 67,200	\$ 12,800
TOTAL	<u>\$ 3,397,163</u>	<u>\$ 3,296,801</u>	<u>\$ (143,368)</u>
 F.T.E. Positions	 121.5	 118.5	 1.0

Senate Subcommittee Recommendations

FY 1985. The Subcommittee recommends the following adjustments to the Governor's recommendations:

1. Delete \$130,289 recommended for the cost-of-living increase.
2. Add 1.0 F.T.E. Food Service Worker I position (\$9,855).
3. Delete \$4,659 in teacher contracts pursuant to systemwide recommendation number 4.
4. Delete \$26,793 in utility costs.
5. Add \$178 in food costs pursuant to systemwide recommendation number 1.
6. Delete \$506 in maintenance material costs.
7. Delete \$2,114 in clothing costs.
8. Delete \$1,840 in communications costs pursuant to systemwide recommendation number 5.
9. Add \$12,800 to capital improvements pursuant to systemwide recommendation number 3.

Agency: Kansas Neurological InstituteBill No. 579Bill Sec. 5Analyst: GilmoreAnalysis Pg. No. 278Budget Pg. No. 6-53

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 8,353,114	\$ 7,427,728	\$ (498,517)
General Fees Fund	436,348	436,348	16,293
Title XIX Fund	5,843,577	5,843,577	—
Other Funds	266,621	266,621	--
Subtotal - Operating	<u>\$ 14,899,660</u>	<u>\$ 13,974,274</u>	<u>\$ (482,224)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	70,000	70,000	(30,900)
TOTAL	<u>\$ 14,969,660</u>	<u>\$ 14,044,274</u>	<u>\$ (513,124)</u>
F.T.E. Positions	650.5	615.0	8.0

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Deletion of \$599,356 for the Governor's salary plan revision.
2. Addition of \$115,896 from the State General Fund to add 7.0 F.T.E. positions to the hospital's Prevocational Activity Training Program for Adults. The Subcommittee is aware that the over 21 adult residents represent the majority of the average daily census for the first time in the institution's history. The adult population is projected to increase from 195 in FY 1983 to 247 in FY 1985. The Subcommittee is aware that the Special Education program will lose 10 contractual staff due to a corresponding drop in the school population from 195 to 143 over the same period of time. The Subcommittee is of the opinion that additional staff support is necessary to maintain an adequate staff to patient ratio for the hospital's adult residents.
3. Addition of \$17,775 in State General Funds to hire a Licensed Practical Nurse (LPN) to improve health services for the severely medically involved and the severely physically handicapped residents. The Subcommittee learned that the hospital does not have adequate relief staff to support an LPN and two RN's who work on the night shift and monitor the five resident cottages. If more than one emergency were to occur at one time, the Subcommittee is concerned that there may be instances when adequate nursing staff may not be on duty to respond to a crisis.
4. Addition of \$6,111 in State General Funds to provide shift differential at \$.90 per hour, for the LPN mentioned in item three.
5. Pursuant to section five of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends deletion of \$23,581 from State General Fund expenditures for communications.

6. Addition of \$116 in State General Funds for printing and advertising.
7. Deletion of \$5,663 from State General Fund expenditures for the repair and service of equipment.
8. Deletion of \$3,483 from State General Fund expenditures for contracted laboratory services.
9. Deletion of \$10,000 from the State General Fund for tuition payments to USD 501.
10. Addition of \$2,601 in State General Funds for professional medical services.
11. Pursuant to section four of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends addition of \$4,438 in State General Funds for contractual salary increases.
12. Pursuant to section two of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends a reduction of \$1,576 for utilities.
13. Pursuant to section seven of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends addition of \$27,341 for malpractice insurance.
14. Deletion of \$6,794 from State General Fund expenditures for clothing.
15. Addition of \$2,505 in State General Funds for motor vehicle supplies and parts.
16. Deletion of \$9,455 from State General Fund expenditures for professional supplies.
17. Deletion of \$10,404 from State General Fund expenditures for stationery and office supplies.
18. Deletion of \$3,595 from State General Fund expenditures for household goods and janitorial supplies.
19. Addition of \$14,900 in State General Funds for capital outlay items which reflects the deletion of \$9,100 for a stationwagon, the addition of \$1,000 to overhaul a 1973 stationwagon, and the addition of \$20,000 to purchase a stretchvan with a lift for handicapped residents. The Subcommittee further recommends the addition of \$3,000 for a microcomputer for the institution's business office.
20. Adoption of the Joint Committee of State Building Construction's recommendation to replace food transport carts in the institution's dietary department for \$39,100.

21. Pursuant to section six of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends shifting the source of financing of \$16,293 from the State General Fund to the agency's fee fund.

In addition, the Subcommittee is aware that food costs per patient day are estimated to be higher than previously estimated for the current fiscal year and that the expansion of the food service to provide meals to the new prerelease center on Topeka State Hospital's grounds, will further strain the proposed FY 1985 food budget. The Subcommittee, therefore, recommends that on submission of a Governor's budget amendment, the House Committee include approximately \$76,691 in funding for food purchases based upon a revised estimate of FY 1984 expenditures.

SUBCOMMITTEE REPORT

Agency: Larned State Hospital Bill No. 579 Bill Sec. 6
 Analyst: Timmer Analysis Pg. No. 283 Budget Pg. No. 6-69

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 22,823,266	\$ 21,172,101	\$ (1,266,097)
Capital Improvements	701,800	91,000	(19,200)
TOTAL	<u>\$ 23,525,066</u>	<u>\$ 21,172,101</u>	<u>\$ (1,275,297)</u>
State General Fund:			
State Operations	\$ 20,483,928	\$ 18,427,087	\$ (1,412,163)
Capital Improvements	—	—	—
TOTAL	<u>\$ 20,483,928</u>	<u>\$ 18,427,087</u>	<u>\$ (1,412,163)</u>
F.T.E. Positions	825	877	—

Senate Subcommittee Recommendations

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

1. Deletion of \$913,873 State General Fund money for the salary plan adjustment.
2. Pursuant to systemwide recommendation No. 5, the Subcommittee recommends reduction of \$40,726 of communication funding.
3. Pursuant to systemwide recommendation No. 2, the Subcommittee recommends the addition of \$65,925 for utilities.
4. The Subcommittee recommends the addition of \$3,000 for the purchase of a microcomputer for the hospital's business office.
5. Pursuant to systemwide recommendation No. 7, the Subcommittee recommends the addition of \$19,857 for Professional Liability Insurance.
6. Pursuant to systemwide recommendation No. 4, the Subcommittee recommends the deletion of \$9,766 from the education budget.
7. The Governor has recommended an increase of 80 beds at Larned for mentally ill inmates in the corrections system. These inmates are to be housed in Jung Building and Meyer West. The project will add 74 new F.T.E. positions. Because approximately 40 beds will not be available until January 1, 1985 due to renovation schedules and because the Governor's recommendations include the additional costs for the full fiscal year, the Subcommittee recommends the deletion of \$390,514. These reductions include salary and wage funds as well as commodities and contractual services. The Subcommittee's recommendation includes full funding for 34 F.T.E. positions for all of FY 1985 and funding for seven months (including one-month training) for 40 F.T.E. positions.

8. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction and recommends \$71,800 for the State Institutions Building Fund for installation of security bars in the east side of Dillon Building.
9. Pursuant to systemwide recommendation No. 6, the Subcommittee recommends a decrease in State General Fund expenditures of \$77,141 and an increase in Larned State Hospital Fee Fund expenditures of the same amount.

Agency: Osawatomi State Hospital Bill No. 579 Bill Sec. 7Analyst: Timmer Analysis Pg. No. 288 Budget Pg. No. 6-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 16,180,833	\$ 14,833,158	\$ (517,553)
Capital Improvements	1,186,500	1,186,500	(101,962)
TOTAL	<u>\$ 17,367,333</u>	<u>\$ 16,019,658</u>	<u>\$ (619,515)</u>
State General Fund:			
State Operations	\$ 12,543,186	\$ 11,343,951	\$ (8,636)
Capital Improvements	—	—	—
TOTAL	<u>\$ 12,543,186</u>	<u>\$ 11,343,951</u>	<u>\$ (8,636)</u>
F.T.E. Positions	631.5	595.0	605.0

Senate Subcommittee Recommendations

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

1. Delete \$666,490 for the salary plan revision. This is State General Fund money.
2. Delete \$15,200 (\$12,834 salary and \$2,366 fringe benefits) for the clinical pastoral trainees. The Subcommittee understands that the program is not currently certified and that there are no trainees in the program at this time and recommends its deletion.
3. Pursuant to systemwide recommendation number one, the Subcommittee recommends that the food budget for FY 1985 be reduced by \$55,803 (from \$433,628 to \$377,825).
4. Pursuant to systemwide recommendation number two, the Subcommittee recommends deletion of \$54,120 from utilities.
5. The Subcommittee recommends the addition of \$3,000 for the purchase of a microcomputer for the business office of the hospital.
6. Pursuant to systemwide recommendation number five, the Subcommittee recommends deletion of \$36,230 for communications.
7. Pursuant to systemwide recommendation number four, the Subcommittee recommends the deletion of \$3,502 for the education contract.
8. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction and recommends the following projects be funded from the State Institutions Building Fund:

1) Remodel Biddle Building for Ancillary Services - Planning	\$ 110,000
2) Remodel Employees' Dorm for Administration Building	900,000
3) Replace Ward Furnishings	36,500
4) Replace Wall Lockers	20,000
TOTAL	<u>\$1,066,500</u>

This recommendation is a reduction of \$120,000 from the Governor's recommendation.

9. Pursuant to systemwide recommendation number seven, the Subcommittee recommends the addition of \$17,720 for Professional Liability Insurance.
10. The Subcommittee reviewed the Governor's recommendation for a reduction of 20 beds from the Substance Abuse program at Osawatomie. The Subcommittee is of the opinion that there are not community facilities available to absorb the 20 beds and recommends the restoration of those beds at Osawatomie for FY 1985. Therefore, the Subcommittee recommends an increase of \$293,072 for salaries and wages, commodities, and contractual services for the 45 bed Substance Abuse program. The Subcommittee also recommends staffing of the program at current levels which adds 10 F.T.E. positions to the Governor's recommendations for Substance Abuse.
11. Pursuant to systemwide recommendation number six, the Subcommittee recommends that expenditures from the Osawatomie Fee Fund be decreased by \$508,917 and expenditures from the State General Fund increased by the same amount.
12. The Subcommittee recommends the expenditure of \$18,038 from the State Institutions Building Fund to purchase dental equipment for the hospital's dental office. The Subcommittee understands that the hospital's equipment is very old, in poor condition and, because of its poor condition, has caused injury to a staff member.

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health Facility Bill No. 579 Bill Sec. 8

Analyst: Timmer Analysis Pg. No. 292 Budget Pg. No. 6-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,494,187	\$ 3,314,023	\$ (103,104)
Capital Improvements	508,560	22,500	426,300
TOTAL	<u>\$ 4,002,747</u>	<u>\$ 3,336,523</u>	<u>\$ 343,196</u>
State General Fund:			
State Operations	\$ 2,409,800	\$ 2,163,492	\$ (167,690)
Capital Improvements	—	—	—
TOTAL	<u>\$ 2,409,800</u>	<u>\$ 2,163,492</u>	<u>\$ (167,690)</u>
F.T.E. Positions	121.5	115.0	—

Senate Subcommittee Recommendation

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

1. Delete \$132,987 State General Fund money for a salary revision plan.
2. Pursuant to systemwide recommendation No. 2, the Subcommittee recommends the addition of \$4,149 for utilities.
3. Pursuant to systemwide recommendation No. 3, the Subcommittee recommends the deletion of \$2,440 for communications.
4. The Subcommittee recommends the addition of \$3,000 for the purchase of one microcomputer for the business office.
5. Pursuant to systemwide recommendation No. 4, the Subcommittee recommends the addition of \$10,155 for the education contract.
6. The Subcommittee recommends an increase of \$14,823 to finance drugs and pharmaceuticals.
7. Pursuant to systemwide recommendation No. 7, the Subcommittee recommends addition of \$196 for Professional Liability Insurance.
8. Pursuant to systemwide recommendation No. 6, the Subcommittee recommends a decrease in expenditures from the State General Fund of \$64,586 and an increase in expenditures from the Rainbow Fee Fund of the same amount.
9. The Subcommittee concurs with the recommendations on capital improvement made by the Joint Committee on State Building Construction as follows:

1. Replacement of Equipment and Furnishings	\$ 13,500
2. Addition and Remodeling of Activity Therapy Areas	178,760
3. Construction of Maintenance Building	256,600

These recommendations increase expenditures from the State Institutions Building Fund over the Governor's recommendations by \$426,300.

Agency: Parsons State Hospital and Training Center

Bill No. 579

Bill Sec. 9

Analyst: Gilmore

Analysis Pg. No. 296

Budget Pg. No. 6-57

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 5,610,149	\$ 4,909,735	\$ (86,159)
General Fees Fund	572,872	572,872	(95,223)
Title XIX	4,379,563	4,379,563	—
Other Funds	119,319	119,319	—
Subtotal - Operating	<u>\$ 10,681,903</u>	<u>\$ 9,981,489</u>	<u>\$ (181,382)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>1,975,500</u>	<u>675,500</u>	<u>700,000</u>
Subtotal - Capital Improvements	<u>\$ 1,975,500</u>	<u>\$ 675,500</u>	<u>\$ 700,000</u>
TOTAL	<u>\$ 12,657,403</u>	<u>\$ 10,656,989</u>	<u>\$ 518,618</u>
F.T.E. Positions	411.5	391.5	10.0

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Delete \$420,359 from State General Fund expenditures for the Governor's recommended salary adjustment.
2. Addition of \$169,925 in State General Funds to add 10.0 F.T.E. positions, requested by the agency but not included in the Governor's budget, to develop a special training unit in one cottage for approximately 25 aggressive/assaultive mentally retarded patients. The Subcommittee learned that some of the residents frequently exhibit major anti-social behaviors which disrupt the learning environment for the remainder of the population. The Subcommittee is also aware that Norton does not have the available beds in their assaultive unit to accept the number of patients identified as needing behavior training. The Subcommittee believes that the maladaptive patients should be segregated from the remainder of the population and be given specialized training to reduce the rate of inappropriate behavior and to be taught appropriate social skills.
3. Addition of \$3,000 in State General Funds to increase the funds available for the resident labor pool which serves as an alternative adult vocational program.
4. Pursuant to section five of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends deleting \$7,014 for communications charges.
5. Delete \$656 from State General Fund expenditures for equipment rental which is consistent with expenditures from previous years.

6. Delete \$2,225 from State General Fund expenditures for data processing services.
7. Delete \$1,000 from State General Fund expenditures for tuition to attend training classes at Labette County Community College.
8. Addition of \$34,003 in State General Funds to contract for five additional paraprofessionals for the special education program. The hospital currently draws five LMHTs from the resident cottages to assist the education classes who would otherwise be used to staff the adult activity programs. The Subcommittee's recommendation reflects financing of the State General Fund portion of the contractual staff with the remaining portion of \$25,848 to be financed from categorical aid provided through the Department of Education.
9. Pursuant to section four of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends addition of \$39,366 to provide a contractual salary increase of 8.5 percent.
10. Pursuant to section two of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends deletion of \$18,560 for utilities.
11. Pursuant to section seven of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends addition of \$20,998 for malpractice insurance.
12. Delete \$6,005 from State General Fund expenditures for clothing.
13. Pursuant to section one of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends deletion of \$29,090 for food purchases.
14. Addition of \$14,260 in State General Funds for pharmaceuticals and professional supplies to remain consistent with actual expenditures from previous years.
15. Addition of \$1,940 in State General Funds for stationery and office supplies.
16. Addition of \$20,035 in State General Funds for other supplies, materials and parts.
17. Transfer the Governor's recommendation to replace a four-door intermediate sedan for \$8,700 to provide \$1,500 to overhaul the 1978 Volare, \$3,000 to purchase a microcomputer for the hospital's business office and \$3,200 to purchase items for patient needs. The remaining \$1,000 is recommended to replace basic equipment in staff rental housing with the stipulation that the funding is not to be used until the individual houses are rented.

18. Pursuant to section six of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends shifting the source of financing of \$95,223 from the agency's fee fund to the State General Fund.
19. Adoption of the Joint Committee on State Building Construction's recommendations to construct a new Vocational Training Building for \$575,500 and to construct a new heating plant for \$800,000. The two are projected to need additional financing of \$100,000 and \$500,000, respectively, for completion of the projects in FY 1986.

In addition, the Subcommittee acknowledges the potential need for additional sheltered workshop technicians upon completion of the new Vocational Training building recommended in item 19. The Subcommittee recommends consideration of these additional staff positions by the 1985 Legislature for possible inclusion in the hospital's FY 1986 budget.

Agency: Norton State Hospital Bill No. 579 Bill Sec. 1
 Analyst: Gilmore Analysis Pg. No. 301 Budget Pg. No. 6-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,283,775	\$ 2,873,837	\$ (290,762)
General Fees Fund	369,385	369,385	24,987
Title XIX	2,405,218	2,405,218	—
Subtotal - Operating	<u>\$ 6,058,378</u>	<u>\$ 5,648,440</u>	<u>\$ (265,775)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	578,700	90,800	182,000
TOTAL	<u>\$ 6,637,078</u>	<u>\$ 5,739,240</u>	<u>\$ (83,775)</u>
 F.T.E. Positions	 265.0	 257.0	 (2.0)

Senate Subcommittee Recommendations

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

1. Delete \$262,996 for the Governor's salary plan revision.
2. Delete \$24,421 from State General Fund expenditures for two Food Service Workers I. The Subcommittee learned that 2.0 F.T.E. positions could be reduced from the hospital's dietary personnel with the purchase of a new dishwashing machine as recommended by the Joint Committee on State Building Construction.
3. Pursuant to Section 5 of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends deleting \$6,048 for communications charges.
4. Delete \$2,140 from State General Fund expenditures for equipment rental, which is consistent with expenditures from previous years and based upon an 8.5 percent inflationary increase on a revised estimate of FY 1984 expenditures.
5. Delete \$2,652 from State General Fund expenditures for travel and subsistence, based upon an 8.5 percent inflationary increase rather than 25.0 percent as recommended by the Governor.
6. Addition of \$10,500 in State General Funds to implement a special education program due to the placement of school-age residents at the institution. The Subcommittee's recommendation would require \$15,509 in categorical aid from the Department of Education to contract for one teacher and one paraprofessional.
7. Pursuant to Section 2 of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends addition of \$18,560 for utilities.

8. Pursuant to Section 7 of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends addition of \$13,174 for malpractice insurance.
9. Pursuant to Section 1 of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends deletion of \$30,174 for food purchases.
10. Delete \$3,697 from State General Fund expenditures for maintenance materials and supplies.
11. Delete \$4,707 from State General Fund expenditures for motor vehicle supplies and parts.
12. Addition of \$10,423 in State General Funds for pharmaceuticals and professional supplies.
13. Addition of \$6,303 in State General Funds for other materials, supplies, and parts.
14. Addition of \$12,100 in State General Funds for capital outlay items, which includes \$9,100 for a stationwagon to replace a four-door intermediate sedan with over 80,000 miles and \$3,000 to purchase a microcomputer for the hospital's business office.
15. Pursuant to Section 7 of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends shifting the source of financing of \$24,987 from State General Funds to the agency's fee fund.
16. Adoption of the Joint Committee on State Building Construction's recommendations to replace a dish washing machine for \$45,000, to convert the Research and Training Building into a Community Living Skills Training program for \$167,000, to replace an electric tilt fry pan in the hospital's kitchen for \$5,000, to add air conditioning to the Activities Building for \$40,800, and to pave an access road for delivery vehicles for \$15,000.

In addition, the Subcommittee learned that the agency has not had an automobile mechanic for a number of years and as a result, agency vehicles and equipment are taken into the city of Norton for maintenance and repairs. The Subcommittee is of the opinion that due to the hospital's proximity to the Kansas Department of Transportation's Division Three Headquarters, located in the city of Norton, agency vehicles and equipment should be taken to the division maintenance shop for repairs and servicing. The Subcommittee also recommends that the hospital be charged for any motor vehicle parts and supplies used in the repair of those automobiles.

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,364,803	\$ 2,244,039	\$ (825,109)
Aid to Local Units	17,887,268	14,158,465	882,824
Other Assistance	237,652	165,150	136,341
Subtotal - Operating	\$ 20,489,723	\$ 16,567,654	\$ 194,056
Capital Improvements	6,129,150	2,726,400	(1,151,400)
TOTAL	\$ 26,618,873	\$ 19,294,054	\$ (957,344)
State General Fund:			
State Operations	\$ 834,265	\$ 732,903	\$ (30,423)
Aid to Local Units	15,299,915	11,477,153	882,824
Other Assistance	165,150	165,150	136,341
Subtotal - Operating	\$ 16,299,330	\$ 12,375,206	\$ 988,742
Capital Improvements	--	--	--
TOTAL	\$ 16,299,330	\$ 12,375,206	\$ 988,742
F.T.E. Positions	38.5	34.5	--

Senate Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendations.

FY 1985. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of \$47,814 for the salary adjustment plan. The reductions are from the following funds:

State General Fund	\$30,423
All Other Funds	17,391

2. The Subcommittee understands that funding for the Guardianship Assistance Program is located in two agencies, Social and Rehabilitative Services (\$136,341) and the Division of Mental Health and Retardation Services (\$118,650 FY 1985 request). The Subcommittee recommends that the programs be combined and administered under DMHRS. This would result in an increase of \$136,341 in the Division's budget. The Subcommittee recommends that funding for this program be removed from the SRS budget.
3. The Subcommittee notes that Title XIX payments from the federal government have not been timely. A cash flow problem has resulted as the Division has not been able to make transfers to the hospitals as were originally projected.

4. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction estimates for this agency. The Joint Committee recommended the following appropriations from the State Institutions Building Fund.

Roof Repair Account	\$ 300,000
Major Maintenance Account	1,000,000
Code Compliance Account	175,000
Energy Conservation Account	100,000

These recommendations represent a decrease of \$1,151,400 to the recommendations of the Governor.

5. The Subcommittee understands that a Job Training Partnership Act grant of \$777,295 was not received and therefore decreases the budget request of the Special Projects office by that amount.
6. The Subcommittee recommends that a total of \$882,824 be added to the state aid funding (649) for community centers for the mentally ill and mentally retarded. This addition raises total 649 funding for FY 1985 to \$12,103,261 to be distributed proportionately to the centers (\$7,201,440 to the centers for mentally ill and \$4,901,821 to centers for mentally retarded). This total will fund the centers at 39.9 percent of eligible income. The \$882,824 has been made available through expenditure reduction recommendations made by the Subcommittee in the state hospitals and youth centers budgets in FY 1984 and FY 1985.

Agency: Topeka State Hospital Bill No. 579 Bill Sec. 12

Analyst: Timmer Analysis Pg. No. 310 Budget Pg. No. 6-81

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,755,035	\$ 17,156,763	\$ (950,044)
Capital Improvements	269,457	47,200	27,800
TOTAL	<u>\$ 16,024,492</u>	<u>\$ 17,203,963</u>	<u>\$ (922,244)</u>
State General Fund:			
State Operations	\$ 7,529,492	\$ 9,809,831	\$ (382,797)
Capital Improvements	—	—	—
TOTAL	<u>\$ 7,529,492</u>	<u>\$ 9,809,831</u>	<u>\$ (382,797)</u>
F.T.E. Positions	668.0	668.0	1.0

Senate Subcommittee Recommendations

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

1. Delete \$756,324 State General Fund money for the salary adjustment.
2. Delete \$62,940 for overtime. The Subcommittee understands that no other state hospitals receive overtime funds, but instead rely on compensatory time off. Since Topeka State has fewer vacancies than previous years, the Subcommittee feels that Topeka State can also use compensatory time off to reward employees who work overtime.
3. Pursuant to systemwide recommendation No. 7, the Subcommittee recommends the addition of \$3,137 for the Professional Liability Insurance premium.
4. The Subcommittee recommends the addition of \$27,839 (\$24,636 salary and \$3,203 fringe benefits) to fund a Pharmacist II position.
5. Pursuant to systemwide recommendation No. 5, the Subcommittee reduces the communication budget by \$41,075.
6. Pursuant to systemwide recommendation No. 2, the Subcommittee recommends deletion of \$7,810 for education.
7. The Subcommittee recommends the addition of \$3,000 for the purchase of a microcomputer for use in the business office of the hospital.
8. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction and recommends funding from the State Institutions Building Fund for the following projects:
 1. Replacement of Ward Furniture \$30,000
 2. Cement Patios and Play Pad at Ward Areas 45,000

The Subcommittee does not recommend funding for the addition of a vestibule to the area SRS office (\$17,200), as was recommended by the Governor.

9. The Subcommittee recommends the deletion of \$115,871 State General Fund money from the Registered Nurses Training Program. The Subcommittee understands that there will not be any students ready to begin the program's formal training until January of 1985. The Subcommittee recommends full funding for the students for the last half of FY 1985.
10. Pursuant to systemwide recommendation No. 6, the Subcommittee recommends that expenditures from the Topeka State Hospital Fee Fund be decreased by \$567,247 and State General Fund expenditures be increased by the same amount.

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations — All Funds:			
Commission on Interstate Cooperation	\$ 144,061	\$ 144,061	\$ —
Legislative Coordinating Council			
Council Expenses	232,424	232,424	(1,500)
Legislative Research Department	1,272,927	1,272,927	29,106
Revisor of Statutes	1,508,212	1,508,212	6,612
Educational Planning Committee	50,147	50,147	—
Legislature	6,027,633	6,027,633	(125,359)
Division of Post Audit	1,230,408	1,230,408	(3,420)
TOTAL	<u>\$ 10,465,812</u>	<u>\$ 10,465,812</u>	<u>\$ (94,561)</u>
State Operations:			
State General Fund	<u>\$ 10,387,637</u>	<u>\$ 10,387,637</u>	<u>\$ (94,561)</u>
F.T.E. Positions	91.0	91.0	—

Subcommittee Recommendations

The Governor concurs with the requested FY 1985 expenditures for the Legislature and related agencies, the appropriations for which are exclusively contained in H.B. 2679. However, H.B. 2679, as introduced to carry out the Governor's recommendations, would alter prior legislative appropriations policy by lapsing all unencumbered balances of appropriations as of June 30, 1984. It should be noted that the request and recommendation for the Legislature and its agencies do not contain amounts for any further revision in FY 1985 of basic salary plan rates.

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Prior practices should be continued that provide for reappropriations of unencumbered balances. Accordingly, the Subcommittee recommends the amendment of H.B. 2679 to provide for such reappropriations and new FY 1985 appropriations be reduced as follows: Interstate Cooperation Commission, \$13,985; Legislative Coordinating Council Operations, \$23,797; Legislative Research Department, \$119,089; Revisor of Statutes, \$68,072; Legislative Educational Planning Committee, \$4,726; and Legislature, \$331,199.


2. Pending final determination by the Legislature, delete the amounts associated with the difference between the \$100 per month rate for health insurance (the cost originally estimated for FY 1985 and used to calculate budget requests) and the \$85 rate now recommended by the Governor for all other agencies. Recommended reductions total \$45,960 as follows: Legislative Coordinating Council operations, \$1,500; Legislative Research Department, \$6,300; Revisor of Statutes, \$4,680; Legislature, \$30,060; Division of Post Audit, \$3,420.
3. Add \$35,406 to the budget of the Legislative Research Department and \$11,292 to the budget of the Revisor of Statutes to provide salary adjustments for selected staff members, at the discretion of the Research Director and Revisor. Staff whose salaries are fixed by the Legislative Coordinating Council would not be eligible.
4. Reduce by \$95,299 the recommended expenditures for interim activity of the Legislature. This amount of reduction is intended to equate to a 20 percent decrease from the level of activity during the 1983 interim. The Subcommittee believes that such a reduction would be reflective of normal expectations with regard to interim activity in years that both houses of the Legislature are up for reelection. Such a reduction is also indicative of this subcommittee's belief that study proposals for interim review should be selected that are, whenever possible, limited to specific issues which may warrant legislative consideration in the forthcoming session.

House Committee Recommendations

The House Committee concurred with the recommendations of the Subcommittee, but the Committee voted to amend the Subcommittee report by adding the statement that the seven principal staff persons whose salaries are established by the Legislative Coordinating Council should receive in the aggregate, but not necessarily individually, any increase that is provided to other employees for salary plan revision.

SENATE SUBCOMMITTEE REPORT ON
HOUSE BILL NO. 2680


- Sec. 2 -- Abstracters' Board of Examiners
- Sec. 3 -- Board of Accountancy
- Sec. 4 -- State Bank Commissioner
- Sec. 5 -- Board of Barber Examiners
- Sec. 6 -- Behavioral Sciences Regulatory Board
- Sec. 7 -- State Board of Healing Arts
- Sec. 8 -- Kansas State Board of Cosmetology
- Sec. 9 -- State Department of Credit Unions
- Sec. 10 -- Kansas Dental Board
- Sec. 11 -- State Board of Embalming
- Sec. 12 -- Kansas Board of Examiners in Fitting and Dispensing of Hearing Aids
- Sec. 13 -- Consumer Credit Commissioner
- Sec. 14 -- Board of Nursing
- Sec. 15 -- Board of Examiners in Optometry
- Sec. 16 -- State Board of Pharmacy
- Sec. 17 -- Kansas Real Estate Commission
- Sec. 18 -- Savings and Loan Department
- Sec. 19 -- Office of the Securities Commissioner of Kansas
- Sec. 20 -- State Board of Technical Professions
- Sec. 21 -- State Board of Veterinary Examiners



Senator Ron Hein, Subcommittee
Chairman



Senator Joseph C. Harder



Senator Billy McCray



Senator Merrill Werts

SUBCOMMITTEE REPORT

Agency: Abstracters' Board of Examiners Bill No. 2680 Bill Sec. 2
 Analyst: Holt Analysis Pg. No. 1 Budget Pg. No. 1-191

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 13,870	\$ 13,749	\$ (593)
State General Fund	--	--	--
F.T.E. Positions	--	--	--

Agency Request/Governor's Recommendation

The Board's request to expend \$13,870 includes \$9,259 for salaries and per diem compensation for Board members in addition to employment of temporary and seasonal help and \$4,611 for communications, printing, rents, travel, and office supplies. The Governor recommends an expenditure limitation of \$13,749. This recommended funding level reflects a reduction in the amount designated for travel and subsistence, stationery, and office supplies. The recommendation also includes \$643 in salary plan revision.

House Subcommittee Recommendation

FY 1984. The Subcommittee concurs with the Governor's recommendations.

FY 1985. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. In accordance with Committee policy, deletion of the \$643 recommended for salary plan revision.
2. Addition of \$50 in the amount budgeted for stationery and office supplies, in accordance with the amount requested by the Board.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation.

House Committee Recommendations

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec.</u>	<u>House Total Rec.</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
All Funds:			
State Operations	\$ (3,157)	\$ 137,357	\$ (997)

The Senate Subcommittee concurs with the House recommendations with the following adjustment.

1. Delete \$997 recommended for temporary clerical staff. The Subcommittee understands that the agency is attempting to acquire a word processor with funds saved in FY 1984. The Subcommittee feels that the word processor should replace some of the temporary help in FY 85 and is deleting the additional funding. The Subcommittee would expect the word processor to replace all temporary clerical staff in FY 1986.

SUBCOMMITTEE REPORT

Agency: Board of Accountancy Bill No. 2680 Bill Sec. 3

Analyst: Timmer Analysis Pg. No. 2 Budget Pg. No. 1-193

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 154,760	\$ 140,514	\$ (3,157)
F.T.E. Positions	3.0	2.7	--

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendations. The Subcommittee notes that the agency revised its FY 1984 budget downward in several areas resulting in a savings of \$5,906 from the approved expenditure limitation of \$137,294. The Subcommittee also notes that due to the late posting of FY 1983 permit fee receipts, the FY 1983 Fee Fund balance is approximately \$15,000 lower than projections; however, the Fee Fund balance for FY 1984 will be approximately \$15,000 higher than originally projected.

FY 1985. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Delete the recommended salary adjustment increase of \$3,054.
2. Increase funding for temporary clerical staff by \$997.
3. Delete \$1,000 from the purchase of CPA exams and related grading services.
4. Delete \$100 from court reporter services.

The Subcommittee notes that the Fee Fund balance has risen significantly since FY 1983 when the fees for exams were raised. The Subcommittee recommends that the board examine the appropriateness of the fee structure for permit holders in light of the increasing fee fund balances. A reduction in biennial permit fees over a two-year period to reduce the fee fund balance to 30 percent of estimated net receipts is recommended. Shown below is a fee fund analysis for the Board of Accountancy based on the Subcommittee's adjustments.

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 61,156	\$ 46,534	\$ 64,911
Net Receipts	103,938	149,765	144,189
Total Funds Available	\$ 165,094	\$ 196,299	\$ 209,100
Less: Expenditures	118,560	131,388	137,357
Ending Balance	\$ 46,534	\$ 64,911	\$ 71,743

SUBCOMMITTEE REPORT

Agency: Bank Commissioner Bill No. 2680 Bill Sec. 4
 Analyst: Galligan Analysis Pg. No. 4 Budget Pg. No. 1-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,689,587	\$ 1,691,805	\$ (151,199)
State General Fund	—	—	—
F.T.E. Positions	52.75	52.8	—

Agency Request/Governors Recommendation

The request for FY 1985 would maintain the current operations with no change in the number of staff or scope of activities. The request includes a 5 percent cost-of-living adjustment, funds to reclassify the examiners employed by the department and inflationary increases in most areas of other operating expenditures.

The Governor's recommendation would support the current level of staffing and includes other operating expenditures at the level requested by the Commissioner. The recommendation includes the proposed pay plan revision and the amount requested to reclassify the examiners.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$77,057 budgeted for the pay plan revision.
2. The Subcommittee is sympathetic to the department's need to reclassify the financial examiners in order to reduce turnover in those positions. However, information provided to the Subcommittee indicates that the Division of Personnel Services has recommended classification changes effective January 18, 1984. Since none of the agencies that would be impacted by the personnel action have budgeted for it during the current fiscal year, the Subcommittee would strongly recommend against implementing any such plan with that effective date. Further, the Subcommittee recommends deletion of the \$74,142 included in the budget for the reclassifications, pending receipt of a budget amendment that includes the total cost of the changes proposed. The Subcommittee notes that no report was received from the Commissioner nor the Division of Personnel as requested by the Subcommittee a year ago. All of the information received in regard to the proposed personnel actions was received second hand, and late during this Subcommittee's review of the budget thus compounding the difficulty of determining the costs associated with the proposal.
3. Finally, the Subcommittee notes that the Commissioner is developing long-term plans for the department in light of the anticipated delegation of authority from the federal regulatory agencies. Among the changes contemplated are making the Commissioner a full-time state employee and increasing the number of examiners.

The following table depicts the impact of the Subcommittee adjustments on the Bank Commissioner Fee Fund:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Gov. Rec. FY 1984</u>	<u>Subcommittee Adjustments FY 1985</u>
Beginning Balance	\$ 482,532	\$ 372,029	\$ 364,357
Net Receipts	1,288,542	1,506,400	1,639,705
Total Funds Available	\$ 1,771,074	\$ 1,878,429	\$ 2,004,062
Less Expenditures	1,399,045	1,514,072	1,540,097
Ending Balance	\$ 372,029	\$ 364,357	\$ 463,965

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (151,199)	\$ 1,540,606	\$ —
State General Fund	—	—	—
F.T.E. Positions	—	52.8	—

The Senate Subcommittee concurs with the House recommendations, and makes the following observations:

1. The proposal to reclassify the financial examiners of this and related financial regulatory agencies is supported by the Subcommittee, provided that a Governor's budget amendment is submitted.
2. While the Subcommittee does not recommend any alteration of the recommendation for rental of a computer terminal by the department, it does raise a question of the necessity of maintaining this department's data on the state's mainframe. The Subcommittee requests that the department and DISC cooperatively explore whether a micro or mini computer would meet the department's needs.

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners Bill No. 2680 Bill Sec. 5
 Analyst: Stanfield Analysis Pg. No. 7 Budget Pg. No. 1-195

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 72,659	\$ 70,604	\$ (2,691)
F.T.E. Positions	2.5	2.5	—

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendations.

FY 1985. The Subcommittee concurs with the Governor's recommended expenditures, except for the following:

1. Delete the recommended salary adjustment increase of \$2,809.
2. Delete \$315 of salaries due to continued existence of Board vacancies.
3. Delete \$695 from travel, also associated with the Board vacancies.
4. Add \$960 to provide the Board's Administrative Officer Travel and Subsistence funds for attending the National Association of Barber Examiners meeting.
5. Add \$168 to allow the Administrative Officer to travel with the inspector working in the western part of the state for the purpose of evaluations and training.

Shown below is the fee fund analysis for the Board of Barber Examiners based on the Subcommittee's adjustments:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Est. FY 1984</u>	<u>Est. FY 1985</u>
Beginning Balance	\$ 19,991	\$ 32,529	\$ 38,117
Net Receipts	72,665	71,232	69,830
Total Funds Available	\$ 92,656	\$103,761	\$107,947
Less: Expenditures	60,127	65,644	67,913
Ending Balance	\$ 32,529	\$ 38,117	\$ 40,034

House Subcommittee Recommendation

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

FY 1985. The Senate Subcommittee concurs with the House Committee adjustments.

Additionally, the Subcommittee recommends that the Board of Barber Examiners and the Board of Cosmetology be merged into a single agency, under the direction of a nine-member board and that legislation be introduced to such effect. The new board will be made-up of five licensed cosmetologists, three licensed barbers, and one member representing the general public. The Subcommittee further understands that several budget adjustments may be necessary upon passage of the merging legislation.

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences Regulatory Board Bill No. 2680 Bill Sec. 6

Analyst: Hauke Analysis Pg. No. 8 Budget Pg. No. 1-197

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 122,279	\$ 111,249	\$ (3,924)
State General Fund	—	—	
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendation

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

1. The Subcommittee recommends deletion of \$3,360 budgeted for cost-of-living salary adjustments of 5 percent plus \$17 monthly, as salary adjustments will be considered separately.
2. The Subcommittee recommends that the budget for Board member compensation be decreased by \$564 (\$525 gross salaries and \$39 fringes). This reduction would allow a budget of \$2,835 for Board member compensation, which would finance full attendance at regular quarterly two-day meetings; full attendance at three special one-day meetings; and 15 extra days of Board member activity.
3. The Subcommittee learned that the Governor's FY 1985 recommendations include \$4,500 to finance special investigator and attorney fees. The agency has experienced an increasing number of complaints, several of which require investigation and hearings. Although the Subcommittee concurs with the \$4,500, the Subcommittee recommends that this Board continue to obtain legal representation from the Attorney General's office whenever possible. Additionally, the Subcommittee wishes to note that the agency must absorb within its budget any expenditures for court reporter fees, as no funding was specifically budgeted for that purpose.
4. The Subcommittee learned that the Board has been notified of an increase in amounts charged by Professional Examination Service for purchase of the examination given to psychology applicants. The Board is presently charging the maximum allowed by statute (\$100) for this examination. Consequently, an increase in the examination charge would result in a net loss for the Board, if the limitation contained in K.S.A. 74-5311 is not increased. H.B. 2852 would provide an increase in the maximum allowable examination fee and the Subcommittee endorses that bill.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. The Subcommittee recommends that legislation be introduced allowing the fee for examination of social workers to be increased from a maximum of \$50 to a maximum of \$75. The Subcommittee also recommends that K.S.A. 75-5359 be amended to clarify that a replacement license fee may be charged for a name change. The Subcommittee learned that the Board is presently charging the statutory maximum (\$50) for social worker examinations, a rate which reflects in net collections for the Board of \$40, when the 20 percent State General Fund share is subtracted. The Board is now being charged \$40 per examination by the Professional Examination Service. Consequently, other license fees are underwriting the cost of the Board's overhead in administering this examination. Any increase in the charge for examinations would result in a net loss to the Board. Therefore, the Subcommittee recommends that subsections (e) and (f) of K.S.A. 75-5359 be modified to incorporate the above changes. The Subcommittee recommends that as a technical matter subsections a-d be amended to delete references to minimum fees, as those references are no longer germane.
2. The Subcommittee received a request from the Board to increase all social worker fees by \$15 for the purpose of financing an additional Clerk Typist II. The additional Clerk Typist II is requested to implement administration of the Social Worker exam four times annually, rather than three times annually. The Subcommittee wishes to note that this item was received very recently and was not a part of the agency's original request, upon which the Governor's recommendations are based. The Subcommittee is not adverse to administration of the exam four times annually. Nevertheless, the Subcommittee observes that it is unknown whether the fourth exam will actually result in increased numbers of examinations or approximately the same number of examinees distributed among four examinations, rather than three. The Subcommittee is not recommending this item in FY 1985. The Subcommittee observes that the item could be a part of the FY 1986 formal budget request, given additional information on the workload.
3. The Subcommittee learned that the Division of Personnel Services has recommended that the Executive Secretary's salary be based upon the Administrative Officer II classification, rather than Administrative Officer I. The Subcommittee recommends that the Board's FY 1985 budget be increased by \$3,234 (\$2,868 in gross salaries and \$366 in fringe benefits) to finance this reclassification.

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts Bill No. 2680 Bill Sec. 7
 Analyst: Rampey Analysis Pg. No. 10 Budget Pg. No. 1-205

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 424,735	\$ 370,419	\$ (10,958)
State General Fund	—	—	—
F.T.E. Positions	8.0	8.0	—

House Subcommittee Recommendation

FY 1984. The Subcommittee concurs with the Governor's recommendation for FY 1984.

FY 1985. The Subcommittee makes the following adjustment to the Governor's recommendation:

1. Delete \$10,958 for the Governor's salary plan revision.

Based upon the Subcommittee's recommendation, the balance in the Healing Arts Fee Fund will be \$391,753 at the end of FY 1984 and \$442,874 at the end of FY 1985. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 201,715	\$ 328,859	\$ 391,753
Net Receipts	381,516	392,391	410,582
Total Funds Available	\$ 583,231	\$ 721,250	\$ 802,335
Less: Expenditures	254,372	329,497	359,461
Ending Balance	\$ 328,859	\$ 391,753	\$ 442,874

House Committee Recommendations

The House Committee concurs with the recommendation of the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec. FY 1985</u>	<u>House Total Rec. FY 1985</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
State Operations:			
All Funds	\$ (10,958)	\$ 359,461	\$ (9,000)
State General Fund	—	—	—
F.T.E. Positions	8.0	—	—

FY 1985. The Senate Subcommittee concurs with the recommendation of the House, with the following exceptions:

1. Delete \$9,000 in fees for professional services. The reduction consists of \$6,000 in fees for the services of a hearing officer and \$3,000 to pay for mental and physical examinations of licensees. The Subcommittee understands that the Board has not needed to spend funds for a hearing officer or for mental and physical examinations for several years and, therefore, considers the amount requested for these items excessive.
2. The Subcommittee calls attention to S.B. 507 which is currently in the House Ways and Means Committee. The bill relates to the Health Care Stabilization Fund, medical records, and disciplinary procedures of the Board of Healing Arts. The bill would create a new position of disciplinary administrator within the Board and would make other changes in the way the Board investigates and handles complaints against licensees. If S.B. 507 is enacted, adjustments will have to be made to the Board's budget in the Omnibus appropriations bill to reflect the fiscal impact of implementing the new procedure.

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology Bill No. 2680 Bill Sec. 8

Analyst: Stanfield Analysis Pg. No. 13 Budget Pg. No. 1-199

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 246,252	\$ 239,171	\$ (7,566)
F.T.E. Positions	8.0	8.0	—

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommended expenditures, except for the following:

1. Delete \$9,482 budgeted for the recommended salary adjustment increase.
2. Add \$916 for travel costs. The Subcommittee further recommends that this addition be used only by the Beauty Shop Inspectors and not be used for out-of-state travel by the five-member board.
3. Add \$1,000 for utilities. Based on the Subcommittee's FY 1984 adjustment, this recommendation provides for a 5.0 percent increase for FY 1985.
4. The Subcommittee wishes to note that the Board of Cosmetology has recently increased six of its licensing fees with a change to K.A.R. 69-1-1. The Subcommittee recognizes that the agency's area of responsibility has continued to expand due to an ever increasing number of licensed cosmetologists. The Subcommittee also understands that these fee increases do not put the fees charged in Kansas at a rate higher than those charged by any of our neighboring states. However, the Subcommittee **assumes** that with an ending balance now exceeding five-months worth of average monthly expenditures, the agency will not seek additional fee increases in the near future.

Based on the Subcommittee's adjustments in fiscal years 1984 and 1985, the fee fund analysis is summarized below:

<u>Resource Estimate</u>	<u>Actual FY 83</u>	<u>Est. FY 84</u>	<u>Est. FY 85</u>
Beginning Balance	\$ 68,844	\$ 45,507	\$ 50,606
New Receipts	191,105	231,828	283,962
Total Funds Available	\$259,949	\$277,335	\$334,297
Less: Expenditures	214,442	226,729	231,605
Ending Balance	<u>\$ 45,507</u>	<u>\$ 50,606</u>	<u>\$102,692</u>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

FY 1985. The Senate Subcommittee concurs with the House Committee adjustments.

Additionally, the Subcommittee recommends that the Board of Barber Examiners and the Board of Cosmetology be merged into a single agency, under the direction of a nine-member board and that legislation be introduced to such effect. The new Board will be made-up of five licensed cosmetologists, three licensed barbers, and one member representing the general public. The Subcommittee further understands that several budget adjustments may be necessary upon passage of the merging legislation.

SUBCOMMITTEE REPORT

Agency: Credit Union Department Bill No. 2680 Bill Sec. 9

Analyst: Galligan Analysis Pg. No. 15 Budget Pg. No. 1-107

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 309,511	\$ 310,141	\$ (17,378)
State General Fund	—	—	—
F.T.E. Positions	9.0	9.0	—

Agency Request/Governor's Recommendation

The request for FY 1985 would maintain the current staffing level and allow for examination of 175 state-chartered credit unions. The estimate of receipts for the current fiscal year is based upon actual revenue received early in the fiscal year. The anticipated receipts for FY 1985 are equal to the amount received in FY 1984.

The Governor's recommendation for FY 1985 is \$630 more than the amount requested. The increase is attributable to the pay plan adjustment proposed for all state employees. The Governor's recommendation includes anticipated revenue of \$340,000 during FY 1985 which is \$17,760 more than the amount included in the budget request.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$13,378 budgeted for the pay plan adjustment.
2. Deletion of \$4,000 from travel and subsistence. This reduction will allow expenditure of \$36,450 during FY 1985 which is 11.5 percent more than actual expenditures during FY 1983. The Subcommittee is of the opinion that this amount of increase will allow for the increase in state car expense that is anticipated for FY 1985.
3. The Subcommittee learned that a proposal is being considered by the Department of Administration to reclassify the financial examiners employed by this and similar agencies. The Subcommittee does not recommend any upgrade of the positions in this department.
4. The Subcommittee notes that the estimate of receipts for FY 1985 included in the Governor's budget recommendation is higher than that included in the department's request. If the actual revenue during FY 1985 meets or exceeds that projection, the Subcommittee would urge a close examination of the fee structure and adjustment as necessary.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (17,378)	\$ 292,763	\$ --
State General Fund	--	--	--
F.T.E. Positions	--	9.0	--

The Senate Subcommittee concurs with the House adjustments with the following exception:

1. The proposal to reclassify financial examiners should include this department as well as the other three financial regulatory agencies. The Subcommittee endorses the reclassification for all four related agencies. The Subcommittee learned that the proposal would cost this department \$17,221 in FY 1985 and would support inclusion of the necessary expenditure authority provided that a Governor's budget amendment is submitted.

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board Bill No. 2680 Bill Sec. 10

Analyst: Rampey Analysis Pg. No. 17 Budget Pg. No. 1-201

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 125,091	\$ 105,689	\$ (1,336)
State General Fund	—	—	—
F.T.E. Positions	2.0	1.0	.5

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation for FY 1984.

FY 1985. The Subcommittee makes the following adjustments to the Governor's recommendations:

- a. Delete \$1,336 for the Governor's salary plan revision.
- b. Increase the Board's position limitation from 1.0 F.T.E. to 1.5 F.T.E. Presently, administrative activities of the Board are performed by a member of the Board who is designated Secretary-Treasurer who works approximately 20 hours per week and is paid an annual salary. Because that person is a Board member, the Secretary-Treasurer position has not been shown as part of the Board's position authorization. (The only position shown is the Board's full-time clerical person who is in the classified service.)

In May of 1984, the term of the Board member who performs the Board's administrative duties will expire. The Board is concerned that, in the future, Board members may not be appointed who are able to devote considerable amounts of time to Board activities. In that event, the Board may wish to employ an administrator who is not a Board member.

By increasing the Board's position limitation from 1.0 F.T.E. to 1.5 F.T.E., the Subcommittee wishes to recognize the statutory authority of the Board to either hire an administrator in the unclassified service or to operate, as it does now, by designating a Board member to perform administrative duties. The position limitation increase does not involve an increase in funding because the budget, as recommended by the Governor, contains funds for the salary of the Board member who serves as Secretary-Treasurer. If the Board chooses to employ an administrator who is not a Board member, the salary currently budgeted for the Board member would be used to pay the employee's salary. It is the Subcommittee's intention that only one part-time administrator be employed — either a Board member or an unclassified employee, but not both.

Based upon the Subcommittee's recommendation, the balance remaining in the Dental Board Fee Fund will be \$137,123 at the end of FY 1984 and \$128,930 at the end of FY 1985. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 118,302	\$ 145,133	\$ 137,123
Net Receipts	96,445	93,520	96,160
Total Funds Available	\$ 214,747	\$ 238,653	\$ 233,283
Less: Expenditures	69,614	101,530	104,353
Ending Balance	<u>\$ 145,133</u>	<u>\$ 137,123</u>	<u>\$ 128,930</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Board of Embalming Bill No. 2680 Bill Sec. 11
 Analyst: Holt Analysis Pg. No. 19 Budget Pg. No. 1-203

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 101,149	\$ 92,289	\$ (4,774)
State General Fund	—	—	—
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1985 with the following exceptions:

1. In accordance with Committee policy, reduction of \$3,424 in salary plan revision.
2. Reduction of \$100 in printing expenditures.
3. Reduction of \$1,250 in travel and subsistence expenditures because the Board's expenditures to date suggest that no greater amount for this purpose is warranted.

The Subcommittee adjusts the Governor's fee fund analysis in fiscal years 1984 and 1985 as follows:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 35,719	\$ 32,709	\$ 30,334
Net Receipts	78,133	85,216	89,530
Total Funds Available	\$ 113,852	\$ 117,925	\$ 119,864
Less: Expenditures	81,143	87,591	87,515
Ending Balance	\$ 32,709	\$ 30,334	\$ 32,349

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation with the following adjustment:

1. Addition of \$540 for the lease of a copier machine.

SUBCOMMITTEE REPORT

Agency: Board of Examiners for Fitting and Dispensing of Hearing Aids Bill No. 2680 Bill Sec. 12
 Analyst: Goering Analysis Pg. No. 20 Budget Pg. No. 1-207

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 6,476	\$ 6,948	\$ (597)
State General Fund	--	--	--
F.T.E. Positions	--	--	--

Agency Request/Governor's Recommendation

The agency's FY 1985 request for \$6,476 is identical to the amount approved by the 1983 Legislature for FY 1984. The request would continue to finance the present level of agency operations, and includes \$750 for expenses of contracting for periodic inspection of equipment and facilities used by certified persons who fit or sell hearing aids. The request would continue the current budgeted salary for the Board's Chairman at \$2,158 (excluding fringe benefits), and a sum of \$1,120 (excluding fringe benefits), for per diem compensation payable to the other four Board members.

The Governor recommends various adjustments to the FY 1984 detailed budget which do not affect the approved total. For FY 1985, the Governor recommends \$6,948. The total budget recommendation includes a 5 percent increase of \$117, plus \$55, for the Chairman's salary, which equates the position to one-fourth time for purposes of computing the \$17 per month recommended salary increase. The Governor's recommended budget includes \$1,120, as requested, for payment of \$35 per day to other Board members for attending eight meetings during FY 1985. For contractual inspection costs, the Governor's recommendation reduces the agency's request of \$750 to \$135. Various other adjustments to the agency's request have also been recommended by the Governor.

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation.

FY 1985. The Subcommittee recommends the budget as recommended by the Governor with the following adjustments:

1. Elimination of \$172 recommended by the Governor to finance a salary adjustment for the Chairman of the Board, pending a decision by the 1984 Legislature with regard to salary adjustments for state employees.
2. Reduction of \$580 in recommended expenditures for postage and telephone costs associated with Board activities.
3. Increase of \$250 for contracted inspection costs.
4. Reduction of \$95 in expenditures for stationery and office supplies.

The Subcommittee learned, during its review of the Board's budget, that the Chairman has not received the salary increases recommended by the 1981 and 1982 Legislatures. The Chairman is presently paid at an annual rate of \$1,800, excluding fringe benefits, and has not drawn an increase in this stipend since July 1, 1979. The Subcommittee has documented its concern in a letter to the Governor dated February 1, 1984, urging implementation forthwith of the increase in compensation which has been authorized by the Legislature for FY 1984. The legislatively approved stipend of \$2,158, excluding fringe benefits, has been adopted in the Governor's revised FY 1984 estimated budget for the agency.

The Subcommittee also expresses its concern regarding the lack of expenditures for contracted inspection work in FY 1983. Although the Subcommittee acknowledges the statutory discretion granted the Board in regard to periodic inspections, the Subcommittee is of the opinion that expenditures should be budgeted for this purpose should the need arise. For this reason, the Subcommittee's recommendation includes \$250 for FY 1985 inspection costs during FY 1985. The Subcommittee also notes that the Governor has recommended \$135 for FY 1985, in contrast to the agency's request for \$750 to finance contracted inspection activities. The Subcommittee concurs with the recommended \$135 for the purpose of financing a subscription to the Kansas Legislative Handbook and the Kansas Legislative Report. The \$250 recommended by the Subcommittee for contracted inspections is therefore in addition to the \$135 recommended by the Governor.

The Subcommittee also recommends introduction of legislation which would require applicants for initial and renewal licensure to submit documentation that their audiometric testing equipment has been recalibrated within the last two years. The legislation recommended for introduction by this Subcommittee would also allow persons who are not residents of Kansas to be licensed on the condition that the nonresident pass the Kansas Board examination and all other prerequisites are met by the applicant.

Based upon the adjustments discussed herein, the Subcommittee provides the following data for informational purposes:

Fee Fund Analysis

	<u>Actual FY 83</u>	<u>Subcommittee Rec. FY 84</u>	<u>Subcommittee Rec. FY 85</u>
Beginning Balance	\$ 32,532	\$ 30,136	\$ 27,210
Net Receipts	3,672	3,550	3,650
Total Funds Available	<u>\$36,204</u>	<u>\$33,686</u>	<u>\$30,860</u>
Less: Expenditures	6,068	6,476	6,351
Ending Balance	<u>\$30,136</u>	<u>\$27,210</u>	<u>\$24,509</u>

House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Subcommittee's recommendations.

SUBCOMMITTEE REPORT

Agency: Consumer Credit Commissioner Bill No. 2680 Bill Sec. 13
 Analyst: Galligan Analysis Pg. No. 22 Budget Pg. No. 1-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 263,333	\$ 263,732	\$ (11,043)
State General Fund	—	—	—
F.T.E. Positions	8.0	8.0	—

Agency Request/Governor's Recommendation

The Commissioner's request for FY 1985 would maintain the same staffing levels approved for the current fiscal year and includes other operating expenditures at a level \$1,896 less than the amount estimated for FY 1984. The Commissioner has included continued transfer of \$65,000 to the Department of Education to support its Economic/Consumer Education program. The Commissioner's revenue estimate for FY 1985 is based upon a \$5 increase in notification fees and a \$50 increase in licensing fees that went into effect during the fall of the current fiscal year.

The Governor's recommendation for FY 1985 would fund the personnel and other operating expenditures at the level requested by the Commissioner. In addition the recommendation includes a net increase of \$399 in salaries and wages as a result of adjusting the group health insurance cost and including the pay plan adjustment. The recommendation includes \$65,000 for the Department of Education that would be transferred in two equal installments on July 1 and February 1.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$11,043 budgeted for the salary adjustment.
2. The Subcommittee learned that the Economic and Consumer Education program conducted by the Department of Education and financed by a transfer from this department's fee fund is in need of restructuring to increase accountability and to include greater emphasis on credit education. In order to facilitate development of a program that more closely addresses the needs of Kansans for consumer credit information, the Subcommittee makes the following recommendations:
 - a. that the Consumer Credit Commissioner be authorized to enter into a contract with the Department of Education and/or the Board of Regents to plan and/or conduct a program of consumer credit education;

- b. that such contracts include specific tasks to be performed; measures of accountability; a system for follow-up evaluation of who is served, how many students receive information via the program and what information they receive, semi-annual reporting to the Subcommittee and the Consumer Credit Commissioner; and the cost of the services to be provided;
- c. that the activities performed during FY 1984 as part of the program be reported by January 1, 1985 to the Consumer Credit Commissioner and this Subcommittee; and
- d. that the elements of any contract between the Consumer Credit Commissioner and the Department of Education, including the dollar amount of such agreement be presented to this Subcommittee and Senate Ways and Means Subcommittee reviewing this budget.

In order to implement this recommendation, the Subcommittee recommends deletion of Section 6(c) of 1984 H.B. 2684 that provides for automatic transfer of \$65,000 from the Consumer Credit Fee Fund to the Department of Education and addition of a proviso to Section 13 of 1984 H.B. 2680 that would authorize the Consumer Credit Commissioner to enter into contracts as specified above and provide that transfers to state agencies pursuant to those contracts be made outside the department's expenditure limitation to a maximum of \$65,000. Finally, the Subcommittee recommends that the House Ways and Means Subcommittee reviewing the Department of Education's budget consider adding a proviso to Section 6(b) following line 225 of 1984 H.B. 2684 that would specify that transfers from the Consumer Credit Fee Fund would be placed in the Economic and Consumer Education Fund.

3. The Subcommittee learned that subsequent to presentation of the Governor's budget recommendations, the Division of Personnel Services prepared a proposal for expanding and upgrading the classifications of financial examiners, five of which are employed by the department. Implementation of this personnel action is predicted to have a fiscal impact of \$16,848, plus benefits for FY 1985. The Subcommittee makes no recommendation in this regard until a Governor's budget amendment is presented for review.
4. The Subcommittee notes that the fee fund balance will be higher than the amount reflected in the budget due in part to the increase of licensure and notification fees during the current fiscal year. The Subcommittee encourages the Commissioner to reexamine the fee structure in light of this increase and to adjust fees if necessary during FY 1985.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (11,043)	\$ 252,689	\$ --
State General Fund	--	--	--
F.T.E. Positions	--	8.0	--

The Senate Subcommittee concurs with the House recommendation with the following exceptions:

1. That the amount of the contract between this department and the Department of Education be limited to \$25,000 to support a half-time position and associated other operating expenditures. By making this recommendation the Subcommittee intends that the Department of Education confine its activities for this project in FY 1985 to determining how and where consumer credit education should most appropriately be incorporated into teacher education and secondary school curricula. The Subcommittee feels that consumer credit information needs to be provided, but questions the effectiveness of the current program. In particular, the Subcommittee is concerned about the amount and type of information made available to students as a result of this program. The Subcommittee strongly encourages the Department of Education to work closely with the Consumer Credit Commissioner and the State Board of Regents to develop recommendations regarding an effective method of making the relevant subject matter available to students. The Subcommittee requests that a report detailing the Department of Education's proposal for disseminating consumer credit information be presented to the House and Senate Ways and Means Committees at the beginning of the 1985 Session of the Legislature. In order to implement this recommendation, the Subcommittee recommends that the proviso in H.B. 2680 be appropriately amended.
2. The Subcommittee specifically concurs with the House recommendation in regard to reclassification of the financial examiners.

Agency: Board of Nursing Bill No. 2680 Bill Sec. 14Analyst: Rampey Analysis Pg. No. 24 Budget Pg. No. 1-209

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 474,863	\$ 452,788	\$ (16,538)
State General Fund	—	—	—
F.T.E. Positions	11.0	11.0	—

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation for FY 1984.

FY 1985. The Subcommittee makes the following adjustments to the Governor's recommendation:

1. Delete \$13,742 for the Governor's salary plan revision.
2. Delete \$2,796 for travel and subsistence. The effect of the Subcommittee's action is to recommend the expenditure of \$27,964 for travel and subsistence, which is the level approved for the current year.

Note:

- a. The Subcommittee concurs with the Governor's recommendation of \$1,350 for fees for data processing services. However, members of the Legislature should know that since FY 1981 the Department of Health and Environment has failed to bill the Board of Nursing for data processing services it provides to the Board in connection with the licensure renewal process for nurses. (The Department of Health and Environment maintains a master file of licensed nurses and generates lists and mailing labels for the Board's use for license renewal.) The Governor's recommendation would provide some funding for data processing services but, most likely, would not fully pay for the work. The Board of Nursing, the Department of Health and Environment, the Division of Information Systems and Computing (DISC), and the Division of the Budget are presently working together to negotiate an agreement between the Department and the Board to cover the cost for data processing services. It is possible an adjustment will have to be made to the Board of Nursing's budget.
- b. The Subcommittee concurs with the Governor's recommendation of \$2,400 for capital outlay, which does not include funding for a \$6,000 word processor requested by the Board. The Subcommittee understands the Board's desire to obtain more sophisticated office equipment. However, the Subcommittee believes less expensive alternatives exist which will serve the Board's purposes, such as electronic memory typewriters or services provided by DISC. The Subcommittee encourages the Board to

consider these alternatives and either report back to the appropriate committee during the 1984 Session or take the alternatives into account when its next budget is submitted.

- c. The Subcommittee notes that, at the request of the Executive Administrator of the Board of Nursing, a tour was made of vacant offices in Townsite Plaza into which the offices of the Board could be moved. The Subcommittee agrees that the space currently occupied by the Board at 503 Kansas Avenue is not structurally organized to promote office efficiency. The Division of Architectural Services objects to a Board move at this time. According to the Division, no tenant is available to move into the Board's present office, the result being that, if a move were made, the state would have to pay the rent at 503 Kansas Avenue for the vacant office. Secondly, all state agencies at 503 Kansas Avenue will be moving shortly in connection with the utilization of the Santa Fe building. The Subcommittee does not believe it is advisable for the Board to make a move now when another move is likely within the next few years.

Based upon the Subcommittee's recommendations, the balance remaining in the Board of Nursing Fee Fund will be \$97,430 at the end of FY 1984 and \$80,470 at the end of FY 1985. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 95,656	\$ 57,716	\$ 97,430
Net Receipts	340,423	451,130	419,290
Total Funds Available	\$ 436,079	\$ 508,846	\$ 516,720
Less: Expenditures	378,363	411,416	436,250
Ending Balance	<u>\$ 57,716</u>	<u>\$ 97,430</u>	<u>\$ 80,470</u>

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House and makes the following additional comments:

1. The Senate Subcommittee calls attention to the fact that a determination has still not been made by the Department of Health and Environment as to the cost of data processing services provided by the Department to the Board of Nursing in connection with the licensure renewal process for nurses. It appears likely at this point that any adjustment to the Board's budget will have to be made in the Omnibus appropriations bill.

2. The Subcommittee is aware that the present licensure renewal cycle for nurses is staggered over a 24-month period. The Subcommittee would like for the Board to review other alternatives, such as biennial licensure renewal on a fixed date for all licensees or a staggered renewal cycle on a less frequent basis than monthly. The purpose of the Subcommittee's request is not to suggest a change in licensure renewal procedures at this time, but instead to get information on the advantages and disadvantages of other alternatives in terms of staff workloads, Board expenditures, and timely renewal of licenses.

SUBCOMMITTEE REPORT

Agency: Board of Examiners in Optometry Bill No. 2680 Bill Sec. 15
 Analyst: Rampey Analysis Pg. No. 27 Budget Pg. No. 1-211

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 20,875	\$ 21,212	\$ (487)
State General Fund	—	—	—
F.T.E. Positions	.3	.3	—

House Subcommittee Recommendation

FY 1984. The Subcommittee concurs with the Governor's recommendation for FY 1984.

FY 1985. The Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Delete \$487 for the Governor's salary plan revision.
2. The Subcommittee wishes to call attention to the following items which relate to recommendations made to the Board during the 1983 Session:
 - a. The Board has responded to the recommendation that it change its procedures by which new licensees are notified that they may begin to practice. Formerly, licensees who had successfully completed all of the requirements to practice had to wait until their licenses had been printed and signed by members of the Board. Now, licensees are notified by letter that they have completed the requirements to practice and that the letter of notification constitutes a permit to practice until they receive their official license.
 - b. The Board, in cooperation with the Kansas Optometric Association, has submitted a report on the number of complaints it received in FY 1983 and FY 1984 (to date), the origin of the complaints, and how they were resolved. (A copy of the report is attached.) The Subcommittee requests that the Board annually update this report and make it available to the Legislature.

Based upon adjustments to the Board's budget made by the Subcommittee, the ending balance in the Optometry Board Fee Fund will be \$26,977 at the end of FY 1984 and \$29,996 at the end of FY 1985. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 20,259	\$ 25,203	\$ 26,977
Net Receipts	23,014	23,528	23,744
Total Funds Available	<u>\$ 43,273</u>	<u>\$ 48,731</u>	<u>\$ 50,721</u>
Less: Expenditures	18,070	21,754	20,725
Ending Balance	<u>\$ 25,203</u>	<u>\$ 26,977</u>	<u>\$ 29,996</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Board of Pharmacy Bill No. 2680 Bill Sec. 16

Analyst: Stanfield Analysis Pg. No. 28 Budget Pg. No. 1-213

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 235,729	\$ 237,292	\$ (11,693)
F.T.E. Positions	6.0	6.0	—

House Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$7,693 recommended for the cost-of-living increase.
2. Delete \$1,000 in printing.
3. Delete \$3,000 in travel, which will allow for a 10 percent increase over FY 1984.
4. The Subcommittee wishes to note that all of the moneys collected under K.A.R. 68-7-18, an amount of \$325, has been refunded. The Board agreed to return the moneys when it was determined that there was no statutory authority for the Board to charge a registration fee to health departments or not-for-profit family planning clinics.
5. The Subcommittee concurs with the Governor's recommended amount for legal services. Further, the Subcommittee understands that the agency is very satisfied with the service as well as the rate of compensation; and the Subcommittee has been assured that this rate of compensation will continue to be used after the Board's office is relocated to Topeka.

Based on the Subcommittee's adjustments in fiscal years 1984 and 1985, the Fee Fund Analysis, is summarized below:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 111,290	\$ 87,840	\$ 81,768
Net Receipts	180,041	221,647	221,647
Total Funds Available	\$ 291,331	\$ 309,487	\$ 303,415
Less: Expenditures	203,491	227,719	225,599
Ending Balance	<u>\$ 87,840</u>	<u>\$ 81,768</u>	<u>\$ 77,816</u>

House Committee Recommendation

The Committee approves the Subcommittee report as submitted.

Senate Subcommittee Recommendation

FY 1985. The Senate Subcommittee concurs with the House Committee recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Real Estate Commission Bill No. 2680 Bill Sec. 17
 Analyst: Gilmore Analysis Pg. No. 30 Budget Pg. No. 1-215

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 389,405	\$ 391,001	\$ 2,672
State General Fund	—	—	—
F.T.E. Positions	12.0	12.0	—

House Subcommittee Recommendation

FY 1984. The Subcommittee concurs with the Governor's FY 1984 recommendation of \$361,302.

FY 1985. The Subcommittee recommends total expenditures of \$393,673 for FY 1985 which is \$2,672 more than the Governor's recommendation. The Subcommittee adjustments to the Governor's recommendations are as follows:

1. Deletion of \$13,586 for the recommended salary adjustment.
2. Addition of \$4,000 in capital outlay to purchase a copier with a reduction capability. The Subcommittee learned that the Commission had not completed a survey comparing the costs of buying a copier, as recommended by the 1983 Legislature, due to an improved rental agreement with the current contractor. In response to a Subcommittee request, the Commission found that additional savings could be achieved through the purchase of a copier, with a payback period of no more than two years.
3. Addition of \$14,258 to improve data processing services. The Commission is required by statute (K.S.A. 58-3048) to provide an annual update of names and addresses of all persons licensed by the agency, together with other information relative to the enforcement of K.S.A. 58-3001 et seq. Data processing errors currently average 11.0 percent of all information received and require the Commission to submit frequent corrections before notices can be posted for each renewal period. The agency's proposal, approved by DISC, includes two initiatives. First, it would locate a computer terminal in the Commission's central office and would allow direct access to the data file to correct errors and to reduce turnaround time. The proposal includes a one-time development cost of \$5,096 to initiate the on-line data entry replacement system and annual maintenance charges of \$4,162. Secondly, a study would be conducted to determine how the Commission's future data processing needs would best be met with hardware and software tools currently available. The study would also determine the best alternative to correct the problems which exist in the Commission's current programming language and would not be alleviated by the stop gap measure discussed above. The study would be done by DISC services and is estimated to cost \$5,000.
4. Reduction of \$2,000 in data processing charges resulting from the deletion of processing services provided by the Division of Accounts and Reports with the initiation of the on-line data entry replacement system.

5. The Subcommittee concurs with the Governor's recommendation to raise the statutory fee limitations from \$30 for salespersons and \$50 for brokers to \$60 and \$100, respectively. However, the Subcommittee recommends a \$5 reduction in the Governor's fees increase which would reduce the estimated receipts from \$495,640 to \$453,368, a difference of \$42,272. The Subcommittee recommendation would provide a fee increase for salespersons and brokers from \$30 and \$60 to \$45 and \$75, respectively. The Subcommittee is of the opinion that revenue estimates should reflect the projected demands of Commission operations. For this reason, the Subcommittee does not recommend that the carryforward balance in the Real Estate Fee Fund be maintained at a level sufficient to meet a demand to replenish the Real Estate Recovery Revolving Fee Fund to \$200,000 if its balance should fall below \$100,000. The Commission should charge a \$5 and \$10 assessment on salespersons and brokers, respectively, as provided by K.S.A. 58-3066, who are potentially responsible for depleting the balance of the fund if they are adversely charged for unlawful acts made during transactions involving the sale of real estate.

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 139,775	\$ 61,126	\$ 15,029
Net Receipts	258,795	315,205	453,368
Total Funds Available	\$ 398,570	\$ 376,331	\$ 468,397
Less: Expenditures	337,444	361,302	393,673
Ending Balance	\$ 61,126	\$ 15,029	\$ 74,724

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendations.

House Committee of the Whole

The Committee concurs with the budget as recommended by the House Committee.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec.</u>	<u>House Total Rec.</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
State Operations:			
All Funds	\$ 2,672	\$ 393,673	\$ (19,500)
State General Fund	—	—	—
F.T.E. Positions	—	12.0	—

The Senate Subcommittee concurs with the budget as recommended by the House with the following adjustments:

1. Deletion of \$1,500 for rental of a copier. The House Committee overlooked deleting rental costs for a copier when they recommended the Commission purchase a new copier with a reduction capability for \$4,000.
2. Deletion of \$18,000 for data processing services. The Subcommittee does not agree with item three of the House Committee's recommendations which would serve as a stopgap measure to correct data processing errors. The Subcommittee is of the opinion that the Commission should purchase a stand-alone computer system with the \$18,258 remaining for data processing services. The Subcommittee does not believe the feasibility study, required by DISC, is necessary to establish the Commission's need for an independent system, for both cost effectiveness and efficiency.
3. The Subcommittee endorses the raise in the statutory fee limits and the application and renewal fees, as recommended by the House, included in S.B. 575. The Subcommittee is also cognizant of the fact that fee increases are promulgated upon review by the Joint Committee of Rules and Regulations.

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 139,775	\$ 61,126	\$ 15,029
Net Receipts	258,795	315,205	453,368
Total Funds Available	\$ 398,570	\$ 376,331	\$ 468,397
Less: Expenditures	337,444	361,302	374,173
Ending Balance	<u>\$ 61,126</u>	<u>\$ 15,029</u>	<u>\$ 94,224</u>

SUBCOMMITTEE REPORT

Agency: Savings and Loan Department Bill No. 2680 Bill Sec. 18
 Analyst: Galligan Analysis Pg. No. 33 Budget Pg. No. 1-167

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 188,223	\$ 188,817	\$ (8,244)
State General Fund	—	—	—
F.T.E. Positions	6.5	6.5	(1.0)

Agency Request/Governor's Recommendation

The request for FY 1985 would provide salaries and benefits for 5.5 F.T.E. positions, one less than the level approved for the current year, and other operating expenditures that would provide for examination of 23 of the projected 35 state-chartered savings and loan associations. The amount requested for FY 1985 is 2.5 percent less than the estimated expenditure for operations during the current fiscal year. The estimate of receipts for FY 1985 totals \$170,816 which is \$41,429 less than the amount received during FY 1983. This decline is anticipated, despite an increase of the examination fee during the current fiscal year, in large part because of the anticipated decline in the number of state-chartered associations.

The Governor's recommendation for FY 1985 differs from the request by the amount of the salary and health insurance adjustments. The Governor concurs with the estimate of receipts for FY 1985.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$8,244 budgeted for the proposed pay plan adjustment.
2. Reduction of one F.T.E. to allow the Department 5.5 positions for FY 1985. The Subcommittee learned that there are currently two vacancies in the Department and acknowledges the possibility that one of those vacancies may need to be filled during FY 1985. However, the Commissioner did not request funds to support the sixth position.

In addition, the Subcommittee makes the following observations:

1. The current year estimate of expenditures for rents includes \$2,450 that was provided a year ago to relocate the office to larger quarters. The Subcommittee learned that the Commissioner does not intend to pursue obtaining larger space, so it anticipates that the funds will not be expended and the fee fund balance increased by that amount.

2. The amount budgeted for Board members' per diem and travel and subsistence would allow for seven meetings of all seven members. While this number of meetings has not been held for the past several years, the Subcommittee recognizes the need for this amount as a contingency and does not recommend any adjustment. However, it is expected that these funds will not be expended for other purposes.
3. The Subcommittee notes the decrease in the number of state-chartered associations from 42 in FY 1983 to 34 in the current fiscal year and the associated decrease in anticipated revenue despite the adjustment of the examination fees. The Commissioner is commended for holding an examiner position open in light of the revenue reduction and the Subcommittee expects that the position will not be filled unless necessary to meet workload demands. Further, the Subcommittee notes that the fee increase brings this department into line with the other financial regulatory agencies.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (8,244)	\$ 180,573	\$ —
State General Fund	—	—	—
F.T.E. Positions	(1.0)	5.5	—

The Senate Subcommittee concurs with the House recommendation and in addition notes that a proposal to change the salary ranges to which financial examiners are assigned is projected to have a \$1,209 impact on this department in FY 1985. The Subcommittee would support the necessary expenditure authority to implement the personnel action, provided that a Governor's budget amendment is presented.

SUBCOMMITTEE REPORT

Agency: Office of the Securities Commissioner Bill No. 2680 Bill Sec. 19
 Analyst: Galligan Analysis Pg. No. 34 Budget Pg. No. 1-169

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 702,734	\$ 589,683	\$ (12,455)
State General Fund	—	—	—
F.T.E. Positions	18.0	16.0	—

Agency Request/Governor's Recommendation

The Commissioner's request for FY 1985 includes three additional positions in the enforcement program, funds to purchase new office equipment, provide training for staff and to move to a larger office.

The Governor's recommendation includes the addition of one position in the enforcement program, funds for a larger office and some of the requested office equipment. The requested funds for staff training were not included in the recommendation.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$24,575 budgeted for the salary plan revision.
2. Addition of \$9,620 to provide training for staff. This amount includes travel as well as registration costs.
3. Addition of \$2,500 to provide training for employees of the state's financial regulatory agencies who need to become conversant with securities law. The Subcommittee notes that the Commissioner did not request funds for this purpose, but that information about certain aspects of securities regulation may be increasingly necessary for financial examiners since more banks and savings and loan associations are providing brokerage services. The Commissioner is encouraged to work closely with the relevant departments to develop appropriate curricula for the training. The Subcommittee intends that this training be provided at no cost to the other agencies for FY 1985. This would not preclude charges being made in the future if the activity were to be continued. The Subcommittee recommends that the Securities Commissioner provide an evaluation to this Subcommittee during the 1985 Session regarding the training activities.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations with the following exception:

1. The Committee recommends introduction of legislation that would finance the office with State General Funds rather than fee funds.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (12,455)	\$ 577,228	\$ (12,120)
State General Fund	—	—	—
F.T.E. Positions	—	16.0	—

The Senate Subcommittee concurs with the House recommendation with the following exceptions:

1. Deletion of \$9,620 recommended for staff training expenses.
2. Deletion of \$2,500 recommended for training staff of the state's financial regulatory agencies.

The Subcommittee specifically endorses the House recommendation that the Office of the Securities Commissioner become a State General Fund supported agency with revenue deposited in the State General Fund rather than in a fee fund as provided in 1984 H.B. 3038.

SUBCOMMITTEE REPORT

Agency: Board of Technical Professions Bill No. 2680 Bill Sec. 20

Analyst: Holt Analysis Pg. No. 39 Budget Pg. No. 1-217

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 220,618	\$ 208,014	\$ (9,317)
State General Fund	—	—	—
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendations

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

1. In accordance with Committee policy, deletion of \$3,632 recommended for salary plan revision.
2. Addition of \$300 for freight and express expenditures because increased weight of the architects' examinations will increase freight costs.
3. Addition of \$200 for repairing and servicing to defray costs of repairing and servicing office equipment other than the word processing unit.
4. Deletion of \$3,560 for travel and subsistence expenditures to approximate estimated expenditures for this purpose in FY 1984.
5. Deletion of \$1,500 for fees-other services.
6. Deletion of \$625 for fees-professional services to adjust for computational errors made by the Board in estimating the cost of examinations.
7. Deletion of \$500 for stationery and office supplies expenditures.
8. The Board is authorized by statute to collect license fees which are based on the cost of examinations plus a \$5 administrative charge per exam. Of the total amount charged for examinations, 20 percent is credited to the State General Fund. This statute has in effect caused the Board to lose money on its most expensive type of examination — the examination given to architects. This loss is presently offset by proceeds from license renewals. Note is made that the Subcommittee is aware of this situation; so as not to increase the fees charged for examinations, however, the Subcommittee recommends no statutory change in the method by which license fees may be determined.

Based on the Subcommittee's adjustments in fiscal years 1984 and 1985, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 236,160	\$ 248,101	\$ 263,385
Net Receipts	177,329	199,750	213,816
Total Funds Available	<u>\$ 413,489</u>	<u>\$ 447,851</u>	<u>\$ 477,201</u>
Less: Expenditures	165,388	184,466	198,697
Ending Balance	<u>\$ 248,101</u>	<u>\$ 263,385</u>	<u>\$ 278,504</u>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation but wishes to note the following:

1. It appears that the Board will have a projected ending balance in FY 1985 that would exceed substantially the carryover amount actually needed. Therefore, it is recommended that the Board consider reducing its fees until its ending fiscal year balance is approximately 30 to 40 percent of its annual operating budget.

SUBCOMMITTEE REPORT

Agency: Board of Veterinary Examiners Bill No. 2680 Bill Sec. 21

Analyst: Gilmore Analysis Pg. No. _____ Budget Pg. No. 1-219

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 44,296	\$ 44,043	\$ (2,037)
State General Fund	—	—	—

House Subcommittee Recommendations

The Governor's FY 1985 recommendation of \$44,043 reflects the agency's appropriations requests and the salary revision but deletes \$600 for stationery and office supplies. The House Subcommittee recommends total expenditures of \$42,006 which is \$2,037 less than the Governor's recommendation. The Subcommittee adjustments to the Governor's recommendation are as follows:

1. Deletion of the recommended salary revision increase, a reduction of \$1,137.
2. Deletion of \$1,500 for office rental. With the loss of office space at Pratt Community College due to new vo-tech activities, the Board does not plan to move until an alternative space can be found.
3. Addition of \$600 for stationery and office supplies which was inadvertently omitted from the Governor's budget recommendation.

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Com. Rec. FY 1984</u>	<u>Com. Rec. FY 1985</u>
Beginning Balance	\$21,976	\$ 35,660	\$ 35,400
Net Receipts	42,784	36,800	39,200
Total Funds Available	<u>\$64,760</u>	<u>\$ 72,460</u>	<u>\$ 74,600</u>
Less: Expenditures	29,100	37,060	42,006
Ending Balance	<u>\$35,660</u>	<u>\$ 35,400</u>	<u>\$ 32,594</u>

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation.

House Committee of the Whole

The Committee concurs with the House Committee's recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the budget as recommended by the House.

SENATE SUBCOMMITTEE REPORT

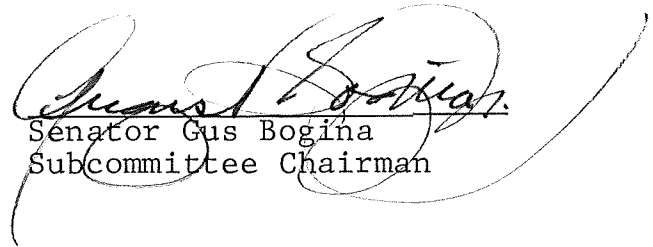
March 16, 1984

House Bill No. 2703

Section 7 -- Department of Education
Section 8 -- State Library
Section 9 -- Department of Revenue - School District
Income Tax Fund

House Bill No. 2684

Section 2 -- State Library
Section 3 -- Department of Revenue - School District
Income Tax Fund
Section 4 -- Kansas State School for the Visually Handicapped
Section 5 -- Kansas State School for the Deaf
Section 6 -- Department of Education
Section 7 -- Advisory Council for Vocational Education
Section 8 -- Kansas Public Television Board


Senator Gus Bogina
Subcommittee Chairman

Senator Billy McCray

SUBCOMMITTEE REPORT

Agency: Kansas State Library Bill No. 2684 Bill Sec. 2Analyst: Holt Analysis Pg. No. 154 Budget Pg. No. 3-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,231,725	\$ 1,156,359	\$ (39,583)
Aid to Local Units	3,992,267	1,577,516	3,309
TOTAL	<u>\$ 5,223,992</u>	<u>\$ 2,733,875</u>	<u>\$ (36,274)</u>
State General Fund:			
State Operations	\$ 893,128	\$ 817,713	\$ (35,840)
Aid to Local Units	3,184,296	769,545	—
TOTAL	<u>\$ 4,077,424</u>	<u>\$ 1,587,258</u>	<u>\$ (35,840)</u>
F.T.E. Positions	26.0	24.0	—

Agency Request/Governor's Recommendation

The agency's request for FY 1985 of \$5,223,992 includes \$4,077,424 from the State General Fund. The requested amount provides for \$597,941 in salaries and wages for 26.0 F.T.E. positions, \$57,225 for communications expenditures, and \$37,750 for travel and subsistence expenditures.

The Governor's recommendation of \$2,733,875 includes \$1,587,258 from the State General Fund. Of the total amount recommended, \$559,239 would be designated for salaries and wages for 24.0 F.T.E. positions, \$55,406 for communications expenditures, and \$33,950 for travel and subsistence expenditures.

FY 1984. The House Subcommittee concurs with the Governor's recommendations.

FY 1985. The House Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Deletion of \$30,714 for salary plan revision, of which \$30,280 would come from the State General Fund.
2. Reduction of \$2,000 in travel and subsistence expenditures in the Administrative Services Division. This reduction would adjust the cost per mile and the amount designated for subsistence to accord with Division of the Budget instructions.
3. Reduction of \$3,560 for communications expenditures to be applied as follows: \$1,500 in the Administrative Services Division, \$1,750 in the Reference Services Division, and \$310 in the Library Development Division.
4. Reallocation of \$3,309 in projected savings from salaries and wages to grants for public libraries in the Interlibrary Resource Sharing and Automation Division. These grants would allow libraries to offer services to improve the literacy of, and provide education to, the limited-English speaking populace.

5. The agency furnished the House Subcommittee with information on seven priorities for program development; all the proposed items were requested at the C level of the agency's FY 1985 budget and have been appealed to the Division of the Budget. Although the Subcommittee has reviewed all these priority items, it considers the fiscal situation in FY 1985 to be too uncertain at present to recommend any additional funding. As the Subcommittee believes that these items have merit and thus warrant further attention, it encourages the Senate to review the agency's proposals when the availability of State General Funds for additional projects becomes more defined.
6. Upon the agency's request, the Subcommittee recommends the insertion in the FY 1985 appropriations bill of two revolving funds -- the Library Telecommunications Services Fund and the Central Library Materials Fund -- which would contain a provision of no limitation on expenditures made from these funds.
7. The Subcommittee recommends the insertion of a proviso in the FY 1985 appropriations bill which would allow expenditures of \$500 from the State General Fund for hospitality to apply to the accounts of all six divisions in the Library. The proviso in H.B. 2684 presently applies only to the Administrative Services account.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

FY 1984. The Senate Subcommittee concurs with the House Committee's recommendation.

FY 1985. The Senate Subcommittee concurs with the House Committee's recommendation with the following adjustments:

1. Addition of \$6,288 from the State General Fund to purchase a microfiche to microfiche duplicator which would enable the agency to send needed materials to other libraries in Kansas and in the United States. The Senate Subcommittee believes that this purchase will result in cost savings to many libraries in Kansas, and that more extensive use of fiche will allow them to store large quantities of information more efficiently, compactly, and inexpensively.

2. Shift of \$3,692 from federal funds to the State General Fund to better reflect the funding allocation for the salary plan revision that was recommended by the Governor. A technical adjustment was also made to the funding distribution for health insurance.
3. Although no additional funding is presently recommended for this purpose, the Subcommittee wishes to encourage the agency to proceed with its plans to edit the data in the Kansas Union Catalog in order to delete invalid bibliographic entries. It is recommended that the agency assign its staff, whenever feasible, to work on this project. The Subcommittee believes that the elimination of erroneous entries will reduce unnecessary inter-library loan transactions which will, in turn, save the researcher who is requesting the information both time and money.

SUBCOMMITTEE REPORT

Agency: School District Income Tax Fund Bill No. 2684 Bill Sec. 3

Analyst: Goering Analysis Pg. No. 159 Budget Pg. No. 3-79

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ —	\$ —	\$ —
Aid to Local Units	103,055,621	103,600,000	—
Other Assistance	—	—	—
TOTAL	<u>\$103,055,621</u>	<u>\$103,600,000</u>	<u>\$ —</u>
 F.T.E. Positions	 —	 —	 —

Agency Request/Governor's Recommendation

As submitted in September, 1983, the agency's budget projection of School District Income Tax rebates in FY 1985 totaled \$103,055,621. The budget request suggests that the Department of Revenue prefers that no expenditure limitation be placed on distributions from the fund.

The Governor's recommendation, totaling \$103,600,000, coincides with the most recent projection of the consensus estimating group made in November, 1983. The Governor recommends placement of an expenditure limitation on distributions from the fund.

House Subcommittee Recommendation

The Subcommittee concurs with the total distribution projection recommended by the Governor, but does not recommend placement of an expenditure limitation on the fund, for the reasons cited in the FY 1984 Subcommittee report.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.

Agency: School for the Visually Handicapped Bill No. 2684 Bill Sec. 4Analyst: Brown Analysis Pg. No. 160 Budget Pg. No. 3-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,095,559	\$ 1,896,601	\$ (234)
Capital Improvements	217,000	10,000	139,000
TOTAL	<u>\$ 2,312,559</u>	<u>\$ 1,906,601</u>	<u>\$ 138,766</u>
State General Fund:			
State Operations	\$ 2,037,301	\$ 1,838,343	\$ (234)
Capital Improvements	—	—	—
TOTAL	<u>\$ 2,037,301</u>	<u>\$ 1,838,343</u>	<u>\$ (234)</u>
F.T.E. Positions	84.4	77.9	6.1

House Subcommittee Recommendation

FY 1984. The Subcommittee recommends reappropriation of \$14,500 in current year salary savings.

FY 1985. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Delete \$35,574 to remove the salary increase of 5 percent plus \$17 per month.
2. Delete \$11,229 due to an increased turnover calculation.
3. Addition of \$11,758 and 0.5 F.T.E. for a half-time personnel officer to be shared equally with the School for the Deaf.
4. Addition of \$20,624 and 1.0 F.T.E. for the addition of a registered nurse, as recommended by the Department of Health and Environment, in order to have a nurse on duty at all times.
5. Addition of \$12,612 and 1.0 F.T.E. to provide an additional dormitory teacher. The School needs this staff addition to provide greater supervision of students at nights and on weekends. The Subcommittee feels this staff addition is necessary to address the serious understaffing problems at night and on weekends.
6. Addition of \$1,575 for drapes in the student dormitories for a total of \$2,500.
7. The Subcommittee would like to note that the School requested, but the Governor did not recommend, funds for reclassification of its food service personnel. Documentation provided by the Schools appears to justify this request, but the Subcommittee has refrained from recommending funds without approval of the reclassification from the Division of Personnel Services.

8. The Subcommittee reviewed equipment items that were requested but not recommended, including a \$10,000 request for a versabrailler. The Subcommittee encourages the School to solicit private and corporate contributions for major equipment purchases and recommends insertion of a no-limit line item "Gift Fund" appropriation to accommodate receipt and expenditure of donated funds.
9. The Subcommittee recommends that the State Board of Education, in cooperation with the two state schools, investigate the possibility of a new system of delivery of educational services at the schools and report to the Legislature on or before January 14, 1985. The study should include, but not be limited to, the possibility of contracting with USD 609 for educational services (as do certain institutions under SRS) or the possibility of establishing a similar type school district to serve the state schools. The Subcommittee would emphasize that it is not suggesting that the schools should be placed under SRS.
10. A technical adjustment that increases the School's F.T.E. position limitation by 3.6. The School currently considers some of its ten month positions as 1.0 F.T.E. and others as .8 F.T.E. The Subcommittee's adjustment is recommended for the sake of consistency and comparability; no actual position increase is involved.
11. Addition of \$139,000 for renovation of the Health Center, in accordance with the recommendation of the Joint Committee on State Building Construction.
12. The Subcommittee recommends that the Department of Transportation erect signs bearing the School's name on the interstate to indicate the appropriate exit for the School. Similar signs have been erected in Olathe for the School for the Deaf.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (234)	\$ 1,896,367	\$ --
Capital Improvements	139,000	149,000	--
TOTAL	<u>\$ 138,766</u>	<u>\$ 2,045,367</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (234)	\$ 1,838,109	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ (234)</u>	<u>\$ 1,838,109</u>	<u>\$ --</u>
F.T.E. Positions	6.1	84.0	--

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendation.

SUBCOMMITTEE REPORT

Agency: School for the Deaf Bill No. 2684 Bill Sec. 5

Analyst: Brown Analysis Pg. No. 3-1 Budget Pg. No. 163

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustment</u>
All Funds:			
State Operations	\$ 4,273,812	\$ 4,060,135	\$ (62,388)
Capital Improvements	733,000	514,300	(62,300)
TOTAL	<u>\$ 5,006,812</u>	<u>\$ 4,574,435</u>	<u>\$ (124,688)</u>
State General Fund:			
State Operations	\$ 4,044,812	\$ 3,831,135	\$ (62,388)
Capital Improvements	---	---	---
TOTAL	<u>\$ 4,044,812</u>	<u>\$ 3,831,135</u>	<u>\$ (62,388)</u>
F.T.E. Positions	171.6	166.0	1.5

House Subcommittee Recommendations

FY 1984. The Subcommittee recommends reappropriation of \$60,000 in current year salary savings.

FY 1985. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$66,448 for salary increases.
2. Add \$11,758 and 0.5 F.T.E. for a half-time personnel officer to be shared equally with the School for the Visually Handicapped.
3. A \$35,200 reduction due to an increased calculation for turnover savings.
4. Addition of \$27,022 and 1.0 F.T.E. to establish a Dean of Girls position. The School needs additional supervision of dormitory personnel and a woman to provide counseling for the female students.
5. Add \$480 as requested by the School for an air conditioner to replace a unit in the office that no longer operates properly. The Subcommittee, however, encourages the School to find a less costly unit if possible.
6. The Subcommittee recommends that the State Board of Education, in cooperation with the two state schools, investigate the possibility of a new system of delivery of educational services at the schools and report to the Legislature on or before January 14, 1985. The study should include, but not be limited to, the possibility of contracting with USD 609 for educational services (as do certain institutions under SRS) or the possibility of establishing a similar type school district to serve the state schools. The Subcommittee would emphasize that it is not suggesting that the schools should be placed under SRS.
7. In accordance with recommendations of the Joint Committee on State Building, provide funding as follows for capital improvements, resulting in a \$62,300 reduction:

Reroof Roberts Building	\$ 80,000
Replace Steam/Water Pipes, Roth Building	160,000
Fire Alarm System, Roth Building	22,000
Major Maintenance	30,000
Swimming Pool and Gymnasium Renovation	140,000
Emery Hall Study	20,000

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The Committee added \$210,000 to air condition Emery Hall.

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (62,388)	\$ 3,997,747	\$ 26,566
Capital Improvements	147,700	662,000	(210,000)
TOTAL	<u>\$ 85,312</u>	<u>\$ 4,659,747</u>	<u>\$ (183,434)</u>
State General Fund:			
State Operations	\$ (62,388)	\$ 3,768,747	\$ 26,566
Capital Improvements	--	--	--
TOTAL	<u>\$ (62,388)</u>	<u>\$ 3,768,747</u>	<u>\$ 26,566</u>
F.T.E. Positions	1.5	167.5	1.0

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendation with the following exceptions:

1. Establish a no-limit line item "Gift Fund" appropriation, as established for KSSVH, to encourage solicitation of private donations.
2. Reduction of \$210,000 for air conditioning for Emery Hall. The Subcommittee notes that funding has been provided for a comprehensive study of this building, its needs and future uses. Until that study is completed, the Subcommittee believes additional improvements to the building are premature.

3. Addition of \$23,566 in salaries and wages, \$3,000 in travel, and 1.0 position to establish a preschool outreach position. The School had requested funding to establish a preschool program, but neither the Governor nor the House has recommended the program. The Subcommittee agrees, but recognizes the importance of early intervention in the education of deaf children. The position being recommended would provide for an individual who could travel statewide and train parents and local preschool teachers to provide appropriate early education for the preschool deaf.

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No. 2684 Bill Sec. 6
 Analyst: Goering Analysis Pg. No. 167 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,063,868	\$ 7,286,965	\$ (610,624)
Aid to Local Units	680,781,765	645,816,656	(37,111,482)
Other Assistance	6,478,170	6,461,010	17,160
TOTAL	<u>\$694,323,803</u>	<u>\$659,564,631</u>	<u>\$(37,704,946)</u>
State General Fund:			
State Operations	\$ 3,901,868	\$ 4,124,965	\$ (516,231)
Aid to Local Units	610,221,765	575,256,656	(37,111,482)
Other Assistance	153,170	136,010	17,160
TOTAL	<u>\$614,276,803</u>	<u>\$579,517,631</u>	<u>\$(37,610,553)</u>
F.T.E. Positions	176.0	177.5	(5.5)

Agency Request/Governor's Recommendation

The Department of Education's FY 1985 request includes \$437,726,000 in State General Fund expenditures to finance school equalization aid, an increase of \$61,670,000 when compared to the FY 1984 appropriation. The request also includes \$41,390,000 for general transportation state aid, an increase of 7.5 percent over the FY 1984 estimate. The budget includes a request for \$61,974,894 for special education teaching unit distributions and \$9,882,260 for special education transportation reimbursements, reflecting the Department's estimate of the total required to fully reimburse projected special education excess costs. The request includes an increase of \$125,524 to allow the agency to reimburse schools for providing school lunches to children at the maximum statutory rate of six cents per meal. Amounts were requested in order to increase reimbursements for both regular and out-district credit hours provided by Washburn University and the state's 19 community colleges to a base rate of \$24 (\$36 for vocational hours and \$48 for vocational hours offered by two community colleges which are also approved area vocational schools). The budget request assumes increases of 5 percent per enrolled pupil for Ft. Leavenworth state aid, 6 percent in each of the appropriations for vocational education state aid to USDs and to AVTS facilities, and \$1,000,000 or 10 percent for postsecondary vocational education state aid. A sum of \$2,000,000 is requested from the State General Fund to provide state aid to AVTS facilities for capital outlay. Continuation is requested of a State General Fund appropriation of \$18,265 initiated by the 1983 Legislature for off-campus work-study programs offered by Washburn University. The request includes \$82,160 to finance state aid for educable deaf-blind and severely handicapped children's programs. Finally, the request includes a total of \$4,137,000 in State General Fund expenditures to initiate two new state aid programs associated with the proposed Comprehensive Teacher Preparation and Development Program. Of the total, \$2,500,000 is for aid to school districts for financial support of approved teacher in-service education programs, and \$1,637,000 is for financial assistance to schools to initiate a program of on-the-job guidance for new teachers.

The agency's state operating budget request for FY 1985 includes funding for a total of 5.0 F.T.E. additional positions, including two to enhance math and science consultation services provided to school districts and three to administer a program of statewide teacher testing. For validation of the proposed test, a sum of \$155,000 is requested to ensure that examinations meet legal requirements for use as a prerequisite to Kansas teacher certification. No funds are requested by the Department for minimum

competency testing of Kansas pupils, pending passage of legislation to reauthorize this program.

The Governor recommends \$416,056,000 to finance school equalization state aid as well as the requested amount for general transportation state aid. For special education teaching unit distributions, the Governor recommends \$55,313,650, an amount which was computed on the basis of 5,350 teaching units and the FY 1984 maximum distribution rate per teaching unit of \$10,339. The Governor's recommendation includes \$9,530,000 for special education transportation reimbursements, a 7.0 percent increase compared to the recommendation for FY 1984.

The Governor recommends the amounts requested by the agency for school food assistance, Ft. Leavenworth state aid, vocational education program aid for USDs and AVTS facilities, and postsecondary vocational education state aid. The Governor recommends sufficient funding for reimbursing credit hours provided by community colleges and Washburn University to finance the current maximum rates authorized by 1982 S.B. 454, including additional funding for Pratt Community College beginning FY 1985 due to its designation as an approved area vocational school beginning in that year. The Governor recommends a \$1,000,000 State General Fund appropriation to initiate state financial support for approved in-service education programs offered by local school districts. The Governor does not recommend funding in FY 1985 for support of local programs to offer guidance to new teachers. The Governor recommends deletion of earmarked funds requested to continue state aid for educable deaf-blind and severely handicapped children's programs. Also recommended for deletion is the state aid support requested for off-campus work-study programs at Washburn University. The Governor recommends no funding to provide State General Fund assistance to area vocational-technical schools for acquisition of capital outlay.

The Governor recommends a state operations budget which includes the 5.0 F.T.E. new positions requested, plus an additional 1.5 F.T.E. positions to assist local school districts in the development of approved in-service education programs. The Governor also recommends \$115,000 to finance validation activities associated with use of a core battery examination as a prerequisite for teacher certification, beginning with candidates seeking Kansas certification in the spring of 1986. The Governor also recommends \$230,000 to finance contractual services for continuation of the Minimum Competency Testing Program.

House Subcommittee Recommendations

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

1. Deletion of \$273,948 recommended by the Governor for salary plan cost-of-living increases. This adjustment is to be financed as shown in Table I (attached). It should be noted that this adjustment assumes application of 1.75 percent as a turnover savings adjustment, pursuant to the agency's budget request. Although the Governor's recommendation applied the same percentage, health insurance premiums had been incorrectly excluded from the turnover savings computation in the Governor's recommended budget.

2. Reduction of \$36,473 in salaries and wages expenditures, reflecting an increase in projected turnover savings from 1.75 percent (proposed by the agency) to 2.5 percent, with the exception of the State Board of Education, for which no turnover savings are assumed. The reduction is to be financed as shown in Table I (attached).
3. Reduction of \$109,328 for travel and subsistence expenditures. The Subcommittee's recommended agencywide total for such costs is \$465,891, an amount which is \$1,000 more than the Subcommittee's recommendation for FY 1984. It should be noted that additional amounts are recommended for travel and subsistence costs associated with new program initiatives elsewhere in this Subcommittee report. The adjustment for agencywide travel costs is to be financed as shown below:

	<u>SGF</u>	<u>AOF</u>	<u>Total</u>
Administration	\$ (15,555)	\$ (10,006)	\$ (25,561)
Governance of Education	(10,000)	—	(10,000)
Quality Control Services	(7,785)	(2,085)	(9,870)
Consultative Services	(22,667)	(9,753)	(32,420)
Special Education Services	(11,670)	(6,230)	(17,900)
Postsecondary Education Services	(5,132)	(1,500)	(6,632)
Vocational Education Services	(1,140)	(5,805)	(6,945)
TOTAL	<u>\$ (73,949)</u>	<u>\$ (35,379)</u>	<u>\$ (109,328)</u>

The Subcommittee notes that the recommended reduction in State Board of Education travel costs is not intended to discourage participation in in-state activities by Board members. Rather, the Subcommittee would encourage the State Board to become increasingly involved in educational activities in the state. The Subcommittee recommends that the Board's out-of-state travel costs should be reduced to the extent necessary to keep total travel costs within the \$55,000 recommended by the Subcommittee for FY 1985.

4. Reduction of \$3,000 in State General Fund expenditures and \$2,000 in federal block grant fund expenditures for printing costs. The Subcommittee recommends that printing costs for updating the Educational Directory should not be budgeted in FY 1985 since the most recent issue was printed in early FY 1984. This adjustment coincides with the Subcommittee's renewed recommendation that the publication should be reprinted no more frequently than every other year.
5. Reduction of \$9,436 for telephone expenses. This adjustment is based upon information provided to the full Committee by the Director of Telecommunications, and is to be financed as shown in the following table:

	<u>SGF</u>	<u>AOF</u>	<u>Total</u>
Administration	\$ (4,550)	\$ —	\$ (4,550)
Governance of Education	2,742	—	2,742
Quality Control Services	(1,928)	(1,928)	(3,856)
Consultative Services	(1,702)	—	(1,702)
Special Education Services	583	—	583
Postsecondary Education Services	(1,000)	—	(1,000)
Vocational Education Services	9827)	(826)	(1,653)
TOTAL	<u>\$ (6,682)</u>	<u>\$ (2,754)</u>	<u>\$ (9,436)</u>

6. Reduction of \$20,007 for postage expenditures. The Subcommittee notes that the Governor's recommendation would provide a total of \$134,092 for postage expenditures in FY 1985 as compared to actual FY 1983 total expenses of \$95,637. The Subcommittee recommends amounts which exceed revised postage estimates for FY 1984 by 15 percent to allow for a 3 cent increase in first class postage rates. The adjustment is to be financed as follows:

	<u>SGF</u>	<u>AOF</u>	<u>Total</u>
Administration	\$ (3,825)	\$ —	\$ (3,825)
Governance of Education	(2,914)	—	(2,914)
Quality Control Services	(2,875)	(2,875)	(5,750)
Consultative Services	(1,662)	—	(1,662)
Special Education Services	(150)	—	(150)
Postsecondary Education Services	(1,325)	(1,171)	(2,496)
Vocational Education Services	(1,605)	(1,605)	(3,210)
	<u>\$ (14,356)</u>	<u>\$ (5,651)</u>	<u>\$ (20,007)</u>

7. Increase of \$5,100 in State General Fund expenditures for health insurance premium payments on behalf of members of the State Board of Education.
8. Reduction of \$25,000 in State General Fund expenditures for contractual legal services for the State Board of Education.
9. Reduction of \$2,454 in State General Fund expenditures for repairs and servicing in the General Administration program.
10. Reduction of \$4,850 in Certificate Fee Fund expenditures for honoraria, microfilming, and computer fees for the Quality Control program.
11. Reduction of \$6,000 in Certificate Fee Fund expenditures recommended for acquisition of five computer terminals in FY 1985 for the Quality Control program. The Subcommittee learned that the program is presently utilizing two computer terminals and is of the opinion that this is an adequate number for on-line processing of teacher certificates.

12. Deletion of a total of \$54,452 (\$46,523 for salaries and \$7,929 for fringe benefits) in State General Fund expenditures recommended by the Governor for 2.0 F.T.E. additional positions to provide consultation services to local education agencies. The Subcommittee notes that the agency has addressed this priority area by shifting functions of existing personnel, and would encourage the agency to continue such efforts. The Subcommittee is of the opinion that adequate staff resources currently exist to allow the agency to provide increased consultation in high-priority curriculum areas without adding additional positions to the agency's budget.
13. Reduction of \$2,500 in State General Fund expenditures for repairs and servicing in the Consultative Services program.
14. Reduction of \$1,081 (\$1,000 for salary expenses plus \$81 for fringe benefits) in State General Fund expenditures recommended for per diem compensation to members of the Advisory Council on Special Education.
15. Restoration of \$82,160 to continue the State General Fund program of aid for Educable Deaf-Blind and Severely Handicapped Children's Programs.
16. Reduction of \$1,000 for repairs and servicing costs budgeted for the Vocational Education Services program, allowing savings of \$500 in State General Fund costs and an equal amount in federal fund expenditures.
17. Shift in financing for an Auditor I position to continue the current funding of approximately 25 percent from the State Safety Fund and 75 percent from the State General Fund. This adjustment allows State General Fund savings of \$5,585, offset by an increase of an equal amount in State Safety Fund expenditures for salaries and wages.

Comprehensive Teacher Preparation and Development Program

18. The Subcommittee concurs with the recommendation of the Governor to initiate a Comprehensive Teacher Preparation and Development Program. The Subcommittee, however, is of the opinion that implementation of this major policy proposal would be facilitated by passage of substantive legislation, which the Subcommittee recommends for introduction. The proposed legislation incorporates the policy proposal of the State Board of Education, as recommended by the Governor, with two revisions:
 - a. Addition of an exemption from the examination requirement for all teachers initially certified to teach outside the state of Kansas prior to May 1, 1986.
 - b. Addition of statutory authority for the Legislature to annually earmark a portion of the new Inservice Education State Aid appropriation to provide one-time project grants to school districts having an approved inservice education program, to provide an incentive to school districts to develop innovative inservice education programs for teachers.

The Subcommittee endorses the concept of a comprehensive program to ensure adequate preparation and continued professional development of Kansas teachers. The Subcommittee's recommended legislation is intended to codify the Legislature's intent to continue such efforts in future years. The Subcommittee views such legislation to be particularly crucial to the effective implementation of this multi-year policy proposal, which will depend upon appropriations not only for FY 1985 but also for future years.

In particular, the Subcommittee recommends two of the three positions recommended by the Governor for teacher testing validation activities. The Subcommittee's recommendation deletes \$12,635 (\$11,208 for salaries and \$1,427 for fringe benefits) in State General Fund expenditures recommended for one Secretary I position. The Subcommittee also notes that after the core battery examination is properly validated and in use, the remaining 2.0 F.T.E. positions budgeted for teacher testing will likely not be needed by the agency. The Subcommittee further recommends addition of \$2,000 for communications and \$3,000 for travel to its previous recommendations for these items, to allow for the additional operating support for the two positions associated with the proposed teacher testing requirement.

The Subcommittee also concurs with the recommendation of \$115,000 in contract expenditures for validation of the core battery examination, but recommends that this amount be financed from the Certificate Fee Fund rather than from the State General Fund.

The Subcommittee recommends deletion of 1.5 F.T.E. positions and deletion of the \$1,000,000 recommended for Inservice Education State Aid, pending passage of the legislation proposed by this Subcommittee to implement state aid support for inservice education. This recommendation would delete \$34,536 in State General Fund expenditures for salaries and wages. Assuming the proposed legislation passes, the Subcommittee recommends consideration of this issue in the Omnibus appropriation bill.

19. Addition of a proviso to the Economic and Consumer Education Fund to clarify that any amounts received under contract with the Consumer Credit Commission are to be credited to that fund. This recommendation allows deletion of Subsection (c) of Section 6 of H.B. 2684.
20. Reduction of \$61,900 in State General Fund expenditures for Bilingual Education Program Aid. The Subcommittee notes that enrollment in such programs has declined from a high of 4,199.0 in FY 1982 to 3,965.0 in FY 1983. In September, 1983, total enrollment reflected a continued decline to 3,887.3. It is on this basis that the Subcommittee recommends expenditures to coincide with the maximum statutory amount of \$150 per enrolled pupil, multiplied by a projected stable enrollment of 3,887.3.
21. Reduction of \$125,524 in School Food Assistance State Aid. The Subcommittee recommends a total of \$2,510,486 in state aid for the National School Lunch Program, an amount which is the minimum amount of state support necessary to meet federal matching requirements and is the same amount included in the FY 1984 approved budget for this purpose.

22. Reduction of \$52,561 recommended by the Governor for increased state aid to unified school districts for vocational education programs.
23. Reduction of \$135,265 recommended for postsecondary state aid for vocational education, based on higher audit savings than anticipated by the Department of Education. The Subcommittee notes that audit adjustments have netted savings to the state as follows:

FY 1980	\$ 503,271
FY 1981	704,562
FY 1982	262,066
FY 1983	204,018

The Governor's recommendation for FY 1985 assumes that net audit savings will be only \$14,735 in FY 1985. The Subcommittee's recommended reduction assumes that net audit savings will total \$150,000, a difference of \$135,265.

24. Reduction of \$354,550 in school transportation state aid, based upon a 7.5 percent increase to the revised estimate for FY 1984.
25. The Subcommittee recommends that the Department study the possibility of purchasing the building located at 109 E. 10th Street, in which the agency is presently housed. The present lease agreement will expire on January 1, 1986, but includes an option for the state to renew the lease for a two-year period at the present annual lease cost of \$160,000. The Subcommittee is of the opinion that the Division of Architectural Services should consider the advantages to the state of acquiring this building for state office space.
26. Reduction of \$27,200 in state aid for adult basic education programs. The federal funds made available for such programs in Kansas are contingent upon a minimum state match of 10 percent. The Subcommittee's recommendation is to establish state support at a level no greater than necessary to meet federal matching requirements.
27. Reduction of \$40,000,000 in the School District Equalization Act appropriation recommended by the Governor. The Subcommittee recommends an amount which coincides with the FY 1984 appropriation level, pending passage of school finance legislation for the 1984-85 school year. The Subcommittee notes that February revenue shortfalls warrant the use of caution in determining the amount of increase in school aid until more is known about the status of State General Fund revenues.
28. Increase of \$2,000,000 in State General Fund expenditures for special education services. The Subcommittee notes that the Governor recommends a total of \$55,313,650 for categorical teaching unit aid distributions pursuant to K.S.A. 72-978(d). That amount is in addition to the sum of \$9,530,000 recommended by the Governor for teacher transportation,

student transportation, and student maintenance reimbursements, pursuant to K.S.A. 72-978(a), (b), and (c). The Subcommittee concurs with the latter amount recommended by the Governor for transportation and maintenance reimbursements. However, the amount recommended by the Governor for teaching unit distributions is recommended by the Subcommittee to be increased by \$2,000,000. Further, the Subcommittee recommends addition of the increased sum of \$57,313,650 to the amount of \$376,056,000 recommended at this time to finance the School District Equalization Act. The combined total of \$433,369,650, plus any additional amount to be included following passage of school finance legislation, would be distributed through the single school equalization formula. This recommended adjustment is intended to power-equalize that amount of state aid which is currently distributed on the basis of special education teaching units. The Subcommittee is of the opinion that the state has appropriately identified exceptional children over the past decade, and believes that the state's mandate to districts to provide a free and appropriate education applies to all school-age pupils equally, regardless of whether they may be considered exceptional, gifted, or regular pupils. Therefore, the Subcommittee recommends that \$9,530,000 remain in the Special Education Services Aid line item, with a proviso specifying that the amount to be distributed pursuant to K.S.A. 72-978(d) for each F.T.E. teaching unit from that appropriation may not exceed \$0. The remaining \$57,313,650 in state aid is proposed to be added to the SDEA appropriation recommended by this Subcommittee, for a total SDEA appropriation of \$433,369,650. Finally, the Subcommittee recommends any technical amendments necessary to S.B. 626 to accommodate increases in school district general fund budgets which will result from a one-time shift of expenditures from local special education funds to general funds.

29. Addition of \$1,500,000 in State General Fund expenditures, to be appropriated in a separate line item, for state aid to area vocational-technical schools for acquisition of instructional equipment. The Subcommittee also recommends attachment of a proviso to the appropriation to require a dollar-for-dollar nonstate match as a condition of any grant award for such purposes from state funds.
30. Addition of \$1,061,340 to the Governor's recommended expenditures for state aid to community colleges and Washburn University. This recommendation coincides with the proposals contained in S.B. 513 and S.B. 521. The increases to the Governor's budget proposal are recommended for each of the four State General Fund line item appropriations as follows:

Washburn University Regular Credit Hour Aid	\$ 63,549
Washburn University Out-District Credit Hour Aid	60,462
Community College Regular Credit Hour Aid	423,737
Community College Out-District Credit Hour Aid	513,592
Total	<u>\$1,061,340</u>

31. Revisions to the structure of the appropriation bill to adopt the traditional state operating line items of Salaries and Wages and Other Operating Expenditures, together with provisos allowing FY 1984 savings in operating line items to reappropriate.

32. Deletion of \$13,616 for salaries and wages, 1.0 F.T.E. Secretary I position which is presently vacant, and \$8,408 in other operating expenditures recommended by the Governor for FY 1985 to be financed from federal CETA funds. The Subcommittee learned that revenues to the Department are no longer forthcoming because the program has been abolished at the federal level. The Subcommittee also recommends deletion of the fund from the appropriation bill. In its place, the Subcommittee recommends appropriation of moneys currently available to the Department from the federal Jobs Training Partnership Act fund, but with a \$0 expenditure limitation. The Subcommittee encourages the Department to inform the Senate Subcommittee of its plans for expending JTPA funds so that FY 1985 budgeted expenditures may be adjusted accordingly.
33. Restoration of \$19,178 for state aid to Washburn University for off-campus work-study programs, in accordance with the full Committee's systemwide decisions on Regents' institutions. A proviso allowing any FY 1984 savings to be reappropriated and spent without limitation in FY 1985 is to be attached to the line item appropriation.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations, with one revision:

1. Deletion of all language in paragraph 28 regarding power-equalization of special education. This adjustment would, however, retain the \$2,000,000 in additional funding for special education, to be distributed on the basis of special education teaching units pursuant to K.S.A. 72-978(d). The Committee also recommends introduction of legislation to clarify language contained in that statute which places limitations on the number of special teachers which may generate state aid reimbursement.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the House Committee recommendations with the following adjustments:

1. Restoration of \$27,200 in state aid for adult basic education programs.
2. Shift of \$2,100,000 from the School District Equalization Act line item appropriation to a new line item, to provide earmarked state support for summer school programs. This adjustment reduces the SDEA line item appropriation to \$373,956,000.
3. Deletion of the amount of \$373,956,000 remaining in the line item appropriation for state school equalization aid.
4. Addition of \$3,859,515 in State General Fund expenditures for special education services aid. This amount is in addition to the \$57,313,650 recommended by the House Committee for teaching unit distributions and is intended to provide state support for 95 percent of projected special education excess costs.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec.</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
All Funds:			
State Operations	\$ (610,624)	\$ 6,676,341	\$ 63,100
Aid to Local Units	(407,180,767)	238,635,889	397,138,569
Other Assistance	17,160	6,478,170	25,000
TOTAL	\$ (407,774,231)	\$251,790,400	\$ 397,226,669
State General Fund:			
State Operations	\$ (516,231)	\$ 3,608,734	\$ 193,535
Aid to Local Units	(407,180,767)	168,075,889	397,138,569
Other Assistance	17,160	153,170	25,000
TOTAL	\$ (407,679,838)	\$171,837,793	\$ 397,357,104
F.T.E. Positions	(5.5)	172.0	1.0

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Reduction of \$40,000 in expenditure authority for the Economic and Consumer Education Fund. This adjustment is intended to appropriately adjust the Department of Education budget for FY 1985 to coincide with the recommendations of the Senate Committee on H.B. 2680, with regard to the Consumer Credit Commission's FY 1985 budget. The recommendation retains \$25,000 in expenditure authority for the fund to permit continued half-time salary support and associated operating expenditures for the consultant position assigned to this program.
2. Deletion of the \$1,061,340 recommended by the House for increased state support to Washburn University and the nineteen community colleges. The Subcommittee supports the increased funding levels recommended by the House, but notes that S.B. 513 and S.B. 521 have not passed the full Legislature at this time. The Subcommittee therefore recommends restoration of this amount in the Omnibus Bill, following passage of the necessary legislative authorization to increase maximum amounts payable per regular and out-district credit hour.
3. Deletion of \$2,100,000 added by the House Committee of the Whole to provide earmarked state aid for remedial summer school programs subject to the provisions of 1984 H.B. 2832. The Subcommittee notes that H.B. 2832 is currently in the House Ways and Means Committee. 1984 S.B. 474 would also establish state funding support for summer school programs and is presently in the House Education Committee. The Subcommittee recommends consideration of this issue in the Omnibus Bill following passage of legislation authorizing this newly proposed state aid program.

4. Restoration of \$61,900 for Bilingual Education Programs State Aid. The Senate Subcommittee notes that total enrollment in such programs as of February, 1984, was 4,418.0 students, up significantly from September enrollment of 4,166.0. The Subcommittee is of the opinion that 4,300.0 is a reasonable enrollment projection for FY 1985 given the recent fluctuation in bilingual education enrollment. In order to fund, at the maximum rate of \$150 annually, each pupil anticipated to participate during FY 1985 in such programs, the Subcommittee recommends restoration of the House reduction. The Subcommittee notes that the House did not intend to provide less than the amount necessary to fund the maximum statutory distribution per enrolled pupil.
5. Restoration of \$125,524 for State School Food Assistance to provide state support of 6 cents per meal eligible for federal funding under the National School Lunch Program. The Subcommittee notes that K.S.A. 72-5117 authorizes the State Board to distribute up to 6 cents per meal to the governing boards of public and nonpublic schools which operate approved school lunch programs. The House reduced the Governor's recommendation to the FY 1984 level, consistent with traditional legislative policy to provide state appropriations adequate to meet Federal Food Assistance matching requirements. The Senate Subcommittee recommends restoration of the amount necessary to concur with the funding level recommended by the Governor, and endorses the Governor's policy recommendation to fully fund state school lunch reimbursements.
6. Restoration of \$135,265 for Postsecondary Vocational Education Program State Aid. The Subcommittee recommends this adjustment on the assumption that salaries of area vocational school teachers are likely to increase by a percentage higher than that assumed in the Governor's recommendation.
7. Restoration of 1.0 F.T.E. position and \$27,226 in State General Fund expenditures for salaries and wages (including fringe benefits) to add an Educational Program Specialist for the Consultative Services Program. The Subcommittee recommends that the Commissioner of Education utilize this position for curriculum consultation in high-priority specialties at the discretion of the agency. If additional consultant positions are deemed necessary, the Subcommittee recommends that the agency consider conversion of other currently authorized positions as they become vacant, or reassignment of existing personnel to provide technical assistance to local school districts in curriculum areas considered to be of the highest priority.
8. Shift in funding for the recommended expenditure of \$115,000 for validating the core battery teacher examination from the Certificate Fee Fund to the State General Fund.
9. Restoration of amounts for travel and subsistence as shown in the following table, to allow the Department adequate funding to finance increased levels of in-state travel for site visits to schools:

	<u>SGF</u>	<u>AOF</u>	<u>Total</u>
Administration	\$ 7,778	\$ 5,003	\$12,781
Governance of Education	5,000	—	5,000
Quality Control Services	3,893	1,042	4,935
Consultative Services	22,667	9,753	32,420
Special Education Services	5,835	3,115	8,950
Postsecondary Education Services	2,566	750	3,316
Vocational Education Services	570	2,902	3,472
TOTAL	<u>\$48,309</u>	<u>\$22,565</u>	<u>\$70,874</u>

10. Restoration of \$396,056,000 to finance the School District Equalization Act, an amount which exceeds the FY 1984 appropriation by \$20 million.
11. Restoration of \$3,000 from the State General Fund and \$2,000 in federal block grant fund expenditures for contractual printing costs. This adjustment is intended to allow the Department to annually print updated editions of the Educational Directory for distribution free of charge to Kansas education agencies.
12. Addition of \$25,000 in a separate line item State General Fund appropriation for a project grant to the Kansas Foundation for Agriculture, to initiate state support for Agriculture in the Classroom programs. A proviso is recommended for attachment to the appropriation line item requiring a dollar-for-dollar match from private funding sources such as agricultural groups and agribusiness entities. Total program expenses of an estimated \$50,000 annually would primarily include costs of developing and printing educational materials for purposes of supplementing existing school curricula by incorporating agriculture information into regular K-12 classroom coursework.
13. The Subcommittee recognizes that budgetary adjustments are necessary to allow the Department to expend federal Job Training Partnership Act Funds in FY 1985. The Department had not received information regarding FY 1985 funding levels as of March 15, 1984 from the State Department of Human Resources, which is the direct recipient of the federal grant funds on behalf of the state of Kansas. The Subcommittee therefore recommends that necessary federal fund expenditure adjustments be included in the Omnibus Bill.
14. The Subcommittee concurs with the House Subcommittee's recommendation that the proposed Comprehensive Teacher Preparation and Development Program should be incorporated into substantive statute. The Subcommittee endorses passage of House Bill Nos. 3091 and 3092, which were introduced at the recommendation of the House Subcommittee. Following passage of such legislation, the Subcommittee recommends restoration in the Omnibus Bill of 1.5 F.T.E. administrative positions and \$1,000,000 for inservice education state aid.

15. Addition of \$3,921,220 in State General Fund expenditures for special education teaching unit distributions. This recommendation would provide a total of \$74,624,385 for special education services state aid, of which \$9,530,000 would be for transportation and care and maintenance reimbursements. The remaining \$65,094,385 would be available for distribution proportionately on the basis of special education teaching units. The total recommendation is intended to provide state reimbursement for 100 percent of projected FY 1985 excess costs.

TABLE I

AGENCYWIDE SALARY ADJUSTMENTS

Program	Fund	Cost-of-Living Adjustment			Turnover Adjustment		
		SGF	AOF	Total	SGF	AOF	Total
General Administration	State General Fund	\$ 77,208			\$10,286		
	Federal Food Assistance Fund		\$ 6,102			\$ 805	
	State Operations Fund - Federal		32,849			4,307	
	Federal Education for Handicapped Children Fund		1,248			161	
	Federal Vocational Education Amendments Fund		2,752			363	
	Subtotal	<u>\$ 77,208</u>	<u>\$ 42,951</u>	<u>\$120,159</u>	<u>\$10,286</u>	<u>\$ 5,636</u>	<u>\$15,922</u>
Governance of Education	State General Fund	\$ 2,773	\$ —	\$ 2,773	\$ —	\$ —	\$ —
Quality Control Services	State General Fund	\$ 14,665			\$ 2,202		
	Certificate Fee Fund		\$ 12,006			\$ 1,578	
	State Operations Fund - Federal		5,372			735	
	Subtotal	<u>\$ 14,665</u>	<u>\$ 17,378</u>	<u>\$ 32,043</u>	<u>\$ 2,202</u>	<u>\$ 2,313</u>	<u>\$ 4,515</u>
Consultative Services	State General Fund	\$ 24,132			\$ 3,240		
	State Safety Fund		\$ 1,510			\$ 202	
	Economic and Consumer Education Fund		991			137	
	Federal Food Assistance Fund		11,367			1,537	
	State Operations Fund - Federal		8,010			1,081	
	Subtotal	<u>\$ 24,132</u>	<u>\$ 21,878</u>	<u>\$ 46,010</u>	<u>\$ 3,240</u>	<u>\$ 2,957</u>	<u>\$ 6,197</u>
Special Education Services	State General Fund	\$ 11,873			\$ 1,623		
	Federal Education for Handicapped Children Fund		\$ 15,773			\$ 2,125	
	Subtotal	<u>\$ 11,873</u>	<u>\$ 15,773</u>	<u>\$ 27,646</u>	<u>\$ 1,623</u>	<u>\$ 2,125</u>	<u>\$ 3,748</u>
Postsecondary Education Services	State General Fund	\$ 7,778			\$ 1,052		
	GED Credentials Fees Fund		\$ 887			\$ 107	
	Proprietary School Fee Fund		975			135	
	Federal Adult Basic Education Fund		1,951			270	
	Subtotal	<u>\$ 7,778</u>	<u>\$ 3,813</u>	<u>\$ 11,591</u>	<u>\$ 1,052</u>	<u>\$ 512</u>	<u>\$ 1,564</u>
	Vocational Education Services	State General Fund	\$ 15,671			\$ 2,098	
Federal Vocational Education Amendments Fund			\$ 17,183			\$ 2,325	
Federal CETA Fund			872			104	
Subtotal		<u>\$ 15,671</u>	<u>\$ 18,055</u>	<u>\$ 33,726</u>	<u>\$ 2,098</u>	<u>\$ 2,429</u>	<u>\$ 4,527</u>
TOTAL		<u>\$154,100</u>	<u>\$119,848</u>	<u>\$273,948</u>	<u>\$20,501</u>	<u>\$15,972</u>	<u>\$36,473</u>

Agency: Advisory Council for Vocational Education

Bill No. 2684

Bill Sec. 7

Analyst: Goering

Analysis Pg. No. 191

Budget Pg. No. 3-95

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 125,751	\$ 125,351	\$ (3,520)
State General Fund	—	—	—
F.T.E. Positions	2.0	2.0	—

Agency Request/Governor's Recommendation

The agency's FY 1985 operating budget request totals \$125,751, an amount which would continue the current level of Council activities. The request includes \$81,670 for salaries and wages, which includes \$7,840 (excluding fringe benefits) for per diem compensation to Council members. Included in the request is funding to continue salary support for the agency's 2.0 F.T.E. employees, plus \$6,200 (excluding fringe benefits) for temporary salary costs. The operating budget request includes \$3,000 to continue lease of word processing equipment acquired in the current fiscal year. The request includes \$25,330 for travel and subsistence in FY 1985 and \$500 for purchase of additional storage cabinets.

The Governor recommends all amounts requested by the agency, with the exception of the salary and wage cost-of-living adjustment and elimination of \$500 in expenditure authority for financing the required biennial audit. The latter adjustment reflects the Governor's recommendation that such audits are to be financed by nonexpenditure transfers to the Federal Audit Services Fund of the Division of Post Audit, pursuant to Section 14 of H.B. 2684. The Governor also recommends deletion of the traditional expenditure limitation placed by the Legislature on the Council's federal fund, and instead recommends that all federal revenues received by the Council may be expended without limitation.

House Subcommittee Recommendation

FY 1984. The Subcommittee concurs with the Governor's recommendations.

FY 1985. The Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Deletion of \$3,520 in expenditures recommended by the Governor to finance salary plan cost-of-living adjustments.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the House.

Agency: Public Television Board Bill No. 2684 Bill Sec. 8
 Analyst: Brown Analysis Pg. No. 195 Budget Pg. No. 3-63

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,000	\$ 4,500	\$ —
Other Assistance	799,310	799,310	(99,310)
TOTAL	<u>\$ 802,310</u>	<u>\$ 803,810</u>	<u>\$ (99,310)</u>
State General Fund:			
State Operations	\$ 3,000	\$ 4,500	\$ —
Other Assistance	799,310	799,310	(99,310)
TOTAL	<u>\$ 802,310</u>	<u>\$ 803,310</u>	<u>\$ (99,310)</u>
F.T.E. Positions	—	—	—

House Subcommittee Recommendation

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

1. Delete \$199,310 for construction of translators by KTWU, Topeka. The Subcommittee learned that the proposed translators are contingent both upon receipt of construction permits from the Federal Communications Commission (FCC) and upon approval of a grant from the National Telecommunications and Information Administration (NTIA). Since the FCC is working on a significant backlog there is some doubt about when, or if, the construction permits will be granted. Nor are funds from NTIA assured. While the Subcommittee is generally supportive of expansion of public television services through translators, state funding of this magnitude appears premature.
2. Add \$50,000 to match NTIA grants to existing stations for replacement equipment contingent upon notice that the federal grant has been awarded. The Subcommittee recommends that the station at Bunker Hill be excluded from this source of state funding on the assumption that the station was established so recently it would not need to replace any equipment.
3. Add \$50,000 for the Board to underwrite acquisition and broadcast costs of courses for use by postsecondary educational institutions. This amount would provide funds for a pilot project to investigate a more centralized and cost effective approach to the provision of postsecondary television courses. The Subcommittee points to H.B. 3080 as a mechanism to continue this practice on an organized, long-term basis.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 4,500	\$ --
Other Assistance	(99,310)	700,000	(85,000)
TOTAL	<u>\$ (99,310)</u>	<u>\$ 704,500</u>	<u>\$ (85,000)</u>
State General Fund:			
State Operations	\$ --	\$ 4,500	\$ --
Other Assistance	(99,310)	700,000	(85,000)
TOTAL	<u>\$ (99,310)</u>	<u>\$ 704,500</u>	<u>\$ (85,000)</u>
F.T.E. Positions	--	--	--

Senate Subcommittee Recommendations


The Subcommittee concurs with the House recommendation with the following adjustments:

1. Reduction of \$85,000 in operating support for KOOD in Bunker Hill and addition of a proviso to the appropriation that conditions release of the funds on approval of a report requested by the Public Television Board. The Board asked this station to review all future options for maintaining a balanced financial condition and submit its recommendations to the Board by December 31, 1984.
2. Appropriate item two of the House recommendation in a separate line item with a proviso specifying its use as matching funds for federal grants for replacement equipment.
3. Appropriate item three of the House recommendation in a separate line item with a proviso specifying that the Board may contract with a postsecondary educational institution or consortium of institutions to implement the the recommendation.
4. The Committee notes its concurrence with deletion of funds for the KTWU translators, but wants to point out that it also supports construction of translators if the federal funding becomes available. However, it appears highly unlikely that federal approval will be received before the 1985 Session, at which time the Legislature will have the opportunity to appropriate the state matching funds.

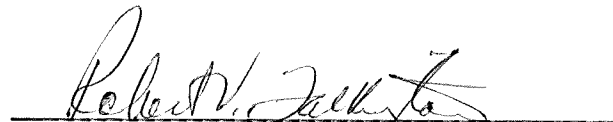
SENATE SUBCOMMITTEE REPORT

HOUSE BILL NO. 2685


- Sec. 2 -- Judicial Council
- Sec. 3 -- State Board of Indigents' Defense Services
- Sec. 4 -- Judicial Branch
- Sec. 5 -- Crime Victims Reparations Board



Senator Ross Doyen,
Subcommittee Chairman



Senator Robert Talkington



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Judicial Council Bill No. 2685 Bill Sec. 2
 Analyst: Galligan Analysis Pg. No. 248 Budget Pg. No. 1-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 197,568	\$ 190,056	\$ 94
State General Fund	197,568	190,056	94
F.T.E. Positions	3.0	3.0	—

Agency Request/Governor's Recommendation

The request for FY 1985 would support the current 3.0 F.T.E. positions and provide for approximately 60 Council and committee meetings. The request includes funds to produce two bulletins and supplements to the Kansas Benchbook and PIK-Criminal 2d.

The Governor's recommendation would maintain the current staff and provide for approximately 58 Council and committee meetings. The recommendation includes funds to produce the publications requested. The recommendation includes \$4,906 for the proposed pay plan adjustment.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$4,906 budgeted for the pay plan adjustment.
2. Addition of \$5,000 to upgrade the salaries of the permanent employees at the Council's discretion.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 94	\$ 190,150	\$ --
State General Fund	94	190,150	--
F.T.E. Positions	—	3.0	--

The Senate Subcommittee concurs with the House recommendations and makes the following request:

1. That the Judicial Council pursue a formal study of court unification during FY 1985 that expands upon the preliminary survey of the topic done during the current fiscal year. In view of the magnitude of such a study, the Subcommittee does not expect that a completed report will be ready prior to the start of the 1985 Legislative Session.

SUBCOMMITTEE REPORT

Agency: Board of Indigents' Defense Services Bill No. 2685 Bill Sec. 3

Analyst: Galligan Analysis Pg. No. 249 Budget Pg. No. 1-127

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,680,817	\$ 3,343,143	\$ (140,555)
Other Assistance	248,596	206,153	(3,366)
TOTAL	<u>\$ 3,929,413</u>	<u>\$ 3,549,296</u>	<u>\$ (143,921)</u>
State General Fund:			
State Operations	\$ 3,680,817	\$ 3,343,143	\$ (140,555)
Other Assistance	248,596	206,153	(3,366)
TOTAL	<u>\$ 3,929,413</u>	<u>\$ 3,549,296</u>	<u>\$ (143,921)</u>
 F.T.E. Positions	 47.5	 33.5	 —

Agency Request/Governor's Recommendation

Major items in the FY 1985 request include a \$265,995 increase over the current year estimate in the amount budgeted for assigned counsel; establishment of a public defender office in the 18th Judicial District (Sedgwick County); an additional public defender each for the 8th and 3rd Judicial Districts; an investigator for the 3rd District; and establishment of an appellate defender office.

The Governor's recommendation includes the \$2,307,335 requested for assigned counsel and funds to establish a public defender office in Sedgwick County. The Governor does not recommend the requested new positions for the existing public defender offices nor are funds for the appellate defender office recommended.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$51,035 budgeted for the pay plan revision. Of that amount, \$10,531 was budgeted for employees of Legal Services for Prisoners, Inc.
2. Deletion of \$100,000 from the amount recommended for assigned counsel. This reduction would allow \$2,207,335 to be expended for this purpose during FY 1985, which is \$165,995 more than the agency's estimate of expenditures for the current fiscal year. Based on expenditures during the first two quarters of FY 1984, the Subcommittee is of the opinion that this amount should be adequate to allow the Board to pay the hourly rates that will be in effect during FY 1985. In making this recommendation, the Subcommittee has considered and included, the Board's estimate that \$50,000 of assigned counsel expenditures will be made because the appellate defender office is not recommended.
3. Deletion of \$1,400 of the \$4,340 recommended for rental of the public defender office in the 28th Judicial District. The Subcommittee learned that a lease for FY 1985 has been negotiated at an approximate \$7 per square foot rate rather than the recommended \$10 per square foot.

4. Deletion of \$4,865 of the \$20,770 recommended for office space and copier rental for the 3rd Judicial District public defender office. The Subcommittee learned that the building in which the office is housed is being remodeled to permit access by the handicapped. This renovation eliminates the need for the office to relocate to potentially more expensive space.
5. Addition of \$1,714 to the amount recommended for repairing and servicing to provide janitorial services for the 3rd District office.
6. Reduction of \$1,900 from the amount budgeted for office space rental for the conflicts-office. This office is located in the same building as the 3rd District office, and likewise will not have to be relocated in FY 1985.
7. Addition of \$400 for repair of equipment and janitorial services for the conflicts office.
8. Addition of \$6,000 to the \$26,000 recommended for office space and equipment rental in Wichita. The Subcommittee learned that the Board's staff has conducted a preliminary search for suitable space which indicates that the Governor's recommendation would be inadequate to meet the needs of the new office.
9. The Subcommittee recommends that a position limitation of 33.5 F.T.E. be included in the appropriation bill for the Board. The Subcommittee notes that the Board does not currently have such a limitation and is of the opinion that one should be imposed as for other agencies.
10. Addition of \$7,165 to the amount budgeted for Legal Services for Prisoners, Inc. This addition would allow the corporation to maintain its current level of staff and continue accepting assignment to criminal cases involving inmates of the correctional institutions.
11. The Subcommittee notes that there have been reports that three attorneys may resign from the 3rd District Public Defender Office. The Subcommittee recommends that the Senate Subcommittee reviewing this budget determine whether the resignations will take place and whether there will be any resultant vacancy savings.
12. The Subcommittee notes that H.B. 2634 that would impose a \$200 fee on attorneys who do not volunteer to serve on assigned counsel panels has been heard by this Committee but not acted upon.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (140,555)	\$ 3,202,588	\$ 23,516
Other Assistance	(3,366)	202,787	--
TOTAL	<u>\$ (143,921)</u>	<u>\$ 3,405,375</u>	<u>\$ 23,516</u>
State General Fund:			
State Operations	\$ (140,555)	\$ 3,202,588	\$ 23,516
Other Assistance	(3,366)	3,366	--
TOTAL	<u>\$ (143,921)</u>	<u>\$ 3,405,375</u>	<u>\$ 23,516</u>
F.T.E. Positions	--	33.5	1.0

The Senate Subcommittee concurs with the House recommendation with the following exceptions:

1. Removal of the position limitation included by the House Committee in the appropriation bill.
2. The Subcommittee reviewed the Board's request to reclassify three employees and is not opposed to the personnel actions, but is of the opinion that the Board should make such changes within the limitations of existing resources.
3. Addition of \$23,516 to enable the Board to hire an additional attorney for the 8th district public defender office. The Subcommittee learned that the addition of this position may enable the Board to reduce assigned counsel expenditures by accepting some cases from surrounding counties as well as reducing the high caseload per attorney in the office.
4. The Subcommittee learned that the Board can obtain malpractice insurance at a lower rate than it is currently paying if the purchase is exempt from the requirement of approval by the Surety Bonds and Insurance Committee. The Subcommittee recommends that such an exemption be included in the proviso to the Board's appropriation.

SUBCOMMITTEE REPORT

Agency: Judicial Branch Bill No. 2685 Bill-Sec. 4

Analyst: Mary Galligan Analysis Pg. No. 257 Budget Pg. No. 1-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 40,255,993	\$ 37,772,819	\$ (1,268,413)
State General Fund	40,058,292	37,581,379	(1,268,041)
F.T.E. Positions			
Appellate Court Justice and Judges	14.0	14.0	—
District Court Judges	213.5	211.5	—
Nonjudicial Personnel	1,339.5	1,326.5	4.0

<u>Revenue Summary</u> ⁽¹⁾	<u>Subcommittee Recommendation</u>
State General Fund	\$ 738,000

1) Estimate of revenue anticipated as a result of legislation recommended in items 15 and 16 below.

Agency Request/Governor's Recommendation

The Court's request for FY 1985 includes salary increases of \$6,000 each for the Supreme Court justices and \$3,000 each for Court of Appeals judges. Two new district court judgeships and thirteen additional nonjudicial personnel positions are requested. Salary upgrades for 466 employees and reclassification of 35 nonjudicial positions in the district courts are included in the request. The request for capital outlay for books and equipment totals \$146,554. The requested amount for state operations is composed of \$197,701 of special revenue funds of which \$150,000 is from the Library Report Fee Fund.

The Governor's recommendation includes the requested salary increases for the appellate court justices and judges. None of the new positions or nonjudicial personnel salary increases are recommended. Capital outlay of \$101,603 is recommended of which \$82,525 is for books for the law library. The recommendation includes \$191,440 of special revenue funds which includes the requested \$150,000 expenditure from the Library Report Fee Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. In accordance with Committee policy, deletion of \$1,991,834 recommended for the pay plan revision. Of that amount, \$372 is from the Bar Admission Fee Fund, with the balance from the State General Fund.

2. Deletion of \$34,871 of the amount recommended for appellate court justices' and judges' salary increases. This reduction will allow for a \$3,000 increase for the justices of the Supreme Court and a \$1,500 increase for the judges of the court of appeals. The Subcommittee notes that legislation has passed the Senate which provides for greater salary increases than those recommended here. (The table at the end of this report provides a comparison of the current, requested and recommended base salaries.)
3. The Subcommittee notes, in connection with the Court's request for six additional Administrative Assistants for district court judges, that there are currently 61.3 F.T.E. Administrative Assistants in the district courts and 31 administrative judges. It appears to the Subcommittee that it would be possible for each administrative judge to have an Administrative Assistant if the existing positions were more equitably distributed. The Subcommittee requests that the Judicial Council examine the existing distribution of nonjudicial personnel of the district courts in light of the administrative and caseload changes that have taken place since unification and make recommendations about staffing to the Legislature at the start of the 1985 Session.
4. Addition of \$383,386 to allow a two range upgrade of salaries for Court Services Officers. The Subcommittee notes that the Court requested additional funds to provide seniority raises to those CSOs who have been employed by the Court for five years or more, and specifically recommends that those raises not be provided. The Subcommittee further recommends that the 1985 Legislature determine whether additional salary increases are necessary to achieve parity with parole officers.
5. Addition of \$50,000 for the Court to use at its discretion to provide salary increases for nonjudicial personnel of the district courts. The Subcommittee notes that these funds are in addition to any cost-of-living or merit increases that may be provided for by the Legislature for FY 1985.
6. Addition of \$81,916 for salaries and benefits of 4.0 F.T.E. additional positions for Central Research as requested by the Court and recommended by the Judicial Council in its study of the Court of Appeals. The positions requested and recommended by this Subcommittee are three attorneys and a secretary. The Subcommittee notes that this increase of staff may be the first step in an expansion of the Court of Appeals, but is of the opinion that this change should be in effect for a year before a decision is made about adding more judges.
7. Addition of \$11,215 for office furniture and equipment requested by the Court in connection with the new positions for Central Research.
8. Deletion of \$7,525 from the \$82,525 recommended by the Governor to purchase books for the law library. The deletion leaves \$75,000 to purchase books during FY 1985. This amount can be compared to \$67,830 expended in FY 1983 and \$69,000 budgeted in FY 1984 for this purpose.

9. Addition of \$35,000 to enable the Court to begin work on the computerized case tracking system merger. The Subcommittee notes that the Court has embarked upon a \$25,000 maintenance effort on the two existing systems during the current fiscal year, and strongly recommends that this work be done with the merger in mind in order that expenses during FY 1985 can be minimized. The Subcommittee also notes that this effort is projected to take two years to complete at a total cost of \$80,000 with an anticipated three-year payback as a result of reduced maintenance costs.
10. The Subcommittee notes the Court's request for funds to place KIPPS terminals in the four urban Courts, and specifically does not recommend this project given the current difficulties with that system.
11. Addition of \$3,300 for the requested Traffic Case Management Seminar. The Subcommittee notes that the Court requested an amendment to its budget that would provide \$40,000 for training related out-of-state travel for judges during FY 1985. The Subcommittee specifically does not recommend the additional amount requested, but does not object to the court utilizing existing resources for this purpose.
12. Addition of \$200,000 to enable the Court to automate the appellate operations, especially by providing word processing capability to the appellate courts as recommended by the Judicial Council. The Subcommittee recommends strongly that the Court and DISC explore the comparative costs of lease-purchase and outright purchase of the equipment for this project and that the most cost-effective alternative be pursued. Further, the Subcommittee notes that this recommendation is made on the basis of a preliminary plan submitted by the Court which lacks sufficient detail to make a definitive determination of costs. The Subcommittee therefore requests that the Court submit a detailed automation plan to next year's Legislature in order that any additional projects can be carefully considered.
13. Addition of \$1,000 to enable the Law Library to access the DIALOG computer based research service.
14. Amendment of the appropriation bill to reflect the format of the FY 1984 appropriation, and inclusion of a proviso that will permit expense of up to \$4,000 for official hospitality. The following technical amendments are recommended: 1) provide a \$32,745 expenditure limitation on the Bar Admission Fee Fund to accurately reflect the Subcommittee adjustments to the Governor's recommendation; 2) provide a position limitation of 211.5 for judges of the district courts and 1,330.5 for nonjudicial personnel to reflect accurately the Governor's recommendation and the Subcommittee adjustments.
15. The Subcommittee recommends introduction of legislation that would impose a service fee on probationers. The fee would be \$25 for misdemeanants and \$50 for felons. The Subcommittee estimates that approximately \$188,000 would be collected as the result of such a service fee.

16. The Subcommittee recommends introduction of legislation that would raise the traffic and fish and game docket fees by \$2.00. Based on the FY 1983 caseload, the Subcommittee anticipates that approximately \$550,000 additional revenue to the State General Fund will be realized by this increase.

TABLE I

FY 1985 Justices and Judges Salaries

	<u>FY 1985 Base</u>	<u>Gov. Rec. FY 1985 Base</u>	<u>Subcommittee Recommendation FY 1985 Base</u>
Chief Justice	\$55,646	\$ 61,646	\$ 58,646
Associate Justices	52,864	58,864	55,864
Chief Judge	51,752	54,752	53,252
Associate Judges	50,639	53,639	52,139
Administrative			
District Judge	49,526	49,526	49,526
District Judge	48,969	48,969	48,969
Associate District			
District	46,743	46,743	46,743
District Magistrate			
Judge	21,146	21,146	21,146

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation with the following exception:

1. Addition of \$7,359 and a .5 F.T.E. position to provide a half-time Administrative Assistant for the 30th judicial district.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee recommendation with the following exception:

1. Addition of one .5 F.T.E. position to make the Administrative Assistant in the 30th judicial district full-time.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Rec.</u>
State Operations:			
All Funds	\$ (1,261,054)	\$ 36,511,765	\$ 824,605
State General Fund	(1,260,682)	36,320,697	824,605
F.T.E. Positions:			
Appellate Court			
Justices and Judges	—	14.0	—
District Court Judges	—	211.5	—
Nonjudicial Personnel	5.0	1,331.5	2.0

The Senate Subcommittee concurs with the House Recommendation with the following exceptions:

1. Addition of \$34,871 to provide the requested salary increases for appellate court justices and judges.
2. Addition of \$49,680 to make modifications to the Judicial Center that have been recommended by the Division of Architectural Services.
3. Addition of \$692,480 to provide the requested salary increases for nonjudicial personnel of the district courts.
4. Addition of \$47,574 and 2.0 F.T.E. positions to provide one court reporter each for the 6th and 31st Judicial Districts.
5. Finally, the Subcommittee learned that the Judicial Council does not have the expertise to conduct the type of personnel study recommended by the House Committee, so does not concur with that recommendation.

SUBCOMMITTEE REPORT

Agency: Crime Victims Reparations Board Bill No. 2685 Bill Sec.

Analyst: Gilmore Analysis Pg. No. 262 Budget Pg. No. 4-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 107,194	\$ 107,344	\$ (9,036)
Aid to Local Units	6,000	6,000	—
Other Assistance	412,016	412,016	—
TOTAL	\$ 525,210	\$ 525,360	\$ (9,036)
State General Fund:			
State Operations	\$ 105,894	\$ 106,044	\$ (9,036)
Other Assistance	0	110,022	(26,000)
TOTAL	\$ 105,894	\$ 216,066	\$ (35,036)
 F.T.E. Positions	 3.0	 3.0	 —

House Subcommittee Recommendation

The Subcommittee recommends total expenditures of \$516,324 for FY 1985 which is \$9,036 less than the Governor's recommendation. The Subcommittee adjustments to the Governor's recommendations are as follows:

1. Delete \$3,951 for the Governor's salary plan revision.
2. Delete \$4,585 for travel and subsistence to reflect FY 1984 travel rates and with the assumption that the current board will continue through FY 1985.
3. Delete \$500 for professional fees which are used to hire court reporters.
4. Shift \$26,000 of financing for claims payments from the State General Fund to the Crime Victims Reparations Fund based on a higher than projected carryforward balance in the latter fund from FY 1984.
5. The Subcommittee was made aware of the Department of Health and Environment's interest in administering the rape prevention program in FY 1986. It is the opinion of this Subcommittee that this adjustment would settle the issue of which is the appropriate agency for administering the Federal Preventive Health and Health Services Block Grant.

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ —	\$ 52,478	\$ 58,478
Net Receipts	219,271	300,000	300,000
Total Funds Available	\$ 219,271	\$ 352,478	\$ 358,478
Less: Expenditures	166,793	294,000	304,478
Ending Balance	\$ 52,478	\$ 58,478	\$ 54,000

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendations.

House Committee of the Whole

The Committee concurs with the House Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (9,036)	\$ 98,308	\$ 2,000
Aid to Local Units	—	6,000	—
Other Assistance	—	412,016	—
TOTAL	<u>\$ (9,036)</u>	<u>\$ 516,324</u>	<u>\$ 2,000</u>
State General Fund:			
State Operations	\$ (9,036)	\$ 97,008	\$ 2,000
Other Assistance	(26,000)	84,022	—
TOTAL	<u>\$ (35,036)</u>	<u>\$ 181,030</u>	<u>\$ 2,000</u>

The Senate Subcommittee concurs with the House recommendations with the following adjustment:

1. Addition of \$2,000 in State General Funds for travel and subsistence, based upon a revised estimate of agency expenditures.

SENATE SUBCOMMITTEE REPORT
HOUSE BILL NO. 2703
HOUSE BILL NO. 2686
FY 1984 APPROPRIATIONS AND
FY 1985 APPROPRIATIONS FOR:

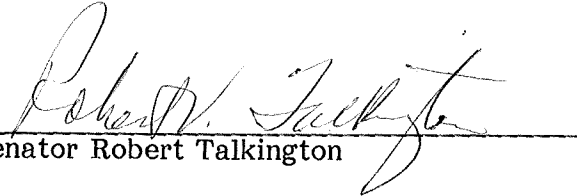
DEPARTMENT OF REVENUE
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM



Senator Ross Doyen
Subcommittee Chairman



Senator Frank Gaines



Senator Robert Talkington

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs)Bill No. 2686Bill Sec. 2Analyst: ConroyAnalysis Pg. No. 76Budget Pg. No. 1-143/3-33

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,525,821	\$ 2,443,910	\$ (277,287)
Aid to Local Units	40,959,000	41,245,940	--
Other Assistance	87,273,922	87,273,922	--
TOTAL	<u>\$130,758,743</u>	<u>\$130,963,772</u>	<u>\$ (277,287)</u>
State General Fund:			
State Operations	\$ --	\$ --	\$ --
Aid to Local Units	40,959,000	41,245,940	--
Other Assistance	10,000,000	10,000,000	--
TOTAL	<u>\$ 50,959,000</u>	<u>\$ 51,245,940</u>	<u>\$ --</u>
F.T.E. Positions	58.0	58.0	(2.0)

Agency Request/Governor's Recommendation

The agency's request of \$130,758,743, while maintaining the current level of operations, also provides for the addition of two clerical positions, printing and distribution of a consolidated procedures manual, and enhancements to data processing services.

The Governor's recommendation provides for continuation of the current level of operation and includes funds for the requested new positions and printing of a consolidated procedures manual. However, the Governor makes no provision for the third component of the data processing system.

The agency in a letter dated January 19, 1984, requested an additional Account Clerk I position (\$13,295, including fringes and \$2,471 in equipment) in FY 1985 to assist in the processing of monthly remitting of contributions from local units of government. The agency had anticipated that the new data processing system would handle the monthly remitting. The latest information by the Division of Information Systems and Computing indicates the new data processing system is considerable behind schedule.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

Fiscal Year 1984

1. That \$41,978 budgeted for an Investment Officer and a Clerk-Stenographer II positions not be expended in the current year. The agency indicated that there were no plans to fill the positions.

Fiscal Year 1985

1. Delete \$70,795 for the recommended salary plan increase of 5 percent and \$204 per year.
2. Delete \$42,593 and two F.T.E. positions for an Investment Officer and a Clerk-Stenographer II.
3. Delete \$15,941 (salary \$13,546 and equipment \$2,395) and one F.T.E. position for a Clerk III requested for internal auditing procedures associated with the federal Tax Equity and Fiscal Responsibility Act of 1982. The Subcommittee notes that two clerical positions were added in fiscal year 1983 to assist with the federal TEFRA of 1982.
4. Add \$12,442 (salary \$9,971 and equipment \$2,471) for an Account Clerk I (effective September 17, 1984) to assist with the monthly remitting of KPERs contributions by local units of government. The Subcommittee notes that an estimated \$653,134 of interest income could be generated by monthly remitting of contributions from local units of government. The Subcommittee urges the 1985 Legislature review the need for this position once the new data processing system is operational which should expedite the monthly remitting process.
5. Delete \$155,000 for development of the second component or Claims System of the new data processing program. The best available information indicates that problems and delays with the development of the first component or Membership System will delay the Claims System. It should be noted that the Subcommittee would recommend consideration of supplemental funding of the Claims System during the 1985 Session should development proceed faster than anticipated.
6. The Subcommittee concurs with the Governor's recommendation for printing and distribution of a consolidated procedures manual for the KPERs 1,100 designated agents. However, the Subcommittee recommendation is based on a one time major expenditure for the manual with substantially less in subsequent years to keep the document current.
7. The Subcommittee recommends that a proviso be added to allow court-awarded attorney fees or other related expenses under Ernest E. Orr et al v. Kansas Public Employees Retirement System, (case no. 78-4175, in the United States District Court for the District of Kansas) be in addition to any expenditure limitation. This proviso is part of the FY 1984 appropriation.
8. The Subcommittee endorses the Governor's recommendation to provide \$25,000 to retain an outside consultant to evaluate the appropriateness of the actuarial assumptions used by the system's actuary. This "comfort audit" was recommended by the 1983 House Subcommittee.
9. Delete \$5,400 for professional development of educational video programs for KPERs's designated agents and new employees. The Subcommittee recommendation would provide \$5,000 for the agency to contract for the development of educational video programs.

10. The Subcommittee notes that KPERS is waiting for an IRS opinion as to whether or not KPERS employee contributions are tax deductible. The Subcommittee recommends that the Senate Subcommittee review the issue should the opinion become available.
11. The Subcommittee is pleased to acknowledge that actual investment income in FY 1983 totaled \$192,300,000 which places the total assets of the KPERS fund at \$1,585,300,000.

House Committee Recommendations

Concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

Concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the budget as recommended by the House with the following adjustments:

1. Delete the proviso that allows court-awarded attorney fees or other related expenses under Ernest E. Orr et al v. Kansas Public Employees Retirement System to be in addition to any expenditure limitation. The judge has determined the attorney fees and payment has been made, which makes the proviso unnecessary.
2. Add \$5,400 for professional development of educational video programs for KPERS's designated agents and new employees. This will allow the agency to fully implement this educational program.
3. Add \$15,941 (salary \$13,546 and equipment \$2,395) and one F.T.E. position for a Clerk III. This position is recommended in part for internal auditing procedures associated with the federal Tax Equity and Fiscal Responsibility Act of 1982 and for the additional responsibilities based on the passage of H.B. 3058 or similar legislation which provides for the employer "pick-up" of the employee's KPERS contributions for tax purposes. The Subcommittee assumes that the clerical position will meet the increased workload precipitated by the passage of H.B. 3058 or similar legislation and that additional clerical positions will not be necessary.
4. Accept Governor's Budget Amendment 2-14, dated March 16, 1984 concerning the elimination of the \$10,000,000 State General Fund demand transfer for prior service liability of the old Kansas School Retirement System (KSRS). In addition, the Subcommittee accepts the Governor's Budget Amendment to eliminate the final amortization transfers for service annuities of KSRS and also alter the savings annuity benefits to more properly reflect the investment return which has been experienced since 1971 when KSRS was abolished.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendations</u>	<u>Senate Subcommittee Recommendations</u>
All Funds:			
State Operations	\$(277,287)	\$ 2,166,623	\$ 21,341
Aid to Local Units	—	41,245,940	—
Other Assistance	—	87,273,922	(9,778,314)*
TOTAL	<u>\$(277,287)</u>	<u>\$ 130,686,485</u>	<u>\$ (9,756,973)</u>
State General Fund:			
State Operations	\$ —	\$ —	\$ —
Aid to Local Units	—	41,245,940	—
Other Assistance	—	10,000,000	(10,000,000)*
TOTAL	<u>\$ —</u>	<u>\$ 51,245,940</u>	<u>\$ (10,000,000)</u>
F.T.E. Positions	(2.0)	56.0	1.0

* Includes Governor's Budget Amendment No. 2-14, dated March 16, 1984.

SUBCOMMITTEE REPORT

Agency: Department of Revenue Bill No. 2686 Bill Sec. 3

Analyst: Efird Analysis Pg. No. 79 Budget Pg. No. 1-151

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 45,513,824	\$ 40,754,958	\$ (1,714,617)
Aid to Local Units	9,364,065	9,364,065	329,000
Other Assistance	30,000	30,000	—
TOTAL	\$ 54,907,889	\$ 50,149,023	\$ (1,385,617)
State General Fund:			
State Operations	\$ 26,528,251	\$ 24,462,156	\$ (3,352,238)
Aid to Local Units	1,400,000	1,400,000	100,000
Other Assistance	30,000	30,000	—
TOTAL	\$ 27,958,251	\$ 25,892,156	\$ (3,252,238)
F.T.E. Positions	1,523.0	1,480.0	(19.0)

* Does not include Governor's Budget Amendments.

Agency Request/Governor's Recommendations

The Department's request for \$54,907,889 is an increase of \$9,542,514 over its revised FY 1984 estimate. The FY 1985 request includes \$4,128,096 of additional State General Fund financing over the current year. A total of 53.0 new F.T.E. positions are requested. Financing to reclassify both Drivers License Examiners and Revenue Field Representatives to provide career ladders also is requested, as is funding for individual reclassifications. The Department's request includes financing to institute a major program enhancement to undertake statewide property reappraisal and to issue new license tags for all motor vehicles in calendar year 1986.

The Governor's Budget Report recommendations provide for an increase of \$4,443,648 in FY 1985 over the current year recommendation, including \$2,072,001 additional financing from the State General Fund. Financing for a total of 11 new positions (two for six months each) is included in the recommendation for 10.0 F.T.E. new slots. The Governor does not provide funding for property reappraisal work or for issuing new tags to all motor vehicles in calendar year 1986.

Governor's Budget Amendment No. 1 recommends technical adjustments in expenditure estimates for several demand funds and several other minor changes.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions:

1. Remove the financing for salary adjustments of 5 percent plus \$17 per month pending legislative determination of a salary policy for FY 1985. Total reductions of \$1,581,571 include \$993,859 from the State General Fund (including \$134,265 for MCI), \$585,476 from the Division of Vehicles (DOV) Operating Fund, \$1,707 from the Setoff Fund, and \$529 from the Sand Royalty Fund (with the appropriate reduction for turnover savings as recommended by the Governor taken into account).

2. Reduce State General Fund expenditures by \$2,350,879 which are recommended by the Governor to finance a portion of the operating costs of the Motor Carrier Inspection stations (not the weight enforcement units or stations), and increase the expenditures financed by the DOV Operating Fund by a like amount to support the MCI stations. The Governor's recommendation for FY 1985 would fund the MCI stations from the State General Fund, with 60 percent of the estimated costs to be transferred from the State Highway Fund to the General Fund and 30 percent of the estimated costs to be transferred from the State Corporation Commission Motor Carrier Fee Fund, while the remaining 10 percent is actual General Fund money. The DOV Operating Fund is financed exclusively by a transfer from the State Highway Fund, and the Subcommittee's recommendation for MCI stations would finance them from the State Highway Fund as well. Funds from the Motor Carrier Fee Fund in excess of \$200,000 would be transferred twice yearly to the State Highway Fund pursuant to current law, K.S.A. 66-1,142 and K.S.A. 66-1,201(d). The Subcommittee would point out that the current practice of financing MCI stations using the 60/30/10 formula is not statutory and no legislation would be needed since the transfer policy has been authorized in appropriations bills.

In past years there has been a tendency to over-transfer financing to the State General Fund, providing funds above the amount actually expended for MCI stations. In FY 1984 the agency shifted an estimated \$195,851 of State General Fund money from MCI to other agency operations in an effort to finance shortfalls in other bureaus. Under the Subcommittee's proposal for financing, such a shift would not be possible in the future and any savings would be carried over to subsequent years. This is currently the case with DOV Operating Fund savings for all other motor vehicle functions. The Subcommittee feels there is little justification for transferring 10 percent of the MCI expenses from the State General Fund to the DOV Operating Fund since the agency currently absorbs the indirect costs of the stations as part of its central administrative services.

3. Adjust, as recommended by Governor's Budget Amendment No. 1, the financing for Special County Mineral Tax payments (an increase of \$229,000) and for County Inheritance Tax payments (an increase of \$100,000). The Subcommittee does not adopt the adjustment for a \$7,100 shift in financing or a \$10,000 decrease in the Solar Energy Property Tax Fund since it was not addressed by the consensus estimates.
4. Delete 12.0 F.T.E. positions which have been vacant at least six months and allow the Department to absorb 11 new positions within the existing F.T.E. limitation of 1,470.0 by reallocating vacant positions. The Subcommittee concurs with the amount of financing recommended by the Governor for salaries and benefits (excluding the salary adjustment financing) for the 11 new positions. The Subcommittee further directs that the two clerical positions recommended by the Governor for the Quality Control Bureau to work on Minerals Tax processing be used instead for Project Fair Share to assist in collection of additional tax revenue. The amount of FY 1985 savings is estimated at \$154,635 from the reallocated positions, including \$90,501 State General Fund and \$64,134 DOV Operating Fund.

The \$154,635 in salary savings should be applied to reduce the amount of turnover recommended by the Governor in FY 1985. The Governor's recommended rates of 6.8 percent State General Fund and 6.8 percent DOV Operating Fund would be lowered to 6.7 percent State General Fund and 6.7 percent DOV Operating Fund. However, by shifting MCI funding to the DOV Operating Fund, the DOV turnover rate increases to 7.5 percent, while the State General Fund rate decreases to 5.6 percent in FY 1985. The Subcommittee continues to be concerned about these levels of turnover (especially DOV) inasmuch as they may overstate the amount of shrinkage in the Department's operating budget. However, pending receipt of a Governor's Budget Amendment, the Subcommittee takes no further action, except to urge the Secretary that the pool of funding for reclassifications, especially for individual position upgrades rather than for classes, should be considered as a potential source of money to use in reducing turnover rates further if the need arises.

5. Restore State General Fund financing of \$10,361 for an existing Clerk II position in Administrative Services which was deleted in the Governor's recommendations, and use both financing and 1.0 F.T.E. position from the reallocations recommended in item 4 for reestablishing this position.
6. Reduce by \$7,500 the amount recommended for professional services in the Division of Alcohol Beverage Control to be financed from the State General Fund for an Official Reporter for the ABC Board of Review. The Subcommittee recommends that the Board utilize the existing full-time Official Reporter budgeted within the Office of the Secretary at the Board's hearings.
7. Reduce by \$6,230 the DOV Operating Fund money recommended for the Dealer Review Board. The Board did not meet in calendar year 1983 and has met only once this fiscal year. The Subcommittee feels this amount reflects more realistically the level of expenditures for this activity.
8. Reduce DOV Operating Fund expenditures by \$119,313 and abolish 9.0 F.T.E. positions in the Motor Carrier Inspection program. The Subcommittee has reviewed FY 1983 expenditures and fee receipts at the various locations and finds that at more than nine locations the costs of operating those MCI stations 24-hours per day, seven days per week, exceeded the revenues collected at each location. The Subcommittee believes that reduced hours at certain locations may provide continued effective operation of those stations where the amount of receipts does not warrant around-the-clock service. The Secretary should have the flexibility to absorb the loss of financing and positions at the locations where reduced operations will bring about more efficient use of the remaining 112.0 F.T.E. positions allocated to the MCI station subprogram.
9. Rewrite the appropriations bill to provide limitations on salaries and wages and other operating expenditures from both the State General Fund and the DOV Operating Fund. Make necessary changes in the transfer language for financing purposes.

Other Information

1. Kansas Business Integrated Tax System (K-BITS) Implementation. The Subcommittee provides the following information about the develop of K-BITS as an update about the multimillion dollar computer program to consolidate collection of data for 28 business taxes into one data base and to provide improved compliance, auditing, and cash management:

<u>Fiscal Year</u>	<u>Computer Processing</u>	<u>Department of Revenue Staff</u>	<u>Consultants</u>	<u>Staff</u>
1981	\$ 0	\$ 49,000	\$ 155,000	\$ 204,000
1982	191,000	152,000	429,845	772,845
1983	40,000	190,000	0	230,000
1984	212,000	295,000	423,000	930,000
1985	140,000	320,000	60,592	520,592
TOTAL	<u>\$ 587,000</u>	<u>\$ 1,006,000</u>	<u>\$ 1,113,437</u>	<u>\$ 2,657,437</u>

The Department's implementation schedule includes a timeline through June, 1985, and shows that two additional major taxes will be implemented in FY 1986. A report dated January 9, 1984 to the 1984 Legislature is available for further details about the project progress.

2. Vehicle Information Processing System (VIPS) Development. VIPS will automate all phases of processing applications and documents associated with motor vehicles titled and registered in the state. The development of design specifications currently is underway, with \$230,000 recommended in FY 1984 and \$320,000 in FY 1985 from the DOV Operating Fund to finance consultant assistance on the project. Actual program development involving the translation of design specifications into machine-readable formats will begin in FY 1985. Currently, the project plan anticipates using in-house technical staff in FY 1985 to help implement VIPS, but the agency report dated October 24, 1984 concerning VIPS raises the possibility that additional funding during the program development phase may be required under certain circumstances. The Governor does not appear to recommend any additional funding in FY 1985 for work in conjunction with program development beyond those in the agency's request for staff and data processing support services. Approximately 9.0 F.T.E. agency staff are assigned to VIPS in FYs 1984 and 1985. The Subcommittee plans to monitor the progress of VIPS over the next year.
3. Project Fair Share. The 1983 Legislature authorized six positions and operating costs to implement this program which is designed to achieve enhanced tax compliance among underreporters and nonfilers of income tax returns. The Subcommittee is very pleased with the results of Project Fair Share to date. The Department has collected \$938,475 based on assessments issued by the agency under this program. Additional staffing by two clerical positions was addressed elsewhere in this report to help relieve the high volume of clerical work since only one clerk was initially authorized for the unit. The Subcommittee is concerned that the data processing position authorized for this program has not been filled by a full-time person and urges the Department to continue its attempts to recruit a Systems Analyst.

4. Minerals Tax Administration. The Subcommittee reviewed the implementation by the Department of the Minerals Tax and the creation of a new bureau within the Division of Taxation to handle most of the work related to the Minerals Tax. A total of 23 positions were authorized by the 1983 Legislature for Minerals Tax administration. The bureau consists of 19 positions, while the remaining four positions are scattered in several other support bureaus throughout the agency. The Department's FY 1985 request would add four additional positions in the Minerals Tax Bureau, two revenue auditors and two special investigators. In addition, two clerical positions to work in support bureaus to assist in Minerals Tax collections were also requested. The Governor recommends all 6.0 F.T.E. positions for FY 1985, but the Subcommittee recommendation would allow for four positions to be established in the Minerals Tax Bureau, while the other two positions would be used for Project Fair Share.
5. New Data Base Program. The Subcommittee directs that the Department should not begin work on the Individual Tax Information Management System (ITIMS) in FY 1985 and that staff should continue to work on either K-BITS implementation or VIPS development instead. The Subcommittee notes that such work was to begin late in the fiscal year and feels that the staff time will be more effectively used on the other two projects.
6. With the passage of S.B. 401, the Department will be required to implement enforcement activities with regard to bingo. The Subcommittee's recommendation to delete 9.0 F.T.E. positions at Motor Carrier Inspection stations creates a pool from which new positions for enforcement activities may be drawn as need arises without exceeding current position limitations.
7. The Subcommittee concurs with the Governor's recommendation that the ABC inspectors not be placed under the Kansas Police and Fire Retirement program. The Governor's recommendations did not include funding in FY 1985.
8. The Subcommittee recommends that a bill be introduced which would provide for motor vehicle license tags to be issued in calendar year 1988 for all vehicles and that the tags be engrossed with three random letters and three random numbers (i.e., SAM 123). The new system will maintain the concept of a county identifier by use of an adhesive sticker. The Subcommittee concurs with the Department that the new format will provide a more readable and useful tag system.
9. Funding to mail out Form 1099 to all taxpayers who receive a state tax refund for either calendar year 1983 or calendar year 1984, as currently required by federal regulations, was not recommended by the Governor either in FY 1984 or FY 1985. The Subcommittee concurs with this position.
10. The Department should institute a new procedure for handling "rush" titles applications, to be effected through rules and regulations and including a special handling fee to generate new revenue for the State Highway Fund. Currently individuals or title companies can obtain rush service but the fee involved does not reflect the delay caused to other applicants.

11. An ad hoc committee of persons involved with dealer tags should be convened by the Department during the summer of 1984 and that committee should develop recommendations for the 1985 Legislature. The committee should consider means to effectively control the use and misuse of dealer tags including, but not limited to, salespersons use of tags in nonbusiness hours, loaner cars, proper ratios of tags issued to number of sales and number of sales persons, and enforcement mechanisms for misuse. The committee should include both new and used car representatives as well as Department officials.
12. The Department should establish a fee of \$1 as a surcharge on reciprocal club memberships as a revenue generating measure. The charge would not be in addition to membership fees charged by clubs and would be used to defer the costs of ABC enforcement activities.
13. The Department should study the possible use of work processing equipment in remote locations, such as the ABC Division, instead of buying new typewriters. Possible lease-purchase options should be investigated to remain within budget.
14. Cooperation between the Department's field personnel and Unemployment Insurance Field Representatives from the Department of Human Resources should be encouraged, especially when making site visits to businesses about tax matters.
15. The Subcommittee commends the occasional sales tax collections activities by the Revenue Field agents and encourages continued activity.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendations and adds the following:

1. Include \$100,000 from the State General Fund to finance a contract with the U.S. Soil Conservation Service for a study of soil types which may be used by County Appraisers in property valuation. The Committee also recommends that data be compatible with those collected by the Kansas Applied Remote Sensing group and that the USSCS data be provided to KARS.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations with the following exceptions:

1. Shift 10 percent of the MCI stations' financing to State General Fund at a cost of \$223,157 and reduce transfer from State Highway Fund.
2. Add proviso to allow deposit of certain receipts to the DOV Operating Fund in order to reduce the financing required from the State Highway Fund transfer. This has no effect on expenditures.

3. Delete \$100,000 from State General Fund for soil study.
4. Remove State General Fund financing of \$88,482 for four new positions in Mineral Tax and delete 4.0 F.T.E. positions recommended for two Special Investigators and two Auditors, plus \$44,512 other operating expenses.

SENATE SUBCOMMITTEE REPORTS

1984 H.B. 2692

FY 1985 APPROPRIATIONS

Sec. 2 - Commission on Civil Rights

Sec. 3 - Attorney General

Sec. 4 - Attorney General - KBI

Sec. 5 - Public Disclosure Commission

Sec. 6 - Governor's Department

Sec. 7 - Department of Economic Development

Sec. 8 - Insurance Department

Sec. 9 - Art Commission

Sec. 10 - Lieutenant Governor

Sec. 11 - Board of Tax Appeals

Sec. 12 - Secretary of State


Sec. 13 - Soldiers' Home

Sec. 14 - State Treasurer

Sec. 15 - Veterans Grants



Senator Joe Harder,
Subcommittee Chairman



Senator Ron Hein



Senator Jack Steineger

SUBCOMMITTEE REPORT

Agency: Kansas Commission on Civil Rights Bill No. 2692 Bill Sec. 2

Analyst: Brown Analysis Pg. No. 463 Budget Pg. No. 1-892

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,380,040	\$ 1,328,569	\$ (114,160)
State General Fund	1,140,040	1,088,569	(114,160)
F.T.E. Positions	45.7	44.7	(2.0)

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendations with the following adjustment based on expenditures to date:

1. Reduction of \$6,400 for court reporter fees.

FY 1985. The Subcommittee recommends the following adjustments to the Governor's recommendation:

1. Delete \$56,381 to remove the 5 percent plus \$17 per month salary adjustment.
2. Delete \$55,514 and 3.0 F.T.E. positions. The Subcommittee reviewed past, current, and projected caseload and is not convinced that the agency will need the addition of two investigators and a clerk in FY 1985. These new positions were requested, in part, because of the Age Discrimination in Employment Act which became effective on July 1, 1983.
3. Addition of \$45,309 and 1.0 F.T.E. position to reinstate the position of full-time hearing examiner. The Subcommittee notes that current statutes require the Commission to maintain this position. Proposed legislation was presented to the Subcommittee which would change this requirement in accordance with the Governor's recommendation to eliminate this position. While the Subcommittee is not recommending such legislation, it does want to note that the bill has been drafted should the Committee want to introduce it.
4. Deletion of \$19,300 for pro-tem examiners, funding for which will not be necessary at the level recommended if the hearing examiner's position is continued.
5. Delete \$933 for acquisition of a typewriter for the clerical worker which the Subcommittee is not recommending.
6. Delete \$9,380 for communications, a net reduction based on a \$10,980 reduction in the compliance and education subprogram and a \$1,600 addition in the hearing examiner's office.
7. Delete \$9,976 for travel, which reflects a \$11,176 reduction for travel associated with the new staff members and a \$1,200 addition for the hearing examiner's office.

8. A \$485 reduction in stationery and office supplies.
9. A \$7,500 reduction in court reporter fees based on historical expenditure patterns.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (114,160)	\$ 1,214,409	\$ (39,109)
State General Fund	(114,160)	974,409	(39,109)
F.T.E. Positions	(2.0)	42.7	(1.0)

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendation with the following adjustment:

1. Delete \$45,309 and 1.0 F.T.E. position to remove the full-time hearing examiner's position. The Subcommittee finds it difficult to support continuation of a full-time position when so few cases are actually taken to hearing. In the last two years 8 cases went to hearing in FY 1982 and 13 cases in FY 1983. Current estimates are that no more than 5 cases will be heard in the current year and certainly no more than 8. This caseload does not appear to warrant the full-time position and the Subcommittee believes the use of pro tem examiners will adequately fulfill this function at significantly less cost. The Subcommittee notes that this recommendation will require legislation to remove the current statutory requirement for a full-time hearing examiner.
2. Addition of \$9,000 for pro tem examiners.
3. Reduction of \$1,600 for communications and \$1,200 for travel based on elimination of the hearing examiner's position.

SUBCOMMITTEE REPORT

Agency: Attorney General Bill No. 2692 Bill Sec. 3
 Analyst: Ahrens Analysis Pg. No. 465 Budget Pg. No. 1-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Committee Adjustments</u>
State Operations:			
All Funds	\$ 2,064,485	\$ 2,066,878	\$ (79,979)
State General Fund	1,819,622	1,822,287	(73,630)
F.T.E. Positions	54.5	54.5	—

Agency Request/Governor's Recommendation

The Attorney General requested expenditures of \$2,064,485 for FY 1985, all for state operations. Two special General Fund appropriation items for investigations and litigations costs totaling \$80,000 in FY 1984 are not requested for FY 1985. As is customary, no expenditures for claims to be paid from the Tort Claims Fund is made for FY 1985 because the fund is considered to be a contingency amount in the event of unanticipated settlements. The FY 1985 request is for the continuation of the present staff of 54.5 F.T.E. positions.

The Governor recommends FY 1985 expenditures of \$2,066,878. The recommended increase of \$2,393 above the agency request is largely the result of recalculations of amounts for salary plan revision and for health insurance based upon the Governor's policy recommendations with respect to those two items, although the Governor's recommendations reduce nonsalary expenditures by a net of \$395 below the request.

House Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor with the following changes:

1. Delete the \$79,979 recommended for salary plan revision, of which \$73,630 is financed from the State General Fund.
2. Retain, as requested by the agency, the current legislative practice of appropriating State General Fund line items for salaries and wages, other operating expenditures, litigation costs and water rights additional costs, in lieu of the "program" line items contained in H.B. 2692, as introduced.
3. Include as a proviso to the other operating expenditures line item authorization to spend up to \$600 for official hospitality. Although expenditures recommended by the Governor include such an amount, the necessary authorizing language was omitted from the appropriation bill.
4. Remove, as requested by the agency, the expenditure limitation of \$2,000 on the Court Cost Fund in keeping with legislative practice prior to FY 1984. The estimated FY 1985 expenditure estimate would not be changed by this action. The Court Cost Fund serves as a revolving fund which is credited with receipts from court-awarded costs and receipts from other state agencies who are willing to reimburse the Attorney General for court costs advanced from his budget; and, in turn, expenditures are made from the Fund for court costs of litigation.

The Subcommittee would also note that the FY 1985 requested and recommended budgets contain the salaries and other expenses of 1.5 positions and \$65,000 for expert contractual assistance to continue special investigation and litigation activities regarding interstate water rights, first authorized by the 1983 Legislature.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation Bill No. 2692 Bill Sec. 4

Analyst: Hauke Analysis Pg. No. 468 Budget Pg. No. 4-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,853,655	\$ 5,550,095	\$ (168,753)
Capital Improvements	205,666	—	—
TOTAL	<u>\$ 7,059,321</u>	<u>\$ 5,550,095</u>	<u>\$ (168,753)</u>
State General Fund:			
State Operations	\$ 6,820,390	\$ 5,491,279	\$ (238,491)
Capital Improvements	205,666	—	—
TOTAL	<u>\$ 7,026,056</u>	<u>\$ 5,491,279</u>	<u>\$ (238,491)</u>
F.T.E. Positions	165.0	133.0	—

House Subcommittee Recommendations

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

1. The Subcommittee recommends deletion of \$193,939 from the State General Fund for salary plan revisions of 5 percent plus \$17 monthly, as the Subcommittee understands that salary revisions will be considered as a separate issue. Those salary plan reductions are as follows from the agency's subprograms:

Administration	\$16,767
Investigations	60,706
Special Services	41,574
General Support	66,783
Data Processing	8,109

2. The Subcommittee notes that the Evidence Purchase and Investigation Fund is not reflected in the agency's budget, although it is continued in the FY 1985 appropriation bill. This Fund was created by the 1983 Legislature and it appears to be accomplishing its objective, which was allowing the agency to retain recoupments of "drug buy" funds. Prior to creation of the Evidence Purchase and Investigation Fund, recoupment of "drug buy" funds went to the State General Fund. The Subcommittee makes the following comments and recommendations concerning evidence purchase funding in FY 1985:
 - a. The FY 1985 budget for evidence purchase be set at \$120,000, of which \$50,262 would be from the State General Fund and \$69,738 would be from the Evidence Purchase and Investigation Fund. This recommendation increases the total budget, as the Governor's recommendations did not include expenditures from the

Evidence Purchase Fund. However, this recommendation decreases expenditures from the State General Fund. The Subcommittee recommends that this amount be deleted from the appropriation although it may become part of funding for relocation of this agency. Comparison of the Subcommittee recommendations to those of the Governor are shown below:

	<u>Governor's Recommendations</u>	<u>Subcommittee Recommendations</u>	<u>Difference</u>
State General Fund	\$ 94,814	\$ 50,262	\$(44,552)
Evidence Purchase and Investigation Fund	—	69,738	69,738
TOTAL	<u>\$ 94,814</u>	<u>\$ 120,000</u>	<u>\$ 25,186</u>

- b. It is generally assumed that the KBI will eventually recover approximately 30 percent of total expenditures for narcotics purchase. However, recoveries fluctuate widely. This is not a problem, due to the high percentage of General Funds in this agency. The Subcommittee's recommendations are based upon expenditure of funds collected to date in FY 1984 and collection of 30 percent of expenditures in FY 1985. The Subcommittee's revenue and expenditure projections for this fund are reflected as Attachment I of the Subcommittee report.
 - c. The Subcommittee recommends that the agency include projected revenue and expenditure from this fund in future budget submittals.
3. The Subcommittee reviewed the issue of the KBI's location, as the KBI's lease at 3420 VanBuren expires on June 30, 1984. The Subcommittee believes it is unlikely that a permanent Public Safety Building will be available for occupancy in less than five years. Therefore, an interim solution is necessary for the KBI. Two options were reviewed by the Subcommittee. Option 1 would involve renewal of the agency's lease at 3420 VanBuren, with concurrent lease of additional space nearby. While this is a viable short-term option, in the Subcommittee's opinion it would not solve the agency's space needs for five years. Option 2 would involve relocation of the KBI to leased space in the former Crane Junior High School Building located at 1620 Tyler. This option involves expenditure of \$212,719 above the Governor's recommendations.

The Subcommittee is of the opinion that it would be more feasible for the KBI to relocate to the Crane Building. The Subcommittee would endorse the Crane location upon receipt of a Governor's Budget Amendment and a formal recommendation from the Department of Administration concerning the location of the KBI. The Subcommittee notes that its FY 1984 and FY 1985 State General Fund recommendations, exclusive of salary plan deletions, would finance \$184,212 of the budgetary increase.

4. The Subcommittee recommends that the KBI's State General Fund appropriations be made in two line items, salaries and wages and other operating expenditures.
5. The Subcommittee reviewed the Governor's FY 1985 salary and wage recommendations and observed that they were based upon a turnover rate of 1.7 percent. The Subcommittee also reviewed the KBI's actual turnover rates for several years and observed that they were 4.8 percent in FY 1981 and 3.5 percent in FY 1982. The Subcommittee did not increase the FY 1985 turnover rate but highlights it as an area where additional reductions could be made to finance relocation to the Crane Building.
6. The Subcommittee recommends that FY 1984 savings in other operating expenditures reappropriate to FY 1985, as discussed in item 2 of the FY 1984 report.
7. The Subcommittee was disappointed to learn that efforts to obtain access to the National Crime Information Center (NCIC) - Interstate Identification Index (III) have again been delayed. The Subcommittee again urges that Kansas have access to III. Presently the Highway Patrol is the control agency for NCIC, while the KBI is the control agency for the National Law Enforcement Telecommunications System (NLETS). The Subcommittee is of the opinion that an NCIC management control agreement, satisfactory to both agencies, can be negotiated, although that is not occurring presently. The Subcommittee recommends that legislation be introduced to switch control of the NLETS system to the Highway Patrol and control of NCIC to the KBI. The Subcommittee would recommend nonpassage of said legislation upon completion of a management control agreement satisfactory to both agencies.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec. FY 1985</u>	<u>House Total Rec. FY 1985</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
All Funds:			
State Operations	\$ (168,753)	\$ 5,381,342	\$ (100,000)
Capital Improvements	—	—	—
TOTAL	<u>\$ (168,753)</u>	<u>\$ 5,381,342</u>	<u>\$ (100,000)</u>
State General Fund:			
State Operations	\$ (238,491)	\$ 5,252,788	\$ (100,000)
Capital Improvements	—	—	—
TOTAL	<u>\$ (238,491)</u>	<u>\$ 5,252,788</u>	<u>\$ (100,000)</u>

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. The Senate Subcommittee expresses disappointment that Kansas still does not have access to the National Crime Information Center - Interstate Identification Index. The Subcommittee observes that conflicts between the Kansas Bureau of Investigation and the Kansas Highway Patrol have not been resolved to facilitate this access. The Subcommittee recommends that \$100,000 be deleted from the budget of both the Kansas Bureau of Investigation and the Kansas Highway Patrol. The Subcommittee would recommend restoration of those funds upon completion of a management control agreement satisfactory to both agencies.
2. The Senate Subcommittee reviewed the recommendations of the House concerning relocation of the KBI's general headquarters (item 3 of the House report). The Senate Subcommittee recommends that a final budgetary decision concerning relocation of the agency be delayed until the Joint Committee on State Building Construction finalizes a recommendation on this issue. Therefore the Senate Subcommittee recommends that FY 1984 savings of \$139,660, reappropriated to FY 1985, be utilized to reduce FY 1985 appropriations rather than finance additional moving and rental costs. The Subcommittee recommends that this item be adjusted, either in conference committee or in the omnibus appropriations bill, when final cost estimates are available and a recommendation by the Joint Committee on State Building Construction is available for review.

ATTACHMENT I

EVIDENCE PURCHASE AND INVESTIGATION FUND

	<u>FY 1984</u>	<u>FY 1985</u>
Beginning Balance	\$ 0	\$33,738
Receipts	<u>59,190^a</u>	<u>36,000^b</u>
Total Available	<u>\$59,190</u>	<u>\$69,738</u>
Expenditures	<u>25,452</u>	<u>69,738</u>
Ending Balance	<u>\$33,738</u>	<u>\$ 0</u>

a) Actual to date.

b) Assumes collection of 30 percent of expenditures.

SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission Bill No. 2692 Bill Sec. 5
 Analyst: Rampey Analysis Pg. No. 477 Budget Pg. No. 1-149

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 231,960	\$ 188,638	\$ 6,516
State General Fund	231,960	188,638	6,516
F.T.E. Positions	6.0	5.0	6.0

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation for FY 1984.

FY 1985. The Subcommittee wishes to call attention to an amendment made by the 1983 Legislature to the statutes relating to conflict of interest and financial disclosure. Prior to the amendment, state officers and employees who earned \$25,000 per year or more were among those required to file statements of substantial interest. As of July 1, 1983, that threshold was eliminated and agency heads are now charged with designating which of their employees, board, council, or commission members should file a statement. Agency heads are directed to identify all individuals who are in policy making positions, a position to contract, purchase, or procure, or are in a position to license, inspect, or regulate. Filings under the new law are due from April 15 to April 30.

In order to determine how many statements could be received in April, 1984, the Commission staff surveyed agency heads in July, 1983. Based upon that survey, it is possible that 17,550 statements could be filed. That number greatly exceeds the number of statements presently filed and would no doubt have a significant impact upon the Commission staff's workload. (A total of 4,275 statements of substantial interest were filed in FY 1983.)

At this time, no one knows how many statements will actually be filed, the number of requests for clarification of the statutes which may be asked of the Commission's attorney, and the cost of data processing services associated with the new reporting requirements. Because reports are not due until the end of April, for all practical purposes it will be too late for the Commission to assess the impact of the first year's experience under the new law and appeal to the Legislature for further adjustments to its FY 1985 budget.

For this reason the Subcommittee has chosen to make several additions to the Governor's recommended budget which would address the expected increase in the workload which almost certainly will occur. However, even with these changes, a significant increase in the number of statements of substantial interest filed could result in the Commission requesting a supplemental appropriation for FY 1985.

The adjustments made by the Subcommittee to the Governor's recommendations are the following:

1. Delete \$6,648 for the Governor's salary plan revision.
2. Increase the position limitation from 5.0 F.T.E. positions to 6.0 F.T.E. positions and add \$16,050 in salary and wages for a new Clerk position. The Subcommittee calls attention to the fact that, until July 1, 1982, the Commission had authorization for six full-time positions and, each year since then, has sought to restore its position authorization to its prior level. Originally, the position requested for FY 1985 was a Report Examiner at a salary of \$20,975, including fringe benefits. The Commission later revised its request to ask for a Clerk whose salary and benefits would total \$16,050. The person filling the requested position would work in the conflict of interest area and would assist in contacting state agencies and processing statements of substantial interest.

In the Subcommittee's opinion, the workload of the Commission's staff will most certainly increase and the request for the clerical position is justified.

3. Delete \$740 for public service announcements.
4. Add \$254 for fees for data processing services. The additional funds would permit the staff to obtain quarterly printouts of the names of new or reassigned state employees. The Subcommittee recommends that no funds be expended for tuition for continuing education courses for the staff.
5. Delete \$2,400 for fees for professional services. As the result of the Subcommittee's recommendation, a total of \$16,050 would be available for attorney fees (\$15,000) and court reporter services (\$1,050). For the current year, \$14,500 is available for attorney fees and \$500 for court reporter fees.
6. The Subcommittee recommends that the Commission monitor changes in its workload due to the passage of new legislation. In particular, the Subcommittee believes the Commission should report to the Legislature on the impact of legislation relating to the filing of statements of substantial interest and include in its report an analysis of how many persons filed statements during FY 1984, what types of positions they held, what problems were associated with the implementation of the new requirements, and what other issues or recommendations should be considered by the Legislature. The Subcommittee would like for the Commission to include in its report a consideration of the possibility of allocating expenses connected with administering the reporting requirements among the state agencies which have officers and employees who are required to file.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments to Governor's Recommendations</u>	<u>Total House Recommendations</u>	<u>Senate Subcommittee Adjustments to to House Recommendations</u>
State Operations:			
All Funds	\$ 6,516	\$ 195,154	\$ (16,050)
State General Fund	6,516	195,154	(16,050)
F.T.E. Positions	1.0	6.0	(1.0)

The Senate Subcommittee concurs with the recommendations of the House with the following exception:

1. Delete \$16,050 in salary and wages for a new Clerk position and recommend no increase in the current number of authorized positions.

It is the Subcommittee's understanding that the addition of the new position was due to an expected increase in the number of statements of substantial interest expected to be filed as the result of changes in the law made by the 1983 Legislature. (The number of statements expected to be filed in FY 1984 was estimated by the Commission to be 17,550, an increase of 13,275 over the 4,275 filed in FY 1983.)

It is the Subcommittee's position that the statutes relating to the filing of statements of substantial interest should be amended and that the number of persons required to file should not exceed or should be less than the number which filed in FY 1983.

SUBCOMMITTEE REPORT

Agency: Governor's Department Bill No. 2692 Bill Sec. 6
 Analyst: Ahrens Analysis Pg. No. 479 Budget Pg. No. 1-13

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Committee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 1,239,590	\$ 1,241,187	\$ (41,295)
State General Fund	1,239,590	1,241,187	(41,295)
F.T.E. Positions	32.0	32.0	—

Agency Request/Governor's Recommendation

The FY 1985 budget request totals \$1,239,590, all to be financed from the State General Fund. Requested FY 1985 expenditures include \$839,929 for salaries and wages, \$379,661 for other state operations purposes and \$20,000 for other assistance, grants, and benefits. The FY 1985 request finances 32.0 F.T.E. positions, the same number of positions identified in the FY 1984 revised estimate. In his Budget Report, the Governor recommended total FY 1985 expenditures of \$1,241,187, an increase of \$1,597 over the request. The difference was the result of adjustments in the requested amounts for salary plan revision and health insurance. Of the total, \$75,000 would represent expenditures from a requested line item appropriation for contingencies, of which \$55,000 would be for contractual services and \$20,000 would be for grants. The 1983 Legislature appropriated \$75,000 for contingencies in FY 1984.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation except that, in accordance with the direction of the full Committee, the \$41,295 included by the Governor for salary plan revision is recommended to be deleted.

Budget Amendment No. 1, dated February 13, contains an item relating to the budget of the Governor's Department. The Governor recommends that \$8,000 of expenditures for travel and subsistence of security staff be shifted from the FY 1985 budget of the Governor's Department to the budget of the Highway Patrol. The Governor stated in Budget Amendment No. 1 that it was his view that all expenditures of the Patrol for security of public officers should be reflected in a single budget, that of the Highway Patrol. Subsection (b) of Section 6 of H.B. 2692 authorizes payment of such expenses, and the Governor recommends retention of the language because in a few instances security travel expenses are paid from the Governor's budget and are subsequently reimbursed by affected agencies. The Governor's amended recommendation is, therefore, \$1,233,187 and Subcommittee adjustments for salary plan revision reduce that amount by \$41,295.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendations.

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,408,532	\$ 4,129,756	\$ (109,640)
Aid to Local Units	18,961,966	18,866,224	(87,911)
Other Assistance	20,000	20,000	—
TOTAL	<u>\$ 25,390,498</u>	<u>\$ 23,015,980</u>	<u>\$ (197,551)</u>
State General Fund:			
State Operations	\$ 5,250,622	\$ 3,355,117	\$ (147,643)
Aid to Local Units	—	—	—
Other Assistance	20,000	20,000	—
TOTAL	<u>\$ 5,270,622</u>	<u>\$ 3,375,117</u>	<u>\$ (147,643)</u>
F.T.E. Positions	77.5	66.0	(3.0)

* Includes GBA No. 1-3.

House Subcommittee Recommendations for FY 1985

The Subcommittee concurs with the Governor's recommendations with exceptions in the following areas:

Administration

1. Delete \$13,790 (State General Fund) recommended for the cost-of-living increase.
2. Delete \$14,070 budgeted for communications. This recommendation allows for a 15 percent increase over the FY 1984 recommended amount.
3. Delete \$3,000 in travel costs associated with the Kansas Economic Development Commission. This recommendation reflects a change in Department of Administration policy stated in PPM No. 3351 regarding the definition of state employees and their compensation.
4. Add \$2,000 as technical assistance for administration of the Community Resource Act.
5. Delete \$1,500 in official hospitality.

Industrial Development

1. Delete \$26,570 (\$24,944 State General Fund and \$1,626 fee funds) recommended for the cost-of-living increase.
2. The Subcommittee wishes to call attention to the fact that the 1983 Legislature recommended that the Kansas Industrial Training Program be federally funded in FY 1984 with a transfer of \$150,000 from the Department of Human Resources. The Subcommittee further understands that the recommendation also stated that upon the unavailability of federal

funds, that the program would revert to state funding in an equal amount. The Governor has subsequently recommended, that since Department of Human Resources did not complete the transfer to Kansas Department of Economic Development, an FY 1984 supplemental appropriation of \$125,000 is necessary. The Governor's FY 1985 recommendation for the KIT program calls for a continuation of state funding. The Subcommittee is not convinced that the transfer called for in FY 1984 and also requested by the agency in the submission of its FY 1985 budget has been fully investigated by the agencies involved. Therefore, the Subcommittee reluctantly concurs with the Governor's recommendations, but the Subcommittee also recommends that the House Subcommittee reviewing the Department of Human Resources' budget obtain more data on the status of the situation.

3. KDED, as the state's designated agency on economic development, appears to be proper venue for the "one-stop permitting" project recommended by the Governor. The Subcommittee further understands that H.B. 2654 has been recommended by the House Committee on Governmental Organization, creating a similar type of effort in this regard in the Secretary of State's Office. Pending the passage of H.B. 2654, the Subcommittee recommends that the IDR position and its OOE be deleted (\$34,400 State General Fund).
4. Reduce travel by \$12,979 (State General Fund).
5. The Subcommittee recommends that KDED explore the possibility of expanding the agency's international programs to include foreign students and their studies of Kansas products, businesses, and culture.

Housing

1. Delete \$1,652 (federal funds) recommended for the cost-of-living increase.
2. Add \$13,197 (federal funds) for an intermittent position, to be used during peak workload periods.
3. The Subcommittee recommends that the line item appropriation for this Division be changed to a No Limit Account.

Travel and Tourism

1. Delete \$17,546 (\$14,974 State General Fund and \$2,572 fee funds) recommended for the cost-of-living increase.
2. The Subcommittee wishes to express its concern about the Goodland Tourist Information Center. While the Subcommittee realizes that the goal is to operate this TIC on a year-round basis, the Subcommittee concurs with agency's decision to curtail the winter operation to 10-2 Monday through Friday. This decision is supported by that fact that Goodland

utility bills in the recent months of December and January alone exceeded the entire year's appropriation for utility costs. The Subcommittee understands that this new, all-electric building was constructed without double entrance doors and concedes that this probably adds a great deal to the heating costs of the center. The Subcommittee recommends that this situation be investigated in an attempt to cut down on the wind-tunnel effect that now exists when patrons enter and exit and also review other possible energy conservation alternatives. Finally, the Subcommittee recommends a deletion of the full-time position (\$14,592 State General Fund) and recommends that additional seasonal salaries be added (\$10,152). This will allow continuation of the current practice of two staff members on duty when the TIC is open.

3. The Subcommittee heard a proposal to allow the Travel and Tourism Division to develop a project regarding Wildlife prints and stamps. The Subcommittee notes that while KDED is receptive to this proposal, the Subcommittee believes that the Fish and Game Commission should be contacted to learn if the Commission might be interested as it deals with wildlife issues. If the Fish and Game Commission is not receptive to this proposal, and since the Subcommittee believes this proposal has merit, the Subcommittee encourages that the program receive favorable consideration in the KDED Budget by the Senate Ways and Means Subcommittee.

Minority Business

1. Delete \$3,516 (\$2,145 State General Fund and \$1,371 federal funds) recommended for the cost-of-living increase.

Planning and Community Development

1. Delete \$31,987 (\$17,552 State General Fund and \$14,435 federal funds) recommended for the cost-of-living increase.
2. Add \$20,000 State General Fund for the Small Business Revitalization program pursuant to Governor's Budget Amendment No. 1-3.
3. Add one Economic Development Specialist position to the CDBG program (\$20,771 federal funds) pursuant to Governor's Budget Amendment No. 1-3.
4. Add \$67,140 of federal funds for CDBG other operating expenditures pursuant to Governor's Budget Amendment No. 1-3.
5. Delete \$25,849 State General Fund from the CDBG program, pursuant to Governor's Budget Amendment No. 1-3.
6. Reduce the CDBG aid-to-local units grant by \$87,911, pursuant to Governor's Budget Amendment No. 1-3.
7. In reviewing the CDBG program, the Subcommittee understands that the agency is presently attempting to fill positions and organize a staff for administration of the program. As a sense of direction, the Subcommittee recommends that the proposed Attorney position not be filled in FY 1984 and deleted in FY 1985 (\$31,449 federal funds); and recommends that \$10,000 be appropriated for contractual services to hire legal services as needed.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendations

The Subcommittee concurs with the budget as recommended by the House with the following adjustments:

1. Recommends that the Travel and Tourism Division proceed with the project regarding Wildlife prints and stamps. The Subcommittee understands that this project will be funded from the Publication and Other Sales Fund — a no limit account and the agency is not requesting any additional state moneys to pursue this proposal.
2. Add \$1,454 for the shift of a 0.5 F.T.E. position from a word processing position to a personnel officer position. This recommendation does not reflect any change in the agency's overall position limitation.
3. The Subcommittee learned that it will be necessary to have a Compliance Manager on board for the state's administration of the CDBG program. While the Subcommittee concurs with the House that this position need not be filled with an attorney, the Subcommittee does recommend the addition of 1.0 F.T.E. to serve as a Compliance Manager (\$31,449).

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Recommendations</u>
All Funds:			
State Operations	\$ (109,640)	\$ 4,020,116	\$ 32,903
Aid to Local Units	(87,911)	18,778,313	—
Other Assistance	—	20,000	—
TOTAL	<u>\$ (197,551)</u>	<u>\$ 22,818,429</u>	<u>\$ 32,903</u>
State General Fund:			
State Operations	\$ (147,643)	\$ 3,207,474	\$ 1,454
Aid to Local Units	—	—	—
Other Assistance	—	20,000	—
TOTAL	<u>\$ (147,643)</u>	<u>\$ 3,227,474</u>	<u>\$ 1,454</u>
F.T.E. Positions	(3.0)	63.0	1.0

SUBCOMMITTEE REPORT

Agency: Insurance Department Bill No. 2692 Bill Sec. 9
 Analyst: Ahrens Analysis Pg. No. 501 Budget Pg. No. 1-129

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 6,705,659	\$ 6,709,733	\$ (171,119)
Aid to Local Units	2,261,688	2,261,688	(41,240)
Other Assistance	19,075,000	19,075,000	—
TOTAL	<u>\$ 28,042,347</u>	<u>\$ 28,046,421</u>	<u>\$ (212,359)</u>
<u>State General Fund:</u>			
State Operations	\$ —	\$ 3,892,350	\$ (326,498)
F.T.E. Positions	138.0	138.0	—

FY 1985 Agency Request/Governor's Recommendation

The plan for financing the agency's FY 1985 budget request was based upon a tentative proposal to finance by the assessment of new regulatory fees those programs which are presently financed by State General Fund appropriations. Such a change would require the enactment of substantive legislation. Otherwise, the agency's expenditure request does not provide for any new programs or any significant changes in existing ones. The 138.0 F.T.E. positions requested for FY 1985 is one less than the FY 1984 approved total. The reduction is the result of substituting contractual actuarial services for the current full-time actuarial position. The Governor's recommendation is based upon continuation of State General Fund financing for regulation of insurance companies. Total expenditures recommended by the Governor exceed the agency's request by \$4,074, all for state operations. This increase principally reflects adjustment of salary and benefits based upon policy recommendations regarding salary plan revision and health insurance costs.

House Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor except for the following adjustments:

1. Delete the amount recommended for salary plan revision which totals \$171,119, of which \$161,603 is financed from the State General Fund.
2. Shift the financing of the \$41,240 of costs of administering the firemen's relief program from the State General Fund to the Firemen's Relief Fund. This Subcommittee has been assigned to work with a Subcommittee of the House Insurance Committee to work on proposed amendments to the firemen's relief program and continues to work on this matter. However, it is recommended that estimated FY 1985 salaries and wages of \$28,140 (1.0 F.T.E. position and exclusive of salary plan revision) and other operating expenditures of \$13,100 should be charged to the special revenue fund. The Subcommittee recommends that the necessary statutory language clearly express that such administrative charges shall be limited to actual costs and be subject to legislative appropriation act. The Subcommittee further recommends that H.B. 2692 be amended to specify a limitation on such FY 1985 charges to the fund.

3. Shift the financing of the \$123,655 of costs of administering the workers' compensation program ("second injury") from the State General Fund to the Workers' Compensation Fund. Estimated FY 1985 costs are \$99,689 of salaries and wages (4.2 F.T.E. positions and exclusive of salary plan revision) plus \$23,966 of other operating expenditures. The Subcommittee recommends that the required legislation clearly express that such administrative charges shall be limited to actual costs and be subject to legislative appropriation. The Subcommittee further recommends that H.B. 2692 be amended to specify a limitation on such FY 1985 charges to the fund.
4. Continue past legislative practice of making line item State General Fund appropriations for salaries and wages, for other operating expenditures and for official hospitality, with reappropriations of prior year balances subject to expenditure limitations with respect to the first two items.

The Subcommittee strongly favors an enactment by the 1984 Session of legislation to control demands on the Health Care Stabilization Fund and to otherwise ensure its financial stability. S.B. 507, now in the House Ways and Means Committee, contains several provisions regarding this matter. This Subcommittee particularly believes that the liabilities of the Fund with regard to a single health care provider should be limited by such enactment.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission Bill No. 2692 Bill Sec. 10

Analyst: Holt Analysis Pg. No. 504 Budget Pg. No. 1-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 309,971	\$ 276,209	\$ (17,357)
Aid to Local Units	110,000	75,000	—
Other Assistance	713,797	443,332	—
TOTAL	<u>\$ 1,133,768</u>	<u>\$ 794,541</u>	<u>\$ (17,357)</u>
State General Fund:			
State Operations	\$ 244,150	\$ 212,630	\$ (17,357)
Aid to Local Units	70,000	35,000	—
Other Assistance	482,618	200,853	—
TOTAL	<u>\$ 796,768</u>	<u>\$ 448,483</u>	<u>\$ (17,357)</u>
F.T.E. Positions	9.0	8.0	—

Agency Request/Governor's Recommendation

A total operating budget of \$1,133,768 is requested for FY 1985, an increase of \$346,366 above the Commission's estimated expenditures for the current fiscal year. The Commission's request of \$796,768 from the State General Fund in FY 1985 would represent an increase of \$371,330 or 87.3 percent above the amount estimated for FY 1984. Of the amount requested for FY 1985 from the State General Fund, \$244,150 is designated for state operations and \$552,618 for arts programming. The Commission's request of \$218,868 for salaries and wages in FY 1985 reflects the proposed addition of an Art Program Coordinator I position and reclassification of a Secretary I to a Secretary II position.

The Governor's recommendation of \$794,541 for FY 1985 represents an increase of \$7,139 above the level recommended for the current fiscal year. Of the amount of \$448,483 recommended from the State General Fund, \$212,630 is designated for state operations and \$235,853 for arts programming. The Governor's recommendation of \$196,829 for salaries and wages would maintain the number of positions at the current staffing level but provide for the reclassification of a Secretary I to Secretary II position. This amount also includes adjustments of \$10,543 to reflect the Governor's policy recommendations with respect to salary plan revision.

House Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. In accordance with Committee policy, deletion of \$10,543 in salary plan revision.
2. Deletion of \$6,814 from the State General Fund in expenditures for office space rental. The Commission should realize such a cost savings since it will remain in its present quarters rather than relocate to more expensive quarters, as was anticipated at the time of its budget submittal.

3. Note is made that \$857 from the State General Fund is recommended by the Subcommittee to be reappropriated from FY 1984.
4. Insertion of the proviso for the Promotion of the Arts Fund and the Arts Programming Grants Fund in the appropriations bill ending June 30, 1985: "Provided further, that expenditures from this fund shall be made in a manner to benefit the maximum number of Kansas communities in the development of Kansas talent and art."
5. Note is made that the Commission is expected to receive at least \$102,306 more in federal grants funding in FY 1985 than in the current fiscal year. The breakdown is as follows:

	<u>FY 1984</u> (Est.)	<u>FY 1985</u> (Est.)
Basic State Grant	\$293,800	\$358,100
Artists in Education	64,494	77,500
Folk Arts Fellowship	—	25,000
TOTAL	<u>\$358,294</u>	<u>\$460,600</u>

The Governor's recommendation does not reflect the additional estimated amount of expenditures of \$102,306.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House</u> <u>Adjustments</u> <u>Gov. Rec.</u>	<u>Total</u> <u>House</u> <u>Recommendation</u>	<u>Senate</u> <u>Subcommittee</u> <u>Adjustments to</u> <u>House Rec.</u>
All Funds:			
State Operations	\$ (17,357)	\$ 258,852	\$ 5,335
Aid to Local Units	—	75,000	—
Other Assistance	—	443,332	182,336
TOTAL	<u>\$ (17,357)</u>	<u>\$ 777,184</u>	<u>\$ 187,671</u>
State General Fund:			
State Operations	\$ (17,357)	\$ 195,273	\$ 1,110
Aid to Local Units	—	35,000	—
Other Assistance	—	200,853	85,000
TOTAL	<u>\$ (17,357)</u>	<u>\$ 431,126</u>	<u>\$ 86,110</u>

The Senate Subcommittee concurs with the House Committee's recommendation with certain adjustments totaling \$86,110 from the State General Fund. Of the amount recommended, \$85,000 would be added to arts programming and \$1,110 to state operations. These adjustments include the following items:

1. Addition of \$45,000 from the State General Fund to be expended solely for Artists-in-Education grants.
2. Addition of \$40,000 from the State General Fund to be used for programming funds for grants.
3. An increase in the expenditure limitation for state operations of \$4,225 in federal funds to enable the Commission to administer the Folk Arts grants program, funded by the National Endowment of the Arts.
4. Addition of \$97,336 in federal funds which includes an addition of \$20,030 for Folk Arts grants programming, \$64,300 for Basic State Grants programming, and \$13,006 in Artists in Education grants programming which was not reflected in the Governor's recommendation.
5. Addition of \$610 from the State General Fund for office rental expenditures. Pursuant to the House Committee's recommendations, the Commission was informed in writing that the rent would cost \$7.38 per square foot instead of \$7.12 per square foot as had been originally anticipated.
6. Addition of \$500 from the State General Fund for dues to the National Assembly of State Arts Agencies (NASAA), an organization comprised of all the state arts agencies, which communicates the needs of those agencies to the National Endowment of the Arts. The Commission's original request and the Governor's recommendation for FY 1985 totaled \$3,800 for dues to NASAA but the Commission has subsequently learned that dues are expected to increase to \$4,300.

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor Bill No. 2692 Bill Sec. 11
 Analyst: Ahrens Analysis Pg. No. 508 Budget Pg. No. 1-19

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Committee Adjustments</u>
State Operations:			
All Funds	\$ 96,500	\$ 96,830	\$ (3,794)
State General Fund	96,500	96,830	(3,794)
F.T.E. Positions	3.0	3.0	—

Agency Request/Governor's Recommendation

The FY 1985 budget request totals \$96,500. The Governor recommends total FY 1985 expenditures of \$96,830, or \$330 above the agency request. The Governor's addition to the request is due to adjustments for salary plan revision and health insurance.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation except that, in accordance with the direction of the full Committee, the \$3,794 included by the Governor for salary plan revision is recommended to be deleted.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Board of Tax Appeals Bill No. 2692 Bill Sec. 12

Analyst: Efird Analysis Pg. No. 509 Budget Pg. No. 1-171

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 630,259	\$ 590,424	\$ (22,729)
F.T.E. Positions	15.0	14.0	—

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's estimate of \$531,022 as requested by the Board.

FY 1985. The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Remove financing of \$22,729 recommended for the 5 percent plus \$17 per month salary adjustment pending legislative determination of a state salary policy. The Subcommittee notes that the amount removed does not include financing for the fringe benefits and thus understates the total amount required to implement the Governor's salary policy of 5 percent plus \$17 per month.

Other Recommendations

1. The Subcommittee is concerned about the recommended salary turnover savings estimated in the Governor's Budget Report and suggests two ways the Board might generate savings if needed:
 - a. rather than purchase the \$13,500 word processing equipment in FY 1985, use a lease-purchase option to spread out payments over three years, or
 - b. eliminate 1.0 F.T.E. clerical position if a two station word processor is acquired, assuming that the automated equipment will reduce the typing workload and introduce other efficiencies.
2. The Subcommittee recommends the Board study its IRB document storage problem and consider the alternative of microfilming for a cost-effective solution, then report its finding to the 1985 Legislature with funding requirements. The Subcommittee notes that a filing fee is collected when IRBs are filed which could be used to offset the cost of microfilming. The fees are currently deposited in the State General Fund.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendations for both years.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House and adds the following statement of legislative intent:

1. In concurring with the recommendation for \$3,312 to upgrade compensation for two unclassified attorney positions, the Subcommittee directs that the Attorney A position salary should be increased by \$2,664 to a salary of \$24,456 in FY 1985 as recommended by the Governor and the House.

SUBCOMMITTEE REPORT

Agency: Secretary of State Bill No. 2692 Bill Sec. 13
 Analyst: Ahrens Analysis Pg. No. 510 Budget Pg. No. 1-21

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 2,060,792	\$ 2,017,672	\$ (66,778)
State General Fund	1,401,822	1,356,961	(44,537)
F.T.E. Positions	60.0	60.0	—

FY 1984 Estimated Expenditures

As revised by Governor's Budget Amendment No. 1, the recommendation of the Governor for FY 1984 expenditures totals \$1,688,447. No revised appropriation language is required to authorize this total, because the net increase of \$2,807 above the estimate made following the 1983 Session is the result of expenditures from no-limit funds. No change in F.T.E. positions is requested or recommended. The Subcommittee concurs with the Governor's recommendation.

FY 1985 Subcommittee Recommendations

The agency request for FY 1985 includes 7.0 additional positions for the uniform commercial code (UCC) program in anticipation of workload growth for agricultural-related filing and inquiry which became the responsibility of the Secretary of State January 1, 1984. The Governor's recommendation concurs with the agency's estimate of expanded workload and the 7.0 F.T.E. positions. The Subcommittee concurs with the Governor's expenditure recommendations except for the deletion of \$66,778 for salary plan revision, of which \$44,537 would be financed from the State General Fund.

Several changes in the appropriation language as contained in H.B. 2692, as introduced, are recommended by the Subcommittee, as follows:

1. Continue prior legislative practice of appropriating State General Fund financing in three line items for salaries and wages (reappropriate subject to expenditure limitation), other operating expenditures (similarly reappropriate), and official hospitality.
2. Insert the reappropriation of the line item for contingency for recall procedure, which apparently was inadvertently omitted from the bill as introduced.
3. Substitute "no limit" for the Information and Copy Service Fee Fund. The Subcommittee was informed by the agency that substantial demands may be placed on this Fund as a result of response to inquiries regarding agricultural UCC transactions. By statute, a fee is charged for information copies (computer runs) to cover production costs.
4. Insert the existing Electronic Voting Machine Examination Fund, with no limit on expenditures, which was omitted from the bill as introduced.
5. Revise the title of the Riley County Abandoned Channel Fund to authorize use of the fund for any survey undertaken by the Secretary of State pursuant to K.S.A. 82a-209.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Soldiers' Home Bill No. 2692 Bill Sec. 14
 Analyst: Efird Analysis Pg. No. 513 Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,345,048	\$ 1,092,286	\$ (73,004)
General Fees Fund	1,687,539	1,957,278	(63,879)
Subtotal - Operating	<u>\$ 3,032,587</u>	<u>\$ 3,049,564</u>	<u>\$ (136,883)</u>
Capital Improvements:			
State General Fund	\$ 10,000	\$ --	\$ 10,000
Subtotal - Capital	<u>\$ 10,000</u>	<u>\$ --</u>	<u>\$ 10,000</u>
 TOTAL	 <u>\$ 3,042,587</u>	 <u>\$ 3,049,564</u>	 <u>\$ (126,883)</u>
 F.T.E. Positions	 132.8	 132.8	 --

Agency Request/Governor's Recommendations

FY 1984. No change in the approved level of funding or in expenditures is requested by the agency. The Governor concurs with the agency's estimates.

FY 1985. The agency's request for \$3,042,587 in expenditures allows for \$10,000 of capital outlay costs associated with preliminary planning for a proposed modification of its wastewater treatment facility and the remainder of the funds to be used for operating costs of the Soldiers' Home. Financing requested by the agency includes 44.5 percent from the State General Fund and 55.5 percent from the General Fees Fund to which receipts from charges paid by residents and federal reimbursements are credited.

The Governor's recommended expenditures of \$3,049,564 include funding of a \$17 per month salary adjustment in addition to a 5 percent salary increase and funding of \$10,000 for professional services to plan for the wastewater treatment facility (which is added to the agency's contractual services budget rather than treated as a capital improvement item). Financing recommended by the Governor shifts a greater proportion of expenditures to funding by the General Fees Fund (64.2 percent) and reduces the State General Fund level to 35.8 percent.

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the current year estimates.

FY 1985. The Subcommittee notes that the increased financing from the General Fees Fund appears realistic in light of the Governor's projected carryover balances, but such a shift will be a one-time affair in all likelihood. The federal reimbursements may increase after April 1, 1984, above the amounts included in the Governor's Budget Report, but the Veterans' Commission is considering a proposal to raise the amount of comfort money (currently \$40 per month) which residents may retain for their personal use (which will decrease the receipts to the fund). The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Delete \$126,883 of salary adjustment financing, including \$63,004 from the State General Fund and \$63,879 from the General Fees Fund, pending legislative determination of a salary adjustment policy with respect to all state agencies.
2. Shift \$10,000 from contractual services to capital improvements for preliminary planning in regard to a wastewater treatment facility, as recommended by the Joint Committee on State Building Construction.
3. Add a proviso to allow razing of three cottages which are structurally unsound, as requested by the agency.
4. Pursuant to K.S.A. 75-3728e et seq., add a no-limit Benefit and Gift Fund account to the appropriations bill to reflect authority currently exercised by the Superintendent but not addressed by the Governor's Budget Report. The Subcommittee was informed of a proposed recreation room addition to be financed from the Fund and feels that the proposal should be reviewed by the Joint Committee on State Building Construction as the agency indicates it plans to do. However, since the agency currently uses the Fund to account for receipts, the Legislature should reflect this activity in the agency's appropriation bill.

Other Comments. The Subcommittee would note that the Superintendent reported the veteran population of the facility had reached 51 percent of total residents in recent months as had been recommended by the U.S. Veterans Administration. The facility's population may be affected by the proposed conversion of a U.S. facility at Leavenworth to nursing home care where currently some 900 veterans are housed in dormitories.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendations for both years.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations.

Agency: State Treasurer Bill No. 2692 Bill Sec. 15Analyst: Ahrens Analysis Pg. No. 517 Budget Pg. No. 1-173

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
Operations	\$ 1,604,180	\$ 1,561,529	\$ (94,814)
University Debt Service	681,242	681,242	--
Aid to Local Units	50,200,100	49,497,482	--
TOTAL	<u>\$ 52,485,522</u>	<u>\$ 51,740,253</u>	<u>\$ (94,814)</u>
State General Fund:			
Operations	\$ 1,279,428	\$ 1,259,126	\$ 207,589
Aid to Local Units	42,900,000	42,244,905	--
TOTAL	<u>\$ 44,179,428</u>	<u>\$ 43,504,031</u>	<u>\$ 207,589</u>
F.T.E. Positions	57.0	55.0	(2.0)

* As amended by Governor's Budget Amendment No. 1.

FY 1984 Revised Budget

The House Subcommittee concurs with the Governor's recommended expenditures for FY 1984 as amended by Budget Amendment No. 1, which adjusted estimates of local aid to conform to actual expenditures or latest estimates of receipts. As so amended, expenditures for FY 1984 total \$48,087,609, which includes \$1,411,544 for operations, \$664,863 for university debt service and \$46,011,202 for aid to local units. F.T.E. positions are unchanged from the 51.0 authorized by the 1983 Session of the Legislature. No supplemental appropriation language is required to authorize the revised expenditure total.

FY 1985 Subcommittee Recommendations

The Governor's original FY 1985 recommendation was revised in Budget Amendment No. 1 to update estimates of local aid distributions. The Governor has recommended an increase of 4.0 F.T.E. positions -- 1.0 F.T.E. position represents the full year funding for two positions added for the last half of FY 1984, 1.0 additional position is recommended for bond registration, and 2.0 positions for unclaimed property. The Subcommittee concurs with the Governor's revised recommendation with the following adjustments:

1. Delete the \$61,016 recommended for salary plan revision of which \$50,825 was to have been financed from the State General Fund, \$5,712 from the Bond Registration Fee Fund, and \$4,479 from the Unclaimed Property Expense Recovery Fund.
2. Delete the \$8,064 (State General Fund) recommended for the reclassification of five positions. The Subcommittee is supportive of the effort to identify for budget planning purposes the possible need for correcting the classification of specific positions based upon changes in duties and responsibilities. However, in the case of the five positions cited by the Governor's recommendation (of seven requested by the agency), the Subcommittee learned that detailed position descriptions, which are critical to classification audit, had not been submitted to the Division of

Personnel Services; and the Division, therefore, had not instituted an audit to determine the correctness of present classifications. It appears to the Subcommittee that, if reclassifications are to be integrated with budget planning, a procedure should be instituted by the Department of Administration to ensure timely coordination of the identification of reclassification needs by the Division of Personnel Services and provision of funds through the budgeting process.

3. Delete \$13,334 and the 1.0 data entry position recommended by the Governor for the bond registration program. The amount (\$12,687 for salary and fringes and \$647 for capital outlay) was to have been financed from the Bond Registration Fee Fund. The FY 1985 budget as recommended by the Subcommittee would provide 5.0 F.T.E. positions to handle additional duties imposed by the federal government effective July 1, 1983, with respect to required registration of municipal bonds. It is not apparent that bond issuance activity will develop sufficiently to warrant a sixth position. However, should a level of activity develop that warrants it, the necessary staff addition should be submitted to the 1985 Session on a supplemental basis for FY 1985. The Subcommittee would point out that approved FY 1984 expenditures of \$250,928 from the Bond Registration Fees Fund have been revised downward in the agency's request and the Governor's recommendation to \$156,231 on the basis of a much lower level of activity than had been estimated previously.
4. Abolish effective July 1, 1984, the Bond Registration Fees Fund and finance FY 1985 and future years' expenditures by State General Fund appropriations. Receipts collected pursuant to the State Bond Registration Law (K.S.A. 10-620 et seq.), including those relating to fiscal agency services (K.S.A. 10-501 et seq.) would then be credited to the State General Fund. Creation of the Fees Fund and the crediting of receipts thereto was accomplished by FY 1984 appropriation act (Sec. 57, Chapter 26, 1983 Laws, the 1983 Omnibus Bill) and not by the basic laws cited previously. Therefore, the Subcommittee's recommendation can be accomplished by the 1984 appropriation act for FY 1985. While this recommendation of the Subcommittee increases State General Fund FY 1985 expenditures by \$161,209, it also increases FY 1985 estimated State General Fund receipts (based on the Governor's recommended budget) by \$218,769, or \$57,560 more than the additional expenditures. The principal reason for this recommendation of the Subcommittee is to ensure the financing of this important service offered by the state to its bond-issuing local units of government by avoiding possible cash flow problems which can be a characteristic of financing by a relatively small special revenue fund. For example, the Subcommittee is concerned that resources may not be sufficient to repay the State General Fund on May 1, 1984, the \$100,000 advanced to the Fees Fund on July 1. This possible problem requires continued monitoring during this Session and corrective action taken, if necessary, in the Omnibus Bill. Although the Subcommittee believes that financing of the bond registration and fiscal agency functions should be assured by using the State General Fund, the long-term policy of the state should be the charging of service fees in an amount adequate to offset costs.

5. Delete the \$12,400 (\$10,095 salary and \$2,305 other operating) and authorization for an additional Clerk Typist I position for the unclaimed properties program. The Subcommittee concurs with the recommendation of the Governor for an additional Clerk Typist II position and believes that such an addition is sufficient to handle the currently projected workload.
6. Finance the unclaimed properties program by State General Fund appropriations rather than by the Unclaimed Property Expense Recovery Fund which derives its receipts by the diversion of moneys which would otherwise be credited to the State General Fund. This will require amendments to K.S.A. 58-3919 and introduction of such legislation is recommended. In the Subcommittee's opinion nothing is gained by the present special revenue fund financing of the program and abolishment of the fund is the best way to avoid potential cash flow problems which have lead the agency to maintain an inordinately high year-end cash balance in the fund. Although the Subcommittee's recommendation would increase FY 1985 State General Fund expenditures by \$105,269, FY 1985 State General Fund receipts would increase \$299,832 based upon the Governor's recommended budget. The receipts figure is comprised of the estimated June 30, 1984, balance of \$144,832 and \$155,000 of additional receipts to the Expense Recovery Fund during FY 1985.
7. Retain the present practice of making three line item State General Fund appropriations for salaries and wages, other operating expenditures and official hospitality in lieu of the "program" items contained in H.B. 2692, as introduced. The State Treasurer requested continuation of present practices, including reappropriations of the salaries and wages and other operating expenditures items with limited expenditures. The Subcommittee recommends the appropriation of \$500 for official hospitality, an increase of \$250 above the current year level. The Governor's recommended budget includes the \$500 expenditure level, but the necessary authorizing language was omitted from the bill as introduced.

During the Subcommittee's visit to the new temporary offices of the State Treasurer in the older office building of the SBL Group, the Subcommittee observed some features of the security system that might warrant improvement, and about which the State Treasurer expressed concern. Security measures costing approximately \$50,000 have been made at state expense on advice of the Capitol Area Security Patrol and the Highway Patrol. It is the Subcommittee's understanding that these measures are transferable to the Santa Fe Building where it is planned to move the Treasurer's Office. Whether further temporary security measures should be undertaken in a privately-owned facility is not clearly evident to the Committee; but if such are desirable, the Subcommittee recommends efforts be made to determine whether improvements would serve the owner's uses after the Treasurer moves and could thus be a cooperative venture with the state. The Subcommittee requests that it receive a report on such efforts prior to adjournment of the Session.

<u>Expenditure Summary</u>	FY 1985 House Adjustments	FY 1985 House Adjusted Total Expenditures	Senate Subcommittee Adjustments
All Funds:			
Operations	\$ (94,814)	\$ 1,466,715	\$ --
University Debt Summary	--	681,242	--
Aid to Local Units	--	49,497,482	--
TOTAL	<u>\$ (94,814)</u>	<u>\$ 51,645,439</u>	<u>\$ --</u>
State General Fund:			
Operations	\$ 207,589	\$ 1,466,715	\$ (105,269)
Aid to Local Units	--	42,244,905	--
TOTAL	<u>\$ 207,589</u>	<u>\$ 43,711,620</u>	<u>\$ (105,269)</u>
F.T.E. Positions	(2.0)	53.0	--

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations with the exception of Item 6 pertaining to the abolition of the statutory Unclaimed Property Expense Recovery Fund. The Senate Subcommittee believes that the Fund should be continued as the means for financing the Unclaimed Properties Program. The state's law on unclaimed property was patterned after the uniform unclaimed properties recovery act; and the Treasurer's expenses in recovering such properties and in finding rightful owners of unclaimed property are reasonable offsets to proceeds from recoveries.

In addition, it was pointed out to the Subcommittee by an agency representative that Kansas' efforts to recover unclaimed properties held by national corporations headquartered in other states could be more successful if Kansas joined with other interested states in contract agreements for location and collection of such properties. The Subcommittee concurs that the agency should consider the potential benefits that such agreements may provide and exercise its discretion in entering into one or more of them. The agency appears to have statutory authority to enter such agreements; but the potential initial costs are not known and have not been included in the FY 1985 estimated expenditures. Therefore, the Subcommittee recommends that, by proviso to the line item for the Unclaimed Property Expense Recovery Fund, expenditures for contracts for the location and collection of unclaimed properties be excepted from the recommended expenditure limitation of \$105,269 which is the amount recommended by the Governor less the amount for salary plan revision.

A representative of the agency also informed the Subcommittee that, henceforth, care would be taken to avoid accumulating an excessive balance in the Expense Recovery Fund. As noted by the House Subcommittee, the year-end projected balances in the Fund have been inordinately high.

SUBCOMMITTEE REPORT

Agency: Grant - Veterans of World War I Bill No. 2692 Bill Sec. 16
 Analyst: Efird Analysis Pg. No. 521 Budget Pg. No. 1-189

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Other Assistance	\$ 2,000	\$ 2,000	\$ --

House Subcommittee Recommendations

FY 1984. No change in the approved level of funding at \$2,000 is recommended for the current year.

FY 1985. The Subcommittee concurs with the Governor's FY 1985 recommendation for a \$2,000 grant to the Veterans of World War I, Department of Kansas.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendations for both years.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House.

SENATE SUBCOMMITTEE REPORT

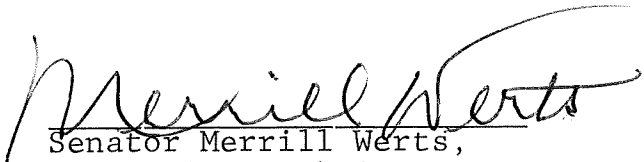
March 15, 1984

House Bill No. 2703

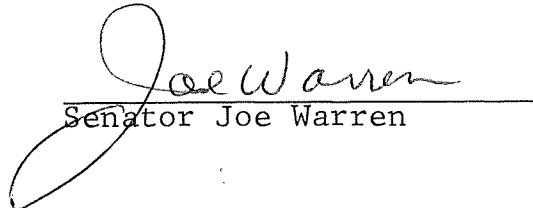
New Section -- State Board of Agriculture
New Section -- Board of State Fair Managers

House Bill No. 2693

Section 2 -- State Board of Agriculture
Section 3 -- Kansas Animal Health Department
Section 4 -- Kansas State Grain Inspection Department
Section 5 -- Board of State Fair Managers
Section 6 -- Kansas Wheat Commission
Section 7 -- State Conservation Commission
Section 8 -- Kansas Water Office



Senator Merrill Werts,
Subcommittee Chairman



Senator Joe Warren

SUBCOMMITTEE REPORT

Agency: Board of Agriculture Bill No. 2693 Bill Sec. 2

Analyst: Goering Analysis Pg. No. 198 Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 12,014,527	\$ 10,961,995	\$ (428,175)
Capital Improvements	13,000	13,000	—
TOTAL	<u>\$ 12,027,527</u>	<u>\$ 10,974,995</u>	<u>\$ (428,175)</u>
State General Fund:			
State Operations	\$ 8,183,553	\$ 7,040,989	\$ (438,629)
Capital Improvements	13,000	13,000	—
TOTAL	<u>\$ 8,196,553</u>	<u>\$ 7,053,989</u>	<u>\$ (438,629)</u>
F.T.E. Positions	309.0	297.0	—

Agency Request/Governor's Recommendation

The Board of Agriculture's FY 1985 request includes funding for a total of 19.0 F.T.E. new positions, offset by savings incurred by deleting 4.0 F.T.E. existing positions, for a net increase of 15.0 personnel. The proposed new staff include one Statistician, three administrative positions associated with the proposed agency reorganization, two inspectors for the State Meat and Poultry Inspection Program, one inspector to enhance inspection and regulatory activities associated with anhydrous ammonia, four technical personnel for the Water Appropriations subprogram, two personnel to establish a state dam inspection program, one marketing analyst, two field positions for regulatory activities regarding pesticides, and three positions for enhanced coordination of local noxious weed control programs. Positions proposed for deletion under the agency's reorganization plan are four existing administrative positions.

For the Division of Water Resources, the agency requests an increase of \$64,000 in budgeted State General Fund expenditures for contractual services to perform field audits of developed water rights. The Division also proposes establishment of a new revolving fee fund to allow collection and expenditure of fees for providing data from the Water Rights Information System to government agencies and private firms.

The agency's budget request proposes further expansion of funding for the Marketing Division to allow for increased domestic and international marketing of agricultural products. A sum of \$10,500 is requested for payment of fees to participate in exhibitions, fairs, and promotions. The amount of \$19,275 is requested to finance professional contractual services, and \$7,000 is requested to finance dues for membership in the Mid-America International Agri-Trade Council (MIATCO). For official hospitality, the agency requests \$10,000. The request includes \$20,450 for a variety of items to enable the agency to prepare audio-visual presentations in-house.

Significant increases in funding are also requested for the Weights and Measures Inspection subprogram. A total of \$242,000 is requested for equipment items, including \$115,000 to replace a large-capacity scale testing truck.

The Governor's recommendation provides funding for a net increase of 3.0 F.T.E. positions. The Governor concurs with the proposed agency reorganization which results in a net reduction of one administrative position. Offsetting this decrease is a recommendation

for restoration of 4.0 F.T.E. Engineering Technician V positions for the Water Appropriations subprogram. No other new positions requested for FY 1985 are recommended by the Governor.

The Governor recommends a total of \$160,000 from the State General Fund for contracted field audits of developed water rights, an amount which is equal to FY 1984 State General Fund amount budgeted for that purpose. The Governor does not recommend additional expenditures, nor authority to collect fees, to finance additional data processing costs to respond to requests for water rights information.

The Governor does not recommend the requested programmatic expansions in the area of agricultural marketing. However, the Governor does provide a 10 percent increase in State General Fund support for marketing activities.

For weights and measures inspection and regulation, the Governor recommends \$27,000 for equipment purchases. No funds are recommended by the Governor for purchase of the requested large-capacity scale testing truck.

House Subcommittee Recommendation

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

1. Deletion of \$402,327 for salary plan cost-of-living adjustments, to be financed as follows:

State General Fund	\$293,771
Dairy Division Fee Fund	1,306
Livestock Remedies Fee Fund	446
Grade A Milk Fee Fund	1,207
Egg Fee Fund	5,173
Federal Meat and Poultry Inspection Fund	49,364
Soil Amendment Fee Fund	33
Feeding Stuffs Fee Fund	16,013
Fertilizer Fee Fund	17,568
Agricultural Chemicals Fee Fund	332
Seed Examination Fee Fund	4,108
Federal Pesticide Enforcement Fund	3,758
Corn Commission Fund	549
Grain Sorghum Commission Fund	1,282
Soybean Commission Fund	785
Entomology Fee Fund	1,392
Pesticide Use Fee Fund	4,489
Federal Certification of Pesticide Applicators Fund	751
TOTAL	<u>\$402,327</u>

2. Deletion of \$17,271, plus \$2,198 for associated fringe benefits, recommended by the Governor to finance payments to retirees for accumulated annual and sick leave. The reduction would allow total savings of \$19,469 in State General Fund salaries and wages expenditures.
3. Reduction of \$19,130 from the State General Fund recommended by the Governor for increased rent expenditures for central office space leased from Manhattan Buildings. The Subcommittee recognizes that the agency's five-year lease will expire in April, 1985. However, the Subcommittee is of the opinion that rent expenditures should be budgeted assuming continuation of the current rate of \$6.00 annually per square foot plus an amount for utility surcharge billings, until such time as the Department of Administration finalizes its plans for the future location of the State Board's central offices.
4. Reduction of \$15,750 recommended by the Governor for printing costs of issuing a biennial agricultural report in FY 1985. The Subcommittee does not concur with the Governor's recommendation that members of the general public should pay for copies of the reports. However, the Subcommittee notes that it does not recommend a State General Fund expenditure increase to offset this expenditure reduction. Instead, the Subcommittee is of the opinion that an adequate number of biennial reports can be issued to meet the statutory requirement for such a publication given the total State General Fund expenditure level of \$24,285 recommended by the Governor for such printing costs.
5. Reduction of \$7,000 in State General Fund expenditures recommended by the Governor for postage costs in the Statistical Services subprogram, offset by an increase of \$7,000 in the expenditure limitation for the appropriate special revenue fund. The Subcommittee learned that continued federal advance payments are expected to be made available to the state agency for second class postage costs incurred by the state for mailing federal releases. The Governor's recommendation would have increased State General Fund expenditures for such costs based on the assumption that federal moneys would no longer be forthcoming. The Subcommittee also recommends a revision to the name of the fund to properly reflect the fact that federal payments to the state are not made on a cost-reimbursement basis.
6. Addition of authority to assess fees to parties requesting data from the Division of Water Resources' Water Rights Information System, which became fully operational on January 1, 1984. The Subcommittee understands that other water-related state agencies will be billed directly by DISC for services provided from the Division's data files. However, the Subcommittee is of the opinion that fees should be collected from other entities, both governmental and private, which may request information from the system. Pursuant to the 1983 Open Records Act, the Division is obligated to provide such information on request. Without the specific authority to assess fees for such information, costs of providing this service to the public would be financed from the State General Fund. The Subcommittee recommends that fees assessed be computed to cover direct data processing costs as billed to the Division by DISC. Revenues to the fund are recommended to be expended without limitation to support costs

of the Water Data Processing subprogram. The Subcommittee anticipates \$20,000 in expenditures from the fund in FY 1985, but would note that actual costs for such activities will be highly uncertain until after a full year of experience with the new system.

7. Reduction of \$2,000 in State General Fund expenditures recommended by the Governor for court reporter services in the Water Appropriation subprogram.
8. Reduction of \$5,000 in State General Fund expenditures recommended by the Governor for 35mm microfilming services in the Water Structures subprogram.
9. Addition of State General Fund expenditures totaling \$4,978, including \$4,416 for salary expenses and \$562 for associated fringe benefits, for the Marketing Division. Of the total, \$1,393 is recommended to correct a technical error in the agency's budget request. The remaining sum of \$3,585 includes \$405 for fringe benefits, and would finance reclassification of 2.0 F.T.E. professional positions in the Marketing Division.
10. Addition of \$1,773 in State General Fund expenditures for communication costs incurred by the Marketing Division. The Subcommittee notes that the total amount recommended by the Governor for such purposes in FY 1985 was \$943 less than total actual expenditures for such purposes during FY 1983.
11. Addition of \$5,000 in State General Fund expenditures for professional contractual services to facilitate the agency's efforts in marketing Kansas agricultural products.
12. Addition of \$3,750 for official hospitality expenditures incurred by the Marketing Division in hosting trade teams and buying missions. The Subcommittee notes that the Governor's recommended FY 1985 budget includes only \$1,250 for such expenses, or \$3,750 less than the amount included in the FY 1984 approved budget.
13. Increased expenditures totaling \$107,760 from a variety of special revenue funds, offset by State General Fund expenditure savings of an equal amount. This recommendation would reduce by half anticipated special revenue balances which would otherwise remain unexpended in FY 1985 based on the Governor's recommendation. Adjustments recommended by the Committee are displayed in detail in the following table:

Subprogram	Fund	Recommended Expenditure Adjustments	
		SGF	AOF
Manufacturing Milk Inspection	Dairy Division Fee Fund	\$ (5,000)	\$ 5,000
Marketing Division	Market Division Fee Fund	(127)	127
Meat and Poultry Inspection	Meat and Poultry Inspection Fee Fund	(5,000)	5,000
Entomology	Entomology Fee Fund	(3,500)	3,500
Agricultural Laboratory	Soil Amendment Fee Fund	(108)	108
Agricultural Laboratory	Agricultural Chemicals Fee Fund	(10,000)	10,000
Agricultural Laboratory	Feeding Stuffs Fee Fund	(13,750)	13,750
Agricultural Laboratory	Fertilizer Fee Fund	(6,250)	6,250
Agricultural Laboratory	Livestock Remedies Fee Fund	(1,100)	1,100
Pesticide Use Control	Pesticide Use Fee Fund	(28,250)	28,250
Grade A Milk Inspection	Grade A Milk Inspection Fee Fund	(10,000)	10,000
Seed Laboratory	Seed Examination Fee Fund	(7,500)	7,500
Inspection Division Administration	Egg Inspection Fee Fund	(17,175)	17,175
TOTAL		<u>\$ (107,760)</u>	<u>\$ 107,760</u>

The Subcommittee is concerned about the accumulation of balances in the State Board of Agriculture's fee funds. The Subcommittee urges the agency to exercise its existing statutory flexibility to reduce fees administratively, or by rule and regulation, if fees are generating more revenue than the agency deems necessary to finance the respective programs which are intended to be supported by fee revenues.

14. The Subcommittee spent a significant amount of time reviewing functions of the Division of Weights and Measures. In cooperation with agency officials, the Subcommittee has developed the following two legislative proposals relating to the regulatory activities of the Division:

- a. Revisions to current statute to shift regulatory functions for ensuring the accuracy of large scales (over 5,000 pounds capacity) to the private sector. At present, the Division checks the accuracy of large-capacity scales on a variable-frequency or spot-check basis. To carry out this responsibility, the Division utilizes three large scale testing trucks, one of which is in need of replacement, and 3.0 F.T.E. personnel. The Subcommittee recommends that the responsibility for periodically verifying the accuracy of large-capacity scales be transferred to the approximately 12 private scale testing and service companies currently in business across the state. The Division's responsibilities would be reduced to licensing or registering the scale testing and service companies and validating the accuracy of those large scales reported to the Division as having been out of tolerance upon inspection by private licensees. A license fee of \$50 would be required annually from each testing and service firm, and a fee of \$50 would be charged by the Division for each validation of a scale which has been reported to be out of tolerance. Were this legislation to be passed, the agency anticipates up to \$72,500 in additional revenues to the Weights and Measures Fee Fund. Further, a replacement scale-testing truck would not be needed

and staffing for the current program could be reduced from three to two personnel.

- b. Revisions to current statutes to impose an inspection fee of \$50 annually for the first LPG meter used by each commercial LPG dealer in the state, and \$25 for each additional meter used by any one dealer.

In order to initiate legislative discussion on and consideration of these proposals, the Subcommittee recommends introduction of legislation necessary to implement the above conceptual recommendations. However, the Subcommittee is amenable to possible legislative amendments to the conceptual proposals, particularly in regard to the proposed fee assessments. Should such legislation pass, any additional forthcoming revenues could be used to offset a portion of the State General Fund appropriations recommended by the Governor for support of the Division in FY 1985. The Subcommittee recommends that any such adjustments be deferred for consideration in the Omnibus Bill.

15. The Subcommittee notes for the Committee's information that additional expenditures will be incurred by the Division of Water Resources if legislation is passed to adopt minimum streamflow standards as part of the State Water Plan. The Subcommittee recommends consideration of any additional funding or positions required by the Division for this purpose for inclusion in the Omnibus Bill.
16. The Subcommittee recommends the following issues for legislative study during the 1984 interim:
 - a. Fees imposed by all state agencies to recover all or any part of the state's costs for regulatory activities, with a particular emphasis on the legal issues raised by collecting such fees to finance programs which are essentially designed for the safety and protection of consumers.
 - b. The extent to which the Wheat Commission, the Grain Sorghum Commission, the Soybean Commission, and the Corn Commission should participate in the financing of the International Grains Program at Kansas State University. Also, the Subcommittee would urge interim review of the relationships between each of the four grain commodity commissions and study of alternative organizational or administrative arrangements which may be warranted to ensure a consistent degree of legislative oversight for all four grain commissions.
 - c. Possible revisions to the structure and administration of the Board of Agriculture's various fee funds, with particular emphasis on alternatives for simplifying the fee structure and for accounting separately for federal fund receipts.

17. Technical revisions to the appropriation bill are recommended by the Subcommittee to properly reflect the Governor's recommendations.
18. The Subcommittee recommends that the structure of the agency's State General Fund operating appropriations be revised to two separate line items, one for Salaries and Wages and one for Other Operating Expenditures.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec.</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (428,175)	\$ 10,533,820	\$ (3,585)
Capital Improvements	—	13,000	—
TOTAL	<u>\$ (428,175)</u>	<u>\$ 10,546,820</u>	<u>\$ (3,585)</u>
State General Fund:			
State Operations	\$ (438,629)	\$ 6,602,360	\$ (3,585)
Capital Improvements	—	13,000	—
TOTAL	<u>\$ (438,629)</u>	<u>\$ 6,615,360</u>	<u>\$ (3,585)</u>
F.T.E. Positions	—	297.0	—

The Subcommittee concurs with the recommendations of the House with the following adjustments:

1. Deletion of \$3,585 recommended by the House Subcommittee for reclassification of 2.0 F.T.E. positions in the Marketing Division. The Subcommittee notes that this amount was requested by the agency but was not recommended by the Governor. The Subcommittee is of the opinion that no funding for reclassifications should be provided by the Legislature without first having received the approval of the Governor. In this case, the Subcommittee would be amenable to consideration of this matter in the Omnibus Bill if a Governor's Budget Amendment is received recommending inclusion of the sum necessary to finance these reclassifications.

2. The Subcommittee notes that legislation introduced at the recommendation of the House Subcommittee would allow savings of 1.0 F.T.E. position now conducting large-capacity scale inspections. Although action must await passage of the legislation, this Subcommittee recommends that consideration be given in the Omnibus Bill to the retention of this position to expand safety inspection activities pertaining to the use of anhydrous ammonia.
3. Amounts recommended for restoration in the FY 1984 budget will reduce savings to be reappropriated to FY 1985. Technical revisions are hence recommended to adjust FY 1985 appropriations accordingly.

Agency: Animal Health Department Bill No. 2693 Bill Sec. 3Analyst: Gilmore Analysis Pg. No. 220 Budget Pg. No. 5-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,560,546	\$ 1,522,671	\$ (51,236)
Other Assistance	50,000	3,500	--
TOTAL	<u>\$ 1,610,546</u>	<u>\$ 1,526,171</u>	<u>\$ (51,236)</u>
State General Fund:			
State Operations	\$ 480,280	\$ 409,426	\$ (25,829)
Other Assistance	50,000	3,500	--
TOTAL	<u>\$ 530,280</u>	<u>\$ 412,926</u>	<u>\$ (25,829)</u>
F.T.E. Positions	40.0	40.0	--

House Subcommittee Recommendation

The Subcommittee recommends total expenditures of \$1,474,935 for FY 1985 which is \$51,236 less than the Governor's recommendation. The Subcommittee adjustments to the Governor's recommendations are as follows:

1. Deletion of \$43,697 for the recommended salary adjustment.
2. Deletion of \$4,880 for travel and subsistence to reflect the maintenance of FY 1984 travel rates. The reduction includes \$1,070 from the State General Fund, \$3,120 from the Livestock Brand Fee Fund, \$640 from the Livestock Market Inspection Fee Fund, and \$50 from the County-Option Brand Fee Fund.
3. Deletion of \$2,659 in State General Fund expenditures for backtagging at public livestock markets used to identify disease carrying animals. The Subcommittee's recommendation would maintain funding at the FY 1984 expenditure estimate of \$63,956.

Note: The Subcommittee is aware that S.B. 574, if enacted, would require livestock dealers to register with the Animal Health Department. The Act would also require those dealers to maintain an accurate account of all animals bought and sold on a commission basis for a period of two years or be subject to a fine of not less than \$100 nor more than \$500. The Subcommittee recommends the Senate include expenditure authority to administer this act, if passed.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House concurs with the House Committee's recommendations.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations.

The Subcommittee wishes to reiterate the House recommendation that if S.B. 574 is enacted, expenditure authority to administer this act should be included in the omnibus bill.

Agency: Grain Inspection Department Bill No. 2693 Bill Sec. 4
 Analyst: Holt Analysis Pg. No. 224 Budget Pg. No. 5-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 5,301,815	\$ 4,851,030	\$ (232,770)
State General Fund	—	—	—
F.T.E. Positions	187.0	187.0	—

Agency Request/Governor's Recommendation

The agency's budget request totals \$5,301,815 excluding payments of \$545,000 of user fees collected for the federal Grain Inspection Service. Of that total, \$4,523,703 is requested for salaries and wages including \$876,040 in wages for overtime and temporary workers, and \$778,112 is requested for other operating expenses.

The Governor's original recommendation of \$5,396,030 was amended to \$4,851,030 to delete the sum of \$545,000 in nonreportable expenditures. This recommendation provides for \$4,124,661 in salaries and wages, including \$402,460 in wages for overtime and temporary workers, and \$726,369 for other operating expenses.

House Subcommittee Recommendations

The Subcommittee concurs with the amended recommendations of the Governor with the following exceptions:

1. In accordance with Committee policy, deletion of \$229,557 in salary plan revision.
2. Reduction of \$5,917 in rental expenditures for office space, the cost of which would be shared by the Administration and Warehouse Divisions. At the time of its FY 1985 budget submittal, the agency did not know to which office it would be moving and consequently overestimated its rental expenditures.
3. Reduction of \$500 in travel and subsistence expenditures in the Administration Division.
4. Reduction of \$5,485 in travel and subsistence expenditures in the Inspection Division.
5. Reduction of \$4,000 in travel and subsistence expenditures in the Warehouse Division.
6. Reduction of \$900 in stationery and office supplies expenditures in the Inspection Division.
7. Reduction of \$5,711 in repairing and servicing expenditures in the Inspection Division.
8. Reduction of \$10,700 in expenditures for other supplies, materials, and parts in the Inspection Division.

9. Addition of \$30,000 for a trial project involving the installation of a sub-inspection station in the Salina area which would provide grain inspection services for trucks. The agency's justification for the installation of this sub-station is attributable to the Staggers Act, effective since 1981, which has caused much of the grain within the state to be transported by truck instead of by hopper cars. According to the agency, inspections of grain transported by trucks and taken from two elevators in Salina could generate as much as \$82,500 per annum. The requested sum of \$30,000 which was not included in the agency's original budget request for FY 1985 would include \$8,400 for rent (including utilities), \$14,000 for a mechanical probe, \$1,200 for telecommunications, \$2,000 for a four-way rotary divider, \$1,600 for a dockage machine, \$1,900 for a scale, \$750 for a typewriter, and \$150 for sieves and pans. No additional personnel is requested, as the agency intends to use its present employees for this project.

House Committee Recommendation

The House Committee concurs with the recommendations of the House Subcommittee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation.

Agency: State Fair Bill No. 2693 Bill Sec. 5

Analyst: Timmer Analysis Pg. No. 227 Budget Pg. No. 5-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,310,916	\$ 2,274,088	\$ (19,157)
Capital Improvements	2,015,000	850,000	(660,000)
TOTAL	<u>\$ 4,325,916</u>	<u>\$ 3,124,088</u>	<u>\$ (679,157)</u>
State General Fund:			
State Operations	\$ —	\$ —	\$ —
Capital Improvements	2,015,000	850,000	(660,000)
TOTAL	<u>\$ 2,015,000</u>	<u>\$ 850,000</u>	<u>\$ (660,000)</u>
F.T.E. Positions	16.0	15.0	—

House Subcommittee Report

FY 1984. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Deletion of \$12,000 State General Fund money appropriated for a new roof for the rabbit building. The Subcommittee understands the Fair is requesting funds for a new rabbit building in FY 1985 and therefore will not be reroofing the old.
2. The Subcommittee commends the State Fair for the steps taken toward fee increases and charges for utility usage suggested in last year's report, and recommends that the Fair continue to monitor these items on a yearly basis. The Subcommittee understands that the Fair is projecting FY 1985 revenue increases of approximately \$92,000 due to the various fee increases.

FY 1985. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of \$44,157 recommended for the salary plan revision.
2. The Subcommittee concurs with the Governor's recommendation of \$24,800 for capital outlay but does not choose to specify which items should be purchased.
3. The Subcommittee notes that the Governor recommended \$10,500 for reclassification of five administrative positions and \$2,730 for reclassification of two maintenance positions. The Subcommittee understands that the Division of Personnel is currently studying the various job and position descriptions and will have a recommendation pertaining to the reclassifications. The Subcommittee recommends that the Senate Subcommittee review the Division of Personnel's analysis and make appropriate adjustments to the Governor's recommendations.

4. The agency requested \$1,750,000 for the renovation of the grandstand. As stated in last year's report, the Subcommittee recognizes the need for the renovation and that the project cannot be postponed indefinitely. The Joint Committee on Building Construction has had extensive hearings on the renovation and is recommending an FY 1985 appropriation of \$50,000 for planning funds; \$25,000 from the State General Fund, and \$25,000 from the State Fair Fee Fund. The Subcommittee concurs with that recommendation.

Additionally, a Post Audit report on Financing of the State Fair Grandstand has been completed but was not released until February 22, 1984. The Subcommittee was not able to review the contents of the audit that pertain to alternative methods of financing the renovation and recommends the Senate Subcommittee review this material in conjunction with the Joint Committee on Building Construction's recommendations.

5. The deletion of \$660,000 State General Fund moneys for capital improvements. The Subcommittee concurs with the recommendations of the Joint Committee on Building Construction of \$100,000 from the State General Fund for special maintenance, \$65,000 from the State General Fund for construction of a new rabbit building, and \$50,000 for the planning of the grandstand renovation to be funded as discussed in item 4.

House Committee Recommendations

The Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	House Adjustments to Gov. Rec. FY 1984	House Total Rec. FY 1984	Senate Subcommittee Adjustments to House Rec.
All Funds:			
State Operations	\$ (19,157)	\$ 2,254,931	\$ (13,230)
Capital Improvements	(660,000)	190,000	35,000
TOTAL	<u>\$ (679,157)</u>	<u>\$ 2,444,931</u>	<u>\$ 21,770</u>
State General Fund:			
State Operations	\$ —	\$ —	\$ —
Capital Improvements	(660,000)	190,000	35,000
TOTAL	<u>\$ (660,000)</u>	<u>\$ 190,000</u>	<u>\$ 35,000</u>

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendation with the following adjustments:

FY 1985

1. Deletion of \$13,230 for reclassification of seven State Fair employees. The Subcommittee understands that the Division of Personnel has not made final recommendations concerning the Fair's reclassification proposals and therefore deletes all reclassification funding. The Subcommittee notes that if the Division of Personnel makes final recommendations before the end of the session, the matter can be dealt with in the omnibus bill.
2. The Subcommittee recommends a total of \$200,000 be appropriated from the State General Fund for the Fair's Special Maintenance Fund. The Subcommittee recommends that not more than \$65,000 of this amount be used to construct a new rabbit building and that the remainder be used for maintenance projects on the fairgrounds. This recommendation represents the addition of \$35,000 State General Fund money to the Fair's maintenance account. The Subcommittee concurs with the recommendation of \$50,000 for planning of the grandstand renovation \$25,000 from the State General Fund and \$25,000 from the State Fair Fee Fund.
3. The Subcommittee has reviewed the audit recently completed by the Legislative Division of Post Audit on Financing Grandstand Renovation at the State Fair. While the Post Audit report makes no recommendations, it does address the possibility of using revenue bonds to finance all or part of the grandstand renovation. Therefore, the Subcommittee directs the Fair to consult with bond underwriters to ascertain what revenue bond financing might be available for the grandstand renovation and to report the findings in writing to the Legislature before the beginning of the 1985 Legislative Session.

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission Bill No. 2693 Bill Sec. 6
 Analyst: Holt Analysis Pg. No. 230 Budget Pg. No. 5-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,761,004	\$ 1,708,710	\$ (24,757)
State General Fund	—	—	
F.T.E. Positions	8.0	8.0	

Agency's Request/Governor's Recommendation

The Commission's FY 1985 request totals \$1,761,004 which includes \$209,857 in salaries and wages for 8.0 F.T.E. positions. This request also provides for \$1,178,465 in contractual funding in the Promotion and Research Program. As part of this contractual request, the International Grains Program would be funded at \$300,000 and U.S. Wheat Associates, including the Special Projects offered under its auspices, at \$610,000.

The Governor's FY 1985 recommendation totals \$1,708,710 which includes \$220,888 in salaries and wages for 8.0 F.T.E. positions. The Governor's recommended expenditures for salaries and wages include \$7,188 for the reclassification of several positions. A total of \$1,171,965 is recommended to fund contracts for such programs as the International Grains Program (\$300,000) and U.S. Wheat Associates, including Special Projects (\$610,000).

House Subcommittee Recommendations

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

1. Deletion of \$11,569 for salary plan revision.
2. Deletion of \$6,000 in travel and subsistence expenditures because the Commission considers the Governor's recommendation to be overstated. In FY 1983 \$53,528 was expended for travel and subsistence. Although the recommended funding level for the current fiscal year is \$70,000, less than one-half of that amount has been expended to date.
3. Deletion of \$7,188 recommended for the reclassification of two positions. The Subcommittee supports the effort to identify for budget planning purposes the possible need for upgrading salaries based upon changes in duties and responsibilities. However, with respect to the recommended reclassifications, the Subcommittee was informed that detailed position descriptions, which are critical to making a reclassification determination, had not been submitted to the Division of Personnel Services. Therefore, the Subcommittee chooses at present to take no position on this recommended reclassification. The Senate is encouraged, however, to review the pertinent information once it is submitted to the Division of Personnel and, based on its findings, make appropriate adjustments to the amount designated for that purpose.

4. Although the Subcommittee concurs with the Governor's recommendation to fund U.S. Wheat Associates at \$460,000 and Special Projects under its auspices at \$150,000 in FY 1985, it should be noted that the Subcommittee is concerned that U.S. Wheat Associates might not be promoting hard red winter wheat to the extent that Kansas' contribution to those activities would perhaps suggest. In June 1980, the mill tax levy was increased from three to four, in large part, to provide the Commission with sufficient funds to undertake promotion activities.
5. The Subcommittee expresses concern about the projected decrease in the Commission's fee fund balance in FY 1985. Based on the Subcommittee's adjustments in fiscal years 1984 and 1985, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1983</u>	<u>Estimated FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 619,134	\$ 822,162	\$ 851,034
Net Receipts	1,493,979	1,565,580	1,563,500
Total Funds Available	<u>\$ 2,113,113</u>	<u>\$ 2,387,742</u>	<u>\$ 2,414,534</u>
Less: Expenditures	1,290,951	1,536,708	1,777,553
Ending Balance	<u><u>\$ 822,162</u></u>	<u><u>\$ 851,034</u></u>	<u><u>\$ 636,981</u></u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation but wishes to note the following items:

1. The Governor's recommendation provided for \$7,188 for the reclassification of two positions. The Senate Subcommittee concurs with the House Committee's decision to delete this funding, since the Commission has not yet submitted its reclassification request to the Division of Personnel Services. The Senate Subcommittee recommends that a review of the reclassification request be postponed until the Omnibus Bill is considered and sufficient information is available to address that issue. The Senate Subcommittee also expects a Budget Amendment from the Governor's Office reinstating funds for reclassification to accompany the Division of Personnel Services' evaluation and recommendation.
2. The Senate Subcommittee shares the House Committee's concern about the projected decrease in the Commission's fee fund balance in FY 1985. It appears that the Commission's expenses are escalating although its revenue receipts are expected to remain stable. In light of this matter, the Senate Subcommittee recommends that the agency consider curbing its operating expenditures in its FY 1986 budget request.

Agency: State Conservation Commission Bill No. 2693 Bill Sec. 7Analyst: Goering Analysis Pg. No. 235 Budget Pg. No. 5-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 200,000	\$ 166,334	\$ (13,624)
Aid to Local Units	1,549,720	1,509,720	(50,000)
Other Assistance	1,500,000	1,420,000	(107,500)
TOTAL	<u>\$ 3,249,000</u>	<u>\$ 3,096,054</u>	<u>\$ (171,124)</u>
State General Fund:			
State Operations	\$ 200,000	\$ 166,334	\$ (13,624)
Aid to Local Units	1,549,720	1,509,720	(50,000)
Other Assistance	1,500,000	1,420,000	(107,500)
TOTAL	<u>\$ 3,249,000</u>	<u>\$ 3,096,054</u>	<u>\$ (171,124)</u>
F.T.E. Positions	5.5	4.5	—

Agency Request/Governor's Recommendation

The Commission's FY 1985 request for state operating costs includes \$23,697 for the salary and fringe benefit costs of a requested Resource Planner position. The total administrative budget request also includes \$6,652 plus fringe benefits for temporary salary expenditures for training an employee to replace the agency's current field employee upon his retirement. The budget request assumes a retirement date of October 31, 1984, and reflects salary savings anticipated to result from employing a replacement at an entry-level salary. The request also includes a total increase of \$6,581 in nonsalary operating expenditures anticipated to be necessary to finance an expanded program of state financial assistance, planning, and coordination of conservation activities.

The Governor's recommended FY 1985 state operating budget for the agency does not include funding for the additional Resource Planner position requested by the agency, nor the nonsalary operating budget increases requested for an expanded program. The Governor does recommend the requested amount for temporary salary costs, assuming retirement of the current field employee on October 31.

For the three programs of state aid, the agency's requests and the Governor's recommendations for FY 1985, together with the FY 1984 State General Fund appropriations for each program, are shown in the following table:

	<u>FY 1984 Appropriation</u>	<u>FY 1985 Agency Request</u>	<u>FY 1985 Governor's Rec.</u>
State Aid to Conservation Districts	\$ 732,675	\$ 749,720	\$ 749,720
State Aid to Watershed Districts for Dam Construction	675,000	800,000	760,000
Water Resources Cost-Share Program	1,250,000	1,500,000	1,420,000

House Subcommittee Recommendation

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

1. Deletion of \$6,542 recommended by the Governor for cost-of-living salary adjustments.
2. Addition of \$264 (\$234 for salaries and wages plus \$30 for fringe benefits) to accurately finance the half-time salary of the agency's recently employed Clerk-Typist II. This adjustment is necessary because the person employed initially for this new position was replaced in January with an employee who has previous state experience, and hence is being paid at a salary step higher than that originally assumed when the FY 1985 budget request was submitted.
3. Deletion of \$338 for overtime pay and associated fringe benefits, for the reasons cited in the FY 1984 Subcommittee report.
4. Deletion of \$7,192 (\$6,652 for salaries and wages plus \$540 for fringe benefits) recommended by the Governor for temporary salary costs. The Subcommittee learned that the Commission's field employee has revised his retirement date to July 31, 1984. Further, the person the Commission wishes to employ as his replacement has recently accepted a position with the Kansas Water Office. By cooperative agreement, the two agencies are working together in a manner which is allowing the new employee to receive the necessary field training while on the payroll of the Kansas Water Office. It is the Subcommittee's assumption in recommending this adjustment that the person currently employed by the Kansas Water Office will be employed by the Conservation Commission immediately following the retirement of the Commission's current field employee on July 31, 1984.
5. Addition of \$8,060 (\$7,150 for salaries and wages plus \$910 for fringe benefits) to increase the recommended salary for the new Resource Planner employee to a level which will ensure that the Conservation Commission is adequately financed to offer the selected candidate a competitive salary effective August 1, 1984. On an annualized basis, the Subcommittee recommends a salary of \$23,376 plus fringe benefits for the new employee who is to replace the current field employee. Assuming an August 1 starting date, a total of \$20,454, excluding fringe benefits, will be required for FY 1985 to finance the salary at this rate for 10.5 months. The Governor's recommendation for FY 1985 assumes that the annualized salary for the position, following the anticipated retirement, would be \$19,956. The amount recommended by the Governor to finance the new employee for eight months, assuming an November 1 starting date, is \$13,304, excluding fringe benefits. Given the candidate's qualifications, the Subcommittee is of the opinion that the revised salary level for this unclassified position is reasonable.

Note: The Subcommittee wishes to note that it recognizes the agency's reasons for the requested additional Resource Planner position which was not recommended by the Governor. The Subcommittee does not at this time recommend an expanded program of state financial assistance,

planning, and coordination associated with local conservation activities. However, the Subcommittee would view favorably a request for additional staffing in future years in accordance with the outcome of the statewide water planning process.

6. Reduction of \$7,014 (\$6,222 for salaries and wages plus \$792 for fringe benefits) to reflect savings in salary costs of the current employee who plans to retire three months earlier than assumed in the budget recommended by the Governor.
7. Reduction of \$562 in travel and subsistence expenditures. The total amount recommended by the Subcommittee for FY 1985 travel costs is \$16,970, which is the same amount recommended by the Subcommittee for FY 1984. The Subcommittee would note that FY 1985 travel reimbursement rates are anticipated by the Division of the Budget to remain the same as those currently approved for FY 1984, with the exception of a one cent per mile increase in Central Motor Pool vehicle rates.
8. Deletion of \$300 recommended by the Governor for payments to DISC for producing mailing labels for the Commission. The Subcommittee encourages the Commission to expedite training for its clerical employees so that the Commission can prepare mailing labels in-house using its recently acquired word processor beginning in FY 1985.
9. Reduction of \$50,000 in the amount recommended by the Governor for state aid to watershed districts for dam construction. The Subcommittee's recommended total of \$710,000 for this program was requested by the agency in its level A budget submission and allows continuation of the current program level with a 5.2 percent increase over the current year appropriation of \$675,000 for this program.
10. Reduction of \$107,500 in recommended State General Fund expenditures for the Water Resources Cost-Share Program. The total amount recommended by the Subcommittee for this program is \$1,312,500, which provides a 5 percent increase over the FY 1984 appropriation of \$1,250,000. This recommended funding level exceeds the agency's level A budget request for FY 1985 by \$18,240.
11. The Subcommittee spent a considerable amount of time reviewing a request for \$25,000 in State General Fund support submitted by Marais des Cygnes Drainage District No. 1 to initiate financial support for a water resources project plan developed by and for the district. Although the Subcommittee does not recommend the requested amount for FY 1985 for this purpose, it would encourage the State Conservation Commission and the Kansas Water Office to work closely with drainage district officials in the development of the conservation component of the proposed Comprehensive State Water Plan. The Subcommittee encourages those state agencies involved in the development of the plan to address proposed projects of drainage districts, and other local governmental entities concerned with water, in the process of developing the proposed plan.

12. The Subcommittee recommends certain technical changes in the appropriation bill language to properly reflect the Governor's intentions with regard to the Water Resources Cost-Share Program and the program of state aid to watershed districts for dam construction.
13. The Subcommittee recommends the addition of provisos to each line item, except that for State Aid to Soil Conservation Districts, to allow FY 1984 savings to reappropriate to FY 1985. For the watershed dam construction program and the Water Resources Cost-Share Program appropriations, the Subcommittee recommends authority to expend any reappropriated savings from FY 1984 without limitation.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations with one adjustment, to add \$25,000 as a separate line item State General Fund appropriation to provide a water resources project start-up grant to Marais des Cygnes Drainage District No. 1.

House Committee of the Whole Recommendation

The Committee of the Whole concurs with the House Committee with the following adjustments:

1. Addition of \$290,000 in State General Fund expenditures for the Watershed Dam Construction state aid program, for a total of \$1,000,000.
2. Addition of \$187,500 in State General Fund expenditures for the Water Resource Cost-Share Program, for a total of \$1,500,000.

Senate Subcommittee Recommendation

	<u>House Adjustments to Gov. Rec.</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
Expenditure Summary:			
State General Fund:			
State Operations	\$ (13,624)	\$ 152,710	\$ --
Aid to Local Units	265,000	1,774,720	--
Other Assistance	80,000	1,500,000	--
TOTAL	<u>\$ 331,376</u>	<u>\$ 3,427,430</u>	<u>\$ --</u>
F.T.E. Positions	--	4.5	--

The Subcommittee concurs with the House Committee of the Whole recommendation with the following adjustments:

1. Addition of a proviso to the \$25,000 line item appropriation to Marais des Cygnes Drainage District No. 1 to ensure that the state funds are used only for the purpose of providing financial assistance for constructing a watershed dam.
2. The Subcommittee considered a request for \$2,165 to reclassify two employees of the agency. The Subcommittee encourages the Commission to proceed through the appropriate administrative channels to receive the approval of the Division of Personnel Services on this proposal. Should such approval be obtained and a Governor's Budget Amendment submitted in sufficient time, the Subcommittee would be amenable to consideration of this matter in the Omnibus Bill.
3. The Subcommittee wishes to note for the Committee's information that the development of a comprehensive water plan may warrant a substantial future expansion of the Conservation Commission's staffing complement, in parallel with the importance of conservation measures in the statewide water planning process.

Agency: Kansas Water Office Bill No. 2693 Bill Sec. 8Analyst: Goering Analysis Pg. No. 239 Budget Pg. No. 5-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Federal Reservoir			
Payments	\$ 1,797,071	\$ 1,797,071	\$ --
Other State Operations	1,307,924	1,262,426	(30,968)
TOTAL	<u>\$ 3,104,995</u>	<u>\$ 3,059,497</u>	<u>\$ (30,968)</u>
F.T.E. Positions	24.5	24.5	.25

Agency Request/Governor's Recommendation

The agency's FY 1985 budget request would continue its current level of operations. The requested \$1,797,071 for federal reservoir payments includes \$1,495,671 for construction cost repayments to the U.S. Corps of Engineers on the state's share of water storage capacity in nine federal reservoirs. The remaining \$301,400 would finance the state's share of ongoing operating and maintenance costs associated with those reservoirs. The agency's operating budget request includes continued salary costs for 24.5 F.T.E. authorized permanent positions plus an additional \$24,456 (excluding fringe benefits) for continuation of a full-time unclassified Special Project Worker position to provide staff support specifically for the chairman of the Kansas Water Authority. The request includes a total of \$255,566 for contractual services to be provided by the U.S. Geological Survey office in Lawrence, including \$240,941 for continuation of a cooperative streamflow level data collection system and \$14,625 for improvements to that system to allow the Office to monitor, by telephone, streamflow levels in four Kansas Rivers. Those streams would be subject to minimum streamflow standards proposed by the Kansas Water Authority to be incorporated as part of the State Water Plan. The request also includes \$8,153 to finance contractual services to prepare a plan for conducting research on the interaction of surface and groundwater in streams. A sum of \$22,370 is requested to finance the agency's continued participation in the Missouri Basin States' Association (MBSA) during FY 1985. Also requested is \$7,000 services to allow the agency to develop a computerized bibliography of water-related information.

The Governor's recommendation includes the amounts requested for federal reservoir payments. The Governor recommends adequate funding to continue the agency's present permanent staffing level, but does not recommend salary support for continuation of the Special Project Worker position assigned to the Chairman of the Kansas Water Authority. The Governor recommends a total of \$249,641 for contractual services to be provided by the U.S. Geological Survey, including the requested amount for ongoing streamflow level data collection and \$8,700 for system enhancements to allow telephone monitoring of streamflow levels in the four streams potentially subject in FY 1985 to minimum streamflow standards. The Governor recommends the requested amounts for MBSA participation and for preparation of a research plan for studying the impact of surface and groundwater interaction on stream levels. The Governor recommends \$3,000 for data processing charges and sufficient additional funds for acquisition of a microcomputer, which is anticipated to enable the agency to develop computer models for water resource and demand projections and which could be used to develop a water information bibliography.

House Subcommittee Recommendation

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

1. Deletion of \$43,205 in the State General Fund expenditures recommended by the Governor for salary plan cost-of-living adjustments.
2. Addition of \$23,441 in State General Fund expenditures for an unclassified administrative assistant position, to be assigned for nine months in FY 1985 to provide staff support to the Chairman of the Kansas Water Authority. Of the total, \$18,342 is to be expended for the base salary of the position, \$3,099 for fringe benefits, and \$2,000 for incidental other operating expenditures associated with the position. The Subcommittee recommends that a proviso be attached to the agency's salaries and wages appropriation line item to require expenditures in these amounts. This recommendation is intended to ensure that the Chairman will be provided the direct staff assistance deemed necessary to enable the Chairman to carry out the important responsibility of overseeing development of a comprehensive state water plan for submission to the 1985 Legislature.
3. Deletion of \$1,378 in State General Fund expenditures recommended by the Governor for express mail service.
4. Deletion of a .5 F.T.E. Engineering Technician II position and a total of \$9,826 in salaries and wages expenditures recommended by the Governor, of which \$7,812 is for base salaries and \$2,014 is for associated fringe benefits. This half-time position is currently on the state payroll but is housed at the U.S. Geological Survey Office in Lawrence. The salary cost of the position is considered part of the state's financial contribution to the U.S.G.S. cooperative agreement for the collection of data on Kansas streamflow levels. The Subcommittee encourages the agency to continue efforts to increase its participation in negotiating a contract which provides the data gathering services needed by the Kansas Water Office at the lowest possible cost to the state.
5. Technical adjustments to the language in the appropriation bill to properly reflect the recommendation of the Governor regarding authorized official hospitality expenditures.
6. Separation of the single line item recommended by the Governor for operating expenditures for the office into two line items, one for Salaries and Wages and another for Other Operating Expenditures.
7. Addition of reappropriation provisos to the Other Operating Expenditure appropriation line item and the Operation and Maintenance Charges on Reservoirs line item, to allow FY 1984 savings recommended by the Subcommittee to reappropriate to partially finance the FY 1985 budget.

The Subcommittee reviewed at length the agency's reorganization proposal and the policy questions raised by S.B. 501, which would unclassify all professional and technical positions (other than financial management employees). The Subcommittee endorses passage of S.B. 501. For the Committee's information, additional adjustments to the agency's budget may be considered in the Omnibus Bill. At that time the actual budgetary impact of S.B. 501 may be available for legislative review.

The Subcommittee also recommends that the full Committee take action to recommend favorably S.B. 311, which would allow payment of per diem compensation, travel, and subsistence to members of the Kansas Water Authority for other official activities in addition to formal meetings of that organization.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendation with the following adjustments:

1. Correction of a technical error in the appropriation bill to properly reflect the House recommendation on salaries and wages expenditures.
2. Addition of a line item entitled "Federal Grants and Receipts" with a \$0 expenditure limitation, to ensure the opportunity for legislative review prior to the expenditure of any federal funds which may be made available to the agency.
3. The Subcommittee endorses the House recommendation to add an administrative assistant for the Chairman of the Kansas Water Authority for the first nine months of FY 1985. The Subcommittee has been assured by the Director of the Kansas Water Office that he is in complete agreement with this recommendation. Both the Director and the Budget Division have assured the Subcommittee that a Governor's Budget Amendment is forthcoming to concur with the House Subcommittee's recommendation on this matter. The Subcommittee also expects that following development and submission of the comprehensive state water plan to the 1985 Legislature, staff support for the Chairman and the Water Authority will continue to be made available by the Kansas Water Office staff from the Topeka location.

SUBCOMMITTEE REPORT

Agency: Judicial Branch Bill No. 2685²⁷⁰³ Bill Sec. 4
 Analyst: Galligan Analysis Pg. No. 257 Budget Pg. No. 1-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 35,044,779	\$ 34,850,887	\$ (208,179)
State General Fund	34,741,002	34,550,805	(211,874)
F.T.E. Positions:			
Appellate Court Justices and Judges	14.0	14.0	—
District Court Judges	211.5	211.5	—
Nonjudicial Personnel	1,326.5	1,326.5	—

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Restoration of the \$541 reduction of expenditures from the Court Reporter Fee Fund and the \$3,154 reduced from the budgeted expenditures from the Bar Admission Fee Fund. In making this recommendation the Subcommittee notes that expenditures from these two funds are made for specific purposes related to the testing and licensing of lawyers and court reporters as dictated by statute. Since unexpended amounts remain in the fee fund, the Subcommittee cannot see any particular reason to change the expenditure limitations established a year ago. The Subcommittee further notes that the anticipated carry-forward balance to FY 1985 in the Bar Admission Fee Fund will be \$13,818 with \$4,510 in the Court Reporter Fee Fund which amounts should be sufficient to avoid any cash-flow problems at the beginning of the year.
2. Restoration of \$57,828 of State General Funds for judicial education projects to permit expenditure of \$134,886 as approved a year ago.
3. Restoration of \$2,177 of State General Fund expenditures reduced from the Commission on Judicial Qualifications, OOE account. The Subcommittee notes that expenditures from this account are made on an as-needed basis in compliance with the Commission's statutory responsibilities, and that it is not possible to predict with precision how much will be expended in any fiscal year.
4. Restoration of \$864 of State General Fund expenditures reduced from the Judicial Nominating Commission account. The Subcommittee recognizes that the work of the Commission must be conducted as dictated by statute and that the reduction recommended by the Governor may impede the Commission's ability to function during the current fiscal year.
5. The Subcommittee concurs with the \$107,071 of State General Fund expenditure reductions in the Appellate Courts salaries and wages and OOE accounts and the District Court OOE account and recommends that this amount be reappropriated to offset the FY 1985 appropriation.

6. The Subcommittee recommends that \$15,000 of the \$22,257 reduction recommended by the Governor for data processing be reappropriated to offset the FY 1985 appropriation.
7. During its examination of the Court's expenditures to date, the Subcommittee identified potential State General Fund savings during the current year totaling \$280,000. The Subcommittee recommends that this amount be reappropriated to offset the FY 1985 appropriation.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (208,179)	\$ 34,642,708	\$ --
State General Fund	(211,874)	34,338,931	--
F.T.E. Positions:			
Appellate Court Justices and Judges	--	14.0	--
District Court Judges	--	211.5	--
Nonjudicial Personnel	--	1,326.5	--

The Senate Subcommittee concurs with the House recommendation.

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No. 2703 Bill Sec. 7

Analyst: Goering Analysis Pg. No. 167 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ —	\$ —	\$ (176,549)
Aid to Local Units	1,439,899	(116,825)	(239,728)
Other Assistance	—	—	—
TOTAL	<u>\$ 1,439,899</u>	<u>\$ (116,825)</u>	<u>\$ (416,277)</u>
State General Fund:			
State Operations	\$ —	\$ —	\$ (65,143)
Aid to Local Units	1,439,899	(116,825)	(239,728)
Other Assistance	—	—	—
TOTAL	<u>\$ 1,439,899</u>	<u>\$ (116,825)</u>	<u>\$ (304,871)</u>

Agency Request/Governor's Recommendation

The Department of Education submitted four proposed revisions to its FY 1984 approved budget, all of which would adjust State General Fund expenditures for aid to local units. The agency requests a supplemental State General Fund appropriation of \$1,330,299 for Special Education Services State Aid, in order to reimburse at the current maximum rate of \$10,339 all special education teaching units reported by school districts in September, 1983. Also requested is a supplemental State General Fund appropriation of \$117,077 to fully reimburse, at the maximum rates currently authorized, total projected regular credit hours to be provided by Washburn University during the current fiscal year. The third request proposes a supplemental State General Fund appropriation of \$53,648 to reimburse Fort Leavenworth School District at the current maximum rate of \$479 annually for each full-time equivalent pupil enrolled in that district in September, 1983. Finally, the Department submitted a revised estimate which projected savings of \$61,125 in out-district state aid to Washburn University. The total supplemental appropriation request of \$1,501,024 is therefore offset in part by anticipated savings of \$61,125, for a net requested increase of \$1,439,899.

The Governor recommends the requested amounts for both Washburn University regular credit hour aid (\$117,077) and Fort Leavenworth state aid (\$53,648). Neither of the other proposed FY 1984 revisions have been recommended by the Governor. Additionally, the Governor recommends a reduction of \$287,550 in the amount estimated for special education transportation reimbursement. The two recommended supplemental State General Fund appropriations total \$170,725, an amount which is more than offset by the recommended reduction of \$287,550 in special education transportation state aid. The net reduction to the FY 1984 approved budget recommended by the Governor is therefore \$116,825.

House Subcommittee Recommendation

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

1. Reduction of \$61,125 in State General Fund expenditures for Washburn University out-district state aid, as anticipated by the Department of Education.
2. The Subcommittee renews its recommendation of a year ago that the Department should reprint the Educational Directory on a biennial rather than annual basis. The Subcommittee learned that the Department in FY 1984 expended \$5,062 from federal funds to print 5,000 updated copies of the directory, despite the Subcommittee's recommendation of a year ago to delay its reprinting until FY 1985.
3. Reduction of \$10,000 for telephone expenditures, to be financed as follows:

	<u>SGF</u>	<u>AOF</u>	<u>TOTAL</u>
Administration	\$ (3,000)	\$ —	\$ (3,000)
Governance of Education	—	—	—
Quality Control Services	(2,500)	—	(2,500)
Consultative Services	(3,500)	—	(3,500)
Postsecondary Education Services	(1,000)	—	(1,000)
Special Education Services	—	—	—
Vocational Education Services	—	—	—
Total	<u>\$ (10,000)</u>	<u>\$ —</u>	<u>\$ (10,000)</u>

This recommended adjustment is based on the assumption that telephone expenses in FY 1984 will exceed actual FY 1983 telephone costs by \$8,202, a figure provided by the Director of Telecommunications in testimony before the full Committee on February 6, 1984.

4. Reduction of \$20,000 in postage expenditures, based upon actual costs incurred in FY 1983, to be adjusted as follows:

	<u>SGF</u>	<u>AOF</u>	<u>TOTAL</u>
Administration	\$ (7,500)	\$ —	\$ (7,500)
Governance of Education	—	—	—
Quality Control Services	(1,000)	(2,000)	(3,000)
Consultative Services	(2,000)	—	(2,000)
Special Education Services	(1,000)	—	(1,000)
Postsecondary Education Services	—	(2,500)	(2,500)
Vocational Education Services	(2,500)	(1,500)	(4,000)
Total	<u>\$ (14,000)</u>	<u>\$ (6,000)</u>	<u>\$ (20,000)</u>

5. Reduction of \$25,000 in State General Fund expenditures for contractual legal services provided to the State Board of Education.

6. Reduction of \$4,260 in State General Fund expenditures for repairs and servicing budgeted for the Administration program.
7. Reduction of \$14,673 in travel and subsistence expenditures. This recommended adjustment reduces budgeted amounts for travel and subsistence to the amounts approved by the 1983 Legislature, with the exception of travel costs of the State Board of Education. The Subcommittee reviewed actual travel costs incurred during the first 7.5 months of FY 1984 and does not believe increases above previously approved travel expenses are necessary, with the single exception noted above. Adjustments in travel expenses are recommended for each program as follows:

	<u>SGF</u>	<u>AOF</u>	<u>TOTAL</u>
Administration	\$ (7,625)	\$ —	\$ (7,625)
Governance of Education	7,030	—	7,030
Quality Control Services	(1,500)	—	(1,500)
Consultative Services	(2,000)	—	(2,000)
Special Education Services	(2,988)	(6,870)	(9,858)
Postsecondary Education Services	(3,500)	—	(3,500)
Vocational Education Services	2,780	—	2,780
Total	<u>\$ (7,803)</u>	<u>\$ (6,870)</u>	<u>\$ (14,673)</u>

The Subcommittee's recommended increase for travel costs of the State Board of Education is intended to adequately finance in-state travel costs. It is not intended by the Subcommittee that the additional funds be used for travel to out-of-state meetings.

8. Reduction of \$90,000 in salaries and wages expenditures, based on actual payroll costs for the first seven months of FY 1984 and projected salary costs for the remainder of the fiscal year. Recommended adjustments are to be made as shown below:

	<u>SGF</u>	<u>AOF</u>	<u>TOTAL</u>
Administration	\$ —	\$ (30,000)	\$ (30,000)
Governance of Education	—	—	—
Quality Control Services	—	(21,000)	(21,000)
Consultative Services	—	—	—
Special Education Services	—	(30,000)	(30,000)
Postsecondary Education Services	—	—	—
Vocational Education Services	—	(9,000)	(9,000)
Total	<u>\$ —</u>	<u>\$ (90,000)</u>	<u>\$ (90,000)</u>

9. Reduction of \$8,036 in Certificate Fee Fund expenditures budgeted for capital outlay in the revised FY 1984 recommendations of the Governor. The Subcommittee's recommendation retains \$1,964 included in the original FY 1984 budget to replace two electric typewriters.
10. Reduction of \$2,500 in the State General Fund expenditures for repairing and servicing in the Consultative Services Program.
11. Reduction of \$1,000 in State General Fund expenditures for per diem compensation payments to members of the Advisory Committee on Special Education, plus \$80 for associated fringe benefits, for a total reduction of \$1,080.
12. Reduction of \$1,000 for repairs and servicing costs in the Vocational Education Services program, of which half would be State General Fund savings and half federal fund savings.
13. Reduction of \$61,900 in State General Fund expenditures for Bilingual Education Programs State Aid, based on lower enrollment in such programs than was originally anticipated a year ago.
14. Reduction of \$329,873 in State General Fund expenditures for School Transportation State Aid, based upon actual FY 1984 entitlements totaling \$38,062,000 and audit adjustment payments of \$110,512 in July, 1983.
15. Reduction of \$74,380 in postsecondary education state aid, to reflect anticipated audit savings of \$150,000 rather than \$75,620 as anticipated by the Department of Education.
16. Restoration of \$287,550 reduced by the Governor's recommendation from special education transportation state aid expenditures. The Subcommittee recommends use of transportation reimbursement savings to partially address the supplemental request submitted by the Department for an additional special education state aid appropriation of \$1,330,299 for teaching unit distributions. This recommendation retains the total amount of special education state aid approved by the Legislature a year ago for distribution pursuant to K.S.A. 72-978.
17. The Subcommittee recommends that savings in state operations be reappropriated to finance the FY 1985 budget, and that state aid savings be lapsed by amending H.B. 2703.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec.</u>	<u>Total House Committee Adj. To Current App. Budget</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
All Funds:			
State Operations	\$ (176,549)	\$ (176,549)	\$ --
Aid to Local Units	(239,728)	(356,553)	61,900
Other Assistance	--	--	--
TOTAL	<u>\$ (416,277)</u>	<u>\$ (533,102)</u>	<u>\$ 61,900</u>
State General Fund:			
State Operations	\$ (65,143)	\$ (65,143)	\$ --
Aid to Local Units	(239,728)	(356,553)	61,900
Other Assistance	--	--	--
TOTAL	<u>\$ (304,871)</u>	<u>\$ (421,696)</u>	<u>\$ 61,900</u>

The Senate Subcommittee concurs with the House Committee recommendations with the following adjustments:

1. Restoration of \$61,900 for Bilingual Education Programs State Aid. The Senate Subcommittee reviewed information regarding February enrollment counts which was not reviewed by the House Subcommittee. The November enrollment count was actually 4,166.0 rather than 3,887.3 as assumed by the House. The February enrollment count was 4,418.0. In order to provide the statutory maximum of \$150 per enrolled pupil, the Senate Subcommittee recommends restoration of the House reduction.

Agency: School District Income Tax Fund Bill No. 2703 Bill Sec. 9

Analyst: Goering Analysis Pg. No. 159 Budget Pg. No. 3-79

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ --	\$ --	\$ --
Aid to Local Units	(3,312,870)	(2,093,378)	--
Other Assistance	--	--	--
TOTAL	<u>\$ (3,312,870)</u>	<u>\$ (2,093,378)</u>	<u>\$ --</u>
F.T.E. Positions	--	--	--

Agency Request/Governor's Recommendation

Compared to the estimate of School District Income Tax rebates adopted by the 1983 Legislature, the agency's revised FY 1984 estimate as submitted in September, 1983, is a decrease of \$3,312,870. The revised agency estimate totals \$88,067,130 in contrast to the original projection of \$91,380,000.

The Governor's revised FY 1984 recommendation is \$89,286,622, an amount which is virtually the same as estimated in November, 1983 by the consensus revenue estimating group. The Governor's recommendation is \$2,093,378 less than the original projection of a year ago. The Governor recommends imposition of an expenditure limitation on the fund which is intended to limit fund distributions to the amount most recently estimated by the consensus revenue estimating group.

House Subcommittee Recommendation

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

1. Revisions to the language contained in Section 7 of H.B. 2703 to eliminate any expenditure limitation imposed on demand distributions from the School District Income Tax Fund.

The Subcommittee is of the opinion that it is inappropriate to place a budgetary limitation on distributions which, by law, are conditioned only upon income tax liability and statutory timelines for demand transfers from the State General Fund. 1984 S.B. 503, which was recommended by the Governor and signed into law on February 10, 1984, contained no amendments to alter the nature of this statutory entitlement program. Therefore, the Subcommittee recommends deletion of the expenditure limitation of \$91,380,000 established on the fund by Section 7(b) of 1983 H.B. 2576, thereby appropriating all moneys transferred into the fund without expenditure limitation. In the opinion of the Subcommittee, existing law adequately limits distributions from the fund to 20 percent of state income tax liability as determined by the Department of Revenue prior to each of the dates specified in 1984 S.B. 503.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House Committee recommendation.

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 2703 Bill Sec. 10
 Analyst: Goering Analysis Pg. No. 131 Budget Pg. No. 3-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 133,435	\$ 10,429	\$ --
General Fees Fund	--	--	--
Hospital Revenue Fund	1,790,000	--	--
General Use Funds	\$ 1,923,435	\$ 10,429	\$ --
Other Funds	--	--	100,000
Subtotal	\$ 1,923,435	\$ 10,429	\$ 100,000
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	--	--	--
Hospital Fund	--	100,000	(100,000)
Other Funds	--	(6,083)	--
Subtotal	\$ --	\$ 93,917	\$ (100,000)
TOTAL	\$ 1,923,435	\$ 104,346	\$ --

Agency Request/Governor's Recommendation

The University's revised FY 1984 budget includes operating expenditures totalling \$1,923,435 above the general use operating budget approved by the 1983 Legislature and the State Finance Council.

A sum of \$133,435 reflects FY 1983 State General Fund utilities savings which were approved by the 1983 Legislature to be used for energy conservation improvements and other operating expenditures in FY 1984. The University proposes expenditure of this amount for a computerized energy management system and to add electric and steam metering equipment to several facilities on the Kansas City campus.

Also requested by the University is increased expenditure authority totaling \$1,790,000 for the Hospital Revenue Fund. Proposed expenditures from the fund include \$1,600,000 for acquisition of kidney stone lithotripter equipment; \$100,000 for acquisition of equipment associated with expanding the capacity of the neonatal intensive care unit by four intensive care beds; and \$90,000 for acquisition of equipment to establish a center for the study of sleep disorders.

The Governor recommends a net addition of \$10,429 in general use operating expenditures and a net increase of \$93,917 in capital improvement expenditures for FY 1984. The Governor's recommended FY 1984 adjustments to the current approved budget include the \$133,435 State General Fund savings in FY 1983 utilities which was reappropriated to FY 1984. This increase, however, is offset by a reduction of \$123,006 in State General Fund expenditures for the medical scholarship program, based upon the University's most recent revised estimate. The Governor recommends a \$100,000 appropriation from the Hospital Fund as a capital improvement item for acquisition of neonatal ICU equipment. This recommendation is offset in part, however, by a recommended reduction of \$6,083 in Federal Revenue Sharing Fund expenditures for renovating old hospital areas.

The Governor also proposes establishment of a new Hospital Development Fund during FY 1984. The fund would be credited with 50 percent of that amount of revenues accruing to the Hospital Revenue Fund in excess of the Governor's revised revenue projection of \$55,882,252 (after transfers to the Hospital Fund totalling \$600,000). However, the total amount transferred to the new fund could not exceed \$3,000,000. The amounts so transferred to the proposed new fund could be spent without limitation.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following revisions:

1. Shift of \$100,000 in Hospital Fund expenditures for moveable equipment associated with expansion of the neonatal intensive care unit to the operating budget. The Subcommittee notes that this amount is intended as a one-time-only operating expenditure. However, any unexpended balance as of June 30, 1984 is intended to remain available for expenditure in FY 1985. Furthermore, it is intended that expenditures from this appropriation are to be made for the sole purpose of acquiring equipment for expanding the capacity of the neonatal ICU.
2. Addition of language to H.B. 2703 specifying that any unencumbered balance remaining in the Renovating of Old Hospital Areas account as of June 30, 1984 are to be lapsed. The Governor recommended an expenditure reduction of \$6,083 in Federal Revenue Sharing Fund expenditures for FY 1984, but did not include a subsection in H.B. 2703 to lapse these moneys.
3. Deletion of authority recommended by the Governor to expend 50 percent of unanticipated receipts to the Hospital Revenue Fund without limitation.


House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments to Gov. Rec.</u>	<u>Total House Committee Adj. To Current App. Budget</u>	<u>Senate Subcommittee Adjustments to House Rec.</u>
Operating Expenditures:			
State General Fund	\$ --	\$ 10,429	\$ --
General Fees Fund	--	--	--
Hospital Revenue Fund	--	--	--
General Use Funds	\$ --	\$ 10,429	\$ --
Other Funds	\$ 100,000	\$ 100,000	\$ --
Subtotal	\$ 100,000	\$ 110,429	\$ --
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	--	--	--
Hospital Fund	(100,000)	--	--
Other Funds	--	(6,083)	--
Subtotal	\$ (100,000)	\$ (6,083)	\$ --
TOTAL	\$ --	\$ 104,346	\$ --

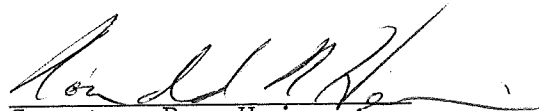
The Senate Subcommittee concurs with the House Committee recommendations.



Senator Paul Hess
Subcommittee Chairman



Senator Frank Gaines



Senator Ron Hein

SUBCOMMITTEE REPORT

Agency: Pittsburg State University Bill No. _____ Bill Sec. _____

Analyst: Monical Analysis Pg. No. 110 Budget Pg. No. 3-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 14,540,639	\$ 14,540,639	\$ ---
General Fees Fund	3,238,000	3,238,000	---
General Use Funds	\$ 17,778,639	\$ 17,778,639	\$ ---
Other Funds	3,617,358	3,617,358	---
Subtotal	<u>\$ 21,395,997</u>	<u>\$ 21,395,997</u>	<u>\$ ---</u>
Capital Improvements:			
State General Fund	\$ 116,598	\$ 116,598	\$ ---
Educational Building			
Fund	1,370,492	1,385,492	\$ (144,511)
Other Funds	31,147	31,147	---
Subtotal	<u>\$ 1,518,237</u>	<u>\$ 1,533,237</u>	<u>\$ (144,511)</u>
TOTAL	<u>\$ 22,914,234</u>	<u>\$ 22,929,234</u>	<u>\$ (144,511)</u>
F.T.E. Positions:			
Classified	265.7	265.7	\$ ---
Unclassified	320.9	322.4	\$ ---

Agency Request/Governor's Recommendation

For FY 1984 the University requests a transfer of \$75,665 from the State General Fund line item for "Student Salaries and Wages" to the State General Fund line item for "Salaries and Wages." This transfer will more accurately reflect where the University accomplished its FY 1984 base budget reductions. This request will not affect total expenditures as approved by the 1983 Legislature.

The Governor's Budget Report does not include a recommendation for the requested transfer.

On the recommendation of the Joint Committee on State Building Construction, lapses totaling \$144,511 in Educational Building Fund appropriations are contained in S.B. 577 (the emergency supplemental appropriation bill). The funds are not required for completion of three roofing projects and the bill lapses \$43,185 from the McCray Hall project, \$86,326 from the Weede Building project, and \$15,000 from the Kelce Center project.

House Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction in lapsing \$144,511 in Educational Building Fund expenditures not required for completion of three roofing projects.

The Subcommittee also recommends the transfer of \$59,144 from the State General Fund line item appropriation for "Student Salaries and Wages" to the line item appropriation for "Salaries and Wages." This results in no change in total budgeted expenditures and more accurately reflects where the University accomplished its FY 1984 base budget reductions. The amount transferred is less than the original request which was overstated.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Emporia State University Bill No. NA Bill Sec. NAAnalyst: Monical Analysis Pg. No. 104 Budget Pg. No. 3-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 14,995,641	\$ 14,969,854	\$ --
General Fees Fund	3,139,898	3,165,685	--
Interest	15,000	15,000	--
General Use Funds	\$ 18,150,539	\$ 18,150,539	\$ --
Other Funds	5,589,493	5,589,493	--
Subtotal	\$ 23,740,032	\$ 23,740,032	\$ --
Capital Improvements:			
State General Fund	\$ 17,801	\$ 17,801	\$ --
Educational Building Fund	350,199	350,199	127,996
Other Funds	242,110	242,110	(116,996)
Subtotal	\$ 610,110	\$ 610,110	\$ 11,000
TOTAL	\$ 24,350,142	\$ 24,350,142	\$ 11,000
F.T.E. Positions:			
Classified	279.8	279.4	--
Unclassified	355.1	355.1	--

Agency Request/Governor's Recommendation

For FY 1984 the University requests a State General Fund supplemental appropriation of \$25,787 to offset a corresponding reduction to estimated tuition receipts to the General Fees Fund. Also requested is the transfer of \$65,342 from the State General Fund line item for "Student Salaries and Wages" to the State General Fund line item for "Salaries and Wages." This transfer will more accurately reflect where the University accomplished its FY 1984 base budget reductions. Finally, the University requests that the expenditure limitation on the Parking Fees Fund be increased by \$21,000 from \$88,000 to \$109,000 to enable completion of parking lot improvements budgeted for, but not completed in FY 1983.

The Governor's Budget Report does not recommend any of the above three requests.

In addition to the above items, the University requests, and the Governor recommended in S.B. 577, that previously appropriated funding for replacement of the Breukelman Hall roof be shifted from the Federal Revenue Sharing Fund to the Educational Building Fund. As originally recommended by the Governor, S.B. 577 lapses \$138,845 from the Federal Revenue Sharing Fund and appropriates \$138,845 from the Educational Building Fund.

Because this recommendation is contained in S.B. 577, it was reviewed first by the Senate committee which, acting on the recommendation of the Joint Committee on State Building Construction, recommends the lapse of \$137,996 and appropriation of \$127,996 from the Educational Building Fund. This recommendation reflects updated expenditures information and the fact that \$10,000 originally appropriated for the project is not required given the construction bids.

House Subcommittee Recommendations

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

1. Recommends the lapse of \$137,996 in Federal Revenue Sharing Fund expenditures and appropriation of \$127,996 from the Educational Building Fund for reroofing of Breukelman Hall. This recommendation is contained in S.B. 577.
2. The Subcommittee recommends the transfer of \$65,342 from the State General Fund line item appropriation for "Student Salaries and Wages" to the line item appropriation for "Salaries and Wages." This results in no change in total budgeted expenditures and more accurately reflects where the University accomplished its FY 1984 base budget reductions.
3. The Subcommittee recommends a \$21,000 increase in the expenditure limitation on the Parking Fees Fund (from \$88,000 to \$109,000) to complete capital improvements begun in FY 1983.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments based on full Committee action:

1. State General Fund supplemental appropriation of \$37,436 and corresponding reduction in the expenditure limitation on the General Fees Fund. This provides for the same level of general use expenditures as approved by the 1983 Legislature and reflects adoption of the appropriate section of Governor's Budget Amendment No. 2.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University Bill No. _____ Bill Sec. _____
 Analyst: Monical Analysis Pg. No. 88 Budget Pg. No. 3-29

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 13,855,964	\$ 13,819,690	\$ --
General Fees Fund	2,930,872	2,967,146	--
Royalty Fees	2,000	2,000	--
General Use Funds	<u>\$ 16,788,836</u>	<u>\$ 16,788,836</u>	<u>\$ --</u>
Other Funds	7,038,924	7,038,924	--
Subtotal	<u>\$ 23,827,760</u>	<u>\$ 23,827,760</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 56,250	\$ 56,250	\$ --
Educational Building			
Fund	236,468	236,468	--
Other Funds	1,468	1,468	--
Subtotal	<u>\$ 294,186</u>	<u>\$ 294,186</u>	<u>\$ --</u>
TOTAL	<u>\$ 24,121,946</u>	<u>\$ 24,121,946</u>	<u>\$ --</u>
F.T.E. Positions:			
Classified	293.4	293.4	--
Unclassified	318.6	318.6	--

Agency Request/Governor's Recommendation

For FY 1984 the University requests a State General Fund supplemental appropriation of \$36,274 to offset a corresponding reduction to estimated tuition receipts to the General Fees Fund. The request would maintain general use expenditures at the level approved by the 1983 Legislature.

The Governor's Budget Report does not include a recommendation for the requested supplemental appropriation.

House Subcommittee Recommendations

The Subcommittee recommends no adjustments to previously approved FY 1984 expenditures.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendation with the following adjustments:

1. Addition of authority to transfer \$16,000 from the General Fees Fund to the National Direct Student Loan Fund. This transfer was omitted from 1983 H.B. 2148 and is required if the institution is to receive \$144,000 in federal matching funds.

SUBCOMMITTEE REPORT

Agency: Board of Regents' Office Bill No. _____ Bill Sec. _____

Analyst: Monical Analysis Pg. No. 147 Budget Pg. No. 3-71

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,329,892	\$ 1,244,660	\$ (10,000)
Other Assistance	5,102,657	5,094,348	—
Aid to Local Units	52,770	52,770	—
Subtotal	<u>\$ 6,485,319</u>	<u>\$ 6,391,778</u>	<u>\$ (10,000)</u>
Capital Improvements	190,643	190,643	—
TOTAL	<u><u>\$ 6,675,962</u></u>	<u><u>\$ 6,582,421</u></u>	<u><u>\$ (10,000)</u></u>
State General Fund:			
State Operations	\$ 1,318,579	\$ 1,233,347	\$ (10,000)
Other Assistance	4,436,000	4,427,691	—
Aid to Local Units	52,770	52,770	—
Subtotal	<u>\$ 5,807,349</u>	<u>\$ 5,713,808</u>	<u>\$ (10,000)</u>
Capital Improvements	—	—	—
TOTAL	<u><u>\$ 5,807,349</u></u>	<u><u>\$ 5,713,808</u></u>	<u><u>\$ (10,000)</u></u>
 F.T.E. Positions	 16.5	 16.5	 —

Agency Request/Governor's Recommendation

The Board requests no adjustments to its previously approved FY 1984 expenditures.

The Governor recommends the following reductions in State General Fund expenditures to reflect actual participation in the programs: a reduction of \$28,750 in the Regents' Distinguished Professor Program; a reduction of \$8,309 in the Osteopathic Scholarship Program; and a reduction of \$56,482 for postgraduate stipends in osteopathic medicine.

House Subcommittee Recommendations

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

1. Based on a review of current year other operating expenditures, the Subcommittee has identified several areas of savings. The Subcommittee recommends a \$10,000 reduction in FY 1984 operating expenditures and reappropriation of this amount to FY 1985 to offset requirements for State General Fund support. Areas of savings include rents (\$2,000), communications (\$4,000), travel and subsistence (\$2,000), and office supplies (\$2,000).

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

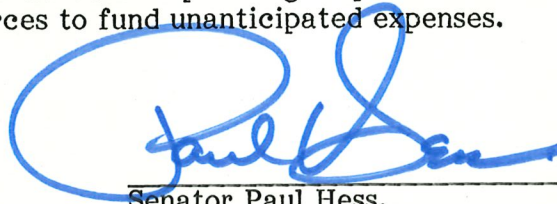
House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendation with the following adjustment:

1. Restoration of \$10,000 in other operating expenditures to provide the agency sufficient resources to fund unanticipated expenses.



Senator Paul Hess,
Subcommittee Chairman



Senator Ronald Hein



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. _____ Bill Sec. _____

Analyst: Monical Analysis Pg. No. 93 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 67,365,968	\$ 66,882,407	\$ (50,000)
General Fees Fund	15,132,519	15,180,000	—
Land Grant Funds	6,424,782	6,424,782	50,000
Interest	148,000	148,000	—
General Use Funds	\$ 89,071,269	\$ 88,635,189	\$ —
Other Funds	52,199,599	52,199,599	—
Subtotal	<u>\$141,270,868</u>	<u>\$140,834,788</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ 147,310	\$ 147,310	\$ —
Educational Building Fund	2,598,211	2,598,211	—
Other Funds	1,746,925	1,746,757	—
Subtotal	<u>\$ 4,492,446</u>	<u>\$ 4,492,278</u>	<u>\$ —</u>
TOTAL	<u><u>\$145,763,314</u></u>	<u><u>\$145,327,066</u></u>	<u><u>\$ —</u></u>

F.T.E. Positions:

Classified	1,857.0	1,857.0	—
Unclassified	2,187.7	2,187.7	—

Agency Request/Governor's Recommendation

For FY 1984 the University requests a State General Fund supplemental appropriation of \$483,561 to offset a corresponding reduction to estimated tuition receipts to the General Fees Fund. This request would maintain general use expenditures at the level approved by the 1983 Legislature. The University also notes the availability of \$50,000 in federal Morrill-Nelson funds for which the 1983 Legislature provided a State General Fund replacement for FY 1984. Therefore, State General Fund expenditures could be reduced by \$50,000 and expenditure of federal funds increased by a like amount. The University requests a State General Fund supplemental appropriation of \$39,000 to provide a 6.5 percent increase for \$600,000 in other operating expenditures which the 1983 Legislature transferred from salaries. In making this transfer the approved increase for other operating expenditures was not added.

The Governor recommends an FY 1984 expenditure limitation on the General Fees Fund. This is \$47,481 over the University's estimate and results in General Use expenditures \$436,080 below the level approved by the 1983 Legislature.

House Subcommittee Recommendations

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

1. Increase of \$50,000 in expenditures to reflect receipt of unanticipated Morrill-Nelson funds.
2. Reduction of \$50,000 in State General Fund expenditures provided by the 1983 Legislature in anticipating the loss of Morrill-Nelson funds.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.


House Recommendations

The House concurs with the Committee recommendations.

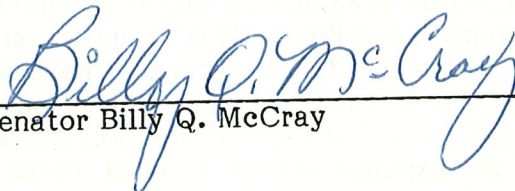
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments based on full Committee action:

1. State General Fund supplemental appropriation of \$330,162 and corresponding reduction in the originally authorized expenditure limitation on the General Fees Fund. This results in a \$105,918 increase in the expenditure limitation on the General Fees Fund over that originally recommended by the Governor but provides for the same level of general use expenditures as approved by the 1983 Legislature. This action adopts the appropriate section of Governor's Budget Amendment No. 2.



Senator Robert V. Talkington,
Subcommittee Chairman



Senator Billy Q. McCray

SUBCOMMITTEE REPORT

Agency: University of Kansas Bill No. _____ Bill Sec. _____

Analyst: Monical Analysis Pg. No. 116 Budget Pg. No. 3-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 71,585,426	\$ 71,585,426	\$ (750,000)
General Fees Fund	23,108,879	22,691,000	750,000
Interest	25,000	25,000	—
General Use Funds	<u>\$ 94,719,305</u>	<u>\$ 94,301,426</u>	<u>\$ —</u>
Other Funds	47,760,062	47,760,062	—
Subtotal	<u>\$142,479,367</u>	<u>\$142,061,488</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ 375,176	\$ 375,176	\$ —
Educational Building			
Fund	6,541,525	6,541,525	—
Other Funds	928,584	919,584	—
Subtotal	<u>\$ 7,845,285</u>	<u>\$ 7,836,285</u>	<u>\$ —</u>
TOTAL	<u>\$150,324,652</u>	<u>\$149,897,773</u>	<u>\$ —</u>
F.T.E. Positions:			
Classified	1,929.8	1,929.8	—
Unclassified	2,228.7	2,228.7	—

Agency Request/Governor's Recommendation

FY 1984 the University requests a \$417,879 increase in the expenditure limitation on the General Fees Fund due to greater than anticipated enrollments. The request would increase the previously approved expenditure limitation from \$22,691,000 to \$23,108,879.

The Governor's Budget Report does not include the requested increase in expenditures.

House Subcommittee Recommendations

Based on full Committee action, the Subcommittee recommends increasing the expenditure limitation on the General Fees Fund by \$750,000 and the lapse of a corresponding amount of State General Fund appropriations.

House Committee Recommendations

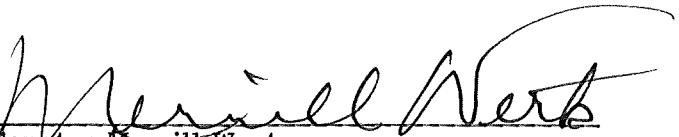
The House Committee concurs with the Subcommittee recommendations.

House Recommendations

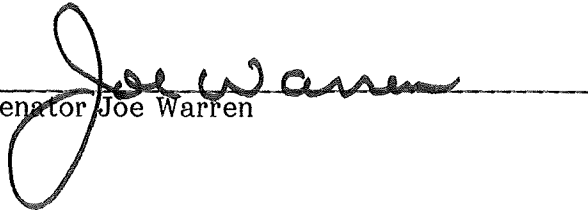
The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.



Senator Merrill Werts,
Subcommittee Chairman



Senator Joe Warren

SUBCOMMITTEE REPORT

Agency: Wichita State University Bill No. _____ Bill Sec. _____

Analyst: Monical Analysis Pg. No. 124 Budget Pg. No. 3-97

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 30,816,536	\$ 30,816,536	\$ (230,000)
General Fees Fund	10,238,935	10,200,000	230,000
General Use Funds	\$ 41,055,471	\$ 41,016,536	\$ --
Other Funds	14,878,343	14,878,343	--
Subtotal	<u>\$ 55,933,814</u>	<u>\$ 55,894,879</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 160,944	\$ 160,944	\$ --
Educational Building			
Fund	531,927	652,670	--
Other Funds	95,578	101,078	--
Subtotal	<u>\$ 788,449</u>	<u>\$ 914,692</u>	<u>\$ --</u>
TOTAL	<u>\$ 56,722,263</u>	<u>\$ 56,809,571</u>	<u>\$ --</u>
F.T.E. Positions:			
Classified	611.3	611.3	--
Unclassified	875.2	875.2	--

Agency Request/Governor's Recommendation

For FY 1984 the University requests a \$38,935 increase in the expenditure limitation on the General Fees Fund due to greater than anticipated enrollments. The request would increase the previously approved expenditure limitation from \$10,200,000 to \$10,238,935.

The Governor's Budget Report does not include the requested increase in expenditures.

House Subcommittee Recommendations

Based on full Committee action, the Subcommittee recommends increasing the expenditure limitation on the General Fees Fund by \$230,000 and the lapse of a corresponding amount of State General Fund appropriations.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

Agency: Youth Center at TopekaBill No. NABill Sec. NAnalyst: StanfieldAnalysis Pg. No. 265Budget Pg. No. 4-79

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 5,157,147	\$ 5,130,479	\$ (102,008)
General Fees Fund	38,000	38,000	—
Other Funds	124,775	124,775	—
Subtotal - Operating	<u>\$ 5,319,922</u>	<u>\$ 5,293,254</u>	<u>\$ (102,008)</u>
Capital Improvements:			
Other Funds	\$ 1,548,393	\$ 1,552,093	\$ (193,000)
TOTAL	<u>\$ 6,868,315</u>	<u>\$ 6,845,347</u>	<u>\$ (295,008)</u>
F.T.E. Positions	203.0	203.0	—

Senate Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Reappropriate \$34,807 in food savings, pursuant to systemwide recommendation number 1.
2. Reappropriate \$23,620 in utility savings, pursuant to systemwide recommendation number 2.
3. Reappropriate \$11,011 in maintenance cost savings.
4. Reappropriate \$26,276 in supply savings.
5. Reappropriate \$6,294 in communication savings.
6. Shift \$193,000 from FY 1984 to FY 1986 for the capital improvement project regarding the heating system and power plant. This concurs with the recommendation of the Joint Committee on State Building Construction, and is reflected in S.B. 577.

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,433,751	\$ 2,433,751	\$ (32,009)
General Fees Fund	14,000	14,000	—
Other Funds	66,670	66,670	—
TOTAL	<u>\$ 2,514,421</u>	<u>\$ 2,514,421</u>	<u>\$ (32,009)</u>
F.T.E. Positions	96.0	96.0	—

Senate Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Reappropriate \$5,651 in food savings, pursuant to systemwide recommendation number 1.
2. Reappropriate \$17,862 in utility savings, pursuant to systemwide recommendation number 2.
3. Reappropriate \$4,526 in supply savings.
4. Reappropriate \$3,970 in communication savings.

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,876,991	\$ 2,876,661	\$ (21,798)
General Fees Fund	16,000	16,000	—
Other Funds	58,075	58,405	—
Subtotal - Operating	<u>\$ 2,951,006</u>	<u>\$ 2,951,006</u>	<u>\$ (21,798)</u>
Capital Improvements:			
Other Funds	\$ 243,004	\$ 228,599	\$ (75,000)
TOTAL	<u>\$ 3,194,070</u>	<u>\$ 3,179,665</u>	<u>\$ (96,798)</u>
F.T.E. Positions	118.5	118.5	—

Senate Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation, except for the following:

1. Reappropriate \$7,323 in food savings, pursuant to systemwide recommendation number 1.
2. Reappropriate \$14,475 in utility savings, pursuant to systemwide recommendation number 2.
3. Reappropriate \$75,000 in capital improvements regarding the purchase and installation of a new phone system. The Subcommittee also wishes to express its disappointment in the Office of Telecommunications regarding the installation of the new phone system at the institution. Since the new system was a FY 1984 capital improvement appropriation, it appears that the entire amount of \$75,000 will have to be reappropriated into FY 1985, due to the inaction of the Department of Administration's Office of Telecommunications.

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute Bill No. — Bill Sec. —
 Analyst: Gilmore Analysis Pg. No. 278 Budget Pg. No. 6-53

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,654,834	\$ 6,654,834	\$ (38,668)
General Fees Fund	456,147	456,147	—
Title XIX	5,450,428	5,450,428	—
Other Funds	301,017	301,017	—
Subtotal - Operating	<u>\$ 12,862,426</u>	<u>\$ 12,862,426</u>	<u>\$ (38,668)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	171,300	171,300	—
Subtotal - Capital Improvements	<u>\$ 171,300</u>	<u>\$ 171,300</u>	<u>\$ —</u>
TOTAL	<u><u>\$ 13,033,726</u></u>	<u><u>\$ 13,033,726</u></u>	<u><u>\$ (38,668)</u></u>
 F.T.E. Positions	 614.0	 614.0	 —

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Reappropriate \$20,606 of State General Fund expenditures for salaries and wages based upon actual expenditures for the first eight months of FY 1984.
2. Reappropriate \$5,451 of State General Fund expenditures for utilities to FY 1985, pursuant to section two of the Subcommittee's systemwide recommendations.
3. Reappropriate \$12,611 of State General Fund expenditures for communications charges, pursuant to section five of the Subcommittee's systemwide budget recommendations.

In addition, the Subcommittee is aware that an outbreak of hepatitis occurred at the institution this fall such that the Subcommittee recommends that on submission of a Governor's budget amendment, the House Committee should increase the agency's State General Fund expenditure authority by approximately \$53,000 to finance the purchase of hepatitis vaccine for the hospital's staff.

Agency: Larned State Hospital

Bill No. _____

Bill Sec. _____

Analyst: TimmerAnalysis Pg. No. 283Budget Pg. No. 6-69

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 17,586,922	\$ 17,586,922	\$ (27,188)
Capital Improvements	133,018	133,018	—
TOTAL	<u>\$ 17,719,940</u>	<u>\$ 17,719,940</u>	<u>\$ (27,188)</u>
State General Fund:			
State Operations	\$ 15,225,098	\$ 15,225,098	\$ (397,419)
Capital Improvements	—	—	—
TOTAL	<u>\$ 15,225,098</u>	<u>\$ 15,225,098</u>	<u>\$ (397,419)</u>
F.T.E. Positions	798.0	798.0	—

Senate Subcommittee Recommendations

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

1. Pursuant to systemwide recommendation number five, reappropriate \$19,834 for communications.
2. Reappropriation of \$135,034 salary and wage money.
3. The Subcommittee recommends the addition of \$60,961 for utilities, as discussed in systemwide recommendation No. 2. Based on usage to date and projections for the remainder of FY 1984, the hospital is underfunded in this area.
4. Pursuant to systemwide recommendation No. 1, the Subcommittee recommends the addition of \$45,889 for dietary expenditures. The hospital's population has run consistently over the budgeted census causing a shortfall in the dietary budget.
5. The Subcommittee recommends the addition of \$20,830 for drugs and pharmaceuticals. Due to a higher average patient census than was projected, this item is underbudgeted.
6. Pursuant to systemwide recommendation No. 6, the Subcommittee recommends a decrease of State General Fund expenditures by \$242,548 and an increase in Fee Fund expenditures of the same amount. Receipts from patient revenue to date have been higher than budgeted.

Agency: Osawatomie State Hospital Bill No. _____ Bill Sec. _____

Analyst: Timmer Analysis Pg. No. 288 Budget Pg. No. 6-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds			
State Operations	\$ 13,756,662	\$ 13,756,662	\$ --
Capital Improvement	339,106	339,106	--
TOTAL	<u>\$ 14,095,768</u>	<u>\$ 14,095,768</u>	<u>\$ --</u>
State General Fund			
State Operations	\$ 9,950,375	\$ 9,950,375	\$ --
Capital Improvement	--	--	--
TOTAL	<u>\$ 9,950,375</u>	<u>\$ 9,950,375</u>	<u>\$ --</u>
F.T.E. Positions	602	602	--

Senate Subcommittee Recommendation

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

1. The Subcommittee understands that expenditure reductions may be realized in the following areas:
 - a. Salaries and Wages \$ 62,000
 - b. Utilities 27,978
 - c. Food 45,181
 - d. Communications 30,481

The Subcommittee also understands that a deficit in the Fee Fund is projected due to a decline on patient revenue receipts. The Subcommittee understands that the agency and the Budget Office are addressing the problem and that a budget amendment may be forthcoming. The savings noted above potentially may be used to offset some of the fee fund deficit.

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health Facility Bill No. _____ Bill Sec. _____

Analyst: Timmer Analysis Pg. No. 292 Budget Pg. No. 6-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,058,724	\$ 3,058,724	\$ (179,409)
Capital Improvements	293,584	293,584	—
TOTAL	<u>\$ 3,352,308</u>	<u>\$ 3,352,308</u>	<u>\$ (250,412)</u>
State General Fund:			
State Operations	\$ 1,535,724	\$ 1,535,724	\$ (330,218)
Capital Improvements	—	—	—
TOTAL	<u>\$ 1,535,724</u>	<u>\$ 1,535,724</u>	<u>\$ (330,218)</u>

Senate Subcommittee Recommendations

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

1. Reappropriation of \$185,588 salary and wage money.
2. Reappropriation of \$6,912, as recommended in systemwide recommendation number two regarding utilities.
3. Reappropriation of \$13,912, as recommended in systemwide recommendation number five regarding communications.
4. The Subcommittee recommends addition of \$27,003 for drugs and pharmaceuticals.
5. The Subcommittee recommends a decrease in State General Fund expenditures of \$123,806 and an increase in the Fee Fund expenditures of the same amount.

Agency: Topeka State Hospital Bill No. _____ Bill Sec. _____

Analyst: Timmer Analysis Pg. No. 310 Budget Pg. No. 6-81

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,755,035	\$ 15,755,035	\$ --
Capital Improvements	269,457	269,457	--
TOTAL	<u>\$ 16,024,492</u>	<u>\$ 16,024,492</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 7,529,492	\$ 7,529,492	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ 7,529,492</u>	<u>\$ 7,529,492</u>	<u>\$ --</u>
F.T.E. Positions	668.0	668.0	--

Senate Subcommittee Recommendation

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

- The Subcommittee understands that expenditure savings may be realized in the following areas:

Salaries and Wages	\$475,000
Utilities	95,000
Communications	30,680
Registered Nurses Training Program	147,257

The Subcommittee notes that fee fund receipts are substantially less than projected. It is the Subcommittee's understanding that the agency is studying the matter as is the Governor's Budget Office, and that the shortfall may be addressed in a budget amendment. It is possible that the abovementioned expenditure reductions may be used to offset some of the fee fund deficit.

SUBCOMMITTEE REPORT

Agency: Norton State Hospital Bill No. — Bill Sec. —

Analyst: Gilmore Analysis Pg. No. 301 Budget Pg. No. 6-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,538,887	\$ 2,538,887	\$ (45,533)
General Fees Fund	484,226	484,226	30,104
Title XIX	2,257,789	2,257,789	—
Subtotal -- Operating	<u>\$ 5,280,902</u>	<u>\$ 5,280,902</u>	<u>\$ (15,429)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	75,812	75,812	—
TOTAL	<u>\$ 5,356,714</u>	<u>\$ 5,356,714</u>	<u>\$ (15,429)</u>
F.T.E. Positions	257.5	257.5	—

Senate Subcommittee Report

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Reappropriate \$3,000 of State General Fund expenditures for communications charges to FY 1985, pursuant to Section 5 of the Subcommittee's systemwide budget recommendations.
2. Reappropriate \$12,429 of State General Fund expenditures for food purchases to FY 1985, pursuant to Section 1 of the Subcommittee's systemwide budget recommendations.
3. Pursuant to Section 6 of the Subcommittee's systemwide budget recommendations, the Subcommittee recommends shifting the source of financing of \$30,104 from State General Funds to the agency's fee fund.

Agency: Parsons State Hospital and Training Center

Bill No. _____

Bill Sec. _____

Analyst: Gilmore

Analysis Pg. No. 296

Budget Pg. No. 6-57

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,406,652	\$ 4,406,652	\$ (75,475)
General Fees Fund	506,495	506,495	--
Title XIX	4,140,568	4,140,568	--
Other Funds	119,319	119,319	--
Subtotal - Operating	<u>\$ 9,173,034</u>	<u>\$ 9,173,034</u>	<u>\$ (75,475)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Other Funds	235,829	235,829	--
Subtotal - Capital Improvements	<u>\$ 235,829</u>	<u>\$ 235,829</u>	<u>\$ --</u>
TOTAL	<u><u>\$ 9,408,863</u></u>	<u><u>\$ 9,408,863</u></u>	<u><u>\$ (75,475)</u></u>
 F.T.E. Positions	 391.5	 391.5	 --

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with two exceptions:

1. Reappropriate \$37,899 of State General Fund expenditures for salaries and wages based upon actual expenditures for the first eight months of FY 1984.
2. Reappropriate \$3,058 of State General Fund expenditures for utilities to FY 1985, pursuant to section two of the Subcommittee's systemwide recommendations.
3. Reappropriate \$34,518 of State General Fund expenditures for food purchases to FY 1985, pursuant to section one of the Subcommittee's systemwide recommendations.

SUBCOMMITTEE REPORT

Agency: Board of Indigents' Defense Services Bill No. NA Bill Sec. NA
 Analyst: Galligan Analysis Pg. No. 249 Budget Pg. No. 1-127

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,617,295	\$ 2,612,025	\$ —
Other Assistance	200,853	197,731	3,122
TOTAL	<u>\$ 2,818,148</u>	<u>\$ 2,809,756</u>	<u>\$ 3,122</u>
State General Fund:			
State Operations	\$ 2,617,295	\$ 2,612,025	\$ —
Other Assistance	200,853	197,731	3,122
TOTAL	<u>\$ 2,818,148</u>	<u>\$ 2,809,756</u>	<u>\$ 3,122</u>
F.T.E. Positions	19.5	19.5	—

Agency Request/Governor's Recommendation

The Board's estimate of expenditures for the current fiscal year is equal to the amount approved a year ago. The Board has increased its staff by 2.5 F.T.E. positions during the current fiscal year. Two of the positions are assigned to a newly-established conflicts office. A .5 F.T.E. clerical position has also been added to the administrative office.

The Governor's recommendation would reduce operating expenditures by \$5,270 and the amount granted to Legal Services For Prisoners, Inc., (L.S.P.) by \$3,122. The former amount would lapse at the end of the current fiscal year.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. The Subcommittee learned that the reduction recommended for L.S.P. will not result in any real current year savings to the state, because the grant to the corporation is made at the beginning of the fiscal year. Thus, the Subcommittee recommends restoration of the \$3,122 already granted, to the expenditure total for the current fiscal year.
2. The Subcommittee determined, by examining current year expenditures, that the Board may underspend the Governor's recommendation for the current year by approximately \$90,000. The Subcommittee would therefore encourage the Board to begin working on the 18th District public defender office during FY 1984 in order that the savings anticipated as a result of the office may be realized as early as possible. The Subcommittee suggests that if the Senate Subcommittee is not in agreement with establishment of the new office, or the commencement of work during FY 1984, the anticipated savings be lapsed or reappropriated to offset the FY 1985 appropriation.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Rec.</u>
All Funds:			
State Operations	\$ —	\$ 2,612,025	\$ —
Other Assistance	3,122	200,853	—
TOTAL	<u>\$ 3,122</u>	<u>\$ 2,812,878</u>	<u>\$ —</u>
State General Fund:			
State Operations	\$ —	\$ 2,612,024	\$ —
Other Assistance	3,122	200,853	—
TOTAL	<u>\$ 3,122</u>	<u>\$ 2,812,878</u>	<u>\$ —</u>
F.T.E. Positions	—	19.5	—

The Senate Subcommittee concurs with the House recommendation.

SUBCOMMITTEE REPORT

Agency: Crime Victims Reparations Board Bill No. — Bill Sec. —

Analyst: Gilmore Analysis Pg. No. 262 Budget Pg. No. 4-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 98,374	\$ 98,374	\$ (5,470)
Aid to Local Units	6,000	6,000	—
Other Assistance	336,455	336,455	—
TOTAL	<u>\$ 440,829</u>	<u>\$ 440,829</u>	<u>\$ (5,470)</u>
<u>State General Fund:</u>			
State Operations	\$ 97,074	\$ 97,074	\$ (5,470)
Other Assistance	0	0	—
TOTAL	<u>\$ 97,074</u>	<u>\$ 97,074</u>	<u>\$ (5,470)</u>
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendation

The Subcommittee recommends total expenditures of \$435,359 for FY 1984 which is \$5,470 less than the Governor's recommendation. The Subcommittee adjustments to the Governor's recommendations are as follows:

1. Delete \$972 in rental expenditures. The Subcommittee learned that the Board did not initiate monthly payments for a new copier and word processor until November, 1983.
2. Delete \$3,998 for travel and subsistence. Based on the Board's expenditures to date and the reduced travel estimate for Board members due to their proximity to Topeka, the Subcommittee is of the opinion that expenditures for travel were overestimated.
3. Delete \$500 for professional fees to hire court reporters whose services are required to transcribe formal hearings of appeals of claims. Historical expenditures do not indicate the need to maintain a \$1,000 contingency fund for these services.
4. The Subcommittee is aware that receipts for the current year are estimated to exceed the revised revenue estimate included in the Governor's budget recommendation by \$26,000. The Subcommittee recommends these additional receipts be carried forward to offset State General Fund expenditures for claims in FY 1985.
5. The Subcommittee concurs with the Governor's recommendation, included in H.B. 2703, to increase the expenditure limitation for claims payments from \$255,750 to \$294,000.

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendations.

House Committee of the Whole

The Committee concurs with the House Committee recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (5,470)	\$ 92,904	\$ 2,100
Aid to Local Units	—	6,000	—
Other Assistance	—	336,455	—
TOTAL	<u>\$ (5,470)</u>	<u>\$ 435,359</u>	<u>\$ 2,100</u>
State General Fund:			
State Operations	\$ (5,470)	\$ 91,604	\$ 2,100
Other Assistance	—	—	—
TOTAL	<u>\$ (5,470)</u>	<u>\$ 91,604</u>	<u>\$ 2,100</u>

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Addition of \$1,100 in State General Funds for salaries and wages. The Subcommittee learned that the Board Office had recently filled a Secretary I position and is requesting financing to pay the previous employee's accumulated hours of vacation.
2. Restoration of \$1,000 in State General Funds for travel and subsistence, based upon a revised estimate of agency expenditures.

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,400,516	\$ 3,434,463	\$ (64,981)
Aid to Local Units	18,706,552	18,771,744	110,000
Other Assistance	270,000	270,000	—
TOTAL	<u>\$ 23,377,068</u>	<u>\$ 22,475,207*</u>	<u>\$ 45,019</u>
State General Fund:			
State Operations	\$ 2,689,180	\$ 2,768,372	\$ (64,981)
Aid to Local Units	—	—	—
Other Assistance	270,000	270,000	—
TOTAL	<u>\$ 2,959,180</u>	<u>\$ 3,038,372</u>	<u>\$ (64,981)</u>
F.T.E. Positions	57.0	58.0	—

* Includes GBA No. 1-3.

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Reappropriate \$43,302 in savings of salaries budgeted for the High Technology Czar position. The Subcommittee understands that this position will be filled in the last quarter of the current fiscal year.
2. Increase the expenditure limitation of the House Assistance Program — federal funds by \$110,000 pursuant to Governor's Budget Amendment No. 1-3. This recommendation will be reflected in an amendment to S.B. 577, the FY 1984 emergency supplemental bill.
3. Reappropriate \$12,309 in salary savings in the Industrial Development Program.
4. Reappropriate \$2,870 from savings in printing and contractual services in the Minority Business Division.
5. Reappropriate \$6,500 from savings in printing and travel costs in the Community Assistance program of the Planning Division.

House Committee Recommendations

The House concurs with the Subcommittee report as submitted.

Senate Subcommittee Recommendations

The Subcommittee concurs with the budget as recommended by the House.

SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation Bill No. 2703 Bill Sec. 12

Analyst: Hauke Analysis Pg. No. 468 Budget Pg. No. 4-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ --	\$ (139,660)
State General Fund	--	--	(139,660)

Summary of Agency Request/Governor's Recommendation

The agency requests and the Governor recommends that \$100,000 in State General Fund savings be utilized to finance purchase of additional laboratory equipment. The Governor recommends that the equipment be financed through savings of \$95,340 in salaries and wages and \$4,660 in other operating expenditures. Accordingly, the Governor is recommending that \$95,340 be lapsed from the approved salary and wage budget and an equal amount be appropriated as a supplemental line item appropriation entitled Acquisition of Laboratory Equipment.

House Subcommittee Recommendations

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

1. The Subcommittee concurs with the Governor's recommendation that a supplemental appropriation of \$95,340 be made to acquire laboratory equipment. Due to the potential relocation facing this agency, it may not be prudent to expend all of this funding prior to the end of FY 1984. Consequently, the Subcommittee recommends that reappropriation language be added, allowing unexpended portions of this line item to reappropriate to FY 1985.
2. The Subcommittee reviewed the remainder of the KBI's budget for other operating expenditures and is of the opinion that the potential exists for considerable FY 1984 savings, based upon expenditures to date. In items 3 to 9 the Subcommittee recommends adjustments to the FY 1984 budget. The Subcommittee recommends that all savings reappropriate to FY 1985 and be utilized to finance moving and remodeling costs, as discussed in item 3 of the FY 1985 report. The Subcommittee is of the opinion that by allowing all savings in other operating expenditures to reappropriate, it provides an incentive for the agency to reduce costs whenever possible, as those savings would facilitate moving and remodeling costs.
3. The Subcommittee reviewed the revised FY 1984 travel and subsistence budget and recommends that it be reduced by \$75,544. This recommendation is based upon annualization of expenditures to date but also contains allowances for travel and subsistence expenditures on behalf of 11 Special Agents who will join the agency on February 27. The reductions are divided among the agency's subprograms as follows:

Investigations	\$25,924
Special Services	43,900
General Support Services	5,720
TOTAL	<u>\$75,544</u>

4. The Subcommittee reviewed FY 1984 expenditures for computer services and recommends a reduction of \$60,700, based upon expenditures to date.
5. The Subcommittee reviewed FY 1984 expenditures for data processing communications and recommends a reduction of \$54,496. This recommendation is based upon expenditures to date, but contains allowances for rate increases which became effective in January.
6. The Subcommittee reviewed communications expenditures in the General Support Services Subprogram. Based upon expenditures to date the Subcommittee increases this item by \$10,310.
7. Based upon agencywide expenditures to date, the Subcommittee recommends increase of the budget for motor vehicle parts and supplies by \$15,770.
8. Based upon past expenditure history, the Subcommittee recommends a \$10,000 increase in the agencywide budget for repair and service of equipment.
9. The Subcommittee learned that the agency will be training two Special Agents to be polygraph operators. This training will involve FY 1984 expenditures of approximately \$15,000. The Subcommittee recommends that the FY 1984 budget be increased to allow that training expenditure.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

Agency: Board of Veterinary Examiners Bill No. _____ Bill Sec. _____

Analyst: Gilmore Analysis Pg. No. _____ Budget Pg. No. 1-219

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 39,101	\$ 37,710	\$ (650)
State General Fund	—	—	—

House Subcommittee Recommendation

The House Subcommittee recommends total expenditures of \$37,060 which is \$650 less than the Governor's recommendation. The Subcommittee adjustment to the Governor's recommendation is as follows:

1. Deletion of \$650 for office rental. The Subcommittee does not recommend funding to finance the rental of the Board's new office space at Pratt Community College because the space is to be used for new vo-tech activities. The Board does not plan to move in the near future.

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation.

House Committee of the Whole

The Committee concurs with the House Committee's recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the budget as recommended by the House.

SUBCOMMITTEE REPORT

Agency: Board of Technical Professions Bill No. 2703 Bill Sec. --

Analyst: Holt Analysis Pg. No. 39 Budget Pg. No. 1-217

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 173,953	\$ 173,963	\$ 10,503
State General Fund	—	—	—
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendations

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

1. Addition of \$3,264 in capital outlay expenditures. The sum of \$414 would be applied toward expenditures related to the Board's move to new office quarters. The Board has already exceeded its capital outlay expenditure estimate by \$414 for the current fiscal year because of that move. In addition, in December 1983, the Board entered into an installment-purchase agreement with the vendor for a word processing system that it had previously rented. Since the Board had not budgeted for this purchase in its FY 1984 revised estimate, an additional \$2,850 would be needed to cover its monthly installment payments.
2. Addition of \$411 in repairing and servicing expenditures. The Board needs \$411 for a service maintenance agreement for the IBM word processing system to be purchased in accordance with general state practice.
3. Addition of \$803 for freight and express expenditures. The Board underbudgeted for these items because it did not anticipate increased costs of freight due to changes in the architectural examination, which correspondingly increased the weight of those examinations. The Board has already exceeded by \$303 its expenditure estimate for those items.
4. Addition of \$13,475 for fees-professional services. Pursuant to the Board's submittal of the FY 1984 budget, the Board was informed that costs for examinations would increase. This increase is not reflected in the FY 1984 revised estimate. An additional \$13,475 would be needed to defray expenses associated with those increased costs.
5. Addition of \$893 for office supply expenditures. The Board is presently splitting the cost of a copy machine with another agency and has an arrangement to pay upfront costs for copier supplies for itself and the other agency. The Board is reimbursed for the other agency's share of these supplies but the upfront cost is expected to exceed by \$893 the \$2,000 recommended by the Governor for FY 1984.
6. Deletion of \$3,000 in printing expenditures. The Board plans to postpone until FY 1985 the printing of its revised rules and regulations, to become effective May 1, 1984.

7. Deletion of \$2,993 in rental expenditures. Prior to the Board's decision to enter into an installment purchase agreement, it had planned to continue rental of the IBM word processor. Therefore, the Governor's recommendation reflects an expenditure of \$8,000 for rental of the IBM equipment in the current fiscal year. Because of its decision not to continue rental of the IBM system, only \$5,007 of that amount will be expended in FY 1984 for that purpose.
8. Deletion of \$2,350 for reclassification expenditures in FY 1984.
9. Note is made that the Board can only estimate the number of examinations to be given in the current fiscal year. If the Board were to underestimate the number of examinations given, expenditures might exceed the limitation and Finance Council action might prove necessary.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee's recommendation.

Agency: Board of Pharmacy Bill No. 2703 Bill Sec. 5

Analyst: Stanfield Analysis Pg. No. 28 Budget Pg. No. 1-213

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations: Supplemental Funding	\$ 11,707	\$ 8,000	\$ (2,000)

House Subcommittee Recommendations

FY 1984. The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Delete \$1,500 in communications, based on expenditures to date.
2. Delete \$500 in printing, based on historical patterns and expenditures to date.
3. The Subcommittee's recommendations will be reflected in the House Supplemental Bill, No. 2703 as an overall \$6,000 increase in the Board's expenditure limitation.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

FY 1984. The Senate Subcommittee concurs with the House Committee recommendations.

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology Bill No. NA Bill Sec. NA

Analyst: Stanfield Analysis Pg. No. 13 Budget Pg. No. 1-199

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 224,035	\$ 224,035	\$ 2,694
F.T.E. Positions	8.0	8.0	—

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Addition of \$1,214 in utilities, based on expenditures to date.
2. Addition of \$1,480 for examination costs. The Agency has increased its estimate of cosmetology applicants to be tested in FY 1984 to 1,333. The approved budget is based on 910 applicants at \$3.50 per examination.
3. Related to item 2, the Subcommittee believes the agency's estimate of receipts from the additional exam permits should be raised by \$6,345, reflecting 423 additional exams at \$15.00 each.

The Fee Fund analysis, based on the Subcommittee's adjustments in FY 1984, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 83</u>	<u>Est. FY 84</u>
Beginning Balance	\$ 68,844	\$ 45,507
Net Receipts	191,105	231,828
Total Funds Available	\$259,949	\$277,335
Less: Expenditures	214,442	226,729
Ending Balance	<u>\$ 45,507</u>	<u>\$ 50,606</u>

House Committee Recommendations

The Committee approves the Subcommittee's report as submitted.

Senate Subcommittee Recommendation

FY 1984. The Senate Subcommittee concurs with the House Committee recommendations.

SUBCOMMITTEE REPORT

Agency: Board of Embalming Bill No. 2703 Bill Sec. NA

Analyst: Holt Analysis Pg. No. 19 Budget Pg. No. 1-203

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 88,166	\$ 88,166	\$ (575)
State General Fund	—	—	—
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1984 with the following exceptions:

1. Reduction of \$800 in travel and subsistence expenditures because the Board's expenditures to date suggest that no greater amount is warranted.
2. Addition of \$225 in rental expenditures to cover the amount needed for office rent in the current fiscal year as a result of the Board's move to other quarters.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House Committee's recommendation with the following adjustments, which constitute a net increase of \$670:

1. Addition of \$400 in travel and subsistence expenditures.
2. Addition of \$270 for the lease of a copier machine.

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts Bill No. 2703 Bill Sec. N Section

Analyst: Rampey Analysis Pg. No. 10 Budget Pg. No. 1-205

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 329,497	\$ 329,497	\$ (15,000)
State General Fund	—	—	—
F.T.E. Positions	8.0	8.0	—

Senate Subcommittee Recommendation

The Senate Subcommittee recommends that the Board's FY 1984 expenditure limitation be reduced by \$15,000. The reduction is in the area of fees for professional services and consists of a reduction of \$10,000 for the services of a hearing officer and \$5,000 for mental and physical examinations of licensees.

It has come to the Subcommittee's attention that during the current year the Board increased its budgeted expenditure for part-time and temporary employees from \$2,822 to \$8,031 for the purpose of hiring a research assistant to the Board's attorney. (Funds for that temporary employee are also included in the FY 1985 budget.) In addition, the Board has exceeded the budgeted amount it had available to pay for the services of an investigator.

In the case of the investigator, it would appear that the amount budgeted (\$15,000) was genuinely inadequate to pay for contractual services. (The amount was estimated by legislative staff during the 1983 Session when a number of changes were made to the Board's budget.)

What concerns the Subcommittee is the considerable flexibility the Board has shown in redistributing funds among various object codes. That flexibility is possible, it would appear, because funds are budgeted for some items for which expenditures are infrequently made. Examples in the FY 1984 budget include the \$15,000 for fees for professional services which the Subcommittee recommends be lapsed.

It is not the Subcommittee's intention to deny an agency the flexibility it needs to operate. However, the Subcommittee believes the budget document submitted to the Governor and to the legislature for their review is meaningful only to the extent that it reflects how an agency actually intends to spend its money. When decisions are made to hire employees or begin activities which are not described in the budget or to depart in some significant way from the expenditures estimated in the budget, those decisions should be brought to the attention of policymakers.

SUBCOMMITTEE REPORT

Agency: Department of Revenue Bill No. 2703 Bill Sec. 4Analyst: Efird Analysis Pg. No. 79 Budget Pg. No. 1-151

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 36,633,253	\$ 36,973,253	\$ --
Aid to Local Units	8,702,122	8,702,122	131,000
Other Assistance	30,000	30,000	--
TOTAL	<u>\$ 45,365,375</u>	<u>\$ 45,705,375</u>	<u>\$ 131,000</u>
State General Fund:			
State Operations	\$ 22,400,155	\$ 22,390,155	\$ --
Aid to Local Units	1,400,000	1,400,000	131,000
Other Assistance	30,000	30,000	--
TOTAL	<u>\$ 23,830,155</u>	<u>\$ 23,820,155</u>	<u>\$ 131,000</u>
F.T.E. Positions	1,470.0	1,470	--

* Does not include Governor's Budget Amendments.

Agency Request/Governor's Recommendation

The Department's revised FY 1984 estimate of \$45,365,375 is \$666,965 less than the amount approved. A reduction of \$606,965 in Special County Mineral Production Tax Fund reflects 11 months of distributions (instead of 12 months as was earlier projected), not a reduction in receipts. The other \$60,000 reduction is based on lower estimates for data processing costs associated with K-BITS implementation and the \$60,000 would be State General Fund savings.

The Governor's Budget Report recommends an increase of \$350,000 to fund higher salary expenses in FY 1984 resulting from lower personnel turnover savings than originally estimated by the agency with \$350,000 to be financed by increasing the Division of Vehicles Operating Fund expenditure limitation. In addition, the Governor recommends lapsing the \$60,000 K-BITS data processing funds plus an additional \$10,000 office supplies funding. The Governor concurs with other agency estimates in FY 1984.

Governor's Budget Amendment No. 1 recommends a technical adjustment in the expenditure estimate for the County Inheritance Tax Fund and another minor change in a demand fund.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations contained in the Budget Report for FY 1984, including a supplemental increase of \$350,000 in the Division of Vehicles (DOV) Operating Fund expenditures for salaries and benefits which are currently projected by the Department to exceed available financing. This expenditure limitation increase will lower the FY 1984 DOV Operating Fund turnover rate to 7.1 percent. In addition, the Subcommittee directs that appropriate adjustments be made in the supplemental appropriations bill to allow for increased expenditure authority in the salaries and wages account since the bill, as introduced, increased other operating expenditures.

The Subcommittee notes a Departmental projection received on February 20 which estimates a funding deficit of \$266,000 in the State General Fund salaries and wages account in the last five months of FY 1984. The agency's earlier estimate of a 7.4 percent turnover rate in State General Fund financed salaries and benefits is recommended in the Governor's Budget Report. The February 20 estimate would lower the turnover rate to 5.5 percent in FY 1984, based on gross salaries and benefits estimated at \$17,310,869 and salary turnover savings of \$952,596, with net expenditures of \$16,358,273 or \$266,000 more than recommended by the Governor in FY 1984.

Because of inadequate time and information, the Subcommittee chooses not to address this potential shortfall in State General Fund financing and urges the Governor to address this situation in a Governor's Budget Amendment if the situation warrants the attention of the Senate in the next few weeks. The Subcommittee points out that the Governor recommends lapsing \$70,000 which is potentially available for salaries and benefits if it were shifted to the appropriate account.

The Subcommittee concurs with Governor's Budget Amendment No. 1 which increases the estimated expenditures from the County Inheritance Tax Fund by \$131,000 to coincide with the consensus estimates. However, the Subcommittee does not recommend the proposed increase for the Solar Energy Property Tax Refund Fund for \$10,000 since it is not subject to consensus estimates and therefore the Subcommittee does not concur with the \$10,000 increase.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendations and adds the following supplemental funding:

1. Increase State General Fund financing by \$196,000 for salaries and wages because of an anticipated shortfall of funds in the current year.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations and after considering GBA No. 2, further recommends that in addition to the \$196,000 supplemental appropriation that \$80,000 of other operating expenses be reappropriated to FY 1985, but that those funds may be expended in FY 1984 for salaries and wages if needed. The amount expended in FY 1984 would reduce FY 1985 financing by the amount spent this year.

SUBCOMMITTEE REPORT

Agency: Department of Human Resources Bill No. 2703 Bill Sec. 6

Analyst: Julian Efird Analysis Pg. No. 481 Budget Pg. No. 2-15

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84^a</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 31,335,344	\$ 30,530,322	\$ (276,333)
Aid to Local Units	12,781,843	12,781,843	218,741
Other Assistance	246,747,200	246,747,200	(60,000,000)
Subtotal - Operating	<u>\$290,864,387</u>	<u>\$290,059,365</u>	<u>\$(60,057,592)</u>
Capital Improvements	391,969	391,969 ^a	—
Total	<u>\$ 291,256,356</u>	<u>\$ 290,451,334</u>	<u>\$ (60,057,592)</u>
State General Fund:			
State Operations	\$ 2,215,105	\$ 2,150,762	\$ (62,592)
Other Assistance	15,000	15,000	—
Total	<u>\$ 2,230,105</u>	<u>\$ 2,165,762</u>	<u>\$ (62,592)</u>
F.T.E. Positions:	1,091.35	1,088.8	(19.0)

a) Does not include Governor's Budget Amendments.

Agency Request/Governor's Recommendations

The Department requests a supplemental State General Fund appropriation of \$56,344 and an adjustment in the WIN program expenditure limitation amounting to an increase of \$160,808. In addition, the agency requests an emergency supplemental of \$29,290 of Reed Act funds as a Governor's Budget Amendment in order to complete remodeling a building purchased in Wichita.

The Governor recommends in the Budget Report a reduction of \$6,047 in State General Fund expenditure authority and concurs with the WIN adjustment of \$160,808. Governor's Budget Amendment No. 1 recommends an additional \$29,290 in expenditures from Reed Act funds for the Wichita project.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, except for the following:

1. Lapse the following amounts from the State General Fund for salaries and wages because four positions assigned to the programs have been vacant most of FY 1984: \$17,352 from Employment Standards, \$16,374 from the Committee for Employment of the Handicapped, \$12,053 from the Apprenticeship subprogram, and \$10,000 from the Committee for Mexican American Affairs. A total of \$55,779 would be lapsed.

2. Allow financing for the reclassification of an Employment Relations Administrator from Salary Range 30 to Salary Range 32 instead of Salary Range 35 as recommended by the Governor. The Subcommittee feels that this supervisory position should be on a range where the administrative heads of Unemployment Insurance, Employment Services and Job Training are currently classified. State General Fund salary savings of \$1,813 should be lapsed. (See item 12 in the FY 1985 recommendations also.)
3. Shift \$5,000 of financing from the State General Fund to federal funds for other operating expenses in Veterans Services and lapse the \$5,000 savings from the State General Fund account. A carryover balance in the federal account of \$77,778 estimated by the Governor would be reduced to \$72,778 and allow more than adequate resources to help finance the Governor's FY 1985 recommendations.
4. Delete 19.0 F.T.E. positions, of which 6.0 F.T.E. were assigned to Data Processing Services and 13.0 F.T.E. (19 positions budgeted for nine months) assigned to Job Training Service. All positions have been vacant all year to date (since October 1 for the Job Training positions). The Subcommittee recommends that savings of \$218,741 from Job Training be shifted to Aid to Local Units for financing local programs in the five Service Delivery Areas (SDAS). The Data Processing savings should be made available to finance part-time help if necessary. (See item 2 in the FY 1985 recommendations for other details.)

In addition, the Subcommittee recommends that expenditure limitations be placed on the Job Training accounts which the State Finance Council approved with no-limit expenditure authority. The Subcommittee requested information from the Department about changes in anticipated receipts and expenditures which have occurred since the Governor's Budget Report recommendations were presented in January, but no response has been received by this Subcommittee. Therefore, the Subcommittee recommends that the Governor's recommendations less the Subcommittee adjustments be established as expenditure limitations for the Job Training Service accounts in order that some legislative oversight be assured if additional receipts or expenditures are to be included this fiscal year. If the revised estimates are lower, then the recommended limitations will allow for spending at levels recommended by the Governor and adjusted by the Legislature.

5. Reject the supplemental request for \$29,290 from Reed Act funds for capital improvements as recommended by Governor's Budget Amendment No. 1 and do not include any expenditure authority increase in the supplemental finance bill. In addition, the Subcommittee recommends that expenditure limitations be placed on the Employment Security Administration Fund in the amount of \$391,969 to restrict spending to Reed Act funds since the Department is apparently spending other federal funds for maintenance and repair projects. Information reviewed by the Joint Committee on State Building Construction indicated that financing for capital improvements would be exclusively from Reed Act funds and their recommendations for FY 1984, which the 1983 Legislature approved, were based on that assumption.

The Department failed in its revised FY 1984 estimate for capital improvements to request any expenditures to be financed from funding sources other than Reed Act funds. The appropriations bill language, however, does allow such expenditures from sources other than Reed Act funds. The Joint Committee on State Building Construction reviewed this matter and recommends the supplemental request for \$29,290 should be denied. (See item 18 in the FY 1985 recommendations.)

6. Decrease the estimate of expenditures for Unemployment Insurance Benefits in FY 1984 by \$60,000,000, of which \$50,000,000 is attributed to regular benefits financed by the Trust Fund and \$10,000,000 is related to Federal Supplemental Compensation (FSC) which are 100 percent federally funded payments. No revisions were provided by the Department, although both actual expenditures for the first seven months and data provided the House Committee on Labor and Industry in late January would suggest that these levels of reductions are likely. The Trust Fund ending balance would be adjusted from the Governor's estimate of \$108 million to \$158 million if the Subcommittee adjustments are adopted. Retain a no-limit line item to allow higher payments if the demand varies from the adjustment in estimate.
7. Add a proviso to limit capital outlay expenditures to the amount recommended by the Governor since the Department spent \$825,222 in FY 1983 or almost three times the amount recommended by the Governor and approved by the Legislature. (See item 16 in the FY 1985 recommendations.)
8. Add a proviso which would allow the transfer of WIN funding for the Department of Social and Rehabilitation Services' portion of the federal contract to be effected without an encumbrance against the WIN expenditure limitation.
9. Add a \$0 limitation to replace a no-limit line item for the Special Employment Security Fund since no expenditures are requested by the agency nor recommended by the Governor in FY 1984. The agency apparently plans to spend at least \$50,000 from the Fund and the Subcommittee feels that legislative review should be guaranteed since the Fund has a balance in excess of \$1 million. (See item 19 in the FY 1985 recommendations for additional details.)
10. In addition, a technical change in the appropriations bill is recommended by the Subcommittee in order to lapse State General Fund money before the end of the fiscal year as the Governor's plan would effect. Expenditure authority of \$2,081 in salaries and wages and \$3,966 in other operating expenses which the Department used in FY 1983 out of its legislative reappropriation from anticipated FY 1983 savings would be lapsed June 30 under the current appropriations language and the Subcommittee recommends the effective date be upon publication of the supplemental bill.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House except for the following:

1. Item 1. Restore \$32,297 of State General Fund financing (of the \$55,779 reduced by the House) for the following areas:

	<u>Salaries</u>	<u>O.O.E.</u>
Employment Standards	\$ 15,588	\$ —
Handicapped	—	5,520
Apprenticeship	3,609	—
Mexican-American	6,980	600
	<u>\$ 26,177</u>	<u>\$ 6,120</u>

2. Item 2. Restore \$1,813 of State General Fund financing for the reclassification of a position to salary range 35.
3. Item 4. Restore 13.0 F.T.E. positions and shift \$218,741 of Job Training financing to State Operations for SDA 3 (Kansas City). Further adjust expenditure limits imposed by the House to reflect the Governor's Budget Amendment No. 2 which establishes the following expenditure estimates:

	<u>GBA No. 2</u>	<u>Change From House</u>
Title II-A	\$ 7,972,700	\$ 133,477
Title II-B	2,232,969	38,935
Title III	1,307,210	(713,543)
	<u>\$11,512,879</u>	<u>\$ (544,131)</u>

4. Item 5. Add \$29,290 for capital improvements recommended by the Governor's Budget Amendment No. 1 for renovation of the Wichita building. Remove proviso language in Sec. 6(f) to allow use of other funds for capital improvements. Strongly urge the Department to notify the Joint Committee on State Building Construction of expenditures from nonbudgeted sources of financing for maintenance and repair of buildings in order to keep that legislative body informed since the Committee was left with the understanding that only Reed Act funds were available in FY 1984 for such projects.
5. Item 7. Remove proviso affecting capital outlay acquisition of equipment in Sec. 6(e).
6. Item 9. Add the proviso included with the FY 1985 appropriations bill that allows expenditures pursuant to K.S.A. 44-716a.

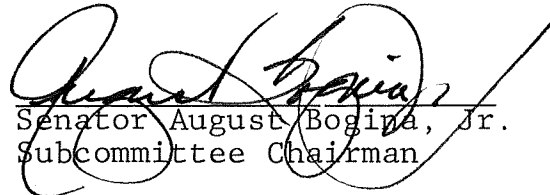
SUBCOMMITTEE REPORT

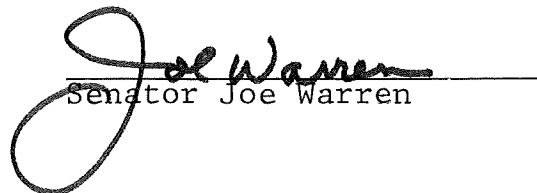
WICHITA STATE UNIVERSITY
KANSAS TECHNICAL INSTITUTE

House Bill No. 2805

House Bill No. 2703

Fiscal Years 1984 and 1985


Senator August Bogina, Jr.
Subcommittee Chairman


Senator Joe Warren

SUBCOMMITTEE REPORT

FORT HAYS STATE UNIVERSITY
EMPORIA STATE UNIVERSITY
PITTSBURG STATE UNIVERSITY

House Bill No. 2805

House Bill No. 2703

Fiscal Years 1984 and 1985



Senator Paul Hess
Subcommittee Chairman



Senator Jack Steineger

SUBCOMMITTEE REPORT

Agency: Fort Hays State University Bill No. 2805 Bill Sec. 2Analyst: Monical Analysis Pg. No. 88 Budget Pg. No. 3-29

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 15,333,836	\$ 14,881,544	\$ 53,294
General Fees Fund	3,340,023	3,179,756	—
General Use Funds	\$ 18,673,859	\$ 18,061,300	\$ 53,294
Other Funds	7,530,555	7,415,185	—
Subtotal	\$ 26,204,414	\$ 25,476,485	\$ 53,294
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	93,169	16,850	110,000
Other Funds	—	—	—
Subtotal	\$ 93,169	\$ 16,850	\$ 110,000
TOTAL	\$ 26,297,583	\$ 25,493,335	\$ 163,294
F.T.E. Positions:			
Classified	293.4	293.4	—
Unclassified	318.6	318.6	1.0

Agency Request/Governor's Recommendation

The University's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The institutions are also requesting that the fee waiver for Graduate Teaching Assistants be increased from 60 to 75 percent of tuition. The University requests \$290,444 to annualize the salary increases granted in FY 1984 during FY 1985. A total of \$375,000 is requested to begin a major upgrade of the University's computing capabilities. The request would fund the replacement of the existing central processing unit, an additional disk controller, and an additional disk drive.

Requested capital improvements include \$76,330 for planning renovation of Sheridan Coliseum and \$16,839 to complete planning for renovation of Martin Allen Hall.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0 percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$290,445. The Governor also recommends the addition of \$35,936 to the base budget for other operating expenditures to provide for equipment purchases and library acquisitions.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all the universities totaling \$1.9 million. The reduction at Fort Hays State totals \$50,000 and is reflected as a reduction in salaries and wages although no positions are eliminated.

The Governor's recommended capital improvement is \$16,850 from the Educational Building Fund to complete planning for renovation of Martin Allen Hall.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$192,091 for classified salary increases.
 - b. Addition of \$50,000 in salaries to restore the base budget reduction recommended by the Governor.
 - c. Addition of \$98,077 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$23,589 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$8,186 to reflect an increase in utility expenditures of 7.0 percent.
 - f. Authorization for tuition waivers for up to 65 percent for Graduate Teaching Assistants resulting in a total FY 1985 waiver authorization of \$23,338.
2. The Subcommittee recommends the addition of \$61,905 which, when combined with the \$35,936 recommended by the Governor for equipment purchases, will provide the University with a total of \$97,841 to upgrade its computer system. This recommendation will allow the University to replace its IBM 4341-L10 with the requested IBM 4341-L12. The recommendation assumes a five-year lease purchase plan and the Subcommittee recommends that this improvement be appropriated as a separate line item because it is for purchase of a specific computer configuration.
3. The Subcommittee recommends the addition of 1.0 F.T.E. unclassified position and \$20,000 in salaries and wages for support of the College Studies for the Gifted Program. This program takes gifted high school students in western Kansas and brings them to the campus where, under supervised conditions, they take coursework for which they receive both high school and college credit.
4. The Subcommittee encourages the University in its efforts to expand mineral development on the University Farm. However, the Subcommittee is concerned that any such exploration could be disruptive of farm

activities and recommends that the first priority for expenditure of any resources from mineral exploitation be used to restore any damage to the farm. Because the Subcommittee feels it is important for the University to attempt to develop any mineral resources on the farm, it requests that a report covering University activities in this regard be presented to the appropriate Subcommittees of the 1985 Legislature. Should there be any income from mineral production in FY 1985, the Subcommittee recommends that such income be retained for improvements to the University Farm with no reduction in other funds.

5. The Subcommittee concurs with the recommendations of the Joint Committee on State Building construction in providing FY 1985 financing from the Educational Building Fund for the following projects: \$50,000 to continue preliminary planning for renovation of Sheridan Coliseum; \$16,850 for final planning for renovation of Martin Allen Hall; and \$60,000 for remodeling the Brooks Building and relocation of the print shop. With regard to Sheridan Coliseum, the Subcommittee finds the project to be of merit and encourages the University in its efforts to raise private funding for a portion of the project. However, the Subcommittee does not wish to suggest a specific state-private match on project funding until it has had an opportunity to receive and review in more detail estimated total project costs. The Subcommittee hopes that such cost estimates will be forthcoming following the planning phase for which funding is being recommended.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.
2. The Committee notes that the application of position limitations to Sponsored Research and Sponsored Research Overhead may be hindrances to the full exploitation of research opportunities at the University. The Committee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.

House Recommendations

The House concurs with the Senate recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Addition of \$47,178 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).
 - b. Authorization for tuition waivers of up to 60 percent for Graduate Teaching Assistants resulting in a total waiver authorization of \$21,549. Although this is \$1,789 below the level recommended by the House, it is not a reduction in expenditures, but an adjustment to estimated receipts.
 - c. Increase of \$78,968 in the expenditure limitation on the General Fees Fund and corresponding reduction in State General Fund expenditures. This does not increase expenditures and reflects adoption of the appropriate section of Governor's Budget Amendment No. 2.
2. Increase of \$5,000 in the expenditure limitation on the Institutional Overhead Fund (from \$10,000 to \$15,000) to correct an error in the Governor's recommendations.
3. Deletion of three unused accounts from the appropriations bill.

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 2805 Bill Sec. 3

Analyst: Monical Analysis Pg. No. 93 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 74,823,882	\$ 72,778,051	\$ 175,968
General Fees Fund	16,868,482	16,070,494	—
Land Grant Funds	6,780,977	6,780,977	—
Interest	175,000	175,000	—
General Use Funds	\$ 98,648,341	\$ 95,804,522	\$ 175,968
Other Funds	55,893,642	55,117,334	—
Subtotal	<u>\$154,541,983</u>	<u>\$150,921,856</u>	<u>\$ 175,968</u>
Capital Improvements:			
State General Fund	\$ 974,500	\$ —	\$ —
Educational Building			
Fund	4,239,760	3,517,260	771,500
Other Funds	3,424,500	3,424,500	—
Subtotal	<u>\$ 8,638,760</u>	<u>\$ 6,941,760</u>	<u>\$ 771,500</u>
TOTAL	<u>\$163,180,743</u>	<u>\$157,863,616</u>	<u>\$ 947,468</u>
F.T.E. Positions:			
Classified	1,872.2	1,855.2	8.0
Unclassified	2,202.7	2,181.7	6.0

Agency Request/Governor's Recommendation

The University's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The University is also requesting that the fee waiver for Graduate Teaching Assistants be increased from 60 to 75 percent of tuition and that \$100,000 be provided for stipends for Graduate Research Assistants. The University requests a total of \$1,632,524 to annualize salary increases granted for FY 1984 during FY 1985. The University requests a total of \$900,000 plus the addition of 8.0 F.T.E. classified and 10.0 F.T.E. unclassified positions to undertake various improvements in the instructional program. A total of \$200,000 and 5.0 F.T.E. classified positions are requested to improve library services and increase acquisitions. The University also requests \$83,000 and 2.5 F.T.E. unclassified positions to strengthen its research program in conservation tillage. The addition of \$52,000, 1.0 F.T.E. classified and 2.0 F.T.E. unclassified positions, is requested to improve the research program in the reproductive efficiency of food animals. A total of \$15,000 and a 0.5 F.T.E. unclassified position is requested for research in computer controlled systems and robotics. In order to fund computer services activities within the Kansas Cooperative Extension Service, the University requests a total of \$100,000. A total of \$18,526 and 1.2 F.T.E. classified position is requested to service the third floor addition to Shellenberger Hall.

Requested capital improvements include the following: \$250,000 for energy conservation projects; \$485,000 for final planning of a chemistry-biochemistry building; \$140,000 for final planning of greenhouse relocation; and \$99,500 for final planning of renovation of Weber Hall. A total of \$4,239,760 was previously appropriated from the Educational Building Fund for the final year of the Nichols Hall reconstruction. From

various local funds, restricted fees and gift monies the University requests expenditure authorizations for the following projects: \$857,000 for renovation of Van Zile Hall; \$350,000 for parking lot improvements; \$780,000 for renovation of Holton Hall; \$937,500 for planning of a coliseum; and \$500,000 for dormitory maintenance.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0 percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$1,632,524. The Governor also recommends the addition of \$240,000 for equipment purchases and library acquisitions.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all universities totaling \$1.9 million. The reduction at Kansas State University totals \$456,726 and is reflected as a reduction in salaries and wages along with the elimination of 6.0 F.T.E. unclassified and 3.0 F.T.E. classified positions.

Recommended capital improvements for which financing is recommended from the Educational Building Fund include \$60,000 for final planning of greenhouses and \$99,500 for final planning of renovation of Weber Hall. The Governor recommends expenditures from local funds for all of the projects requested. Based on actual construction bids, the Governor recommends that \$882,000 be lapsed from the FY 1985 Educational Building Fund appropriation for construction of Nichols Hall.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$960,297 for classified salary increases.
 - b. Addition of \$456,726 and 3.0 F.T.E. classified and 6.0 F.T.E. unclassified positions to restore the base budget reductions recommended by the Governor.
 - c. Addition of \$543,325 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$127,006 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$40,792 to reflect an increase in utility expenditures of 7.0 percent.
 - f. Authorization for tuition waivers of up to 65 percent for Graduate Teaching Assistants resulting in a total FY 1985 waiver authorization of \$132,046.

2. The Subcommittee recommends that \$50,000 for other operating expenditures and 5.0 F.T.E. classified positions be added to the Governor's recommendation of \$240,000 for equipment purchases and library acquisitions. Within this total dollar amount, the Subcommittee recommends the following allocations:
 - a. To improve library services and increase acquisitions, the Subcommittee recommends a total of \$200,000 and 5.0 F.T.E. classified positions. The recommendation provides \$59,312 for salaries and wages add \$140,688 for library acquisitions and materials.
 - b. The Subcommittee recommends a line item appropriation of \$90,000 for equipment acquisitions.

3. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction as follows:
 - a. Lapse of \$882,000 in the previously approved Educational Building Fund (EBF) appropriation for FY 1985 for reconstruction of Nichols Gym and appropriation of \$295,000 from the EBF for FY 1986 to complete the project.
 - b. Appropriation of \$485,000 from the EBF for final planning of a chemistry-biochemistry building.
 - c. Multiyear appropriation from the EBF of \$196,000 for FY 1985 and \$974,000 for FY 1986 for planning and construction of plant sciences greenhouses.
 - d. Appropriation of \$250,000 from the EBF for FY 1985 for final planning of a remodeling of and addition to Weber Hall. Expenditure is subject to State Finance Council approval following review by the Joint Committee on State Building Construction as to the scope of the proposed addition. The planned addition is not to exceed 19,750 net assignable square feet.
 - e. The Subcommittee also concurs in recommending the following projects financed from local or gift funds: Van Zile Hall renovation (\$857,000); parking lot improvements (\$350,000); Holton Hall renovation (\$780,000); coliseum planning (\$937,500); and dormitory maintenance (\$500,000).

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. Reappropriation of any unexpended balances in the Center of Excellence account.
2. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.
3. The Committee notes that the application of position limitations to Sponsored Research and Sponsored Research Overhead may be hindrances to the full exploitation of research opportunities at the University. The Committee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.
4. The Committee recommends the addition of provisos to the Restricted Fees Fund with regard to the "Sponsored Research Account." Specifically, the provisos would (1) allow expenditures for Sponsored Research to be made within the grant year without restrictions applied to the state's fiscal year; (2) allow the University exemption from competitive bid requirements for contracts when a research project includes the contractual involvement of another entity; and (3) exempt the University from competitive bid requirements when the research project requires expenditures in a foreign country.

House Recommendations

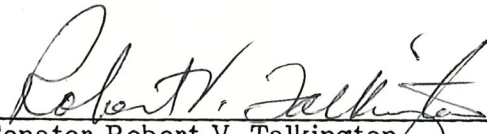
The House concurs with the recommendations of the Committee.

Senate Subcommittee Recommendations

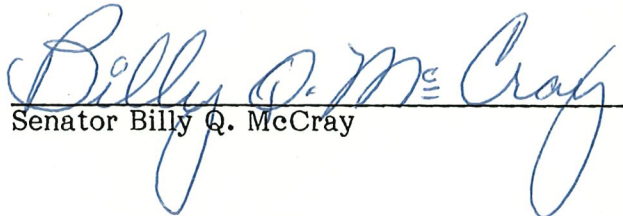
The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action the following systemwide adjustments are recommended:
 - a. Addition of \$254,012 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).

- b. Authorization for tuition waivers of up to 60 percent for Graduate Teaching Assistants resulting in a total authorization of \$121,926. Although this is \$10,120 below the level of the House, it is not a reduction in expenditures, but an adjustment to estimated receipts.
 - c. Increase of \$127,304 in the expenditure limitation on the General Fees Fund and corresponding reduction in State General Fund expenditures. This does not increase expenditures and reflects adoption of the appropriate section of Governor's Budget Amendment No. 2.
- 2. Deletion of \$20,000 transfer from the Kansas Soybean Commission for support of the Southeast Kansas Branch Experiment Station. The elimination of this transfer was requested by the Commission as other mechanisms have been developed to provide for this support.
 - 3. Authorization to construct a pesticide storage and handling building at the Garden City Branch Experiment Station. Total cost of the facility is \$62,000, with \$25,000 coming from gift funds and the balance coming from station fees during FY 1985 and FY 1986. This request was approved by the Board of Regents on February 17, 1984.



Senator Robert V. Talkington,
Subcommittee Chairman



Senator Billy Q. McCray

SUBCOMMITTEE REPORT

Agency: KSU Veterinary Medical Center Bill No. 2805 Bill Sec. 4Analyst: Monical Analysis Pg. No. 100 Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 5,577,479	\$ 4,989,490	\$ (55,275)
General Fees Fund	1,697,519	1,916,000	—
Hospital Revenue Fund	1,020,000	1,162,000	—
General Use Funds	\$ 8,294,998	\$ 8,067,490	\$ (55,275)
Other Funds	370,279	363,735	—
Subtotal	\$ 8,665,277	\$ 8,431,225	\$ (55,275)
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	—	—	—
Other Funds	—	—	—
Subtotal	\$ —	\$ —	\$ —
TOTAL	\$ 8,665,277	\$ 8,431,225	\$ (55,275)
F.T.E. Positions:			
Classified	118.4	117.4	—
Unclassified	89.4	88.4	—

Agency Request/Governor's Recommendation

The Veterinary Medical Center's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The University also requests a total of \$115,872 to annualize the salary increases granted for FY 1984 during FY 1985. Also requested is \$107,396 and 2.0 F.T.E. positions to support improvements in the instructional program. The request includes FY 1985 financing of \$1,697,519 from the General Fees Fund and \$1,020,000 from hospital revenue funds. The Veterinary Medical Center requests that the FY 1985 "revenue floor" on hospital receipts be retained at the FY 1984 level of \$1,015,000.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0 percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$115,872. The Governor recommends an FY 1985 expenditure limitation on the General Fees Fund of \$1,916,000 and on hospital revenue funds of \$1,162,000. The "revenue floor" on hospital receipts is recommended at \$1,087,000.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all the universities totaling \$1.9 million. The reduction for the Veterinary Medical Center totals \$27,420 and is reflected as a reduction in salaries and wages although no positions are eliminated.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following adjustments are recommended:
 - a. Deletion of \$116,690 for classified salary increases.
 - b. Addition of \$27,420 in salaries to restore the base budget reduction recommended by the Governor.
 - c. Addition of \$28,729 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$15,710 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$10,444 to reflect an increase in utility expenditures of 7.0 percent.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.
2. The Committee notes that the application of position limitations to Sponsored Research and Sponsored Research Overhead may be hindrances to the full exploitation of research opportunities at the University. The Committee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.
3. The Committee recommends the addition of provisos to the Restricted Fees Fund with regard to the "Sponsored Research Account." Specifically, the provisos would (1) allow expenditures for Sponsored Research to be made within the grant year without restrictions applied to the state's fiscal year; (2) allow the University exemption from competitive bid requirements for contracts when a research project includes the contractual involvement of another entity; and (3) exempt the University from competitive bid requirements when the research project requires expenditures in a foreign country.


House Recommendations

The House concurs with the recommendations of the Committee.


Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustment:

1. Based on full Committee action, addition of \$31,420 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).



Senator Robert V. Talkington,
Subcommittee Chairman



Senator Billy Q. McCray

SUBCOMMITTEE REPORT

Agency: Emporia State University Bill No. 2805 Bill Sec. 5

Analyst: Monical Analysis Pg. No. 104 Budget Pg. No. 3-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 16,604,099	\$ 15,953,645	\$ 72,258
General Fees Fund	3,413,453	3,380,356	--
Interest	20,000	20,000	--
General Use Funds	\$ 20,037,552	\$ 19,354,001	\$ 72,258
Other Funds	5,586,833	5,573,515	--
Subtotal	\$ 25,624,385	\$ 24,927,516	\$ 72,258
Capital Improvements:			
State General Fund	\$ 187,500	\$ --	\$ --
Educational Building Fund	--	187,500	--
Other Funds	203,133	53,133	150,000
Subtotal	\$ 390,633	\$ 240,633	\$ 150,000
TOTAL	\$ 26,015,018	\$ 25,168,149	\$ 222,258

F.T.E. Positions:			
Classified	279.8	278.8	.8
Unclassified	361.4	352.1	5.0

Agency Request/Governor's Recommendation

The University's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The institutions are also requesting that the fee waiver for Graduate Teaching Assistants be increased from 60 to 75 percent of tuition. In adjusting for enrollment changes the request includes a reduction of \$157,888 in other operating expenditures. The University requests a total of \$319,889 to annualize the salary increases granted for FY 1984 during FY 1985. The University requests \$100,000 and 1.25 F.T.E. positions to institute a Mathematics and Science Teacher Enrichment program. The program would provide a variety of support services for up to 20 math and science graduates of the teacher training program during their first year of employment. Also requested is \$92,046 for three faculty positions for the School of Business in the areas of finance, management, and marketing. A total of \$59,940 is requested to add two faculty positions in the area of computer science. The University also requests an increase of \$100,000 in the base budget for other operating expenditures for purchase of scientific and instructional equipment.

Requested capital improvements include \$30,000 for planning of life safety improvements to Plumb Hall (total cost is \$300,000) and \$157,500 for elevators in the William Allen White Library. From local funds, the University requests expenditure authority of \$53,133 for parking lot improvements and \$150,000 for improvements to the student union.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0

percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$345,229. The Governor also recommends the addition of \$90,000 to the base budget for other operating expenditures to provide for equipment purchases and library acquisitions. The Governor concurs with the requested reduction of \$157,888 due to enrollment change, but recommends the reduction of \$39,926 in salaries and \$117,962 in other operating expenditures.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all the universities totaling \$1.9 million. The reduction at Emporia State totals \$157,300 and is reflected as a reduction in salaries and wages along with the elimination of a 0.8 F.T.E. classified and 3.0 F.T.E. unclassified positions.

The Governor's recommended capital improvements include \$30,000 for planning life safety improvements to Plumb Hall and \$157,500 for elevators in the library. Financing for these projects is recommended from the Educational Building Fund. The Governor also recommends expenditure of \$53,133 from parking fees for parking lot improvements.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$209,636 for classified salary increases.
 - b. Addition of \$157,300 in salaries and 0.8 F.T.E. classified and 3.0 F.T.E. unclassified positions to restore the base budget reduction recommended by the Governor.
 - c. Addition of \$108,074 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$23,594 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$8,381 to reflect an increase in utility expenditures of 7.0 percent.
 - f. Authorization for tuition waivers of up to 65 percent for Graduate Teaching Assistants resulting in a total FY 1985 waiver authorization of \$50,965.
2. The 1983 Legislature provided \$85,740 to assist the School of Library Science in regaining accreditation by the American Library Association. Of this support, \$45,700 was for one-time only purchases of equipment and library acquisitions. Therefore the Subcommittee recommends that for FY

1985 this \$45,700 be shifted from other operating expenditures to salaries and that 2.0 F.T.E. unclassified positions be added. It is the Subcommittee's intent that these resources and positions be used to fill any two of the three requested positions for the School of Business.

3. The Subcommittee reviewed the request for \$100,000 for a Mathematics and Science Teacher Enrichment program. The Subcommittee feels that funding such a program might be beneficial, but, given the current review by the Board of Regents of teacher education programs and the variety of options regarding teacher education being reviewed by the Legislature, does not recommend funding at this time.
4. Because spring semester tuition receipts are down, the Subcommittee notes that there is the potential of an \$80,356 shortfall in resources to the General Fees Fund for FY 1985. However, neither the University nor the Regents have requested an adjustment, nor has one been recommended by the Governor. In the judgement of the Subcommittee, such adjustments may best be considered by the full Committee on a systemwide basis.
5. Increase of \$1,307 to reflect salary increases approved for FY 1985 as a result of the FY 1984 transfer of \$65,342 from student salaries to unclassified salaries.
6. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction and endorses the following capital improvements:
 - a. Renovation of Plumb Hall for life safety improvements. Multi-year appropriation from the Educational Building Fund of \$30,000 for FY 1985 and \$250,000 for FY 1986.
 - b. Installation and replacement of elevators in the Library are recommended for FY 1985 at \$157,500 in Educational Building Fund expenditures.
 - c. Expenditure of \$53,133 from parking fees for parking lot improvements.
 - d. Expenditure of \$150,000 from student fees for improvements to the Student Union.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.
2. The Committee notes that the application of position limitations to Sponsored Research and Sponsored Research Overhead may be hindrances to the full exploitation of research opportunities at the University. The Committee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Addition of \$47,188 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).
 - b. Authorization for tuition waivers of up to 60 percent for Graduate Teaching Assistants resulting in a total authorization of \$47,059. Although this is \$3,906 below the level of the House, it is not a reduction in expenditures, but an adjustment to estimated receipts.
 - c. Decrease of \$61,421 in the expenditure limitation on the General Fees Fund and corresponding increase in State General Fund expenditures. This does not increase expenditures and reflects adoption of the appropriate section of Governor's Budget Amendment No. 2.

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2805

Bill Sec. 6

Analyst: Monical

Analysis Pg. No. 110

Budget Pg. No. 3-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 16,380,053	\$ 15,644,550	\$ 57,571
General Fees Fund	3,422,603	3,468,000	--
General Use Funds	\$ 19,802,656	\$ 19,112,550	\$ 57,571
Other Funds	3,882,411	3,828,451	--
Subtotal	\$ 23,685,067	\$ 22,941,001	\$ 57,571
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building			
Fund	781,000	213,000	(31,000)
Other Funds	15,000	15,000	--
Subtotal	\$ 796,000	\$ 228,000	\$ (31,000)
TOTAL	\$ 24,481,067	\$ 23,169,001	\$ 26,571

F.T.E. Positions:

Classified	268.2	263.2	2.5
Unclassified	327.2	320.1	2.3

Agency Request/Governor's Recommendation

The University's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The institutions are also requesting that the fee waiver for Graduate Teaching Assistants be increased from 60 to 75 percent of tuition. The University requests a total of \$339,362 to annualize the salary increases granted for FY 1984 during FY 1985. A total of \$118,198 and 2.0 F.T.E. positions are requested to improve the services of both the academic and administrative computer system. The University also requests \$145,000 and 5.3 F.T.E. positions to assist in securing or retaining program accreditation and to implement various state mandates in several instructional programs. In order to increase classified personnel support in a variety of areas, the University requests the addition of \$47,000 and 3.5 F.T.E. positions. Also requested is a base increase of \$28,000 for additional purchases of scientific and instructional equipment. With the completion of a new chemistry-biology building scheduled for the summer of 1984, the University requests a total of \$124,985 for costs associated with bringing the facility into service. The request includes \$44,439 for remaining salaries of previously added positions, \$12,517 in other operating expenditures, and \$68,029 in utilities. The University also noted that \$61,891 and 2.0 F.T.E. positions which supported a temporary bus service while the science building was under construction will not be required in FY 1985.

Requested capital improvements include \$228,000 for roof replacements on Yates and McCray Halls and \$538,000 for modifications to the Temporary Science Annex for occupancy by the Vocational Technical Institute. Also requested is the authority to expend \$15,000 in parking fees for parking lot improvements.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be

distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0 percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$328,903. The Governor also recommends a total of \$100,494 for servicing the new chemistry-biology building which consists of \$44,439 for salaries, \$12,517 for other operating expenditures, and \$43,538 for utilities.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all the universities totaling \$1.9 million. The reduction at Pittsburg State totals \$151,520 and is reflected as a reduction in salaries of \$122,778 and in other operating expenditures of \$28,742. Also eliminated are 2.5 F.T.E. classified and 2.3 F.T.E. unclassified positions. It appears that the curtailment of the temporary bus service (\$61,891 and 2.0 F.T.E. positions) is included as part of the base budget reduction.

The Governor's recommended capital improvements include \$213,000 from the Educational Building Fund for roof replacements on Yates and McCray Halls. Expenditure of \$15,000 from parking fees for parking lot improvements is also recommended.

House Subcommittee Recommendations

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

1. Based on full committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$213,834 for classified salary increases.
 - b. Addition of \$151,520 (\$122,778 in salaries and \$28,742 in other operating expenditures) and 2.5 F.T.E. classified and 2.3 F.T.E. unclassified positions. This restores the base budget reduction recommended by the Governor.
 - c. Addition of \$105,488 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$23,270 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$8,873 to reflect an increase in utility expenditures of 7.0 percent.
 - f. Authorization for tuition waivers of up to 65 percent for Graduate Teaching Assistants resulting in a total FY 1985 waiver authorization of \$41,077.

2. The Subcommittee recommends retention of the \$61,891 and 2.0 F.T.E. classified originally scheduled for elimination in FY 1985. In allowing the University to retain these resources, the Subcommittee makes the following recommendations regarding allocations:
 - a. Appropriation of \$28,000 as a line item for acquisition of instructional and scientific equipment and corresponding reduction in other operating expenditures. The Subcommittee recommends that the University use these funds in such manner as to maximize private support and contributions. The Subcommittee requests a report on the impact of these funds in generating private support for equipment acquisitions. This report should be delivered to the appropriate subcommittees of the 1985 Legislature.
 - b. The Subcommittee recommends that of the 2.0 F.T.E. classified positions and \$33,891 retained in the salary budget, that the University give the highest priority to hiring an equipment maintenance technician to provide support primarily for the School of Applied Science and Technology. The remaining F.T.E. positions and salary funds are available to address needs identified in the request for upgrading part-time clerical support in various academic and administrative areas.
3. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction to provide \$182,000 from the Educational Building Fund for replacement of the Yates Hall roof and \$15,000 from parking fees for parking lot improvements.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.
2. The Committee notes that the application of position limitations to Sponsored Research and Sponsored Research Overhead may be hindrances to the full exploitation of research opportunities at the University. The Committee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Addition of \$46,540 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).
 - b. Authorization for tuition waivers of up to 60 percent for Graduate Teaching Assistants resulting in a total waiver authorization of \$37,929. Although this is \$3,148 below the level of the House, it is not a reduction in expenditures, but an adjustment to estimated receipts.
 - c. Increase of \$72,000 in the expenditure limitation on the General Fees Fund and corresponding reduction in State General Fund expenditures. This does not increase expenditures and is consistent with Committee action in approving the sections of Governor's Budget Amendment No. 2 making similar adjustments at other campuses.

SUBCOMMITTEE REPORT

Agency: University of Kansas Bill No. 2805 Bill Sec. 7

Analyst: Monical Analysis Pg. No. 116 Budget Pg. No. 3-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 81,081,428	\$ 76,117,545	\$ 1,191,476
General Fees Fund	23,981,469	25,500,000	(660,000)
Interest	35,000	35,000	--
General Use Funds	\$105,097,897	\$101,652,545	\$ 531,476
Other Funds	51,861,474	50,881,470	--
Subtotal	<u>\$156,959,371</u>	<u>\$152,534,015</u>	<u>\$ 531,476</u>
Capital Improvements:			
State General Fund	\$ 721,803	\$ --	\$ --
Educational Building			
Fund	4,935,825	4,550,000	--
Other Funds	480,000	480,000	--
Subtotal	<u>\$ 6,137,628</u>	<u>\$ 5,030,000</u>	<u>\$ --</u>
TOTAL	<u>\$163,096,999</u>	<u>\$157,564,015</u>	<u>\$ 531,476</u>
F.T.E. Positions:			
Classified	1,934.2	1,924.3	9.9
Unclassified	2,257.7	2,219.6	19.1

Agency Request/ Governor's Recommendation

The University's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The University is also requesting that the fee waiver for Graduate Teaching Assistants be increased from 60 to 75 percent of tuition and that \$100,000 be provided for stipends for Graduate Research Assistants. The University requests a total of \$2,007,519 to annualize the salary increases granted for FY 1984 during FY 1985. In order to provide additional base budget support for other operating expenditures the University requests an increase of \$200,000 along with an additional \$350,000 for purchase of instructional and scientific equipment. A total of \$250,000 is requested to increase the instructional computing capabilities of the campus and \$220,000 is requested for increasing the budget for library acquisitions. The University requests \$225,000 and 21.0 F.T.E. positions for additional Graduate Teaching Assistants to replace positions lost as part of the FY 1984 base budget reductions. Also requested is \$200,000 to support the addition of 6.0 F.T.E. faculty positions for areas which have undergone significant enrollment growth. Additional funding of \$100,000 and 2.0 F.T.E. positions are requested for improvement of shared scientific instrument laboratories. To support the costs related to the occupancy of new facilities the University requests a total of \$198,235, which consists of \$64,316 in salaries for support of an additional 4.4 F.T.E. positions, \$17,832 for other operating expenditures, and \$116,087 for utility costs.

Requested capital improvements include \$721,803 for energy conservation projects, \$255,000 for preliminary planning of a science library, and \$130,825 for preliminary planning of a renovation of Snow Hall. Also requested is expenditure authority of \$100,000 for parking lot improvements and \$380,000 for improvements to residence halls. The request also includes \$4,550,000 previously appropriated for the next to last year construction costs of an addition to Haworth Hall.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0 percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$1,856,232. The Governor also recommends the addition of \$360,000 for equipment purchases and library acquisitions.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all the universities totaling \$1.9 million. The reduction at the University of Kansas totals \$761,019 and is reflected as a reduction in salaries and wages along with the elimination of 9.9 F.T.E. classified and 9.1 F.T.E. unclassified positions.

The Governor's recommended capital improvements include the previously appropriated funding for the Haworth Hall addition along with expenditures from local funds of \$100,000 for parking lot improvements and \$380,000 for residence hall improvements.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$1,075,930 for classified salary increases.
 - b. Addition of \$761,019 in salaries and 9.9 F.T.E. classified and 9.1 F.T.E. unclassified positions to restore the base budget reduction recommended by the Governor.
 - c. Addition of \$568,682 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$138,129 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$58,154 to reflect an increase in utility expenditures of 7.0 percent.
 - f. Authorization for tuition waivers of up to 65 percent for Graduate Teaching Assistantships resulting in a total FY 1985 waiver authorization of \$294,428.
2. With the decision of the full Committee to maximize expenditures from the General Fees Fund in FY 1984 and because of revised income estimates from the University for FY 1985, the Subcommittee recommends that the expenditure limitation on the General Fees Fund be reduced by \$660,000 and that State General Fund expenditures be increased by a like amount.

3. Addition of \$197,730 from the State General Fund for support of the Geological Survey to replace resources lost by the expiration of the intent to drill fee which provided support for the Geological Survey Fund. The Subcommittee requests the Governor to amend his budget to reflect this need for replacement funding.
4. The Subcommittee recommends that the line item for "Additional Support for Automated Resources Evaluation System" be eliminated and the \$65,214 recommended for support of this program in FY 1985 be included in the appropriation for the Geological Survey.
5. The Subcommittee recommends the creation of a Moore Hall Gift Fund to allow the University to solicit private funds for support of Moore Hall (Geological Survey Building). In addition, the Subcommittee recommends that up to \$27,000 be expended from the Geological Survey Fund for a work of art to grace Moore Hall. Such work of art is to be exempt from statutes regarding competitive bid requirements and is to be selected by the Director of the Survey in consultation with representatives from private industry. Expenditures for any such art work from the Geological Survey Fund are to be reduced by any gift amounts.
6. The Subcommittee has several concerns regarding the Academic Services Fee implemented in fall 1983. As these concerns apply also to Kansas State and to the general rationale for such fees, they are expressed in this Subcommittee's report on the Board of Regents' Office.
7. The Subcommittee recommends that the University and the Geological Survey review in detail fees and charges by the Survey for its various products and services. The Subcommittee feels that there may be the potential for additional income from this source and is concerned that many charges do not even cover the direct costs of production. The Subcommittee requests that a report regarding charges for products and services of the Geological Survey be presented to the Legislature on or before January 14, 1985. In addition, the Subcommittee recommends that when the Geological Survey performs work for other state agencies that the Survey set its charges so that the full direct costs of the services provided are recovered.
8. The Subcommittee concurs with the Governor's recommendation of \$360,000 for equipment purchases and library acquisitions but recommends that it be appropriated as a separate line item along with the \$50,000 (as adjusted for the recommended increase in other operating expenditures) for equipment purchases originally appropriated for FY 1984 and continued for FY 1985. This results in a total FY 1985 line item appropriation for equipment purchases and library acquisitions of \$413,000.
9. The Subcommittee recommends the reappropriation into FY 1985 of any unexpended balances for energy conservation projects begun in FY 1984 with money from utility savings from FY 1983.

10. The Subcommittee recommends the creation of a "Telecommunications Service" account within the Services Clearing Fund of the University.
11. The Subcommittee is concerned that in the process of reducing the FY 1984 base budget that a disproportionate reduction was imposed on Graduate Teaching Assistants. The Subcommittee trusts that if such reductions occur in the future that resources and staffing of Graduate Teaching Assistants not be reduced disproportionately to other areas. Although the Subcommittee does not recommend additional resources, it does recommend the addition of 10.0 F.T.E. unclassified positions for Graduate Teaching Assistants in the hope that they can be supported from resources reallocated from other areas.
12. The Subcommittee recommends the addition of a proviso to the utilities line item appropriation to allow the University to negotiate natural gas prices on a unit basis rather than through competitive bid. Such purchase cost would be subject to State Finance Council approval. This recommendation is prompted because of recent regulations issued by the Federal Energy Regulatory Commission which may enable the University to purchase natural gas directly from a producer rather than a distributor. The Subcommittee also recommends a proviso allowing the University to construct a natural gas pipeline from its utility appropriation, subject to State Finance Council approval. Such a pipeline may be required if the University is successful in negotiating directly with a natural gas producer.
13. The Subcommittee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment. Because this Fund was created at all the universities, the Subcommittee also recommends that the full Committee take action to change the expenditure limitations on each such fund to "No Limit" to encourage greater use of this vehicle in acquiring equipment.
14. The Subcommittee notes that the University has identified the application of position limitations to Sponsored Research and Sponsored Research Overhead as hindrances to the full exploitation of research opportunities at the University. The Subcommittee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.
15. The Subcommittee recommends the addition of provisos to the Restricted Fees Fund with regard to the "Sponsored Research Account." Specifically, the provisos would (1) allow expenditures for Sponsored Research to be made within the grant year without restrictions applied to the state's fiscal year; (2) allow the University exemption from competitive bid requirements for contracts when a research project includes the contractual involvement of another entity; and (3) exempt the University from competitive bid requirements when the research project requires expenditures in a foreign country.

16. The Subcommittee concurs with the capital improvement recommendations of the Governor and the Joint Committee on State Building Construction regarding expenditure of local funds for parking lot improvements and residence hall improvements. However, the Subcommittee feels that the science library project is of sufficient importance that the University should be able to begin preliminary planning in FY 1985. Therefore, the Subcommittee recommends that the FY 1985 appropriation for Haworth Hall be reduced by \$170,000 and the FY 1986 appropriation be increased by a like amount. This \$170,000 will become the FY 1985 portion of a multiyear appropriation from the Educational Building Fund (\$85,000 will be needed in FY 1986) to provide funds for preliminary planning of a science library. The Subcommittee also recommends that in order that the Haworth Hall project not suffer from cash flow problems in FY 1985, that the required FY 1985 payment to the State Architect's Office not be made until after May 1, 1985. Finally, the Subcommittee recommends that the expenditure of preliminary planning funds for the science library in FY 1985 be made subject to State Finance Council approval following review by the Joint Committee on State Building Construction.
17. The Subcommittee was informed that both preliminary and final planning for renovation of Snow Hall could be collapsed into a single fiscal year without unduely delaying the project. While the Subcommittee recognizes that resources are not available to undertake this project in FY 1985, it encourages the Joint Committee on State Building Construction to consider both preliminary and final planning funds for FY 1986 to keep the project on schedule.
18. The Subcommittee is of the opinion that as funds become available the Legislature should make every effort to restore the base budget reductions imposed on the universities beginning in FY 1984. The restoration of these funds is a high priority for the Subcommittee as what was a temporary fiscal crisis for the state became a permanent funding reduction for the institutions. In restoring these reductions the Legislature will be ensuring that the quality of higher education is not further eroded.

House Committee recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. Reappropriation of any unexpended balances in the Center of Excellence account.
2. Directed that, with appropriate modifications, items 13 and 14 be added to the reports for the other universities and item 15 be included in the reports for Wichita State, Kansas State, and the Medical Center.

House Recommendations

The House concurs with the Committee recommendations.

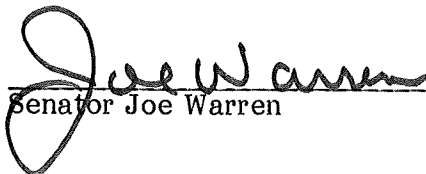
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Addition of \$276,258 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).
 - b. Authorization for tuition waivers of up to 60 percent for Graduate Teaching Assistants resulting in a total waiver authorization of \$271,863. Although this is \$22,565 below the level of the House, it is not a reduction in expenditures, but an adjustment to estimated receipts.
2. The Subcommittee recommends the addition of \$50,000 and 2.0 F.T.E. unclassified positions to provide staff support for an instrumentation laboratory. The Subcommittee notes that the University also requested \$50,000 for other operating expenditures and equipment, but is of the opinion that if the technical staffing is provided the University can reallocate internally to provide the other operating support.
3. The Subcommittee, at the direction of the Chairman, reviewed S.B. 845 (which would have increased the docket fee supporting the Law Enforcement Training Center from \$3 to \$4) and makes no recommendation regarding this bill. The Subcommittee does note that the current docket fee is in its first year of implementation and is aware that there is some possibility for increased revenues in FY 1985. Additionally, until the Subcommittee is presented with detailed information regarding the operating budget of the Center and any financing problems, it does not feel it is in a position to judge whether this requested increase in resources is required or not.



Senator Merrill Werts
Subcommittee Chairman



Senator Joe Warren

SUBCOMMITTEE REPORT

Agency: Wichita State University Bill No. 2805 Bill Sec. 8
 Analyst: Monical Analysis Pg. No. 124 Budget Pg. No. 3-97

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 35,509,322	\$ 33,487,842	\$ 553,205
General Fees Fund	10,736,149	11,215,000	(230,000)
General Use Funds	\$ 46,245,471	\$ 44,702,842	\$ 323,205
Other Funds	15,058,941	15,045,802	--
Subtotal	<u>\$ 61,304,412</u>	<u>\$ 59,748,644</u>	<u>\$ 323,205</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	5,168,026	--	900,000
Other Funds	30,000	10,000	--
Subtotal	<u>\$ 5,198,026</u>	<u>\$ 10,000</u>	<u>\$ 900,000</u>
TOTAL	<u>\$ 66,502,438</u>	<u>\$ 59,758,644</u>	<u>\$ 1,223,205</u>
F.T.E. Positions:			
Classified	616.3	611.3	2.0
Unclassified	915.7	899.5	9.0

Agency Request/Governor's Recommendation

The University's request for FY 1985 includes the following systemwide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. The University is also requesting that the fee waiver for Graduate Teaching Assistants be increased from 60 to 75 percent of tuition and that \$30,000 be provided for stipends for Graduate Research Assistants. In adjusting for actual enrollment changes the University requests the addition of \$772,201 and 30.3 F.T.E. positions. The University requests a total of \$779,141 to annualize the salary increases granted for FY 1984 during FY 1985. A total of \$300,000 and 9.3 F.T.E. positions are requested for improving instructional and research capabilities of the College of Engineering. To provide additional support for the College of Business Administration the University requests \$75,000 and 2.2 F.T.E. positions. In order to expand the research and planning activities associated with the Office of the President, the University requests the addition of \$60,000 and 2.0 F.T.E. positions. The University requests a \$130,000 increase in the summer school budget to partially offset the impact of base budget reductions taken in FY 1984. Also to partially restore base budget reductions is the request of \$42,000 and 1.7 F.T.E. positions for remedial and developmental education. A total of \$50,000 is requested to provide for the purchase of additional scientific and instructional equipment.

Requested capital improvements include \$66,550 to reroof and remodel Henrion Gym and \$494,200 for remodeling for the College of Business. A multiyear appropriation totaling \$10,574,500 is requested for construction of an addition to and remodeling of Ablah Library. The requested funding sequence is \$4,500,000 for FY 1985; \$4,000,000 for FY 1986; and \$2,074,500 for FY 1987.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; a 5.0 percent increase for other operating expenditures; and an 8.0 percent increase for utilities. Annualization of FY 1984 salaries in FY 1985 is recommended at \$779,141. The Governor also recommends the addition of \$772,201 and 30.3 F.T.E. positions as requested for actual enrollment growth.

In addition to the other recommendations, the Governor's budget includes base budget reductions for all the universities totaling \$1.9 million. The reduction at Wichita State totals \$323,605 and is reflected as a reduction in salaries and wages along with the elimination of 2.0 F.T.E. classified and 4.0 F.T.E. unclassified positions.

The Governor does not recommend funding to undertake any new capital improvement projects for FY 1985.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$455,431 for classified salary increases.
 - b. Addition of \$323,605 in salaries and 2.0 F.T.E. classified and 4.0 F.T.E. unclassified positions to restore the base budget reduction recommended by the Governor.
 - c. Addition of \$246,725 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - d. Addition of \$58,262 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - e. Reduction of \$22,984 to reflect an increase in utility expenditures of 7.0 percent.
 - f. Authorization for tuition waivers of up to 65 percent for Graduate Teaching Assistants resulting in a total FY 1985 waiver authorization of \$84,122.
2. With the decision of the full Committee to maximize expenditures from the General Fees Fund in FY 1984, the Subcommittee recommends that the expenditure limitation on the General Fees Fund be reduced by \$230,000 and that State General Fund expenditures be increased by a like amount.

3. The Subcommittee recommends the addition of \$173,028 in salaries and 5.0 F.T.E. unclassified positions for upgrading programs in the College of Engineering. The recommendation provides for 4.0 F.T.E. faculty positions at \$35,000 each and 1.0 F.T.E. Graduate Teaching Assistant position at \$12,000. The Subcommittee notes that the institution is currently seeking Board of Regents approval to add doctoral programs in engineering. The Subcommittee does not want this increase in funding to be viewed as an endorsement of that request as it would be premature for the Legislature to make a judgment regarding this program.
4. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction in providing multiyear appropriations from the Educational Building Fund for an addition to and remodeling of Ablah Library (total of \$10,574,500). This recommendation is to be included in H.B. 2793 and provides the following funding sequence: FY 1985 - \$900,000; FY 1986 - \$4,600,000; FY 1987 - \$4,000,000; FY 1988 - \$1,074,500.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. Reappropriation of any unexpended balances in the Center of Excellence account.
2. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the University to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.
3. The Committee notes that the application of position limitations to Sponsored Research and Sponsored Research Overhead may be hindrances to the full exploitation of research opportunities at the University. The Committee feels that concerns regarding position limitations should be considered in a systemwide fashion and that the Board of Regents should review this issue in conjunction with preparation of its budget requests to the 1985 Legislature.
4. The Committee recommends the addition of provisos to the Restricted Fees Fund with regard to the "Sponsored Research Account." Specifically, the provisos would (1) allow expenditures for Sponsored Research to be made within the grant year without restrictions applied to the state's fiscal year; (2) allow the University exemption from competitive bid requirements for contracts when a research project includes the contractual involvement of another entity; and (3) exempt the University from competitive bid requirements when the research project requires expenditures in a foreign country.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Addition of \$116,524 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).
 - b. Authorization for tuition waivers of up to 60 percent for Graduate Teaching Assistants resulting in a total authorization of \$77,675. Although this is \$6,447 below the level of the House, it is not a reduction in expenditures, but an adjustment to estimated receipts.
 - c. Decrease of \$291,034 in the expenditure limitation on the General Fees Fund and corresponding increase in State General Fund expenditures. This does not increase expenditures and reflects adoption of the appropriate section of Governor's Budget Amendment No. 2.
2. Increase of \$200,000 in the expenditure limitation on the Research Overhead Fund (from \$275,000 to \$475,000). This corrects an error in the budget and provides the University with the same expenditure authority from this fund as it has for FY 1984.

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 2805 Bill Sec. 9

Analyst: Goering Analysis Pg. No. 131 Budget Pg. No. 3-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85^a</u>	<u>Subcommittee Adjustments^b</u>
Operating Expenditures:			
State General Fund	\$ 67,882,729	\$ 60,532,009	\$ (1,011,649)
General Fees Fund	4,859,714	5,236,736	—
Hospital Revenue Fund	55,994,298	60,398,113	(715,000)
General Use Subtotal	<u>\$128,736,741</u>	<u>\$126,166,858</u>	<u>\$ (1,726,649)</u>
Other Funds	33,879,422	33,347,992	1,052,000
Subtotal	<u>\$162,616,163</u>	<u>\$159,514,850</u>	<u>\$ (674,649)</u>
Capital Improvements:			
State General Fund	\$ 3,050,000	\$ —	\$ —
Educational Building			
Fund	—	2,850,000	(1,602,996)
Hospital Fund	372,000	—	1,875,000
Other Funds	2,552,755	2,552,755	137,996
Subtotal	<u>\$ 5,974,755</u>	<u>\$ 5,402,755</u>	<u>\$ 410,000</u>
TOTAL	<u><u>\$168,590,918</u></u>	<u><u>\$164,917,605</u></u>	<u><u>\$ (264,649)</u></u>
Bed Complement:			
Neonatal ICU	20	20	—
Bassinets	24	24	—
Other	530	484	—
TOTAL	<u>574</u>	<u>528</u>	<u>—</u>
F.T.E. Positions:			
Classified	3,129.1	3,088.8	1.8
Unclassified	1,349.0	1,346.4	3.4
TOTAL	<u>4,478.1</u>	<u>4,435.2</u>	<u>5.2</u>

- a) As amended by Governor's Budget Amendment No. 2 on March 16, 1984.
- b) Revised to reflect adjustments to Governor's amended budget recommendations.

Agency Request/Governor's Recommendation

The University's FY 1985 operating budget request includes \$128,736,741 in general use fund expenditures, an increase of 7.3 percent above the revised FY 1984 agency request. The total includes \$67,882,729 from the State General Fund, \$4,859,714 from the General Fees Fund, and \$55,994,298 in expenditures from the Hospital Revenue Fund.

The request includes the following new and improved program funding proposals: resident stipend increments for those in the second and subsequent years of training (\$225,000); nursing faculty salary improvements (\$80,000); increased state support for the Smoky Hill Family Practice Residency Program (\$150,000); increased support for library acquisitions (\$40,000); addition of a 0.2 F.T.E. Medical Director for the emergency medical training program (\$10,000); establishment of Master's Degree programs in nurse anesthesia, physical therapy, and respiratory therapy (\$78,000 and 3.0 F.T.E. faculty positions); additional staff support for the School of Medicine - Wichita library (\$23,000 and 1.5 F.T.E. positions); addition of a Research Director position and associated operating support for the School of Medicine - Wichita (\$27,060 and 1.0 F.T.E. position); additional nursing staff and operating support to allow a four-bed expansion of the neonatal ICU (\$100,000 and 5.0 F.T.E. nursing positions); operating support needed for use of a kidney stone lithotripter (\$200,000); and staffing for a center for the study of sleep disorders (\$28,000 and 1.0 F.T.E. Technical Director).

The institution also requested four capital improvement projects for initiation in FY 1985. \$2,850,000 is requested from the State General Fund for FY 1985 to purchase major equipment and initiate construction of an addition to Applegate Energy Center. \$200,000 is requested for initiation of a renovation project to ready space for installation of a nuclear magnetic resonance (NMR) imaging system for Diagnostic Radiology. \$372,000 is requested as an appropriation from the Hospital Fund for initiation of a laundry renovation project. Finally, \$50,000 is requested to be spent from parking fees for miscellaneous parking lot improvements.

The Governor recommends a total general use operating budget of \$125,986,858, including \$62,019,757 from the State General Fund, \$5,236,736 from the General Fees Fund, and \$58,730,365 from the Hospital Revenue Fund. The Governor proposes a reduction of 40.0 F.T.E. classified positions in the hospital, based on a reduction in the number of general hospital beds from 530 to 484. The Governor also recommends a reduction of \$285,488 in the salaries and wages base for residents, assuming a reduction of 16 slots from the current number. A total of 3.2 F.T.E. other positions are proposed for deletion, including 1.8 clerical positions in Kansas City and 1.4 positions in the School of Medicine - Wichita.

Partially offsetting these reductions in the base operating budget are increases for the following new and improved programs: increased state support for the Smoky Hill Family Practice Residency Program (\$150,000); establishment of a Master's Degree program in nurse anesthesia (\$75,000 and 2.0 F.T.E. positions); and expansion of the neonatal ICU (\$100,000 and 5.0 F.T.E. nursing positions).

The Governor recommends \$2,850,000 from the Educational Building Fund for FY 1985 (plus \$1,880,000 in FY 1986) to construct an addition to Applegate Energy Center. Also recommended is the \$50,000 parking lot improvement project.

House Subcommittee Recommendation

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

1. Revisions as follows to coincide with the Committee's systemwide decisions on Regents' Institutions:
 - a. Deletion of \$2,838,380 from the recommended amount for classified salaries and wages associated with cost-of-living adjustments recommended by the Governor. This adjustment assumes that the intent of the Governor is to apply an overall shrinkage rate of 4.73 percent to the aggregate classified salary base in FY 1985.
 - b. Addition of \$276,736 to provide an additional 1 percent increase in unclassified staff salaries.
 - c. Addition of \$294,065 to allow an additional increase of 1 percent in other operating expenditures. This adjustment includes an increase of \$12,524 to adjust contract resident stipends by 6 percent, rather than 5 percent as recommended by the Governor.
 - d. Reduction of \$1,675 in revenues anticipated in the Governor's recommended budget to the General Fees Fund, associated with increasing Graduate Teaching Assistant fee waivers from 60 to 65 percent.

- e. Reduction of \$52,277 based on a 7 percent increase in utility expenditures, rather than 8 percent as recommended by the Governor.
2. Shift of \$252,000 in recommended expenditures for the medical scholarship program from the State General Fund to the Medical Scholarship Repayment Fund.
3. Addition of \$80,000, plus \$9,936 for associated fringe benefit costs (less shrinkage) to provide increases in salaries for School of Nursing faculty.
4. Addition of \$12,750, and 0.5 F.T.E. unclassified position, to allow the existing half-time Research Director position at the School of Medicine - Wichita to be converted to full-time.
5. Addition of \$23,000, plus \$3,588 for associated fringe benefits (less shrinkage) and 1.5 F.T.E. unclassified positions to increase the staffing complement for the School of Medicine - Wichita library.
6. Revision of the proviso attached to the State General Fund operating expenditure line item appropriation to permit an increase in pay differential from 5 percent to 10 percent for classified nursing personnel who work the 3:00 p.m. to 11:00 p.m. shift. The Subcommittee notes that no addition to the salaries and wages base budget is provided for the purpose of funding this increase.
7. Addition of a proviso to a separate line item for utility expenditures to authorize the University to negotiate natural gas purchase rates. The proviso would also include authority to expend moneys from the line item utilities appropriation for construction of a short pipeline. Further, in accordance with the systemwide decisions of the full Committee, any FY 1984 utility savings would be reappropriated to FY 1985 for energy conservation projects.
8. Addition of "telecommunications services" to the list of internal service activities which may be financed from the Service Clearing Fund.
9. The Subcommittee learned that the University wishes to clarify its authority to expend moneys for advertising in order to promote Bell Memorial Hospital. Reasonable expenditures for such purposes are necessary, in the opinion of the Subcommittee, to allow the University Hospital to compete with private hospitals in the Kansas City area. The Subcommittee has no disagreement with the limited use of state moneys for such purposes, but would encourage the University to use discretion in avoiding unnecessarily expensive methods to market the hospital's services.
10. Deletion of authority to expend without limitation 50 percent of any receipts to the Hospital Revenue Fund in excess of the revenues projected by the Governor.
11. Restoration of \$14,609 and 0.4 F.T.E. unclassified faculty position deleted in the Governor's recommendation for the School of Medicine - Wichita.

12. Restoration of \$8,142 and 0.5 F.T.E. position deleted by the Governor's recommendation from staffing for the School of Medicine - Wichita. Although the recommended reduction was in the classified F.T.E. limitation, the Subcommittee recommends restoration of the half-time slot as an unclassified position as it is currently being utilized.
13. Restoration of \$4,908 and 0.5 F.T.E. unclassified position recommended for reduction by the Governor. The Subcommittee learned that this teaching assistant position, located at Wichita, was filled in the fall of 1983.
14. Addition of \$15,000 to the other operating expenditure base for acquisition of books and journals for the recently opened Archie Dykes Library.
15. Restoration of 1.8 F.T.E. clerical positions deleted by the Governor's recommendation for the Kansas City campus. The Subcommittee notes that it does not recommend restoration of funding for these positions.
16. Addition of a proviso to eliminate the need for closing out accounts on research grants at the end of each state fiscal year. A proviso is also recommended to allow contracts financed from research grants to be exempt from competitive bidding requirements. The Subcommittee is of the opinion that the issue of providing more flexibility for projects funded from research grants is one which would be equally advantageous to other Regents' institutions. Therefore the Subcommittee recommends the addition of similar provisos to the appropriate sections for each institution in H.B. 2805.
17. The Subcommittee notes its concern with the lack of correlation between the University's number of unclassified personnel equated to full-time and the F.T.E. limitation for such employees, both at the Kansas City and Wichita campuses. The Subcommittee recommends that the University thoroughly document the extent of this problem and submit a report to the 1985 Legislature on its results. The report should include a formal review of the alternatives available to the Legislature to address this situation, including removal of the F.T.E. limitation on faculty positions; removal of the F.T.E. limitation on positions (both classified and unclassified) financed from research grants; and/or a one-time-only adjustment of the current F.T.E. limitation to coincide with the number of positions equated to full-time who are actually serving the University.
18. Increase of \$225,000 in Hospital Revenue Fund expenditures for the salary and fringe benefit costs of providing incremental stipend increases to the University's residents located on the Kansas City campus. The increments would be in addition to base stipends financed from state funds, and would be made available to residents who are in their second and subsequent years of resident training.
19. Restoration of \$194,277 in Hospital Revenue Fund expenditures to reduce shrinkage rates recommended by the Governor for classified staff from 4.73 percent to an overall rate of 4.29 percent. The Subcommittee recommends application of a 5 percent shrinkage rate for all classified staff salaries with the exception of nursing staff salaries, for which a 3 percent shrinkage rate is recommended.

20. Reduction of \$587 from Hospital Revenue Fund expenditures to appropriately adjust resident stipends, fringe benefits, and associated other operating costs for medical liability insurance based upon a total of 317 residents. This total number, in addition to 74 residents supported through contract agreements with Wichita hospitals, equates to the number of state-supported residents recommended by the Governor for FY 1985.
21. Reduction of \$40,416 in Hospital Revenue Fund expenditures to appropriately adjust health insurance benefits associated with the reduction of 40.0 F.T.E. classified positions as recommended by the Governor.
22. Addition of \$180,000 in operating expenditures financed from the Hospital Revenue Fund, 4.0 F.T.E. unclassified positions, and 1.0 F.T.E. classified clerical position to establish an internal collection unit in the hospital business office beginning in FY 1985. The Subcommittee notes that the Board of Regents approved this request at its February 17 meeting as an addendum to the University's budget request. The new collection unit is expected by the University to generate \$511,040 in receipts to the Hospital Revenue Fund, in addition to revised revenue projections for both FY 1984 and FY 1985 which were adopted by the Board of Regents at its February 17 meeting.
23. Addition of \$45,000 in Hospital Revenue Fund expenditures to the unclassified salary base for FY 1985 to allow for ongoing salary expenditures associated with employing a marketing professional for the Office of Health Care Resources. The University added this position to the payroll on March 5, 1984; hence it is not necessary to add 1.0 to the unclassified F.T.E. limitation for this purpose.
24. The Subcommittee learned that the University is preparing a response to one of the recommendations of the Budget Committee during the 1983 interim regarding the possible need for revisions to administrative policies in order to provide the University with the necessary flexibility to competitively operate Bell Memorial Hospital. The Subcommittee anticipates that the University's response will be available for legislative review by March 19, 1984. The Subcommittee recommends that the University present the report to a joint meeting of the House and Senate Ways and Means Subcommittees. With particular reference to possible proposals forthcoming in the area of reclassification of positions, the Subcommittee notes that additional consideration may be warranted prior to adjournment of the 1984 Legislature.
25. Increase of \$1,500,000 in the amount of \$600,000 recommended by the Governor to be transferred in FY 1985 from the Hospital Revenue Fund to the University of Kansas Hospital Fund. The Subcommittee also recommends that the entire \$2,100,000 transfer be made on July 1, 1984, rather than the traditional four equal quarterly transfers.
26. Appropriation of \$310,000 from the Hospital Fund for preliminary and final planning and construction necessary to ready space in the old power plant building for installation of automated laundry equipment. This adjustment coincides with the Building Construction Committee's recommendation to provide capital improvement funding for the purpose of renovating the

hospital's laundry. It should be noted that the Subcommittee anticipates inclusion in the FY 1986 budget request of a proposal for acquiring automated laundry equipment on a lease-purchase basis, financed from savings in other operating expenditures now incurred for partial contract laundry work. The proposal is expected to include the number of classified laundry employees which could be eliminated following installation of the automated laundry equipment during FY 1986.

27. Appropriation of \$200,000 from the Hospital Fund, as recommended by the Building Construction Committee, to plan and initiate site preparation for installation of a nuclear magnetic resonance imaging system for Diagnostic Radiology.
28. Increase of \$250,000 in Hospital Revenue Fund operating expenditure authority for lease or lease-purchase of a nuclear magnetic resonance imaging system for Diagnostic Radiology. Lease of such equipment is expected to cost approximately \$40,000 per month, following anticipated installation on January 1, 1985. It should be noted that the total lease-purchase cost will be approximately \$480,000 annually over a five-year period, for a total of \$2,400,000. The Subcommittee is of the opinion that a lease-purchase arrangement is in the best interests of the University for the acquisition of this state-of-the-art diagnostic equipment. The Subcommittee also encourages the institution to enter into cooperative agreements with other hospitals and/or private practice groups for the sharing of lease and operating costs associated with the NMR imaging system. The Subcommittee is of the opinion that the benefits of such equipment can be maximized by locating it in a University hospital where it can be used for educational and research purposes as well as for patient care. The Subcommittee recognizes that additional staffing may be required for operation of the NMR system, and encourages the University to submit a request for any necessary staffing to the 1985 Legislature.
29. Appropriation of \$800,000 for FY 1985 and an additional \$800,000 for FY 1986 from the Hospital Fund for acquisition of a kidney stone lithotripter. These amounts would be added to the other operating expenditure budget for both fiscal years, but are to be excluded from application of any O.O.E. percentage increases. This two-year appropriation will enable the University to acquire a Dornier lithotripter for installation during FY 1986. Appropriation of the full \$1,600,000 is necessary now to authorize the University to order the equipment from the West Germany firm which is the sole manufacturer for the equipment.
30. Revisions to the funding of the proposed addition to the Applegate Energy Center as follows, in accordance with recommendations of the Building Construction Committee:

	<u>FY 1985</u>	<u>FY 1986</u>	<u>TOTAL</u>
<u>Acquisition of Chiller Units and Cooling Towers</u>			
Hospital Fund	\$1,365,000	\$ --	\$1,365,000
<u>Other Equipment and Construction</u>			
Federal Revenue Sharing Fund	137,996	--	137,996
Educational Building Fund	<u>1,247,004</u>	<u>1,980,000</u>	<u>3,227,004</u>
Subtotal/Total	<u>\$2,750,000</u>	<u>\$1,980,000</u>	<u>\$4,730,000</u>

31. Reduction of \$85,000 in the amount estimated by the Governor to be transferred from the Hospital Revenue Fund to finance debt service payments on the new clinical facility in FY 1985.

32. Increase of \$88,960 in anticipated additional receipts to the Hospital Revenue Fund for FY 1985. This amount, in addition to \$100,000 anticipated in the Governor's recommended budget, reflects the University's most recent estimate of the amount of additional revenue which will result from expansion of the neonatal intensive care unit. The Subcommittee has also incorporated the revised revenue projections adopted by the Board of Regents on February 17, 1984, for both FY 1984 and FY 1985. As adjusted for the reasons noted in this report, the total balance in the Hospital Revenue Fund expected to carry forward to FY 1985 is \$5,923,113. Additional receipts expected by the Subcommittee for FY 1985 total \$59,700,000, including \$511,040 as a result of adding an internal collection unit to the hospital's business office and \$188,960 from the expansion of the neonatal ICU. The Board of Regent's estimate, assuming continuation of current hospital programs, is \$59,000,000. The anticipated revenues available for expenditure in FY 1985, less recommended Hospital Revenue Fund expenditures and transfers as adjusted by the Subcommittee, are anticipated to retain a balance of \$2,000,000 in the fund at the end of FY 1985.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The Committee of the Whole concurs with the recommendations of the House Subcommittee.

Senate Subcommittee Recommendation

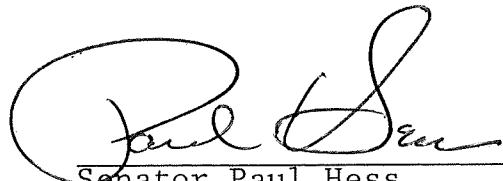
<u>Expenditure Summary</u>	<u>House Adj. to Governor's Amended Recommendation</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (1,011,649)	\$ 59,520,360	\$ 607,473
General Fees Fund	—	5,236,736	--
Hospital Revenue Fund	(715,000)	59,683,113	--
General Use Subtotal	<u>\$ (1,726,649)</u>	<u>\$ 124,440,209</u>	<u>\$ 607,473</u>
Other Funds	1,052,000	34,399,992	--
Subtotal	<u>\$ (674,649)</u>	<u>\$ 158,840,201</u>	<u>\$ 607,473</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ --
Educational Building Fund	(1,602,996)	1,247,004	--
Hospital Fund	1,875,000	1,875,000	--
Other Funds	137,996	2,690,721	--
Subtotal	<u>\$ 410,000</u>	<u>\$ 5,812,725</u>	<u>\$ --</u>
TOTAL	<u>\$ (264,649)</u>	<u>\$ 164,652,956</u>	<u>\$ 607,473</u>
F.T.E. Positions:			
Classified	1.8	3,090.6	--
Unclassified	3.4	1,349.8	--
TOTAL	<u>5.2</u>	<u>4,440.4</u>	<u>--</u>

The Subcommittee concurs with the recommendations of the House with the following adjustments:

1. In accordance with the full Committee's systemwide decisions on Regents' institutions, the following adjustments are recommended:
 - a. Addition of \$487,939 to increase the other operating expenditure base by 8 percent rather than 6 percent as recommended by the House.
 - b. Addition of \$1,293 in revenues anticipated to the General Fees Fund based upon 60 percent tuition waivers for graduate teaching assistants, rather than 65 percent as recommended by the House. (This adjustment does not affect budgeted expenditures from the General Fees Fund.)

2. Addition of \$25,000 to the other operating expenditure base for additional library acquisitions needed for the Archie Dykes Library. The House has provided an increase of \$15,000 for this purpose. The Senate Subcommittee's recommended adjustment results in a total increase of \$40,000 for this purpose, which is the amount requested by the University.

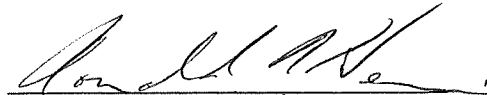
3. Restoration of \$21,248 to the classified salaries and wages base associated with the 1.8 classified F.T.E. restored, without funding, by the House. The Governor had recommended deletion of the positions and funding from the existing salaries and wages base budget.
4. Addition of \$73,286 to provide a 7 percent increase in resident stipends, rather than the 6 percent increase recommended by the House. Of the total adjustment, \$12,524 is necessary to increase state support for the 74 residents who receive state stipends under contract with Wichita hospitals. The remaining \$60,762 reflects the additional cost of stipends and fringe benefits to provide a 7 percent increase for the remaining 317 budgeted resident slots.
5. Technical adjustments to the bill to correctly reflect House recommendations.



Senator Paul Hess
Subcommittee Chairman



Senator Frank Gaines



Senator Ron Hein

SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute Bill No. 2805 Bill Sec. 10Analyst: Monical Analysis Pg. No. 143 Budget Pg. No. 3-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,162,197	\$ 2,934,277	\$ (47,562)
General Fees Fund	284,000	274,000	--
General Use Funds	\$ 3,446,197	\$ 3,208,277	\$ (47,562)
Other Funds	454,594	446,728	--
Subtotal	\$ 3,900,791	\$ 3,655,005	\$ (47,562)
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	2,245,520	1,570,000	--
Other Funds	--	--	--
Subtotal	\$ 2,245,520	\$ 1,570,000	\$ --
TOTAL	\$ 6,146,311	\$ 5,225,005	\$ (47,562)
F.T.E. Positions:			
Classified	41.5	38.5	--
Unclassified	55.0	53.0	(1.0)

Agency Request/Governor's Recommendation

Kansas Technical Institute's request for FY 1985 include the following system-wide items: a 7.0 percent increase in the salary base for unclassified employees; a 5.0 percent increase for classified salaries; a 7.0 percent increase for student salaries; a 7.0 percent increase for other operating expenditures; and a 10.0 percent increase for utilities. A total of \$43,986 is requested to annualize the salary increases granted for FY 1984 in FY 1985. The Institute requests a total of \$200,000 and 6.0 F.T.E. positions to support actual and anticipated enrollment growth. To support additional purchases of instructional and laboratory equipment the Institute requests \$79,005. A total of \$39,286 is requested to provide additional support for library acquisitions and equipment. To support estimated utility costs for the new Technology Center a total of \$15,000 is requested.

Requested new capital improvements include \$128,270 for planning renovation of the Aeronautical Technology Complex and \$47,250 is requested for planning renovation of the former Base Chapel for use as a women's dormitory. The 1983 Legislature approved construction of phase one of the Technology Center and appropriated \$2,070,000 for FY 1985 for final-year construction costs.

The Governor recommends the following systemwide adjustments: a 6.0 percent increase in the unclassified salary base (plus \$2.0 million in the Board Office to be distributed to the campuses for unclassified salaries); a 5.0 percent plus \$204 per position per year increase for classified salaries; a 5.0 percent increase for student salaries; and a 5.0 percent increase for other operating expenditures. Utility costs are recommended for a \$4,436 (5.4 percent) increase. Annualization of FY 1984 salaries in FY 1985 is recommended at \$43,986. A total of \$35,913 and 1.0 F.T.E. unclassified position are recommended in anticipation of increased enrollments for FY 1985. The Governor also recommends the addition of \$55,000 for equipment purchases and \$30,000 for increased library acquisitions and equipment. A total of \$15,000 is recommended for utility costs associated with the new Technology Center.

The Governor does not recommend funding for any new capital improvement projects in FY 1985 and, because of savings in the Technology Center project, recommends that \$500,000 be lapsed from the previously approved FY 1985 appropriation of \$2,070,000.

House Subcommittee Recommendations

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

1. Based on full Committee action, the following systemwide adjustments are recommended:
 - a. Deletion of \$34,848 for classified salary increases.
 - b. Addition of \$15,217 (including benefits) to provide an additional 1.0 percent increase in the unclassified salary base (total increase of 7.0 percent).
 - c. Addition of \$6,648 to provide an additional 1.0 percent increase in other operating expenditures (total increase of 6.0 percent).
 - d. Addition of \$1,334 to reflect an increase in utility expenditures of 7.0 percent.
2. The Subcommittee recommends deletion of \$35,913 (\$28,056 in salaries and \$7,857 in other operating expenditures) and 1.0 F.T.E. unclassified position. These resources were recommended by the Governor in anticipation of increased enrollments for fall 1984. Although the information was not available for gubernatorial review, spring enrollments for 1984 are below spring enrollments for 1983. In addition, while the Institute projects an enrollment increase for purposes of expenditures, it projects a slight decline in enrollment for purposes of estimating tuition revenue. Based on these factors, the Subcommittee does not feel it is justified in recommending additional resources for anticipated enrollment growth.
3. The Subcommittee recommends that utilities be appropriated as a separate line item from other operating expenditures with the systemwide proviso allowing for reappropriation of savings and expenditure for energy conservation projects.
4. The Subcommittee notes the request to include a campus telephone network as part of the construction of the Technology Center. However, the Subcommittee does not have sufficient information on which to base a positive recommendation and is concerned regarding the extent to which this request has been reviewed by the Board of Regents. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction in requesting that the Institute prepare a report regarding the campus telephone system and having the report, including a discussion of options, available for review by the 1985 Legislature.

5. The Subcommittee views with concern the relatively modest proportion which tuition represents of institutional expenditures. As recommended by the Governor for FY 1985, tuition represents less than 9.0 percent of general use expenditures. This is in contrast to the systemwide policy of 25 percent which results in the regional universities generating between 15 and 20 percent of expenditures from tuition. Additionally, area vocational technical schools are required to generate 15 percent of program costs from tuition. Based on these observations, the Subcommittee recommends that the Board of Regents examine the tuition policy at Kansas Technical Institute and report to the appropriate subcommittees of the 1985 Legislature findings with regard to increasing tuition or justifications for no change of policy.
6. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to lapse \$500,000 in construction contract savings from the Technology Center project. Also recommended is a study regarding the feasibility of nonstate funding for dormitories, including the potential for construction costs to be supported by bonds guaranteed by student rents.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations with the following adjustments and comments:

1. The Committee recommends that the expenditure limitation on the "Equipment Reserve Fund" be changed from "0" to "No Limit." This fund allows the Institute to reappropriate current year savings to the next fiscal year providing such savings are expended for equipment.

House Recommendations

The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on full Committee action, addition of \$13,296 to provide an additional 2.0 percent increase in other operating expenditures (total increase of 8.0 percent).

Agency: Board of Regents' OfficeBill No. 2805Bill Sec. 11Analyst: MonicalAnalysis Pg. No. 147Budget Pg. No. 3-71

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 1,646,770	\$ 3,267,551	\$ (2,050,476)
Other Assistance	5,954,438	5,296,129	—
Aid to Local Units	—	—	—
Subtotal	\$ 7,601,208	\$ 8,563,680	\$ (2,050,476)
Capital Improvements	4,000,000	4,000,000	(1,200,000)
TOTAL	\$ 11,601,208	\$ 12,563,680	\$ (3,250,476)
<u>State General Fund:</u>			
State Operations	\$ 1,646,770	\$ 3,267,551	\$ (2,050,476)
Other Assistance	5,290,000	4,431,691	—
Subtotal	\$ 6,936,770	\$ 7,699,242	\$ (2,050,476)
Capital Improvements	4,000,000	4,000,000	(1,200,000)
TOTAL	\$ 10,936,770	\$ 11,699,242	\$ (3,250,476)
F.T.E. Positions	17.5	17.5	—

Agency Request/Governor's Recommendation

The Board's request includes a total of \$893,288 in State General Fund expenditures for Board operations which consists of \$629,458 for salaries, \$226,830 for other operating expenditures, \$12,000 for an employees blanket bond, and \$25,000 for presidential search expenses. The request provides for a 7.0 percent increase for unclassified salaries, a 5.0 percent increase in classified salaries, and the addition of an Assistant General Counsel position. The request also includes \$40,000 for reciprocal agreements with the University of Missouri; \$12,000 for dental education contracts; \$155,000 for optometry education contracts; \$180,000 for seat purchases and loans in Osteopathic Medicine; \$400,000 for scholarships in Osteopathic Medicine; and \$56,482 for postgraduate training stipends in Osteopathic Medicine. The Board requests \$400,000 for the Regents' Distinguished Professors Program which would provide for ten professorships at \$15,000 each and \$25,000 for each position for equipment and laboratory support. Funding for the State Scholarship Program is requested at \$864,000 and assumes \$664,000 in federal funds and \$200,000 from the State General Fund. The Board requests \$4.6 million from the State General Fund for support of the Tuition Grant Program. A total of \$4.0 million from the State General Fund is requested for support of major repairs, special maintenance, and remodeling at the institutions.

The Governor recommends a total of \$870,551 for Board operations which includes \$621,635 for salaries, \$211,916 for other operating expenditures, \$12,000 for an employees blanket bond, and \$25,000 for presidential search expenditures. The recommendations provide for a 6.0 percent increase for unclassified salaries and a 5.0 percent plus \$204 per year per position for classified salaries. The addition of an Assistant General Counsel position is also recommended. The Governor also recommends \$40,000 for reciprocal agreements with the University of Missouri; \$12,000 for dental education contracts; \$155,000 for optometry contracts; \$180,000 for seat purchases and loans in Osteopathic Medicine; and \$341,691 for scholarships in Osteopathic Medicine. A total of \$100,000 is recommended for the Regents' Distinguished Professors Program which would provide for five professorships at \$15,000 each and \$5,000 for each position for equipment

and laboratory support. The Governor recommends \$864,438 in federal funds (based on revised estimates) for the State Scholarship Program. The Governor recommends \$4.0 million from the State General Fund for support of the Tuition Grant Program. Also included in the Governor's recommendation is \$2.0 million from the State General Fund for faculty salary improvements at the institutions. The Governor also recommends \$4.0 million from the State General Fund for major repairs, special maintenance, and remodeling at the institutions which can also be used for energy conservation projects.

House Subcommittee Recommendations

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

1. Deletion of \$29,152 recommended for salary increases for classified and unclassified staff.
2. Reduction of \$5,096 in salaries and wages for Associate General Counsel. This assumes a starting salary of \$25,520 (\$30,044 including benefits) rather than the \$30,000 recommended by the Governor.
3. Reduction of \$5,228 in salaries associated with turnover in the position of Director of Academic Affairs. This assumes a starting salary of \$42,500 for the position.
4. Reduction of \$10,000 in State General Fund appropriation for other operating expenditures based on reappropriated savings from FY 1984.
5. Reduction of \$12,500 for presidential search expenditures in FY 1985. Final expenditures have not been made for the Emporia State University search and this recommendation will allow a balance of \$12,500 in this account at the beginning of FY 1985.
6. The Subcommittee recommends a total of \$42,500 for office rental of 4,050 square feet in the Capitol Towers Building in accordance with its recommendation that the Board office be relocated from the Merchants Bank to the new facility. The Subcommittee notes that the agency will require additional space in the present facility and that a rent increase in excess of the rate charged by the Capitol Towers was anticipated. An addition of \$1,500 is included for costs associated with the relocation of telecommunication service. The Executive Officer of the Board has indicated that other moving expenses can be absorbed in the existing budget.
7. The Subcommittee recommends that the seat purchase program in optometry become subject to payback provisions similar to those in the Osteopathic Scholarship Program. Therefore, the Subcommittee recommends the introduction of legislation requiring students who participate in the seat purchase program in optometry to return to Kansas to practice for the number of years in which they participated or face repayment of the seat purchase amount (currently \$4,000) plus 15 percent interest.

8. The Subcommittee is concerned regarding the policies and precedents implicit in the creation of Academic Services Fees at the University of Kansas and Kansas State University. These fees, approved by the Board in May, 1983 for the fall semester, were not reviewed by the 1983 Legislature and can be construed as a form of tuition as they are charged to all students as a condition of enrollment. The Subcommittee reached this conclusion prior to the decision of the full Committee recommending introduction of legislation to provide for a more formal review procedure of fees to be charged to students. The Subcommittee endorses the decision by the full Committee. The Subcommittee also notes that there appears to be confusion on the part of the institutions involved as to the duration of the fee since the Regents' office has indicated that the service fees are to expire on June 30, 1984. If the Regents approve the service fees for FY 85, the Subcommittee requests that the Board clearly indicate that the fee will sunset on June 30, 1985 and that they not approve any such fees in the future unless they follow the procedure recommended by the Committee.
9. The Subcommittee recommends that the Board of Regents complete its program review of teacher education programs prior to September 15, 1984 so that any relevant recommendations can be considered by the Governor and the Legislature in the FY 1986 budget cycle.
10. The Subcommittee recommends continuation of the "Private Postsecondary Educational Institution Degree Authorization Expense Reimbursement Fee Fund" with a "no-limit" appropriation. This fund was created by the 1983 Legislature to allow reimbursement of costs when the Regents' review requests from private institutions for degree granting authority.
11. Pursuant to action by the full Committee, the \$2.0 million recommended by the Governor for unclassified salary increases is deleted from the Board Office budget.
12. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction to provide a multi-year appropriation from the State General Fund for the Major Repairs, Special Maintenance and Remodeling account. These funds are transferred to the institutions and expenditures are also allowed from this account for energy conservation projects. The Subcommittee recommendation is for \$2.8 million in FY 1985 and \$4.0 million for FY 1986. This recommendation is \$1.2 million below the Governor's for FY 1985.
13. The Subcommittee reviewed in detail the operations of the State Scholarship and Tuition Grant Programs and offers the following recommendations:
 - a. Funding for the State Scholarship Program in FY 1985 of \$764,438 from federal funds. This is \$100,000 below the level recommended by the Governor and \$50,000 over estimated expenditures in the current year.
 - b. Funding for the Tuition Grant Program in FY 1985 of \$4.1 million of which \$4.0 million is from the State General Fund and \$100,000 is from federal funds. This is \$100,000 above the level recommended by the Governor.

- c. The Subcommittee recommends that the Board of Regents adopt regulations providing that a student must maintain a 2.0 grade point average to receive a continuation of a tuition grant after the second semester. The Subcommittee wishes this recommendation to be implemented as soon as legally possible.
- d. The Subcommittee recommends that the Board establish in regulation priority dates for application and award of Tuition Grants and that in no case awards be given to students who apply after the start of a semester for that semester.
- e. The Subcommittee recommends that the Regents adopt regulations that preference for State Scholarships will be given to high school graduates who have completed the Regents' recommended curriculum. Beginning with the 1986-87 school year, the Subcommittee recommends that all students designated as state scholars receive a \$500 award regardless of need and that those students with financial need be eligible to receive up to an additional \$500. The Subcommittee feels that these recommendations, along with the recently adopted regulation requiring a 3.0 grade point average to continue to receive a scholarship, will provide larger awards to truly outstanding scholars without the need to substantially increase resources.
- f. The Subcommittee requests that the Board report to the appropriate Subcommittees of the 1985 Legislature on the status of the implementation of these recommendations regarding the State Scholarship and Tuition Grant programs.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Recommendations

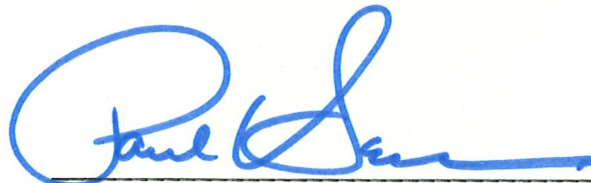
The House concurs with the Committee recommendations.

Senate Subcommittee Recommendations

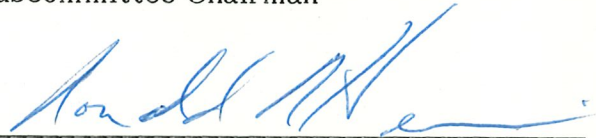
The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Increase of \$5,228 in salaries and wages for the position of Director of Academic Affairs. This will allow filling of the position in FY 1985 at the FY 1984 salary level.
2. Increase of \$10,000 in the State General Fund appropriation for other operating expenditures due to expenditure in FY 1984 of \$10,000 in assumed savings reappropriated by the House for FY 1985.

3. Addition of \$50,000 to provide five additional scholarships in osteopathic medicine. This will result in 15 new scholarships being available for FY 1985 in addition to the present 25 scholarships.
4. Based on full Committee action, addition of \$25,000 for the Regents' Distinguished Professors Program. This recommendation will provide for five professorships at \$25,000 each. The Committee also recommends that the Board and the institutions have discretion in allocating the \$25,000 for each professorship between salary and other operating expenditures.
5. The Subcommittee concurs with the House in recommending relocation of the Board Office to the Capitol Towers Building. However, the Subcommittee recommends that up to 4,320 square feet of space may be leased rather than the 4,050 limit recommended by the House. This recommendation does not affect the House approved total of \$42,500 for office rental in FY 1985.



Senator Paul Hess,
Subcommittee Chairman



Senator Ronald Hein



Senator Frank Gaines

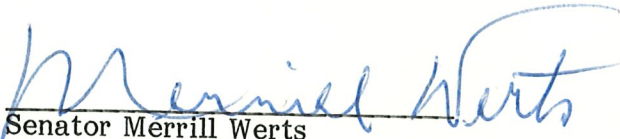
DEPARTMENT OF HUMAN RESOURCES

FY 1984 -- H.B. 2703

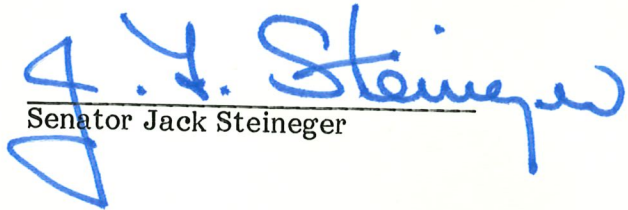
FY 1985 -- H.B. 3093



Senator Ron Hein
Subcommittee Chairman



Senator Merrill Werts



Senator Jack Steineger

SUBCOMMITTEE REPORT

Agency: Department of Human Resources Bill No. 3093 Bill Sec. 2
 Analyst: Julian Efird Analysis Pg. No. 481 Budget Pg. No. 2-15

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85^a</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 33,688,846	\$ 32,001,139	\$ (1,746,661)
Aid to Local Units	10,185,000	10,185,000	372,371
Other Assistance	166,617,000	166,617,000	—
Subtotal - Operating	<u>\$210,490,846</u>	<u>\$208,803,139</u>	<u>\$ (1,374,290)</u>
Capital Improvements	351,500	351,500 ^a	(147,500) ^b
Total	<u>\$210,842,346</u>	<u>\$209,154,639</u>	<u>\$ (1,521,790)</u>
State General Fund:			
State Operations	\$ 2,533,711	\$ 2,392,174	\$ (239,120)
Other Assistance	17,000	17,000	—
Total	<u>\$ 2,550,711</u>	<u>\$ 2,409,174</u>	<u>\$ (239,120)</u>
F.T.E. Positions	1,071.5	1,065.5	(28.0)

a) Does not include Governor's Budget Amendments.

b) Includes Governor's Budget Amendment No. 1 for \$147,500 reduction.

Agency Request/Governor's Recommendations

The Department's operating budget in FY 1985 reflects a reduction in expenditures from the current year because of lower estimated unemployment benefit payments. Between FY 1984 and 1985 the Department requests an increase in state operations of \$2,353,502 or 7.5 percent from all funds, while the State General Fund request would amount to an increase of \$320,606 or 14.4 percent over the current year agency request.

The Governor's recommendations for unemployment benefit payments coincide with the agency's estimate. The Governor recommends expenditures for state operations which are \$1,470,817 more than the revised FY 1984 estimate. State General Fund expenditures would increase \$243,412 by the Governor's plan, which is 11.2 percent over the current year estimate.

House Subcommittee Recommendations

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

1. Remove financing for the 5 percent plus \$17 per month salary adjustment pending legislative determination of a state salary policy, including \$113,061 from the State General Fund, \$937,970 from the Employment Security Administration Fund (including \$45,811 for WIN), \$129,542 from the Job Training funds, \$94,633 from the ESSI Fund, \$56,309 from the Workers' Compensation Fee Fund, \$12,273 from the OSHA Fund, \$6,615 from the Boiler Inspection Fee Fund, and \$5,470 from the Occupational Information System Fund. (The appropriate offsets have been made in these reductions to take into account the Governor's recommended salary turnover savings.)

2. Delete 19.0 F.T.E. positions out of 115.0 F.T.E. positions recommended by the Governor for the Job Training program and shift salary savings of \$372,371 to aid for local units where Service Delivery Areas (SDAs) operate local programs. The staffing recommended by the Governor includes 37.0 F.T.E. in the central administration and 78.0 F.T.E. in five SDAs. All central administrative positions are currently filled, but only 52.0 are filled at field locations. In part, these vacancies are attributed to two things: 13.0 F.T.E. budgeted for SDA 3 (Kansas City) are vacant because the SDA has not contracted with the state to provide service workers and 3.0 F.T.E. area supervisors are jointly appointed in this program and Employment Service, while their F.T.E. positions and salaries are budgeted 100 percent against both programs. Since 50 percent of the three area supervisors' salaries are paid by Employment Service and Job Training, the Subcommittee recommends prorating the financing (and making the appropriate reductions, including \$58,470 in Employment Service program) and deleting 3.0 F.T.E. positions assigned to Job Training since the same three positions are assigned to the Employment Service program. Because of additional vacancies, including the 13.0 budgeted for SDA 3, the Subcommittee recommends deleting another 16.0 positions and financing.

In addition, the Subcommittee recommends that expenditure limitations be added to the appropriations bill for Title II-A, II-B, and III since the state will receive a higher allocation of federal funds than was anticipated by the Governor's recommendations for Job Training. The Subcommittee requested the Department to provide a current estimate of how the additional funds would be expended, but failed to receive the data in time to consider the impact of \$3.4 million in additional receipts. By establishing limits on expenditures based on the Governor's recommendations (less Subcommittee adjustments), the Legislature will be able to exercise oversight as to how the Department intends to spend these additional funds.

3. Restore \$125,000 in federal financing for part-time employees in the Unemployment Insurance program based on trends in FY 1984 which suggest that intermittent employees' compensation may be underfunded in FY 1985.
4. Delete 2.0 new F.T.E. positions and \$46,533 from the State General Fund in salaries and benefits plus \$930 in other operating expenses for an Attorney II and Secretary II to handle wage claim litigation. The Subcommittee notes that an Attorney II was approved by the 1983 Legislature for wage claim litigation, but then reclassified to an Attorney I in recent months to serve as a hearing officer for wage claim cases. The Governor rejected establishing an Attorney I for such duties as requested in the FY 1984 C level budget and the 1983 Legislature concurred with that recommendation. The Subcommittee recommends \$3,354 from the State General Fund to finance reclassifying the Attorney I position back to an Attorney II for wage claim litigation and also recommends an additional \$10,000 from the State General Fund to finance an intermittent Attorney I for wage claim hearings. The Subcommittee notes that the Department has indicated an intent to reallocate a vacant full-time Employment Standards Administrator position to a hearing officer for wage claim cases and that the Governor's recommendations anticipate this change by reducing the financing to an appropriate level. Since the Department apparently employs a part-time Special Projects attorney to assist in wage claim hearings, the Subcommittee adds the financing of \$10,000 which the Department failed to budget.

5. Reduce \$24,538 from the State General Fund for a new Administrative Officer II in the Apprenticeship Training program. The Subcommittee does not delete the 1.0 F.T.E. new position and suggests that the Department seek federal funds (such as Job Training funds) in order to finance new staff. The Subcommittee notes that the other position budgeted for this program, a Clerk III, has been vacant since July 18, 1983 and urges the Department to fill the position in FY 1985 since State General Funds are recommended to finance it.
6. Delete 6.0 F.T.E. existing positions in the Data Processing Services program, leaving 56.0 F.T.E. positions. The Subcommittee notes that the staffing level in this program has ranged between 51.5 and 54.5 this fiscal year, while 52.3 positions were filled in FY 1983. The Subcommittee does not reduce federal funds and suggests that the salary savings be used to hire part-time employees if the need arises.
7. Reduce \$17,519 from the State General Fund and shift financing of \$17,519 to the Kansas Veterans' Commission Fund in order to spend down approximately one-third of its projected balance each year over a three year period. The financing represents the salary of one Veterans Service Representative I.

The Subcommittee also reviewed the Post Audit report on the Veterans' Commission, but the agency response to Subcommittee questions came too late to be addressed by the Subcommittee. The Subcommittee recommends that the House Governmental Organization Committee and the Senate Ways and Means Subcommittee on the Department review these documents.

8. Increase the budgeted salary turnover savings in the Workers' Compensation program from \$4,995 (0.5 percent) to \$21,270 (2.1 percent) for a reduction of \$16,275 of expenditure authority. This rate more closely approximates actual experience of the agency in FY 1983 when actual expenditures were \$808,240 for salaries and benefits, while its approved budget was \$829,510, a difference of \$21,270. In FY 1983 the agency had an approved salary turnover rate of \$4,168 or 0.5 percent. Total salary turnover savings in FY 1983 amounted to \$25,438 or 3.1 percent.

The Subcommittee strongly urges the Workers' Compensation program administrators to lower their assessment rate because the fee fund balance appears to be 50 percent greater than the current annual operating budget.

9. Reallocate rental expenses at 512 W. 6th Street where a building addition will expand currently leased space into which other Departmental agencies will be relocating in early July, 1984. The Governor's recommendations do not take into account the proposed move nor are rental expenses assessed against the federally-funded portion of the Industrial Safety program or the fee funded Boiler Inspection program. The Subcommittee recommends that State General Fund financing be reduced by \$5,324, OSHA financing increased by \$16,569 and Boiler Inspection Fee Fund financing increased by \$1,494 to pay prorated costs at 512 W. 6th Street. The Subcommittee does not recommend any adjustments in the Governor's recommendations for Veterans' Services, Committee for the Employment of the Handicapped or Committee for Mexican-American Affairs to pay the costs of additional space at 512 W. 6th Street. The Subcommittee believes that these agencies should pay the same State General Fund amount at the new location that was anticipated in the Governor's recommendations for FY 1985.

10. Reallocate financing for the Industrial Safety program to reflect more closely the provisions of the federal OSHA contract for prorating services between state and federal duties. Approximately 6.5 F.T.E. positions should be financed from the State General Fund and 8.5 F.T.E. (including 1.0 new positions for Industrial Health) should be financed from OSHA funds. The Subcommittee recommends a reduction in State General Fund financing of \$19,131 and a corresponding increase in OSHA financing. This shift is possible because of a carryover balance of OSHA funds resulting from overfinancing from the General Fund in the past when additional OSHA funds could have been used instead.
11. Reduce other operating expenditures in Employment Standards by \$8,186 to remove financing for activities related to a wage survey which were not recommended for funding by the Governor and for funding travel at the current year level. If H.B. 2797 is enacted this Session, then financing of the wage survey should be addressed in the Omnibus Appropriations bill.
12. Concur with the upgrading of two administrators, an Industrial Safety Administrator and a Labor Relations Administrator, but provide financing to allow reclassifications from Salary Range 30 to Salary Range 32 instead of Salary Range 35 as recommended by the Governor. The Subcommittee feels that reclassifications should be to ranges no higher than those of other Departmental administrators who are in charge of such programs as Unemployment Insurance, Employment Services and Job Training since they are assigned Salary Range 32. State General Fund reductions of \$8,312 and OSHA reductions of \$3,200 would be possible.
13. Reduce travel expenditures for Public Employees Relations to current year estimates which would allow savings of \$3,066 from the State General Fund.
14. Reduce financing of \$5,874 from the State General Fund and shift to the Dispute Resolution Fund which has recovered \$5,874 under provisions of K.S.A. 72-5427 and 72-5428 for expenditures in prior years encumbered against the State General Fund. The Subcommittee believes that these available funds should be spent from the Dispute Resolution Fund in place of those from the State General Fund and that expenditures of \$5,874 reflect this intent.
15. Delete 1.0 F.T.E. positions for a Special Projects position in the Office of the Secretary. The Governor recommends only three months of financing in FY 1985 and a Special Projects position does not require an F.T.E. position to be assigned.
16. Add a proviso to limit the expenditures of Employment Security Administration funds for capital outlay to the amounts recommended by the Governor. The Subcommittee notes that the department spent almost three times more than the amount approved for capital outlay in FY 1983, with total expenditures of \$825,222 for equipment.

17. Add an expenditure limitation to restrict expenditures for capital improvements to financing from Reed Act funds since the Department has spent Employment Security Administration funds in the current year for maintenance and repair projects originally budgeted with Reed Act funds. The Subcommittee is concerned about the degree of flexibility exercised by the Department through the use of no-limit expenditure authority and believes that the Joint Committee on State Building Construction should be aware that financing for capital improvements is currently being charged against both Reed Act funds and Employment Security Administration funds as described in the Subcommittee's FY 1984 recommendations.
18. Approve Governor's Budget Amendment No. 1 which reduces the amount of Reed Act funds to be expended in FY 1985 by \$147,500, with the projected projects estimated at \$204,000. Remove language in the bill which does not apply to the maintenance and repair of buildings.
19. Add a \$0 expenditure limitation to the Special Employment Security Fund since neither the agency requests nor the Governor recommends any expenditures from this fund in FY 1985. Add a proviso which allows for transfers out of this fund to pay for audit exceptions or to use as a revolving fund in order to conform with K.S.A. 44-716a. The Subcommittee's FY 1984 recommendations addressed this fund at length.

In other matters, the Subcommittee wishes to make several observations and issue several directives for the Department.

1. After reviewing the recent trends for financing the Employment Service and noting that reductions in federal funding are projected to continue for this program in the next few years, the Subcommittee wishes to go on record as opposed to any future shifting of operating costs to State General Fund financing to replace lost federal dollars. The Subcommittee is extremely concerned about the impending reductions in federal dollars and the projected increases in salaries, especially after hearing about a comprehensive reclassification study which could raise salaries even more than cost-of-living and merit increases. In addition, the Subcommittee is concerned about the limited ability to track in the Department's budget the flow of revenues from the different Employment Service grants into the Employment Security Administration Fund where other federal reimbursements, including Unemployment Insurance administration funds, are deposited and commingle. On the expenditure side of the budget, it becomes impossible to track how the different sources of federal funds are allocated among the different programs when activities such as Staff Services are financed from the Employment Security Administration Fund without reference in the budget as to how much service is attributed to Unemployment Services as opposed to Employment Service. By statute, federal funds as provided under 48 Stat. 113; U.S.C., title 29, sec. 49 (c1) as amended are deposited in this Fund. K.S.A. 44-716 establishes the state fund.

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2. Because of difficulty in using the budget document, as noted in item 1 above in reference to one specific instance, the Subcommittee recommends that the Division of Budget and Legislative Research Department provide advisory services to the Department in revising the basic budget document prior to its submission of the FY 1986 request and that the Department undertake changes in the budget format to make it more meaningful and informative and to coincide with the Department's organization.
3. The Subcommittee directs the Department to submit as part of the budget review process any and all reclassifications which may be undertaken in regard to the Employment Service, Unemployment Service, Job Training and WIN programs. The fiscal impact of such reclassifications should be reviewed by both the Governor and Legislature prior to implementation even if sufficient resources are available in the FY 1984 or 1985 operating budgets.
4. In regard to the new Job Training program, the Subcommittee believes that training funds should be used for class size programs and that costs of classes should be paid exclusively from federal funds. This would limit the state's cost paid to area vocational schools or community colleges for vocational training programs. Otherwise JTPA funds are used as "seed money" that place greater demands on the General Fund.
5. The Subcommittee recommends that the fees of the Boiler Inspection program be increased in the near future in order to avoid a possible cash flow problem in FY 1985. The Subcommittee notes that a State General Fund transfer of \$48,800 was required in FY 1983 to maintain the program and that receipts to the Boiler Inspection Fee Fund are less than needed to support its level of expenditures.
6. Add a proviso which has no fiscal impact except to allow the transfer of WIN funding for the Department of Social and Rehabilitation Services' portion of the federal contract to be effected without an encumbrance against the WIN expenditure limitation for administration of the program.

House Committee Recommendations

The Committee concurs with the Subcommittee Recommendations.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House except for the following:

1. Item 2. Restore 14.0 F.T.E. positions for the Job Training program and 1.0 F.T.E. position plus \$58,470 for the Employment Services program. This

provides 13 positions for SDA 3 (Kansas City) and one position for supervisory work where the position is not job-shared between Job Training and Employment Services. Adjust the Job Training limitations imposed by the House to reflect the Governor's Budget Amendment No. 2 (minus the salary adjustments) which establishes the following estimates:

	<u>GBA No. 2</u>	<u>Change from House</u>
Title II-A	\$11,914,392	\$ 2,911,192
Title II-B	4,465,938	1,946,132
Title III	924,805	(1,481,249)
	<u>\$17,305,135</u>	<u>\$ 3,376,075</u>

The Subcommittee also notes that the federal government has announced the FY 1985 state allocations for the Employment Services Basic Grant and that Kansas will receive \$6,425,915 or \$250,622 less than budgeted by the Department (when postage is excluded). This reduction in grant money could impact Job Service Centers and staffing of the Employment Services program.

2. Item 4. Restore 2.0 F.T.E. and \$46,533 State General Fund financing (minus turnover) and \$930 other operating expenses for an Attorney II and Secretary II. Delete \$13,354 State General Fund financing for salary adjustment and part-time help.

The Subcommittee also raises the question of whether the state should be involved in arbitration and representing complainants in court, and requests an interim study be authorized by the LCC.

3. Item 5. Restore \$24,538 State General Fund financing (minus turnover) for an AOII.
4. Item 12. Restore \$8,312 State General Fund and \$3,200 OSHA financing for reclassifications to salary range 35 of two administrators.
5. Item 14. Change the statutory reference to K.S.A. 75-4321 to allow expenditures from the State General Fund and the Dispute Resolution Fund to be used for public employee fact-finding and mediation. This change has no fiscal impact other than to limit expenditures from the State General Fund to \$1,036 for such purposes and then allow financing to be used from the other Fund for such purposes.
6. Item 16. Delete the proviso affecting capital outlay expenditures for equipment using Employment Security Administration Fund financing.
7. Item 17. Change the proviso to allow expenditures for capital improvements using Employment Security Administration Fund financing. Strongly urge the Department to budget expenditures from this source of financing and to submit the estimates to the Joint Committee on State Building

Construction as part of that Committee's review of proposed projects since it appears that both Reed Act funds and other federal funds may be used for capital improvements. The Joint Committee appears rightly concerned about financing of projects with non-Reed Act funds which it was not aware were available.

8. Turnover. Apply a 3.0 percent rate instead of a 2.1 percent recommended by the Governor for State General Fund financing for an estimated salary turnover savings of \$18,894.

Other Items

1. Item 1. Neither concur nor reject the House statements. The Subcommittee does encourage the Department to make timely submissions of information regarding budgetary changes and other data to keep the Legislature informed about the agency operations and plans for the expenditures of public money.
2. Item 2. Delete reference to the Kansas Legislative Research Department since the Subcommittee feels that the Division of the Budget should be responsible for assisting the Department in executive matters.
3. Item 3. Disagree that the Legislature should be involved in reviewing reclassification. The Subcommittee recommends that the Director of Personnel Services (D of A) review the Department's personnel procedures with regard to hiring practices, especially part-time employees, and report to the Legislature by the first day of the 1985 Session the findings. The Director should also explain the decentralized arrangement and how the Division exercises oversight on those procedures used by the Department.
4. Item 4. Neither concur nor reject the House statements. The Subcommittee did not have time to study this question and feels that the situation might warrant further study by the Legislature.
5. Job Training. State agencies should apply to PICs for grants of funds to train state workers and the Division of Personnel Services should coordinate such efforts to use this source of federal financing for training purposes.

REPORT TO SENATE WAYS AND MEANS COMMITTEE BY THE
SENATE COMMITTEE ON DEPARTMENT OF ADMINISTRATION DATA PROCESSING

The Committee was asked to review the Department of Administration's data processing activities and proposed FY 1985 expenditures and to develop recommendations for consideration by the Senate Ways and Means Committee. The State General Fund appropriation to the Department is \$2,591,803 in the current year and the Governor recommended \$4,398,945 for FY 1985. This rather significant increase represents in part the cost of the proposed upgrade of the Univac mainframe by the Division of Information Systems and Computing (DISC). The Univac is dedicated almost exclusively to the Department of Administration's use, with the central accounting (CASK) and personnel/payroll (KIPPS) functions representing the vast majority of demand on the Univac. It is the Committee's understanding that the development of KIPPS is primarily responsible for the rapid and unforeseen increase in use of Univac resources and accounts for the need to upgrade the current capacity.

The development of KIPPS has been a major project of the Division of Personnel Services and the Division of Accounts and Reports for the last three years. The original concept was based on integration of data on applicants, positions and employees to generate payrolls and to feed the payroll information into the central accounting system. The system obviously assumed maintenance of a centralized computer facility and was intended to contain data on all state employees, both classified and unclassified. In addition to eliminating much of the paperwork and redundancy that characterized the personnel process, the system was to provide management and statistical information to agency heads, the Governor and the Legislature. It was also to insure consistency of data used by both Divisions and to replace a payroll system that was considered inefficient and inadequate. Finally, it was assumed that the new central system would eliminate, or reduce, duplication of effort by providing centrally the information needed both centrally and within the agencies.

The intent and expectations with regard to KIPPS at that time are no doubt a matter of individual perspective, but it is unlikely that any of the participants in the decision foresaw the level of expenditure or the escalating rate of expenditure that has since occurred. In addition, the proposed benefits have been called into question by the numerous problems that have emerged. While subcommittee reports to both the House and Senate Ways and Means Committees in recent years have raised concerns, the 1984 Session probably marks the first concerted attempt by the Legislature to address this issue in depth.

Regardless of earlier expectations or plans, the Committee's investigation quickly revealed that current problems exist and must be addressed. The data processing system that issues payroll warrants, accounts for state expenditures and meets state obligations for goods and services appears to be in jeopardy. The Department of Administration reports that its computer capacity is reaching dangerous levels and that action is required either to reduce the demand on the computer or to increase the capability of the computer to meet the demands. While in the short term, the latter option seems the more straight-forward, the long-term, and substantial financial commitment that is entailed led the Committee to focus on alternatives. The search for alternatives is equally motivated by the Committee's concern that the state not continue to build on a system, the integrity and reliability of which are already in question. No easy or cost-free options seem to exist, but choosing an option involves the following considerations:

1. The current system involves a hybrid of new and old processes. All agencies are now entering and maintaining information about personnel into KIPPS. However, payroll functions are split; the new system (KIPPS) issues paychecks for state employees in every agency but the SRS hospitals, the Department of Human Resources and the Regents' institutions, with the exception of the University of Kansas and Kansas Technical Institute. The maintenance of both payroll systems leads to inefficiencies in that both must be adjusted to accommodate any change in policy or practice.
2. The new KIPPS system is designed to best accommodate classified employees. The introduction of the KU payroll to the system created numerous inaccuracies, required costly reprogramming efforts and focused attention on the features of the system as well as its cost.
3. The resources required to fix a complex system, such as KIPPS, include not only dollars, but a span of time to develop new processes or improve the current ones.
4. The demand that implementation of KIPPS has placed on computer capacity was totally unpredicted less than a year ago. While various theories have been advanced, even the Department of Administration staff who are most involved with KIPPS cannot isolate any one cause, or an identifiable number of reasons, to explain why demands on the system have increased to the current level. The most commonly cited reasons related to increased familiarity, and therefore use, on the part of the agencies who use KIPPS and to the number of transactions required to fit the accounting and personnel policies of KU into the requirements of KIPPS. The unique status of unclassified and student employees pose particular problems given the design of KIPPS.
5. Technological advances in data processing in recent years have changed the decision making environment. Whereas the current system is predicated on a totally centralized approach, which relies on large, mainframe computers to perform all functions, considerable attention has been given to the concept of decentralization. The question has been posed as to whether locally cited minicomputers can perform certain calculations and information storage functions at a lesser cost than maintenance of such functions on a central mainframe.
6. Current obligations and the proposed level of expenditures for upgrades to the Univac computer raise serious doubts about whether the state can afford such complex and sophisticated systems as KIPPS and CASK. Current contractual obligations on the Univac commit the state to expenditure of \$12.1 million in fiscal years 1984 through 1990. Proposed upgrades as contained in the current House recommendation incur additional costs totaling \$8.3 million in that same time frame.

Early in its investigation, the Committee reached two conclusions that led to its specific recommendations. The first is that priorities for the personnel and accounting system include timely, accurate issuance of payroll checks, payments to vendors and reconciliation of state accounts. Any action must avoid placing these essential functions in jeopardy, and should promote the proposition that these are indeed priorities. The second is that there is a critical need to buy time and to evaluate in depth the direction and role of the central accounting and personnel functions. Decisions about the automation of these functions and the appropriate level of expenditures can only be made in the context of a more precise definition as to what is expected of the Division of Personnel Services and the Division of Accounts and Reports. The Committee suggests that both Divisions should be critically examined and clear policies and priorities should be established.

As has been stated, in order to gain time for further study and not place essential functions in danger, it is necessary to either purchase more hardware or remove some existing demands on the system. The following recommendations adopt the latter approach to insure performance of necessary functions and allow the time needed to study the entire system.

Specifically, we recommend:

1. A freeze on the addition of any agencies to the KIPPS payroll module.
2. Withdrawal of Regents institutions' reliance on KIPPS in any form for unclassified personnel and student employees; to the extent possible, payroll calculations should be performed at each campus and reported to the Department of Administration for accounting purposes and actual issuance of warrants. Other student and unclassified personnel transactions should be handled in the same manner. The Committee's intent is that the institutions use existing hardware, but we note that this action entails a one-time appropriation to the Board of Regents of not to exceed \$500,000 to enable implementation on the campuses. A more precise cost estimate is forthcoming from the institutions.
3. Streamlining or reduction of KIPPS functions as required to alleviate demands on the system.
4. Appropriation of \$50,000 to the Office of the Secretary for technical experts to aid in a thorough review of both the data processing systems in question and the structure and operation of the central accounting function. There is an obvious need for a neutral and objective assessment of the current situation and a fresh look at alternatives to existing accounting practices.
5. Creation of a temporary task force, composed of legislators and private sector representatives with expertise in the relevant areas to advise the Secretary of Administration on future directions for personnel, accounting, and data processing functions.

6. No upgrades to existing central hardware. The Committee is convinced that the above actions, combined with recommendations to be expected from the task force and consultants, will serve the immediate goals of buying time and meeting essential payroll and accounting functions. The recommended appropriation level, as a result, is \$3,605,441 which will continue the current level of operations with respect to the Univac and allow for limited acquisition of peripheral equipment to expand data storage capacity,

We believe that these actions are essential to a determination of future direction and a sound decision about the level of investment that is appropriate for the state's central administrative functions. As the attached table depicts, state expenditures for data processing are escalating rapidly and will continue to increase just to meet obligations already incurred. A decision to upgrade at this time only adds to that increase with no assurance that increases much greater than shown will not be required. We point to the fact that only a year ago, the absolute necessity for upgrades in order to implement KIPPS was not foreseen. While KIPPS, in some form, may turn out to be a valuable system, it appears that now is the time to introduce careful study and insure that the state's reliance on computers is a result of planning and not reaction.

Senator Wint Winter, Jr.

Senator Mike Johnston

TOTAL DISC BUDGET

	<u>Expenditures</u>	<u>Percent Increase Over Previous Year</u>
Actual FY 1981	\$ 4,721,880	
Actual FY 1982	5,714,487	21.0
Actual FY 1983	6,841,403	19.7
Estimated FY 1984	9,164,631 ¹	34.0
Estimated FY 1985	11,126,711 ¹	21.4
	<u>Without Upgrade²</u>	<u>With House Upgrade³</u>
FY 1986	\$11,853,100	\$13,483,072
FY 1987	12,637,639	14,267,611
FY 1988	12,595,760	12,225,732
FY 1989	13,214,452	14,844,424
FY 1990	13,557,158	14,643,806

- 1) Based on recommendation contained in this Committee report.
- 2) Based on actual obligations for equipment and an 8 percent increase in all other costs.
- 3) Based on actual obligations for equipment, proposed equipment, under the current House proposal and an 8 percent increase in all other costs.

Contractual Obligations to Vendors through FY 1990

<u>Fiscal</u> <u>Year</u>	<u>IBM</u> <u>Current</u>	<u>IBM</u> <u>Proposed</u>	<u>IBM</u> <u>Total</u>	<u>Univac</u> <u>Current</u>	<u>Univac</u> <u>Proposed</u>	<u>Univac</u> <u>Total</u>
1984	\$2,230,726	\$ --	\$ 2,230,726	\$ 1,729,141	\$ --	\$ 1,729,141
1985	2,332,958	565,794	2,898,752	2,046,396	711,336	2,757,732
1986	1,990,168	444,058	2,434,226	2,046,360	1,629,972	3,676,332
1987	1,157,938	444,058	1,601,996	2,046,360	1,629,972	3,676,332
1988	469,964	444,058	914,022	1,157,178	1,629,972	2,787,150
1989	141,351	444,058	585,409	860,784	1,629,972	2,490,756
1990	--	39,264	39,264	215,196	1,086,648	1,301,844
	<u>\$8,323,105</u>	<u>\$2,381,290</u>	<u>\$10,704,395</u>	<u>\$12,109,535</u>	<u>\$8,317,872</u>	<u>\$20,427,407</u>
						<u>\$10,704,395</u>
				Grand Total		<u>\$31,131,802</u>

This analysis does not continue maintenance expenditures after the contractual obligation is finished. The schedule does not include any contracts that are renewed on an annual basis.