

Re: Senate Ways and Means Meeting of
April 24, 1984

Two meetings of the Senate Ways and Means Committee were held. Reconciling the information concerning attachments as indicated in the minutes has not been possible.

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at
Chairperson9:30 a.m./p.m. on April 24, 1984 in room 123-S of the Capitol.

All members were present except:

(No appointment had been made to fill Senator McCray's position)

Committee staff present:

Research Department: Ed Ahrens, David Monical, Lyn Goering, Carolyn Rampey,
Lynne Holt

Revisor's Office: Norman Furse

Committee Office: Doris Fager, Mark Skinner

Conferees appearing before the committee:

Harley Duncan, Secretary of Revenue

Bill Hollenbeck, Pittsburg State University

Dr. Robert Harder, Secretary, Social and Rehabilitation Services

Dr. Gerald Hannah, SRS

Paul Klotz, Association of Community Mental Health Centers of Kansas

Doug Rakestraw, Community Mental Health Centers

John Peterson, Kansas Association of Professional Psychologists

Majorie van Buren, Office of Court Administrator

Rick von Ende, University of Kansas

Dr. Mike Harder, Secretary of Administration

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association

Attorney General's Opinion concerning the D.U.I. law

The Chairman explained that the Attorney General has issued an opinion concerning the D.U.I. law which provides that, if a person is arrested and goes on a diversion program on first offence, this is a conviction only for the purposes of a second or third D.U.I. The opinion rules that, for purposes of the Cereal Malt Beverage license, if a person is arrested and goes on diversion and charges are dropped, this is considered to be a conviction and he is not able to have a C.M.B. license. The Alcoholic Beverage Control Division has a memo to that effect. Senator Hess said he felt legislative intent was to provide that this was to be a conviction for future D.U.I. offences only. He asked if the committee would like to clarify the legislation or take a chance on it being challenged in Court.

Senator Talkington said he agreed with Senator Hess that the D.U.I. charges were dropped on first offense if the person went on a diversion program, except for second and third D.U.I. offenses; and this was not considered a conviction for any other purpose. Mr. Duncan indicated he felt Senators Hess and Talkington were correct.

There was further discussion concerning this question, but nothing was decided at this time.

SB 882 - Omnibus Appropriations BillSecurities Commissioner

Senator Werts indicated the subcommittee appointed at the April 23 meeting supports the request of the Securities Commissioner to have an office in Wichita and would recommend that the entire request for that office be included in the Omnibus Bill.

Motion was made by Senator Gaines and seconded by Senator Warren to include the funding and positions requested by the Securities Commissioner at the April 23 meeting (Attachment I). The motion carried by voice vote.

Omnibus Appropriations Bill, SB 882 - Continued

Governor's line item veto of House Bill 2703 - Department of Human Resources
No action was taken on this item.

Governor's line item veto of House Bill 2703 - Forestry, Fish and Game Commission

Motion was made by Senator Doyen and seconded by Senator Talkington to increase the FY 1984 budget for the Forestry, Fish and Game Commission for a capital improvement project at Nemaha State Fishing Lake in the amount of \$20,000. The motion carried by voice vote.

HB 3038 - Transfer language

Staff informed the committee that the language in HB 3038 indicates that the money being transferred from the Securities Commissioner's Fee Fund to the State General Fund will be transferred on June 30, 1985 rather than June 30, 1984. Committee members felt that was not the intent, and it was decided this could be clarified in the Omnibus Bill.

Motion was made by Senator Gaines and seconded by Senator Talkington to transfer funds indicated in HB 3038 (balance in excess of \$500,000) on June 30, 1984. The motion carried by voice vote.

Attorney General

A. Technical Adjustment - The committee approved this item.

B. Governor's Budget Amendment No. 2, Item 11 (House Bill 3027) - No action was taken, pending passage of HB 3027.

Insurance Department

A. House Bill No. 3090 (Pending) - The committee approved the changes necessary should HB 3090 pass.

B. House Bill No. 3064 (Pending) - After limited discussion, it was the concensus of the committee to withhold action on this item.

Secretary of State

A. Governor's Budget Amendment No. 3, Item 4 - This item was approved.

B. Possible Publication of Proposed Constitutional Amendments - The committee approved this item.

State Treasurer

A. House Bill No. 3098 - Suggestions in this item were approved by the committee.

Legislative Coordinating Council

A. Senate Substitute for House Bill No. 2903 - It was suggested by Senator Doyen that administration of the new retirement benefit for legislative employees be done by KPERS. No action was taken at this time.

SB 882 - Omnibus Appropriations Bill (Continued)

Adjutant General

A. Technical Adjustment - This was approved by the committee

B. Senate Bill No. 72 (Pending) - It was decided to withhold a decision on this matter.

Regents Systemwide

A. Technical Adjustments - These adjustments were approved by the committee.

B. Substitute for H.B. 3081 (Pending) - There was discussion concerning this bill, since it is different from appropriations in HB 2805, the original funding bill for Regents Institutions. It was noted that if HB 3081 does not pass, there is a program for Centers of Excellence, but it will not be in statutory form--only in appropriation form. The committee agreed to approve only the appropriations in HB 2805.

At this point the Chairman indicated that Sub. for HB 3081 is in this committee, and asked the members of the committee if they were interested in passing the bill. After a brief discussion, committee members reiterated their decision to approve HB 2805 funding for the Centers of Excellence.

C. Telephone Rates - FY 1984 and FY 1985 Supplemental Appropriations
The committee did not approve the request of the Board of Regents in this item.

D. Utilities - FY 1984 and FY 1985 Supplemental Appropriations
Governor's Budget Amendment No. 4, page 9 (Same Subject)

It was agreed to approve the \$325,000 reduction for KUMC for FY 1984 and to allow only half of the request at the other institutions; and to allow no supplemental appropriation for FY 1985.

Emporia State University - A. Capital Improvement Savings - Suggestions included in this item were approved by the committee.

Pittsburg State University - A. Legal Fees - Following a brief discussion, this item was approved. Following the decision, Senator Hess asked Mr. Hollenbeck if the new assistant attorney for the Board of Regents will be handling most of the meet and confer responsibilities. Mr. Hollenbeck replied that President Wilson wants to move away from hiring lawyers and will be looking to Mr. Kauffman's office for assistance.

University of Kansas

A. Technical Adjustments - Expenditure Limitations - This item was approved.

B. Technical Adjustment - State General Fund Accounts - This item was approved.

Kansas State University - Appropriation for burned barn in southeast Kansas

Staff indicated the House Committee had considered an appropriation of \$51,000 for replacement of a barn which had burned some time ago. Senator Bogina stated this had not been included in a priority list before the Joint Committee on State Building Construction. Senator Doyen noted the committee did not have information concerning the building's use. The item was not approved.

SB 882 - Omnibus Appropriations Bill (Continued)

University of Kansas (Additional Item)

Staff indicated there had been a request for addition of one unclassified position at \$31,403 to provide staff support for the Bachelor of Science degree in Meteorology, with the proviso that no new students be admitted to the program. This would be continued only for the next three years. It was noted that a faculty member is retiring from this program and the Geology Department wants to use the position.

Senator Steineger stressed that he does not like the Legislature to determine this kind of thing. Other members of the committee agreed with him, and the request was not approved.

Governor's Budget Amendment No. 4, page 6, University of Kansas

There was discussion concerning this proposal, with many questions concerning the requested appropriation. Senators Werts and Steineger were designated as a subcommittee to get more information and make a recommendation to the full committee.

INTRODUCTION OF BILL

Dr. Harder distributed a bill draft (Attachment A) and a statement regarding the proposal (Attachment B). There was discussion concerning both attachments. Questions were asked concerning savings to SRS because of diversion of people from Larned State Hospital. Dr. Harder said there would be an additional 17 beds available at that institution, but that they would be needed by the Department of Corrections. At this time, that Department has a greater number of people than SRS institutions can accommodate.

When asked about the length of stay at Larned, Dr. Harder said it is now from 50 to 70 days; but it is his understanding that these are matters which could be handled in several hours and, in some instances, the testing could be done at the jail. Dr. Hannah explained that, since hospitals are licensed, they are required to do a complete physical, etc., when a person is admitted for any kind of testing.

Mr. Klotz said Mr. Rakestraw could answer questions from the Community Health Centers' viewpoint. He indicated these Centers are now doing some Court ordered evaluations for competency, but are not always reimbursed. Mr. Rakestraw said the evaluations would take two or three hours at the minimum, and that five hours is an average. He indicated the vast majority could be done in one day, but that sometimes a second opinion is needed. He said that \$126,400 is the amount needed for this service annually.

During the ensuing discussion, there were suggestions that some of the evaluations might be done by private practitioners. Senator Steineger and Mr. Klotz indicated the need for an interim study on the subject.

Mr. Peterson suggested that, if the proposal is introduced, he would like for private practitioners to be included in the wording involving who should be indicated to make competency evaluations. He stated that the fee for service should go to whomever is doing the service and could be controlled through the rate of reimbursement as determined by the Secretary of SRS. He said an evaluation should be done at an average rate of \$200 to \$300.

Ms. Van Buren distributed Attachment C,* with a suggested change in wording of the proposal. She expressed concern about the violence of some people and felt they could be dangerous and would need to be sent to a hospital for evaluation. She said that, as long as the statute gives authority to the trial judge as to where the evaluation should be made, the Courts have no objection. Dr. Harder and Mr. Klotz said they would be responsive to the suggested change, but both felt that SRS should be notified of decisions concerning where evaluations should take place.

*See Also Attachment D.

INTRODUCTION OF BILL (Continued)

Motion was made by Senator Steineger and seconded by Senator Gaines to include the suggestions made in Attachment C. The motion carried by voice vote.

Motion was made by Senator Steineger and seconded by Senator Gaines that the above amendment include a conceptual reference to notification of the secretary of SRS. The motion carried by voice vote.

Motion was made by Senator Warren and seconded by Senator Werts to make the effective date of the act October 1, 1984. The motion carried by voice vote.

Motion was made by Senator Harder and seconded by Senator Warren to introduce the proposed measure and request that it be referred to Committee of the Whole. The motion carried by roll call vote.

SB 882 - Omnibus Appropriations Bill (Continued from page 4)

Funding for Above Bill (SB 880)

There was discussion concerning the possibility of people paying for their own evaluation under this measure. Mr. Rakestraw said he is aware that a lot of people could pay who are now not doing so. Dr. Harder proposed that an amount of \$60,000 be included in his budget for this purpose. He stressed that he is aware the Legislature wants the administration to be very tight, and he will report back after the program is under way.

Motion was made by Senator Steineger and seconded by Senator Bogina to provide \$60,000 to SRS for FY 1985 to administer the evaluation program under SB 880. The motion carried by voice vote.

It was the concensus of the committee that the Chairman should write to the Board of Indigent Defense Services and ask for a recommendation of legislation for financing indigent competency evaluations.

The meeting was recessed until 1:15 p.m.

AFTERNOON MEETING

All members were present except Senator Doyen.
No appointment had been made to fill Senator McCray's place.

COMMITTEE STAFF PRESENT:

Research Department: Lynne Holt, Lyn Goering, Ed Ahrens, Carolyn Rampey,
Ray Hauke, Julian Efird, Richard Ryan
Revisor's Office: Norman Furse
Committee Office: Doris Fager, Mark Skinner

CONFEREES APPEARING BEFORE THE COMMITTEE:

Dr. Robert Harder, Secretary, Social and Rehabilitation Services
Rick von Ende, University of Kansas
Dr. Mike Harder, Secretary, Department of Administration

INTRODUCTION OF BILL

Dr. Harder appeared to explain to the committee the latest in a series of lawsuits concerning nursing home reimbursement by SRS. He said he had suggested a settlement of \$9.5 million, but the attorneys for the nursing homes rejected the suggestion, and the trial is to begin April 25. He said those attorneys feel they can get as much as \$24 million.

Upon questioning from members of the committee, Dr. Harder gave a brief background of the lawsuit, which originated because of a difference of interpretation of statute. Dr. Harder added that his attorneys are trying to build a case that the Secretary of SRS has the right to determine a reasonable fee for reimbursement; and also, that the nursing homes accepted the fee from SRS for the period in question.

Senator Talkington said he realized this involves a large sum of money, but in view of the fact that there will be a Governor's Budget Amendment in this matter, and also that more money could be spent if a settlement is not made, he felt the bill should be introduced so that Dr. Harder will have that background when he appears in court.

Motion was made by Senator Talkington and seconded by Senator Gaines to introduce a bill appropriating \$9.5 million for settlement of the Country Club nursing home case, and to request that it be referred to Committee of the Whole. The motion carried by roll call vote.

There followed additional discussion concerning the above matter. Senator Hess asked if the State is reasonably well protected under present statutes. Dr. Harder said there is protection under present statutes, and that there were some technical problems in the previous statute. Mr. Furse added that the Court held the current reimbursement formula is okay. Dr. Harder said that interest may still be a debatable point, because the \$9.5 million does not include interest. He also said the Federal Government has indicated there will be a reimbursement to the state of approximately \$3.2 million. He added that this should be the end of the nursing home lawsuits if the settlement is accepted.

SB 882 - Omnibus Appropriations Bill

University of Kansas

Motion was made by Senator Talkington and seconded by Senator Gaines to appropriate \$250,000 to expand the capacity of two computers which were donated to the university. *He said that the two gifts are worth about \$2.5 million, and if the additional money were provided the university could make full use of the gifts. The motion carried by voice vote.

*Senator Talkington

Omnibus Appropriations Bill (Continued)

Centers of Excellence (HB 3081) Page 1-4-B

Senator Hess explained that he had been contacted by each of the three universities involved in this program, and there was concern expressed about the 150% match in HB 2805. He added that the universities will accept the amounts, but do not feel that they can reach the 150% match for two consecutive years. They would like a provision for a 50% match or less. Senator Hess stated that he had also been contacted by House members about HB 3081, which is in this committee.

Senator Talkington stated that he could understand the concern of the universities. He said that businessmen and bankers in major cities have told him they have a certain amount of money set aside for certain purposes, including education. When that amount is used, there is no more money to donate.

Senator Gaines asked about the accomplishments of the Centers, and Senator Hess replied that it is too early to determine that. Mr. von Ende volunteered that each of the schools will choose areas of study where there is expertise already on board.

Motion was made by Senator Talkington and seconded by Senator Gaines to change the 150% match to 75%, with the same dollars that are provided for in HB 2805. The motion carried by voice vote, with Senator Bogina voting "No." The committee agreed that this appropriation should be a separate line item.

University of Kansas Medical Center

A. Other Operating Expenditure Increase - This request was approved.

B. Senate Bill No. 507 - The committee approved the funds requested as a result of passage of this measure.

C. Nuclear Magnetic Resonance (NMR) Imaging System - Following a brief discussion period, the committee agreed to approve this item.

Additional Item

Motion was made by Senator Gaines and seconded by Senator Talkington to authorize the KUMC to develop a proposal for entering into a contract for air ambulance service to transport patients to Bell Memorial Hospital, and to provide that any expenditure be subject to State Finance Council approval. There was a brief discussion, during which Mr. von Ende said the hospital administration had been told they would be able to serve more patients if they developed an air ambulance service. He noted that some people are going to Denver, because the State of Colorado is now operating such a service. The motion carried by voice vote.

Electric Emergency Vehicle

Attachment A (p.m.) was distributed to members of the committee. It was noted by a member of the committee that this would be used to transfer patients from the helicopter pad to the hospital. Senator Bogina indicated that some patients must be carried on gurneys in the rain.

Motion was made by Senator Bogina and seconded by Senator Gaines to provide for an FY 1985 expenditure increase of \$10,000 in the Hospital Revenue Fund to provide for purchase of an electric emergency vehicle. The motion carried by voice vote.

Omnibus Appropriations Bill (SB 882) - Continued

Governor's Budget 4, page 6 - University of Kansas

Senator Werts reported the findings of the subcommittee in this matter. He said this request originated with KANU and the Governor's press secretary worked there at one time. He was the entree into the Governor's office. Senator Werts said Kansas Public Radio has a consortium which agreed to this request. He said he found there is public radio at Garden City, Hutchinson, Hays, and an A.M. station at Kansas State University which broadcasts for five hours a day over WIBW in Topeka. KANU is a 24-hour F.M. station. Senator Werts said the subcommittee has no recommendation.

Motion was made by Senator Steineger and seconded to by Senator Talkington to approve the request for an appropriation of \$25,000 from the State General Fund for KANU as set forth in the Governor's Budget Amendment. The motion carried by voice vote.

Board of Agriculture

A. Senate Bill 735 - The committee approved a total of \$68,434 in this item, with \$15,000 of this amount for other operating expenditures.

B. House Bill 2831 (Pending) - Following a limited discussion, this item was approved by motion of Senator Warren and second by Senator Talkington. It passed on a 5-3 vote.

Senator Harder, vice-chairman of the Committee, chaired the committee from this point until adjournment.

C. House Bill 3119 (Pending) - No action was taken on this item.

D. Governor's Budget Amendment No. 2, Item 9 - The Committee approved this item.

State Conservation Commission (Attachment B - p.m.) - The committee approved an appropriation from the state general fund of \$380 as set out in Attachment B - p.m. but did not approve salaries and wages request, pending a Budget Amendment from the Governor.

Department of Education

A. House Bill 3067 - Savings indicated in this item were approved.

B. House Bill 3092 - This item was not approved.

C. House Bill 3091 (Pending) - (See Attachment/D - p.m.) It was agreed to approve a one-time validation expenditure of \$40,020 from the State General Fund, and a shift in financing of \$45,334 in previously approved FY 1985 state operating costs from the State General Fund to the Certificate Fees Fund. It was noted by Senator Bogina that HB 3092 needs a floor amendment to make sure the University of Kansas can do the testing under the measure.

D. Job Training Partnership Act Funds - There were questions from committee members concerning this item. It was the concensus to approve FY 1984 expenditures from the Job Training Partnership Act Fund of \$600,514, and for FY 1985 of \$919,978; and to not approve the request for an additional Educational Specialist or funding therefor.

Additional Item (See Attachment E - p.m.) - The committee approved restoration of \$25,760 of State General Fund for the State Department of Education for FY 1984, as requested in Attachment E - p.m.

SB 882 - Omnibus Appropriations Bill (Continued)

State Historical Society

- A. Technical Correction - Approval was given for the technical correction.
- B. Budget Amendment No. 2, Item 15 - The amounts requested and suggested in this budget amendment were approved, with the provision that the FY 1985 expenditures be subject to approval of the State Finance Council.
- C. Budget Amendment No. 2, Item 18 - The amendment was approved by the committee.

State Board of Healing Arts

- A. Technical Correction - Restoration of the amount of \$15,000 for FY 1984 was approved.
- B. Senate Bill 507 - Following a short discussion, the committee approved the requests under this item.

Kansas Arts Commission

- A. HB 2643 (Pending) - The committee agreed to place an expenditure limitation of zero on the fund for the statue for the Capitol dome for FY 1985.

Pensions

- A. Senate Sub. for HB 2903 - Motion was made by Senator Gaines and seconded by Senator Warren to instruct staff to make necessary changes and additions in appropriations to carry out the provisions of HB 2903. The motion carried by voice vote.

Kansas Wheat Commission

Requests in letter dated April 17, 1984 (See Attachment F - p.m.)

Both of the items requested in the letter of April 17, 1984, were approved.

State Corporation Commission

- A. SB 812 (Pending) - The committee approved the suggestion in this item to return to the previous policy of a no-limit appropriation.

Additional Request - Approval was given for a \$31,934 increase in the Energy Conservation Plan--federal fund consistent with previous policy decisions to authorize expenditure of federal energy conservation funds. This was a request in a letter to Senator Hess from the Corporation Commission dated April 18, 1984.

Department of Administration

Request from Budget Division - The committee approved a request to correct a posting error in the Department's appropriation bill by reducing the appropriation for the Division of Architectural Services by \$5,500 and increasing funds for the Budget Division by a like amount.

SB 882 - Omnibus Appropriations Bill (Continued)

Department of Administration (Continued)

A. HB 2678 - The requests in this item were approved, with no limit on program expenditures and a \$106,904 limit on salaries and other operating expenditures.

B. HB 3121 (Pending) - No decision was made at this time for this item.

C. SB 870 (Pending) - This item was approved by the committee.

D. SB 721 (Pending) - No decision was made on this item.

E. SB 696 - The addition of the Motor Vehicle and Highway Equipment Sales Fee Fund was approved with no limit.

F. Budget Amendment No. 2 - Utilities - The requests under this amendment were approved.

G. Data Processing - No action was taken on this item, pending a report by Senators Winter and Johnston.

Budget Amendment No. 4, page 10

There were numerous questions from committee members regarding this item. Dr. Harder indicated that Mr. Cobler, Director of Division of Accounts and Reports, says his division cannot reconcile accounts until the end of 1985 unless additional employees are added. Dr. Harder said that, because he has been Secretary of Administration for only a short time, he is not certain these are needed. On the other hand, he said he does not want the problem of having tasks unfinished. It was decided by the committee to grant the request in this budget amendment, but to indicate there must be Finance Council approval for expenditure of funds.

KANZ Request - This request for \$50,000 of state funding to help reach a \$99,000 match for a Federal grant was not approved.

Forestry, Fish and Game Commission

Operation Game Thief Program - Senator Gaines distributed Attachment G - p.m. He explained that this would involve a toll free line for citizens to call and report game thieves; and the funding would be entirely from the Fee Fund.

Motion was made by Senator Gaines and seconded by Senator Hein to include \$24,000 for this purpose. The motion carried by voice vote.

Request from Senator Daniels for Appropriation for Childrens' Clinic

It was noted that members of the committee had received letters from Senator Norma Daniels outlining the need for a clinic in Wichita, and requesting that an appropriation of \$30,000 be made toward such a clinic. It was the concensus of the committee to suggest to Senator Daniels that she prepare a floor amendment for this item.

Kansas Bureau of Investigation

Letter from Attorney General dated April 24, 1984 to Senator Hess - This letter included a request for \$3,000 to finance the Crime Prevention Committee.

Motion was made by Senator Gaines and seconded by Senator Steineger to include the request \$3,000 for FY 1985. The motion carried by voice vote.

SB 882 - Omnibus Appropriations Bill (Continued)

Department of Human Resources

Staff indicated there is a discrepancy in statute concerning appropriations from the Special Employment Security Fund which needs to be corrected.

Motion was made by Senator Bogina and seconded by Senator Werts to instruct staff to make whatever changes are necessary to correct the problem. The motion carried by voice vote.

Insurance Department

Staff reviewed a request from the Insurance Department for an appropriation in the amount of \$25,258 from the State General Fund for hiring a manager for the building in which the department is located. No action was taken on this request.

Motion was made by Senator Gaines and seconded by Senator Warren to introduce the Omnibus Appropriations Bill (SB 882) and request that it be referred to Committee of the Whole. The motion carried by roll call vote.

The meeting was adjourned by Vice-Chairman Senator Harder.

DRAFT
4/23/84

Bill No. _____

By _____

AN ACT concerning competency to stand trial; amending K.S.A. 1983 Supp. 22-3302 and repealing the existing section.

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

Section 1. K.S.A. 1983 Supp. 22-3302 is hereby amended to read as follows: 22-3302. (1) At any time after the defendant has been charged with a crime and before pronouncement of sentence, the defendant, the defendant's counsel or the prosecuting attorney may request a determination of the defendant's competency to stand trial. If, upon the request of either party or upon the judge's own knowledge and observation, the judge before whom the case is pending finds that there is reason to believe that the defendant is incompetent to stand trial the proceedings shall be suspended and a hearing conducted to determine the competency of the defendant.

(2) If the defendant is charged with a felony, the hearing to determine the competency of the defendant shall be conducted by a district or associate district judge.

(3) The court shall determine the issue of competency and may impanel a jury of six persons to assist in making the determination. The court may order a psychiatric or psychological examination of the defendant. To facilitate the examination, the court may: (a) Commit the defendant to any appropriate ~~state~~ county or private institution for examination and report to the court; ~~provided, however, in~~ crisis situations, the court may request the secretary of social and rehabilitation services for authority to commit the defendant to a state institution; (b) designate any appropriate psychiatric or psychological clinic, mental health center or other psychiatric or psychological facility to conduct the

examination while the defendant is in jail or on pretrial release; or (c) appoint two qualified licensed physicians or certified psychologists, or one of each, to examine the defendant and report to the court. If the court commits the defendant to an institution for the examination, the commitment shall be for not more than 60 days or until the examination is completed, whichever is the shorter period of time. No statement made by the defendant in the course of any examination provided for by this section, whether or not the defendant consents to the examination, shall be admitted in evidence against the defendant in any criminal proceeding. Upon notification of the court that a defendant committed for psychiatric or psychological examination under this subsection has been found competent to stand trial, the court shall order that the defendant be returned not later than five days after receipt of the notice for proceedings under this section. If the defendant is not returned within that time, the county in which the proceedings will be held shall pay the cost of maintaining the defendant at the institution or facility for the period of time the defendant remains at the institution or facility in excess of the five-day period.

(4) If the defendant is found to be competent, the proceedings which have been suspended shall be resumed. If the proceedings were suspended before or during the preliminary examination, the judge who conducted the competency hearing may conduct a preliminary examination or, if a district magistrate judge was conducting the proceedings prior to the competency hearing, the judge who conducted the competency hearing may order the preliminary examination to be heard by a district magistrate judge.

(5) If the defendant is found to be incompetent to stand trial the court shall proceed in accordance with K.S.A. 22-3303 and amendments thereto.

(6) If proceedings are suspended and a hearing to determine the defendant's competency is ordered after the defendant is in jeopardy, the court may either order a recess or declare a mistrial.

(7) The defendant shall be present personally at all proceedings under this section.

Sec. 2. K.S.A. 1983 Supp. 22-3302 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Statement Regarding _____ Bill No. _____

I. Competency to Stand Trial

This bill relates to competency to stand trial evaluations; amending K.S.A. 1983 Supp. 22-3302 and repealing the existing section.

II. Background

This legislation is being introduced to set up a mechanism for competency evaluations to be conducted in a less restrictive environment by encouraging that they be conducted through community agencies.

III. Discussion

The effect of the passage of this bill would have several benefits as outlined in the Legislative Division of Post Audit report March 1984: 1) Lower cost per evaluation. The cost saving is contrasted by a 50-70 day stay in a state psychiatric hospital to a few hours or days when provided by a community mental health center. 2) Faster processing of criminal cases in district courts. These evaluations can be scheduled more quickly in a community setting which in turn would enable district courts to expedite the processing of criminal cases. 3) Treatment in a less restrictive environment. Court-ordered mental evaluations conducted through a community agency result in a person being served in a less restrictive environment than a state mental hospital. 4) Better use of state hospital facilities. By more competency evaluations being done at the community level, space could be made available for other persons who need care and treatment at the state hospital.

IV. SRS Position

The Department of Social and Rehabilitation Services supports the bill because competency to stand trial evaluations can be conducted at a lower cost in the community, in a less restrictive environment and will make additional state psychiatric beds available to other citizens in need of care.

Robert C. Harder, Secretary
Office of the Secretary
Social and Rehabilitation Services
296-3271
April 23, 1984

B4-24-84

DRAFT
4/19/84

_____ Bill No. _____

By _____

AN ACT concerning competency to stand trial; amending K.S.A.
1983 Supp. 22-3302 and repealing the existing section.

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

Section 1. K.S.A. 1983 Supp. 22-3302 is hereby amended to read as follows: 22-3302. (1) At any time after the defendant has been charged with a crime and before pronouncement of sentence, the defendant, the defendant's counsel or the prosecuting attorney may request a determination of the defendant's competency to stand trial. If, upon the request of either party or upon the judge's own knowledge and observation, the judge before whom the case is pending finds that there is reason to believe that the defendant is incompetent to stand trial the proceedings shall be suspended and a hearing conducted to determine the competency of the defendant.

(2) If the defendant is charged with a felony, the hearing to determine the competency of the defendant shall be conducted by a district or associate district judge.

C
4-24-84

(3) The court shall determine the issue of competency and may impanel a jury of six persons to assist in making the determination. The court may order a psychiatric or psychological examination of the defendant. To facilitate the examination, the court may: (a) Commit the defendant to any appropriate ~~state~~ county or private institution for examination and report to the court; (b) designate any appropriate psychiatric or psychological clinic, mental health center or other psychiatric or psychological facility to conduct the examination while the defendant is in jail or on pretrial release; or (c) appoint two qualified licensed physicians or certified psychologists, or one of each, to examine the defendant and report to the court. If the court

state

except that the court shall not commit the defendant to a state institution unless, prior to such commitment, the director of the local area ~~area~~ *county* mental health center shall recommend to the court that examination of the defendant should be performed at a state institution.



M-3

Supreme Court of Kansas

Kansas Judicial Center

301 W. 10th

Topeka, Kansas 66612

HOWARD SCHWARTZ
Judicial Administrator

(913) 296-4873

April 4, 1984

Dr. Robert C. Harder,
Secretary
Department of Social and
Rehabilitation Services
State Office Building

Dear Dr. Harder:

This is to follow up on our conversation of April 4. We discussed the problem of limited bed space at Larned State Hospital and the demands placed on that bed space by commitments for competency examinations for persons charged in district court. I am certainly aware and concerned about the issue of crowding in our prison system, and I realize the relationship of LSH bed space to this issue.

Given the current statutory provision giving the local judge broad discretion in ordering examinations in regard to determination of competency to stand trial, I do not believe the Court would agree to a request to issue an administrative order limiting that discretion.

However, I will not oppose your effort to seek a statutory change to K.S.A. 22-3302(3)(a) to provide that before a defendant is ordered committed to Larned State Hospital for competency examination, the local area mental health center (or other agency designated by SRS) must certify to the judge that examination of the defendant requires such commitment.

Statutory change may not significantly reduce the numbers of competency hearings at Larned. However, as you know, this was one of the possible steps suggested in the recent Post Audit report on "Court-Ordered Mental Evaluations at the State Hospitals." Senator Paul Hess has indicated he was giving this option serious consideration.

D
4-24-84

April 4, 1984

Should you decide to pursue such a change, I would mention several areas of concern of which I am aware. One is funding. It appears additional State funding would be needed to pay local mental health centers for doing these examinations. I would support the funneling of any such funding through SRS or any other appropriate mechanism. I could not support funding through the Office of Judicial Administration.

Another concern is geographical coverage. Since many of the more rural areas are served by widely spaced community mental health centers, it would be important that each district court be clearly informed as to where a defendant should be referred for examination or possible referral to a State institution.

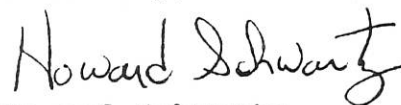
A related concern is timeliness. In some instances, speedy referral of a defendant who may be dangerous to himself or others is crucial. Delay in the "certification" process should be minimized.

I believe any statutory change should be drawn to leave undisturbed the options in K.S.A. 22-3302(3)(b) and (c)--that is, options other than commitment to the State institutions. These options are widely used throughout the State and, so far as I know, are working well.

Finally, it would appear any proposed statutory changes to the current competency examination procedures should be considered by the legislature in light of the possible ramifications of Durflinger v. Artiles, 234 Kan. 484 (1983).

If you have any questions or if I can be of any further assistance, please do not hesitate to call on me.

Sincerely,



Howard Schwartz
Judicial Administrator

HS:dm

ITEMS FOR OMNIBUS CONSIDERATION

Department of Transportation

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

Kansas Bureau of Investigation

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

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

Social and Rehabilitation Services

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

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

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

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

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

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

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

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

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

\$ 650,000 E. Medical Assistance Program. During its consideration of appropriations for SRS, the Legislature reduced the FY 1984 medical assistance budget by \$4,482,180 of which \$2,474,163 was from the State General Fund. That reduction was agreed upon in Conference Committee, based upon review of medical assistance expenditures in the Omnibus Appropriations Bill. The \$4.5 million reduction was based upon actual

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

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

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

Kansas Highway Patrol

MOTION IN MINUTES FOR "SPACE" FUNDS

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

OK

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

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

1500 ✓ ✓ and \$15,000 changed.

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

Department of Health and Environment

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

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

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

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

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

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

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

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

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

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

Judicial Branch

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

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

Securities Commissioner

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

Board of State Fair Managers

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

Larned State Hospital

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

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

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

Osawatomie State Hospital

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

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

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

Topeka State Hospital

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

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

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

Rainbow Mental Health Facility

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

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

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

Kansas Neurological Institute

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

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

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

Parsons State Hospital and Training Center

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

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

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

Norton State Hospital

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

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

Winfield State Hospital and Training Center

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

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

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

Animal Health Department

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

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

Crime Victims Reparations Board

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

Youth Center at Topeka

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

Youth Center at Beloit

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

Youth Center at Atchison

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

Kansas Park and Resources Authority

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

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

Kansas Department of Economic Development

NO SPLIT A. Technical Correction. In consideration of the FY 1985 budget, both the House and Senate approved research project grants totaling \$610,000. The Kansas Advanced Technology Commission through the Office of the Secretary of Kansas Department of Economic Development (KDED), has requested that this amount be subject to the same individual limitations that were established in FY 1984: \$220,000 for the University of Kansas; \$175,000 for Kansas State University; \$130,000 for Wichita State University; and \$85,000 for Pittsburg State University.

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

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

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

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

Kansas Public Employees Retirement System

OK EXCEPT
#5400
A. Senate Substitute for House Bill No. 2903. This is an omnibus retirement bill which mainly affects the Kansas Public Employees Retirement System (KPERS), Kansas Police and Firemen's Retirement System (KP&F), and Judges Retirement System. The bill makes numerous changes in the benefits for active members and retirants of KPERS. The agency is requesting \$5,400 in FY 1984 and \$29,764 in FY 1985 from the Kansas Public Employees Retirement Fund to finance increased operating expenses associated with the statutory changes. The FY 1984 amount of \$5,400 would be used to print and mail a special issue of "KPERS Papers" to all active and retired members of KPERS informing them of the provisions of Senate Sub. for H.B. 2903. For FY 1985 the agency is seeking \$24,264 for printing and distribution of 116,000 individual employee information manuals to update the publications as a result of the actions of the 1984 Legislature. In addition, the agency is requesting \$5,500 for computer programming modifications to implement the bill.

Kansas State Penitentiary

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

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

NO C. FY 1984 Appropriation. The agency is requesting that \$225,245 from the State General Fund that was reappropriated in S.B. 552 to FY 1985 not be reappropriated, but instead be used to meet expenditures in the current year. The agency maintains that expenditures for medical costs, utilities, and inmate pay will all be higher than estimated when S.B. 552 was considered.

State Industrial Reformatory

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

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

Department of Corrections

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

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

Mental Health and Retardation Services

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

Board of Tax Appeals

✓ A. Clerical Assistance. For Omnibus bill consideration, the Senate Ways and Means Committee asked the Chairman of the Board to assess staff needs in regard to industrial revenue bond (IRB) filing requirements. In a letter dated March 23, 1984, the Chairman requested financing for a law clerk to work full time for six months to reduce the backlog of files. State General Fund financing of \$7,913 would be required. *#7000* The House Ways and Means Committee had recommended that the Board study the problem and report to the 1985 Legislature its needs relative to IRB filings. S.B. 869 was introduced at the request of the Board and the Chairman of the Senate Assessment

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

Department of Human Resources

OK A. Technical Adjustment. H.B. 2703 and 3093 established a \$0 limit for expenditures from the Special Employment Security Fund, but by proviso allowed that any expenditures for purposes specified in K.S.A. 44-716a would be in addition to the \$0 limitation for FYs 1984 and 1985. Further search of the statutes revealed that K.S.A. 75-6210 allows funds to be transferred to the Director of Accounts and Reports' Account Services Recovery Fund in conjunction with set-off procedures specified in statute. The Committee should consider adding this other statutory reference which would allow funds to be used FYs 1984 and 1985 without State Finance Council approval for the purposes stated in statute.

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

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

Department of Revenue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NO 7. H.B. 3031 prohibits the sale or distribution of smokeless tobacco products to persons under the age of 18. The agency requests \$1,240 in FY 1985 from the State General Fund to notify tobacco products licensees of legislative changes.

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

Add \$20,000 for advertising → 9. Data Processing expenses are estimated by the agency in conjunction with five bills which have been enacted:

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

OK ← only these OK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ITEMS FOR OMNIBUS CONSIDERATION

Attorney General

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

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

Insurance Department

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

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

Secretary of State

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

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

State Treasurer

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

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

Legislative Coordinating Council

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

Adjutant General

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

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

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

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

Regents Systemwide

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

Approve only HB 2805-
B. Substitute for H.B. 3081 (Pending). Sub. for H.B. 3081 creates and provides funding for Centers of Excellence at the University of Kansas, Kansas State University, and Wichita State University. For FY 1985 the bill appropriates \$210,000 from the State General Fund for the operations of each center. Expenditure of up to \$70,000 from the State General Fund is contingent on securing an equal match from private sources. Thus, the maximum total fiscal impact is \$630,000 from the State General Fund and \$210,000 from private funds, for a total of \$840,000 for all three centers.

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

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

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

^{NO} C. Telephone Rates — FY 1984 and FY 1985 Supplemental Appropriations.
 On February 17, 1984, the Board of Regents approved requests for additional funding in FY 1984 and FY 1985 for increased telephone costs. The requests total \$141,615 for FY 1984 and \$558,670 for FY 1985 as shown in the following table:

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

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

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

Adjustments to FY 1984 Requests

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

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

Adjustments to FY 1985 Requests

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

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

- DO WHAT HOUSE DID

NO INCREASE FOR FY85

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

Requested Additional Utilities Funding

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

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

Revised Utilities Funding

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

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

FY 1984 Utilities

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

* Excludes savings used for energy conservation.

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

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

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

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

Emporia State University

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

Pittsburg State University

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

University of Kansas

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

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

University of Kansas Medical Center

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

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

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

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

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

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

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

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

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

Board of Agriculture

68,434 a.g.f. Total

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue increases are anticipated by the agency as follows:

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

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

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

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

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

Department of Education

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OK this plus 40,020/ (see minutes) and AH. D

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

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

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

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

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

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

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

GRAYED
AS NOTED

<u>State Operations:</u>	<u>FY 1984</u>	<u>FY 1985</u>
Salaries and Wages:		
1.0 F.T.E. Educational Specialist	\$ 4,266	\$ 27,834
1.0 F.T.E. Clerical Position	1,984	12,023
	<u>\$ 6,250</u>	<u>\$ 39,857</u>
Other Operating Expenditures:		
Communications	\$ 500	\$ 2,000
Printing and Advertising	100	500
Rents	280	820
Repairing and Servicing	70	280
Travel and Subsistence	2,200	7,200
Fees-Other Services	3,000	5,000
Utilities	75	300
Professional Supplies	500	1,000
Stationery and Office Supplies	125	500
Subtotal	<u>\$ 6,850</u>	<u>\$ 17,600</u>
State Operations Total	<u>\$ 13,100</u>	<u>\$ 57,457</u>

Financial Aid:

Federal Aid to Local Units	\$235,237	\$717,621
Federal Aid to Qualified Nonstate Organizations	94,958	144,900
Federal Aid to Other State Agencies	<u>257,219</u>	<u>—</u>
Federal Aid Total	<u>\$587,414</u>	<u>\$862,521</u>
GRAND TOTAL	<u>\$600,514</u>	<u>\$919,978</u>

Additional F.T.E. positions requested

—

2.0* 1 OKayed by House

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

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

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

State Historical Society

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

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

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

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

State Board of Healing Arts

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

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

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

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

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

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

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

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

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

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

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

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

Kansas Arts Commission

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

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

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

OK

Pensions

✓ STAFF AUTHORIZED TO TAKE OF THIS

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

State Corporation Commission

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

Department of Administration

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

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

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

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

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

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

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

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

FEE FUND
w/NO LIMIT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590

John Carlin Governor

March 16, 1984

Budget Amendment No. 2

The Honorable Paul Hess, Chairperson
Committee on Ways and Means
Senate Chamber
Third Floor, Statehouse

and

The Honorable William Bunten, Chairperson
Committee on Ways and Means
House of Representatives
Third Floor, Statehouse

Gentlemen:

This letter presents several amendments to my budget recommendations for FY 1984 and FY 1985. In total, these amendments decrease FY 1984 expenditures as recommended in my budget report by \$130,960 and increase FY 1985 expenditures by \$46,145. State General Fund expenditures are increased by \$433,580 for FY 1984 and decreased by \$6,721,614 for FY 1985. Special revenue expenditures are decreased by \$564,540 for FY 1984 and increased by \$6,767,759 for FY 1985.

Banking Department-Consumer Credit Commission-Savings and Loan
Department-Credit Union Department HB 2680

In response to the loss of skilled and experienced state employees to counterpart opportunities in the private sector, the Division of Personnel Services conducted a study of the Financial Examiner position class. The recently completed study recommends a new structure and salary range increases for the class series to improve the competitiveness of the position.

To allow for implementation of the recommended adjustments to the financial examiners classification effective FY 1985, I

amend my budget to increase FY 1985 fee fund salary and wage expenditures for the following agencies by the specified amounts: Banking Department, \$30,527 (amount in addition to \$78,278 included in the 1985 Governor's Budget Report); Consumer Credit Commission, \$19,942; Savings and Loan Department, \$1,207; and Credit Union Department, \$18,802.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$ --	\$ 70,478

Adjutant General's Department ~~SB 552~~ ⁵⁷⁸

A State General Fund appropriation in the amount of \$74,073 was made to the Adjutant General for Fiscal Year 1984 for payment by the Division of Emergency Preparedness in an amount equal to 10 percent of the estimated total cost of public property repairs as a result of the presidential disaster declaration connected with flooding in Jackson County in June 1982. The appropriation made by the 1983 Legislature assumed total costs not exceeding \$741,000. As repairs have proceeded in Jackson County it now appears that total reconstruction costs will be slightly in excess of \$1.0 million and, therefore, the state 10 percent portion will exceed \$100,000. The Federal Emergency Management Agency pays 75 percent of the costs, the state 10 percent and the balance is paid by the local units of government involved. These local units of government include townships and the county government.

I amend my budget to add \$30,000 from the State General Fund to the FY 1984 appropriation in order that the state can pay the 10 percent matching portion for which it is committed. A final audit of the construction costs to be completed in the near future will determine the actual final liability of the state and any excess funds that might result from this supplemental appropriation will be lapsed by the agency.

In addition, an emergency recently occurred concerning a leak of natural gas at the Kansas City Army National Guard Armory. The Adjutant General was notified of this gas leak on February 13, 1984 and a detailed inspection of the problem indicated that replacement of a certain section of pipe was required. This replacement of approximately 452 feet of line required excavation through a paved, city street and reconstruction of the street to its previous condition.

The agency began the work immediately using funds appropriated in the current year for capital improvements. The funds are not limited but were intended originally for roof repairs at various armories. Therefore, I believe that the costs of the repair in Kansas City should not detract from the ability of the agency to complete its FY 1984 capital improvement roof repairs, as scheduled. I amend my FY 1984 recommendations for

the budget of the Adjutant General to add State General Fund appropriations of \$22,430 to the capital improvements account to restore the funding required for the emergency repairs.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ 52,430	\$ --

Kansas Department of Transportation SB 506

My FY 1985 recommendation for the Kansas Department of Transportation contains funding for two state park road projects from the State Highway Fund. The two projects are Lake Scott (\$250,000) and Tuttle Creek (\$300,000). The total of \$550,000 will be matched 50 percent with Land and Water Conservation Funds.

Subsequent to the submission of the 1985 Governor's Budget Report, the Park and Resources Authority has reevaluated its proposal at Tuttle Creek. There is the possibility that the Authority will abandon two areas on the upper edge of Tuttle Creek, which would no longer necessitate the extensive road work planned in those areas.

I therefore amend my FY 1985 recommendation to reduce the amount of funding for road projects at Tuttle Creek from \$300,000 to \$200,000 and reallocate the \$100,000 for road improvements at Kanopolis State Park. These amendments will not change the total amount for park road construction projects as contained in the 1985 Governor's Budget Report.

Kansas Fish and Game Commission SB 550

Subsequent to the submission of the 1985 Governor's Budget Report the Kansas Fish and Game Commission requested authority to enhance its Boating Safety, Education and Enforcement Program with funds available from a federal coast guard grant.

I amend my budget to include expenditures of \$107,180 from this federal grant.

	<u>FY 1984</u>	<u>FY 1985</u>
Federal Funds	\$ --	\$ 107,180

Kansas Corporation Commission-Kansas Department of Health and Environment SB 514

In September, 1983, the House Committee on Communication, Computers and Technology directed the five primary water agencies to coordinate their water data collection and use. As a result

of the meetings between these agencies, a joint proposal was made by all five agencies to fully interlink all of the state's water data bases through the Division of Information Systems and Computing. The five agencies affected are the Kansas Corporation Commission, the Kansas Water Office, the Department of Health and Environment, the Division of Water Resources-State Board of Agriculture, and the Kansas Geological Survey. The joint proposal, when implemented, will allow better management of the state's water through faster and more complete access to water data. The centrally-accessed data base should also prove valuable in both the development and implementation of the State Water Plan.

To carry out this proposal, I am amending my budget recommendation to provide for expenditure of an additional \$27,538 from the Conservation Fee Fund of the Conservation Division of the Kansas Corporation Commission and appropriation of an additional \$60,688 from the State General Fund for the Kansas Department of Health and Environment. Of the total amount recommended for the two agencies, \$42,708 is intended to provide computer terminals and printers in the six district offices shared by the two agencies. The remaining \$45,518 will allow both agencies to computerize water-related information and to make this data accessible to other agencies. The Kansas Water Office, the Division of Water Resources of the State Board of Agriculture and the Kansas Geological Survey will be able to fully participate in this joint venture within the amounts contained in the 1985 Governor's Budget Report.

	<u>FY 1984</u>	<u>FY 1985</u>
State Corporation Commission		
Special Revenue Funds	\$ --	\$ 27,538
Department of Health and Environment		
State General Fund	\$ --	\$ 60,688

Department of Corrections SB 552 SB 578

Based upon the third quarter payments made to counties participating in the community corrections program, additional savings of \$275,000, due to higher than anticipated grant reductions for chargebacks, will be realized in the current fiscal year. Although grant amounts for the last quarter of the fiscal year will not be determined until April, it is anticipated that an additional ten percent entitlement reduction due to chargebacks for the three major counties participating in the program resulting in additional savings of \$100,000 will be experienced for that time period.

Further, based upon this fiscal year's experience, I amend my FY 1985 budget recommendations to reflect a program entitlement reduction rate due to chargebacks of 30 percent

instead of the 25 percent reflected in my original recommendations, resulting in a reduction of \$320,000. However, this reduction is offset by an additional amount of \$104,000 needed to make it feasible for Montgomery County to participate in the community corrections program. Subsequent to preparation of my initial recommendations, the Department of Corrections informed me that a statutory change will be necessary to provide a supplementary entitlement to Montgomery County (and other such counties that may enter the program in subsequent fiscal years) to make it practical that such counties participate in the program. Under the current entitlement formula, due to the combination of high commitment rates and low population, Montgomery County would have to reduce commitments by an excessive amount in order to have even minimal funds to operate a program after chargeback costs are deducted. Legislation has been introduced to address this problem.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ (375,000)	\$ (216,000)

Secretary of State *HB 2692*

Provisions for appropriation of an amount from the State General Fund to serve as a contingency for possible expense incurred by the Secretary of State related to recall of elected officials was inadvertently omitted from my budget recommendation. I amend my budget recommendation to provide for appropriation of \$20,000 from the State General Fund for such a contingency.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$ 20,000

Kansas Water Office *HB 2693*

I amend my budget recommendation to include an additional \$21,441 from the State General Fund for the Kansas Water Office to finance a special assistant for the Chairman of the Kansas Water Authority for nine months of FY 1985 and \$2,000 for rent and other expenses associated with the position. In conjunction, I amend the position limitation for the Kansas Water Office from 24.50 to 25.25, an increase of .75 for FY 1985.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$ 23,441

Board of Agriculture HB 2693 HB 2703

The Statistical Services and Support program of the Board of Agriculture has annually contracted with the Kansas Wheat Commission to prepare a newsletter providing information to Kansas wheat growers. Following the preparation of the 1985 Governor's Budget Report, the Wheat Commission agreed to contract in the current year with the Statistical Division to address and mail out the wheat newsletter, since this division has acquired in confidence names and addresses of all Kansas wheat growers. The additional \$2,500 necessary to do this has been transferred from the Wheat Commission. I therefore amend my FY 1984 recommendation to include an additional \$2,500 in expenditures from the Wheat Quality Survey Fund to allow the State Board of Agriculture to address and mail the wheat newsletter for the Kansas Wheat Commission.

To support the establishment and proper administration of minimum streamflows, I amend my FY 1985 budget recommendations for the Board of Agriculture to include an additional \$70,960 from the State General Fund for the Division of Water Resources. This amount will allow the Division to add two professional positions and will provide additional funds for travel, communications, capital outlay, and temporary help to administer the minimum streamflow standards, which are to be established by the Legislature through adoption of the first section of the State Water Plan. In conjunction, the position limitation for the State Board of Agriculture must be increased by 2.0 F.T.E. for FY 1985.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$70,960
Special Revenue Funds	2,500	\$ --

Department of Human Resources HB2692 HB2703

Information received subsequent to the preparation of my budget regarding federal funding for the Jobs Training Partnership Act Program (JTPA) requires amendment of the amounts contained in the 1985 Governor's Budget Report for FY 1984 and FY 1985.

The amended amounts of JTPA federal funds are as follows:

	<u>FY 1984</u>	<u>FY 1985</u>
Title II-A	\$ 7,972,700	\$11,914,392
Title II-B	2,232,969	4,465,938
Title III-Dislocated Workers	1,307,210	924,805
Total	<u>\$11,512,879</u>	<u>\$17,305,135</u>

The FY 1984 total is based on actual allocation notice from the U.S. Department of Labor. The FY 1985 total is based on planning figures which were recently published in the Federal Register.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Fund	(\$578,565)	\$3,376,075

Attorney General *HB 2692*

To assure the availability of legal services for low-income farmers who face administrative or judicial proceedings involving federal credit agencies, I amend my budget recommendation to provide \$135,000 from the State General Fund for the Office of the Attorney General. The funds are to be used by the Attorney General to contract with legal service providers for the provision of information, advice, counsel and representation on behalf of farmers who are unable to pay for such services and are seeking relief from federal credit agencies.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$135,000

Department of Revenue *HB 2686* ²⁷⁰³

Due to a lower than anticipated turnover rate in the Department of Revenue and the need to insure the timely processing of state income tax returns, I amend my recommendation for FY 1984 to increase State General Fund amounts contained in the 1985 Governor's Budget Report by \$196,000. Based upon the latest projection of the agency's salaries and wages for the rest of FY 1984, a State General Fund shortfall of \$276,000 is predicted. To partially offset the projected deficit, State General Fund savings of \$80,000 from various objects of other operating expenses have been identified. With the transfer of the savings identified from other operating expenses and the addition of the proposed funding, FY 1984 salary and wage provisions should be sufficient to support the timely processing of income tax revenues and continue the current level of field audit activities.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$196,000	\$ --

Securities Commissioner *HB 2680* ²⁷⁰³

A discrimination suit filed against the Kansas Corporation Commission and the Securities Commission was recently dismissed.

The Attorney General in October, 1980, advised that it was legally permitted to pay the fees for counsel from the Securities Act Fee Fund. The unpaid bills for legal services relating to the case total \$3,725. To allow payment of the bills by the Securities Commissioner in FY 1984, I amend my recommendation contained in the FY 1985 Governor's Budget Report to increase the expenditure limitation on the Securities Act Fee Fund by \$3,725, from \$477,718 to \$481,443.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$ 3,725	\$ --

Kansas Public Employees Retirement System *HB 2686*

Several years ago, Kansas decided to amortize the prior service liability for members of the old Kansas School Retirement System over a defined period of years by making an annual transfer from the State General Fund to the KPERS Fund of \$10.0 million. It is now possible to terminate the remaining scheduled transfers necessary to pay for this prior service liability and to make these KSRS annuitants special members of KPERS-School. This change would effectively spread the remaining liability for the KSRS annuitants over the balance of the prior service amortization period of KPERS-School. KPERS-School is amortizing its prior service liability over 40 years and the remaining amortization period is 27 years. This change would have the effect of eliminating the statutory demand transfer of \$10.0 million from the State General Fund and would therefore reduce my recommended expenditures and demand transfers from the State General Fund by such amount for FY 1985.

The annuitants under the KSRS system have received savings annuities based upon their contributions during their period of service to the savings annuity program. I recommend that the legislation necessary to eliminate the final amortization transfers for the service annuities of this group also alter the savings annuity benefits which they are receiving to more properly reflect the investment return which has been experienced since 1971 when KSRS was abolished. I believe that statutory changes could be made, without significant alterations to the future employer contribution rates of this group, to increase savings annuities by 50 percent. This change would increase estimated expenditures for such annuities for FY 1985 from \$443,371 to \$665,057. These expenditures would come from the KPERS Fund.

The results of these amendments would increase future employer contribution rates, statutorially paid by the state, for the KPERS-School group. The FY 1985 employer contribution rate is certified at 4.4 percent. The recommended changes will have an impact upon whatever rate is certified for FY 1986 and beyond. At this point, it appears that these recommended changes will

increase those future rates by .1 percent of covered payroll beginning in FY 1986.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$(10,000,000)
KPERS Fund	\$ --	\$ 221,686

Kansas State Historical Society SB 550

Subsequent to the preparation of my budget, the Kansas State Historical Society notified me of a potential hazardous situation concerning the Memorial Building which houses the State Historical Society that requires immediate attention.

Following discovery by the Capitol Area Security that a large piece of the cornice had fallen from the Memorial Building, netting was installed to protect the public at entrances and exits from the possibility of other pieces dislodging and falling to the ground. A snow fence was also installed to limit entry on the grounds of the Memorial Building. In addition, the Historical Society contracted a structural engineering firm to conduct a preliminary investigation relative to the condition of the building's facade. Their report dated February 23, 1984, identified repairs in addition to the stabilization of the cornice as necessary to ensure the structural integrity of the museum building.

The report first pointed out the need for erecting roof barricades at all building entrances as further protection for the public. Many of the terra-cotta blocks in the roof were found to be loose and the netting which was installed around the roof as a precautionary measure would provide inadequate protection from smaller fragments.

In response to the immediate hazard and potential liability, I amend my FY 1984 budget recommendation to reallocate \$9,100 to be spent immediately to install monitoring devices and to erect roof barricades, chain link fencing and signage at all entrances to protect the public. In addition, I recommend reallocation and expenditure of \$13,825 in the current year to provide for an in-depth structural improvement analysis. The cost of these initiatives is to be funded through transfer of savings realized on the museum move contract in the current year from the museum program to the contingency account of the administration program. I recommend that this transfer be implemented as soon as possible to allow the agency to begin installation of the protective devices.

It is extremely important that the Memorial Building be repaired and restored to a safe condition and that further deterioration of the facade be arrested as soon as possible. Preliminary estimates place the cost of repair at \$435,000. I

amend my budget to provide \$435,000 from the State General Fund in fiscal year 1985 to fund the repair and restoration of the exterior facade on the Memorial Building.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$435,000

Department of Social and Rehabilitation Services SB 514

The 1985 Governor's Budget Report expenditure estimates for public assistance were based on case data available at that time, previous economic cycles and economic assumptions that might impact caseloads in the future. My recommendations at that time provided for 108,000 person months of general assistance and 808,252 person months of aid to dependent children.

Since the preparation of my budget, the Division of the Budget and the Department of Social and Rehabilitation Services have continuously monitored caseload trends. Based upon current information it now appears that my FY 1985 recommendations for public assistance need to be adjusted upward. I am amending my budget recommendation to provide that the public assistance caseloads for FY 1985 be increased to 130,719 person months for general assistance and 814,883 person months for aid to dependent children. This caseload adjustment requires additional expenditures of \$4,172,092 in FY 1985. Of this amount, \$3,942,182 will be additional expenditures from the State General Fund. It should be noted that the increase in person months is slightly offset by a decrease in the average grant award for the GA and ADC programs.

The Vocational Rehabilitation Program of the Department of Social and Rehabilitation Services has been informed that it will receive an additional \$315,692 in Federal Vocational Rehabilitation Funds for FY 1985. These additional receipts were not anticipated at the time I prepared my FY 1985 budget recommendations. In addition, my budget recommendations included \$698,903 in federal funds that were to be matched with a local revenue source which at that time had not yet been developed. It has now been ascertained that the Kansas Association of Rehabilitation Facilities will provide a portion of the match for both the amount included in my budget recommendations and the additional federal funds to be received. Therefore, I am amending my budget to provide that the additional federal funds of \$315,692 be made available to the Department and that a Special Revenue Fund be created to utilize the \$253,648 match to be provided by the Kansas Association of Rehabilitation Facilities and other local providers.

The Department of Social and Rehabilitation Services is requesting that 21.5 additional positions and expenditures of

\$417,224 be authorized in FY 1985 in order for the State Child Support Program to provide services to non-ADC applicants. The expenditures would be financed with federal funds, \$292,057, and fee funds, \$125,167. This expansion of the State Child Support Program is necessary in order for the Department to provide adequate services to the increasing number of non-ADC applicants utilizing the services of the Department as provided for by current state law. I concur with the request of the Department and amend my FY 1985 budget recommendations to provide for the expenditure of the federal funds and to increase the position limitation by 21.5 positions.

The Department of Social and Rehabilitation Services has created five special project positions in the current fiscal year to administer the refugee assistance and low income energy assistance programs in Sedgwick County. The Department has now learned that the federal funds utilized to fund these positions will be extended beyond FY 1984. The Department is requesting that the FY 1985 position limitation for the Department be increased by five positions and that \$80,563 in federal refugee assistance funds be made available to finance the positions. In addition, the Department is requesting that \$12,000 in operating expenditures be provided for the Wyandotte County Refugee Assistance Program in FY 1985. I concur with these recommendations and request that my FY 1985 budget recommendations be amended to reflect the request of the Department.

The amendments to my budget for the Department of Social and Rehabilitation Services are summarized as follows:

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$3,942,182
Special Revenue Funds	--	1,309,037

Kansas Neurological Institute SB 578

During FY 1984, an outbreak of hepatitis B occurred at the institute. In order to control the outbreak, the Department of Social and Rehabilitation Services obtained vaccine and vaccinated patients and staff who were considered exposed to the disease. The cost of implementing the vaccination program has been estimated at \$53,000. The Kansas Neurological Institute has already absorbed certain operating increases in the current fiscal year. Therefore, I am recommending and amending my budget to provide a State General Fund supplemental appropriation of \$53,000 to finance the needed inoculation program.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Funds	\$ 53,000	\$ --

Department of Administration -- State Historical Society SB 550

It has come to my attention that completion of the capitol complex heating plant will be delayed beyond the originally anticipated date of November, 1984. It is now anticipated that the facility will not be fully operational until February, 1985, resulting in the need to continue acquiring steam from Kansas Power and Light until it can be provided by the new heating plant. As it will be necessary to purchase steam from KP&L for approximately four months in FY 1985, utility costs are projected higher than reflected in my initial recommendations. It is estimated that these additional costs will total \$261,700 -- \$72,700 for the Statehouse, \$54,800 for the Memorial Building, and \$134,200 for the State Office Building. I amend my budget recommendations to include these additional costs.

	<u>FY 1984</u>	<u>FY 1985</u>
Department of Administration		
State General Fund	\$ --	\$ 72,700
Special Revenue Funds	--	134,200
Historical Society		
State General Fund	\$ --	\$ 54,800

Department of Administration SB ~~550~~ 578

My initial recommendations for the current fiscal year reflected estimated expenditures for operating expenses of the Statehouse and Judicial Center in an amount \$139,552 less than the authorized appropriation. This revised estimate of expenditures was based upon utility estimates prepared approximately seven months ago. The Department of Administration has re-estimated current year utility requirements, taking into account the weather experienced this winter and higher utility costs, and based upon this estimate the Department has requested that the estimated expenditures for the Statehouse operating budget be increased by \$72,873 for utility expenses and \$5,586 for snow removal for the months of December and January. In addition, the operating budget for the Judicial Center should be increased by \$61,093 for utility expenses. Collectively, the requested increase totals \$139,552, and I amend my budget recommendations to include these additional expenditures. The proposed budget amendment reflects expenditure of the balance of the authorized appropriation for the current fiscal year. No new appropriations are necessary.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$139,552	\$ --

Kansas Department of Economic Development HB 2692 HB 2703

The Department of Economic Development has recently notified me of several program adjustments I wish to submit as amendments to my recommendations contained in the 1985 Governor's Budget Report.

For FY 1984, the Kansas Department of Economic Development received a "302" planning grant from the Economic Development Administration in the amount of \$25,000 to support state economic development planning activities. The 1983 Legislature provided an expenditure limitation of \$25,000 to accomodate use of these grant funds.

In January, 1984, KDED was notified that an additional \$7,800 was available to Kansas from EDA as an extension of that grant through March 31, 1984.

KDED plans to use the \$7,800 to fund a temporary position. This position will be responsible for developing a community development plan which is required to be done in conjunction with the community development block grant (CDBG) program and is considered an eligible activity as a strategic economic development plan under the EDA grant. The plan will include a survey of infrastructure needs (water, sewer, curb, gutter, streets, utilities, roads, etc.) for communities in the state and will yield information for priority setting under the FY 1985 CDBG program.

I amend my budget recommendation to increase the FY 1984 expenditure limitation on the economic development planning assistance grant - federal fund by \$7,800.

In the Travel and Tourism Division of the Kansas Department of Economic Development, I amend my 1985 budget recommendation to add \$12,050 for advertising and \$2,950 for in state travel. These funds will be used to support Kansas film program activities. The addition of these funds will create a consistent advertising program that would put the Kansas Film Commission's name before the film industry on a regular basis. The increase will also allow film program staff to accompany film companies scouting locations in Kansas.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$15,000
Special Revenue Fund	\$ 7,800	\$ --

Kansas State University HB 2805 HB 2703

On March 5, 1984, Kansas State University submitted revised General Fees Fund estimates based upon actual spring enrollments to the State Board of Regents. These estimates indicate that an

unanticipated decline in enrollment for the academic year 1983-1984 has resulted in a shortfall in fee receipts for the current fiscal year of \$330,162. However, the adjustments also indicate that General Fee Fund receipts in FY 1985 will exceed the amounts estimated in the 1985 Governor's Budget Report by \$127,304.

In order to maintain the FY 1984 general use operating budget for the University at the levels approved by the 1983 Legislature and to prevent unnecessary delays in the purchase of equipment and educational supplies, I amend my budget estimates for FY 1984 to provide a State General Fund supplemental appropriation of \$330,162 to the University in order to supplant the lost fee fund revenues. I also amend my budget to permit the expenditure of an additional \$127,304 in General Fees Fund monies in FY 1985 and reduce State General Fund expenditures by a like amount. My FY 1985 amendment to the Kansas State University budget will maximize the use of fee fund monies in the financing of the FY 1985 general use budget for the University.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$330,162	(\$127,304)
Special Revenue Funds	--	127,304

Emporia State University HB 2805

HB 2703

On February 16, 1984, Emporia State University submitted revised General Fees Fund estimates based upon actual spring enrollments to the State Board of Regents. These estimates indicate that unanticipated declines in enrollment have resulted in shortfalls in fee receipts of \$37,436 in the current fiscal year and \$61,421 in FY 1985. In order to maintain the general use operating budget for FY 1984 at the level approved by the 1983 Legislature and the FY 1985 budget at the level originally recommended in the 1985 Governor's Budget Report, I amend my budget estimates to provide a State General Fund supplemental appropriation of \$37,436 for FY 1984 and an additional State General Fund appropriation of \$61,421 for FY 1985.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ 37,436	\$ 61,421
Special Revenue Funds	--	(61,421)

Wichita State University HB 2805

On February 15, 1984, Wichita State University submitted revised General Fees Fund estimates based upon actual spring enrollments to the State Board of Regents. Review of these estimates indicates that General Fees Fund receipts in FY 1985 will not be sufficient to finance expenditures from the General

Fees Fund as recommended in the 1985 Governor's Budget Report. In order to reflect these latest fee estimates, I amend my budget to increase State General Fund expenditures for Wichita State University for FY 1985 by \$291,034 and to decrease expenditures from the General Fees Fund for FY 1985 by a like amount.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$291,034
Special Revenue Funds	--	(291,034)

University of Kansas Medical Center *HB 2805*

At its meeting of February 17, 1984, the State Board of Regents authorized the University of Kansas Medical Center to increase the estimate of hospital revenue in the legislative budget to \$57 million in FY 1984 and to \$59 million in FY 1985. Based upon amounts included in the 1985 Governor's Budget Report these estimates will result in additional Hospital Revenue Fund resources totaling \$1,667,748 in FY 1985. The Board of Regents also approved a Medical Center request for additional expenditure authority of \$180,000 to finance five additional positions which will be utilized to improve the capabilities of the Medical Center to collect patient revenue and to accelerate the write-off of patient accounts. The additional positions will be utilized to establish an internal collection unit in the hospital business office beginning in FY 1985.

In order to improve patient collection procedures at the University of Kansas Medical Center, I amend my budget to include an additional \$180,000 of Hospital Revenue Fund expenditure authority and five positions to support the establishment of a collection unit. In addition, I amend my budget to maximize the use of additional Hospital Revenue Fund resources by increasing the expenditure limitation on the Hospital Revenue Fund by an additional \$1,487,748 and by decreasing State General Fund expenditures for FY 1985 by a like amount.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Fund	\$ --	\$1,667,748
State General Fund	--	(1,487,748)

Fort Hays State University *HB 2805*

On February 16, 1984, Fort Hays State University submitted revised General Fees Fund estimates based upon actual spring enrollments to the State Board of Regents. These estimates indicate that General Fees Fund receipts in FY 1985 will exceed amounts estimated in the 1985 Governor's Budget Report by \$78,968. Therefore, in order to maximize the use of fee funds in

the financing of the general use budget for the University, I amend my budget to permit the expenditure of an additional \$78,968 in General Fees Fund monies and to reduce State General Fund expenditures by a like amount.


	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	(\$78,968)
Special Revenue Funds	--	78,968

State Board of Regents HB 2805

The 1985 Governor's Budget Report includes monies to finance the addition of an Assistant General Counsel position to the staff of the office of the State Board of Regents. However, financing was not included in the 1985 Governor's Budget Report for travel and subsistence and office equipment for the additional position. Therefore, I amend my budget to include \$5,100 to finance travel and subsistence costs for the new position and \$1,080 to purchase office equipment.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$ 6,180

Sincerely,



JOHN CARLIN
Governor

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590

John Carlin Governor

March 29, 1984

Budget Amendment No. 3

The Honorable Paul Hess, Chairperson
Committee on Ways and Means
Senate Chamber
Third Floor, Statehouse

and

The Honorable William Bunten, Chairperson
Committee on Ways and Means
House of Representatives
Third Floor, Statehouse

Gentlemen:

This letter presents several amendments to my budget recommendations for FY 1984 and FY 1985. These amendments increase FY 1984 expenditures as recommended in my budget report by \$68,482. FY 1985 total expenditures do not change. State General Fund expenditures are increased by \$176,824 for FY 1984 and by \$1,225,370 for FY 1985. Special revenue expenditures are decreased by \$108,342 for FY 1984 and by \$1,225,370 for FY 1985.

State Hospitals for the Mentally Ill and Mentally Retarded SB579

Since the preparation of my recommendations for the state hospitals, as contained in the 1985 Governor's Budget Report, it has been brought to my attention that several of the state hospitals are experiencing declines in the collection of receipts to the hospital fee funds. The decline in receipts affects both FY 1984 and FY 1985. The cause of the decline in receipts is a reduction in the amounts collected from third party insurers. The number of patients who are served at the state hospitals and are covered by health insurance has decreased dramatically.

Revised revenue projections have been prepared for both fiscal years at the eight state hospitals for the mentally ill and mentally retarded. Based on the revised projections, amendment of my budget recommendations is required to increase State General Fund appropriations at certain hospitals in order to provide adequate financing for FY 1984 and FY 1985 budgets. The recommended amendments provide that the year end balance in each of the hospital fee funds be maintained at the equivalent of one month's receipts. Also, the total amount of increase has been reduced by the utilization of additional fee fund resources where available and, in the cases of Topeka State Hospital and Osawatomie State Hospital, a portion of the needed additional funding has been offset through utilization of anticipated current year expenditure savings. At the Topeka State Hospital, the current year reductions total \$716,742; \$547,257 of which is in salaries and wages and \$169,485 in other operating expenditures. At Osawatomie State Hospital, the reductions total \$166,909; \$92,005 in salary and wage expenditures and \$74,904 in other operating expenditures.

The following table includes my recommendations to amend the financing of state hospital budgets in both FY 1984 and FY 1985:

	<u>FY 1984</u>	<u>FY 1985</u>
Kansas Neurological Institute		
State General Fund	(\$ 29,795)	(\$ 4,865)
Fee Fund	29,795	4,865
Larned State Hospital		
State General Fund	(\$169,308)	\$ 16,306
Fee Fund	169,308	(16,306)
Osawatomie State Hospital		
State General Fund	\$216,059	\$594,534
Fee Fund	(216,059)	(594,534)
Parsons State Hospital		
State General Fund	\$ (6,754)	\$151,103
Fee Fund	6,754	(151,103)
Rainbow Mental Health Facility		
State General Fund	(\$147,035)	(\$ 58,617)
Fee Fund	147,035	58,617
Norton State Hospital		
State General Fund	(\$ 24,205)	(\$ 22,577)
Fee Fund	24,205	22,577
Topeka State Hospital		
State General Fund	\$132,194	\$495,179
Fee Fund	(132,194)	(495,179)

Winfield State Hospital		
State General Fund	\$205,668	\$ 54,307
Fee Fund	(205,668)	(54,307)
	<u>FY 1984</u>	<u>FY 1985</u>
Totals		
State General Fund	\$176,824	\$1,225,370
Special Revenue Fund	(\$176,824)	(1,225,370)

It should be noted that the amount for Winfield State Hospital also includes \$61,500 for supplemental operating expenses in FY 1984. The funds will be used to finance higher than anticipated utility expenditures, \$53,000; and food costs, \$8,500.

Kansas State University HB 2805

In Governor's Budget Amendment No. 2 I amended my budget to include a State General Fund supplemental appropriation of \$330,162 for FY 1984 to finance a shortfall in General Fees Fund receipts at Kansas State University. This recommendation was based on a revised expenditure estimate of \$15,285,918 for the General Fees Fund. That amount is \$330,162 less than the amount approved by the 1983 Legislature. However, it is \$105,918 more than the \$15,180,000 in estimated expenditures included in the 1985 Governor's Budget Report. Therefore, in order to finance the shortfall in general use operating resources originally estimated in the 1985 Governor's Budget Report, the State General Fund supplemental of \$330,162 which was included in the Governor's Budget Amendment No. 2 is necessary as well as additional General Fee Fund expenditure authority of \$105,918. The latter increase was inadvertently omitted from Governor's Budget Amendment No. 2.

In order to reflect the intent of Governor's Budget Amendment No. 2, I amend my budget for Kansas State University to increase General Fees Fund expenditures for FY 1984 by \$105,918.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$ 105,918	\$ --

Emporia State University HB 2805

In Governor's Budget Amendment No. 2 I amended my budget to include a State General Fund supplemental of \$37,436 for FY 1984 to finance a projected shortfall in General Fees Fund receipts at Emporia State University. This recommendation was based upon a revised expenditure estimate of \$3,128,249 for the General Fees Fund. This amount is \$37,436 less than the \$3,165,685 in estimated expenditures included in the 1985 Governor's Budget

Report. Therefore, in order to maintain the general use operating budget for FY 1984 as originally estimated in the 1985 Governor's Budget Report the expenditure limitation on the General Fees Fund of Emporia State University should be reduced from \$3,165,685 to \$3,128,249. This reduction in Special Revenue Fund expenditure authority was inadvertently omitted from Governor's Budget Amendment No. 2.

In order to properly reflect the intent of Governor's Budget Amendment No. 2, I amend my budget for Emporia State University to decrease General Fees Fund expenditures for FY 1984 by \$37,436.

	<u>HB 2703</u> <u>FY 1984</u>	<u>HB 2805</u> <u>FY 1985</u>
Special Revenue Funds	\$ (37,436)	\$ --

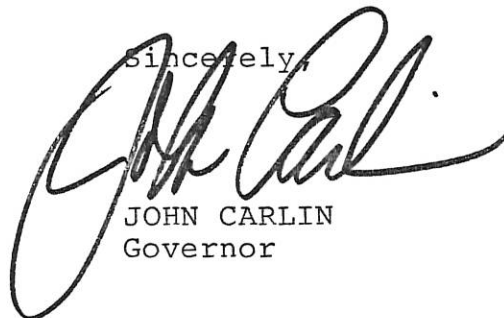
Secretary of State HB 2692 HB 2703

The Secretary of State has requested additional expenditure authority of \$1,443 from the State General Fund Official Hospitality account in the current fiscal year. The Secretary of State proposes the additional official hospitality expenses be offset through reduction of an equal amount from the State General Fund Other Operating Expenditures account. The additional official hospitality funds are to provide for purchase of "Kansas in Color" booklets to be distributed at the National Association of Secretaries of State meeting and for purchase of Kansas flags which would accompany Astronaut Steve Hawley of Salina aboard a spring space shuttle flight and then be distributed to all schools in the state.

I amend my budget to provide an FY 1984 State General Fund supplemental of \$1,443 for official hospitality and lapse of an equal amount of State General Fund other operating expenditures.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund		
Official Hospitality	\$ 1,443	\$ --
Other Operating Expenditures	(1,443)	--

Sincerely,



JOHN CARLIN
Governor

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590

John Carlin *Governor*

April 23, 1984

Budget Amendment No. 4

The Honorable Paul Hess, Chairperson
Committee on Ways and Means
Senate Chamber
Third Floor, Statehouse

and

The Honorable William Bunten, Chairperson
Committee on Ways and Means
House of Representatives
Third Floor, Statehouse

Gentlemen:

This letter presents several amendments to my budget recommendations for FY 1984 and FY 1985. In total, these amendments increase FY 1984 and FY 1985 expenditures as recommended in my budget report by \$2,374,145 and \$3,441,434, respectively. State General Fund expenditures are increased by \$1,758,999 for FY 1984 and by \$2,094,849 for FY 1985. Special revenue expenditures are increased by \$615,146 for FY 1984 and by \$1,346,585 for FY 1985.

Department of Education

The Job Training Partnership Act (JTPA), P.L. 97-300, replaces the Comprehensive Employment and Training Act (CETA) which expired September 30, 1983. JTPA provides federal funds to the states to establish programs that will prepare youth and unskilled adults for entry into the labor force. Through a cooperative agreement with the Kansas Department of Human Resources, the state education program of JTPA will be administered by the Kansas State Department of Education.

Appropriate accounts have been established in the State Treasury for FY 1984 to receive JTPA monies and to allocate such monies during the current fiscal year. A total of \$603,549 is estimated available to fund these services during the current fiscal year, \$16,135 of which is for state operations. Under JTPA, Kansas is divided into five areas through which job training services are delivered. Within each area there are educational institutions which can provide the necessary services and training to eligible students. The State Department of Education will coordinate services through cooperative agreements with the providers in each of the areas and will fund these programs with monies obtained through the Department of Human Resources. I amend my budget recommendations for the Department of Education for FY 1984 to provide an additional 1.0 F.T.E. professional position (Education Program Specialist) to coordinate and administer the training program. This position will assist each of the five service delivery areas and the five Private Industry Councils in the identification of persons to be served and will develop cooperative agreements between the state and the providers to ensure proper compliance with federal guidelines for the administration of this program. This new professional position will be supplemented by a position currently budgeted for the Department of Education and previously funded by CETA monies.

FY 1985 expenditures of the Department of Education for this program are projected to be \$919,978. I amend my FY 1985 budget to provide expenditure authority in this amount for the Department of Education. Of the total amount, \$57,457 will be for the state operations component of this program and I recommend that such expenditures be limited by proviso. Finally, I amend my FY 1985 budget to provide continuation of the recommended new professional position. As in FY 1984, this new professional position in FY 1985 will supplement a clerical position previously funded by CETA.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$ 603,549	\$ 919,978

Osawatomie State Hospital

OK The 1983 Legislature appropriated state institutional building funds to Osawatomie State Hospital for the purpose of razing the old sewage disposal plant. Included in Chapter 10, 1983 Session Laws of Kansas, is a line item appropriation of \$20,000 for that purpose. The Division of Mental Health and Retardation Services, Department of Social and Rehabilitation Services, has solicited bids to accomplish the approved project. The lowest bid received by the Division exceeds the amount available by \$4,700. The Division has requested an additional \$7,100 in state institution building funds, which would include a construction contingency, in order to have adequate funds available to raze the old sewage disposal plant.

I concur with this request and amend my budget recommendation to provide that the FY 1984 State Institution Building Fund appropriation (raze old sewage disposal plant) be increased by \$7,100.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$7,100	\$ --

Office of the Securities Commissioner

OK The Office of the Securities Commissioner was moved to 503 Kansas from the Mills Building on March 15, 1984. A move to a larger office space was included in the Governor's Budget Report for FY 1985. However, vacant space was available at 503 Kansas and the space in the Mills Building was sublet to another party, making the move in FY 1984 desirable. To pay for the cost of the move and the additional rental expense in the current year, I amend the amounts contained in the FY 1985 Governor's Budget Report by increasing the FY 1984 expenditure limitation in the Office of the Securities Commissioner by \$4,497, from \$481,443 to \$485,940.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$4,497	\$ --

Department of Corrections and Selected Institutions and Mental Health and Retardation Services

HOLD Because of the rapidly increasing populations at our correctional institutions, I am recommending several amendments to my original budget recommendations to address this critical problem.

I recommend additional State General Fund appropriations of \$165,600 for the current fiscal year and \$468,000 for FY 1985 to finance costs relating to an additional 192 beds that will be made available by converting existing unused space at the Kansas State Industrial Reformatory (KSIR) and the Kansas State Penitentiary (KSP). At KSIR a building which formerly housed the clothing factory will be renovated to provide housing for 80 inmates, while at KSP renovation of the upper level of the laundry building will provide housing for 112 inmates. The costs attributable to each project are summarized below:

	<u>KSIR</u>	<u>KSP</u>
FY 1984		
Staffing (12.0 FTE) and OOE	\$ 33,800	\$ 28,600
Renovation	39,100	64,100
Total	<u>\$ 72,900</u>	<u>\$ 92,700</u>
FY 1985		
Staffing and OOE	\$236,500	\$231,500

The renovation costs reflect the acquisition of supplies, materials, and equipment items that are necessary in order to provide the additional beds. In order that the space can become available as soon as possible (within approximately a month from the time renovation is commenced), it is recommended that the competitive bid requirements governing acquisition of the various items be waived. Labor for the renovation projects will be provided by the institutions' existing maintenance personnel and inmates. The recommended amounts were included in Senate Bill No. 879 and House Bill No. 3124 which were introduced during the closing days of the regular legislative session.

In addition, I recommend a FY 1984 State General Fund appropriation of \$175,000 for the Department of Corrections to begin planning immediately for construction of a new 300-bed women's prison. It is anticipated that the facility will be constructed on a design-build basis which will enable progress on completion of the facility to proceed more quickly than would be the case under conventional architectural and construction procedures. The amount of \$175,000 will enable the Department of Corrections to complete programming and schematic design so that details concerning construction of a new facility can be presented to the 1985 Legislature. Completion of the programming and schematic design phases will provide the basis for submission of competitive design-build proposals encompassing completion of the planning process and construction of the facility.

Upon completion and occupancy of the new women's prison, the current women's prison (KCIL) will be converted to bed space for male offenders. As part of this proposal, I request that the Legislature approve construction of the new food service facility at KCIL which was included in my original budget recommendations. Upon completion of the food service facility, the present dining and food service area would be converted to additional bedspace. Taking into account the current projected maximum capacity of KCIL and the additional bedspace which would become available by conversion of the existing dining and food service area, construction of a new women's prison would make available approximately 220 beds for male offenders at KCIL.

Also, I recommend FY 1984 State General Fund appropriations of \$150,000 -- \$100,000 for the Department of Corrections and \$50,000 for Mental Health and Retardation Services -- to conduct a feasibility study related to converting existing institutions to use by the Department of Corrections for housing offenders. The feasibility study will include a preliminary review of a number of candidate institutions followed by a detailed and thorough evaluation of those institutions having the most potential for use as a correctional facility. The study will include an examination of the appropriateness of the physical characteristics of the institution to conversion for correctional use, the ability of the community to provide or attract staff and other resources required to operate a prison, ease of transferring the institutional functions to be displaced, and

cost and time estimates for renovating and securing the facility, as well as transferring existing functions. The appropriations are recommended for the current fiscal year in order that the study can begin immediately and be completed in time for my review and consideration of recommendations to the 1985 Legislature.

These amendments to my budget are summarized as follows:

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund		
Department of Corrections	\$ 275,000	\$ --
Ks. State Industrial Reformatory	72,900	236,500
Kansas State Penitentiary	92,700	231,500
Mental Health & Retardation Services	<u>50,000</u>	<u>--</u>
Total	\$ 490,600	\$ 468,000

As you know, I have made other recommendations to address the problems confronting the correctional system. These include a proposed constitutional amendment to provide for a permanent tax for the creation of a building fund for correctional institutions and a rollback of some of the provisions of 1982 House Bill No. 3104 which increased the minimum sentences for certain felony classes. I urge your support for these additional recommendations.

Kansas Correctional Institution at Lansing

OK KCIL has continued to incur higher than anticipated costs to provide medical services to female inmates. Taking into account additional funds for medical costs (drugs, medicine, hospital and doctors' costs) which were included in the institution's supplemental appropriation contained in Senate Bill No. 578, funds presently available to finance these costs for the current fiscal year total approximately \$143,450. To date, the institution has expended approximately \$153,000. In reviewing the additional medical needs for the balance of the current fiscal year, including costs for cases already pending, the institution has estimated that these additional costs will total \$75,000 -- \$60,000 for hospital and physicians' costs and \$15,000 for drugs, medicines and supplies. Of this amount, \$45,000 can be financed with savings the institution has identified in salaries and wages and food costs, resulting in a need for additional funds of \$30,000. Therefore, I amend my budget recommendations to provide this additional amount.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$30,000	\$ --

Department of Human Resources

OK I amend my budget to provide for an increase of \$45,000 in federal fund expenditures (Employment Security Fund-Reed Act funds) for FY 1985 capital improvements for the Department of Human Resources. The roof on the administrative office at 401 Topeka Avenue has unexpectedly developed leaks which, if unattended, will result in further structural damage and maintenance expense. The roof, installed in 1976, experienced severe leakage in March, 1984. The Division of Architectural Services has determined that repairs should be made as soon as possible and estimates that the most economical method of repair will cost approximately \$45,000.

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Funds	\$ --	\$ 45,000

Board of Tax Appeals

OK My original budget recommendation for FY 1985 assumed a six percent turnover factor, excluding the Board members. Based on current information, it now appears that little turnover will occur in FY 1985. Accordingly, I amend my FY 1985 budget recommendation to add \$8,900 from the State General Fund, reducing anticipated turnover accordingly.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$ 8,900

University of Kansas *OK*

*SUBCOMMITTEE
WERTS and
STEINER* KANU-FM, the public radio station in Lawrence has requested \$25,000 of state funding to match \$75,000 from the National Telecommunications and Information Agency to permit installation of seven translators to serve southwestern and east central Kansas. With the funding, the station would place the translators in Manhattan, Junction City, Emporia, Independence, Parsons, Pittsburg, and Bartlesville, Oklahoma. The funding would also provide for a new transmitter for the Lawrence facility. The current transmitter is old and it has become increasingly difficult to find replacement parts. A new transmitter would ensure a reliable signal both in Lawrence and at the proposed translator sites. I amend my budget recommendation to provide \$25,000 from the State General Fund to support this project.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$ 25,000
Special Revenue Fund	--	75,000

Kansas Department of Health and Environment

NO - Hold
4-23-84

Subsequent to the submission of the 1985 Governor's Budget Report, the Department of Health and Environment has been notified that federal National Health Planning funds in the amount of \$167,000 will be available to support the development of a statewide medical facilities plan. This plan will support and supplement my instruction to the statewide Health Coordinating Council to compile an accurate and up-to-date health facilities assessment for Kansas. A medical facilities plan will be developed after a survey of facilities in the state to determine their degree of obsolescence, and an assessment of the population to determine what type of health facilities are needed, as well as where they should be located. The plan will identify specific geographic areas for resource development, as well as make recommendations for the discontinuance, conversion, renovation/replacement of existing facilities. Development of such a plan is one of the measures the state can take to help contain health care costs.

I am amending my budget recommendation for FY 1985 to provide for expenditure of an additional \$167,000 from the Federal National Health Planning Act fund and one additional position. Of this total, \$37,000 will provide for a health planner position and related operating expenses and \$130,000 will provide funds for contractual services of an engineering/architectural firm for an evaluation of hospitals in the state.

I am also amending my FY 1985 budget recommendation to provide for expenditure of an additional \$139,607 from the Federal Resource Conservation and Recovery Act fund. These funds will allow the Department of Health and Environment to implement a feasibility study of the Arkansas City Dump site which is on the federal Superfund list.

The Department has conducted a Phase I investigation into the extent of contamination at the site. This site is an oil refinery which was abandoned after a fire in the 1920's. At this point there has been no determination of responsible parties available to bear the cost of investigations. Phase II is a feasibility study to determine the best method of managing the wastes disposed at this site. This will involve extensive field sampling of waste deposits and laboratory testing of these samples. The feasibility study will determine whether remedial action is necessary, and, if so, what action is required. The Department plans to contract for the necessary services.

The amendments to my budget for the Department of Health and Environment are summarized as follows:

	<u>FY 1984</u>	<u>FY 1985</u>
Special Revenue Fund	\$ --	\$306,607

Division of Mental Health and Retardation Services and Topeka State Hospital

OK In a letter to my office dated April 18, 1984, Dr. Robert Harder, Secretary, Department of Social and Rehabilitation Services, requested a Governor's Budget Amendment in order to provide legal counsel for the Division of Mental Health and Retardation Services. The Division of Mental Health and Retardation Services has been utilizing the legal staff of the Department of Social and Rehabilitation Services for legal counsel. However, the need for specialized legal services in the area of mental health and mental retardation has expanded beyond the capacity of the Department of Social and Rehabilitation Services legal staff to provide. Therefore, Dr. Harder is requesting that an Attorney position be provided for in FY 1985 by transferring \$45,108 and one position from the Topeka State Hospital budget to the Division of Mental Health and Retardation Services. I concur in this recommendation and ask that the budgets of the Division of Mental Health and Retardation Services and Topeka State Hospital be amended accordingly.

	<u>FY 1984</u>	<u>FY 1985</u>
Mental Health and Retardation Services		
State General Fund	\$ --	\$ 45,108
Topeka State Hospital State General Fund	--	(45,108)

Department of Revenue

P/O 4-23 In my veto of Senate Bill No. 467, I indicated that the development of more appropriate indices could be performed administratively. To provide the Department of Revenue with the necessary resources, I amend the FY 1985 Governor's Budget Report to increase FY 1985 State General Fund expenditures by \$81,872. The amount includes \$61,674 for salaries and wages for two Property Appraiser II's and \$5,665 in recurring and \$14,533 in non-recurring other operating expenses. The Property Valuation Division will devise indices to recognize the effects of salvage value, depreciation or appreciation, obsolescence and economic life. A computerized system will replace the manual computation now used. The economic life of the property will be established by visual inspection.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$81,872

✓ Board of Regent's Institutions

Based upon revised estimates made by the Regent's institutions I recommend an increase of \$1,238,399 systemwide for additional utility costs over my initial recommendations for FY 1984. The recommended adjustments are summarized below:

	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Change</u>
Fort Hays State Univ.	\$ 818,623	\$ 943,787	\$ 125,164
Kansas State Univ.	4,079,209	4,629,362	550,153
KSU Veterinary Med. Ctr.	1,044,366	1,137,464	93,098
Emporia State Univ.	838,155	905,126	66,971
Univ. of Kansas	5,815,405	6,226,960	411,555
KU Medical Center	5,227,753	5,047,753	(180,000)
Pittsburg State Univ.	887,252	947,640	60,388
Wichita State Univ.	2,298,434	2,391,819	93,385
Ks. Technical Institute	82,431	100,116	17,685
Total	\$21,091,628	\$22,330,027	\$ 1,238,399

A variety of factors, affecting each institution in varying degrees, account for the increased utility charges. However, the primary reason for additional costs is increased usage because of the cold fall and early spring and increases in the unit cost of electricity. The revised estimates are based upon actual usage through March and estimates for the remaining three months of the fiscal year.

The University of Kansas Medical Center anticipates that expenditures will be less than those originally budgeted for FY 1984. I am recognizing the Medical Center's downward estimate in the utility costs in my amendment. I recommend that \$180,000 of the current appropriation at the University of Kansas Medical Center for utilities be lapsed. However, I recommend that the lapse not occur until the end of the fiscal year in order to provide the institution with flexibility in the case of extreme fluctuations in weather conditions.

As a consequence of the revision of utility expenditure estimates for FY 1984 I amend my budget for FY 1985. The recommended adjustments are summarized below:

	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Change</u>
Fort Hays State Univ.	\$ 884,113	\$ 1,019,290	\$ 135,177
Kansas State Univ.	4,405,546	4,999,711	594,165
KSU Veterinary Med. Ctr.	1,127,915	1,228,461	100,546
Emporia State Univ.	905,207	977,536	72,329
Univ. of Kansas	6,280,637	6,725,116	444,479
KU Medical Center	5,645,973	5,451,573	(194,400)
Pittsburg State Univ.	958,232	1,023,451	65,219
Wichita State Univ.	2,482,309	2,583,165	100,856
Ks. Technical Institute	86,867	108,125	21,258
Total	\$22,776,799	\$24,116,428	\$ 1,339,629

These adjustments permit a base increase of 8% in utility costs above the revised FY 1984 estimates.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$1,238,399	\$1,339,629


Department of Administration

OK w/ FINANCE COUNCIL REVIEW At the present time, there are unreconciled differences that exist between records of the Kansas Integrated Personnel-Payroll System, the central accounting system, and the State Treasurer. These differences transcend approximately five months, and although these differences are not substantial, the Division of Accounts and Reports considers reconciliation to be critical and a responsibility which must be accomplished as soon as possible. Specific problem areas are treasury fund reconciliation differences in fund charges and fund balances; employee benefit clearing fund differences between liabilities and fund balances; and employee compensation and adjustment differences between amounts recorded and accurate contribution(s) required. The Department of Administration cannot, in good faith, discharge its financial management responsibilities without a timely, accurate, meaningful and reliable reconciliation.

Consequently, I amend my FY 1985 budget recommendations to provide six additional central accountant positions, at a cost of \$171,448 for salaries and support costs. These positions will assist existing staff members that have been assigned to the reconciliation effort. Once reconciliation has been achieved, it is anticipated that three of the positions will be needed on an ongoing basis to assist in monthly reconciliations that normally will be required. The need for continuing the other three positions will be reviewed during the next budget cycle.

	<u>FY 1984</u>	<u>FY 1985</u>
State General Fund	\$ --	\$171,448

Sincerely,


JOHN CARLIN
Governor

JC:sr



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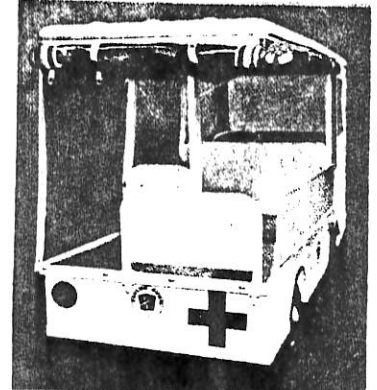
Optional features shown in these photos:
Safety windshield, fibreglas top, removable Naugahyde doors, drop side curtains, red light and siren.

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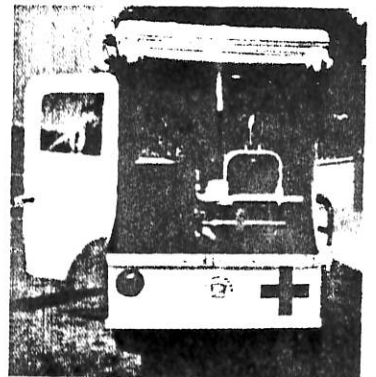
This Taylor-Dunn ambulance is built to accommodate 3 passengers and stretcher plus several square feet of space for first aid equipment. Electrically powered for smooth and quiet, yet fast transportation of ill or injured. Can travel or park almost anywhere. Extremely dependable and maintenance-free—always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

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

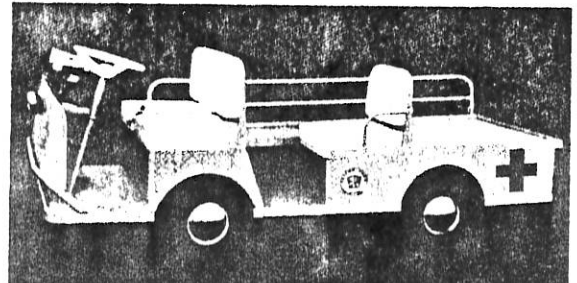
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Designed to transport most major brands of equipment and stretchers. Shown with optional cab, doors and curtains.



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

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This vehicle is not designed for highway use.



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P.M.
A
4-24-84



State Conservation Commission

109 S.W. 9TH STREET, ROOM 300

TELEPHONE (913) 296-3600

TOPEKA, KANSAS 66612

April 18, 1984

Senator Paul Hess, Chairman
Senate Ways and Means Committee
Capitol Building, Room 123-S
BUILDING MAIL

Representative Bill Bunten, Chairman
House Ways and Means Committee
Capitol Building, Room 123-S
BUILDING MAIL

Dear Sirs:

The State Conservation Commission respectfully requests the following general funds for FY 1985 be included in the Omnibus Bill:

Salaries and wages	\$2,165.00	<i>NO - NO BUDGET AMENDMENT</i>
Sort Disc for Work Processor	<u>380.00</u>	<i>YES</i>
TOTAL	\$2,545.00	

The salaries and wages request of \$2,165.00⁰⁰ for reclassification of two positions. The request was originally submitted to the Ways and Means Subcommittees. The Senate Subcommittee report indicated consideration of the request would be given when approved by the Division of Personnel Services. (Senate Subcommittee Recommendation, page 5, paragraph 2 to State Conservation Commission budget in HB 2693.) Briefly, the salary and wage request is based upon the realignment of responsibilities upon the retirement of the Assistant Director who has been with the Commission for 20 years. The replacement for the Assistant Director's position will involve more resource planning and very little administration. Therefore, the current office manager will be reassigned to administrative duties associated with the Commission's four programs. The current Secretary II will be assigned the office management responsibilities. These changes are necessary to effectively and efficiently carry out the State Conservation Commission's responsibilities.

The Division of Personnel Services has indicated to this office that the review and evaluation process will be completed by April 20, 1984.

*P.M.
B
4-24-84*

Senator Paul Hess, Chairman
Representative Bill Buntin, Chairman

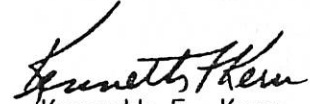
April 18, 1984

Page -2-

The sort disc request for \$380.00 is for the reinstatement of \$300.00 removed by the Ways and Means Subcommittee recommendation plus an additional \$80.00. The \$300.00 was originally in the Governor's recommendation for payment to DISC for producing mailing labels. The subcommittee recommended in-house preparation of the labels on the recently acquired word processor. (House Subcommittee report, page 3, paragraph 8, HB 2693.) In order to do this, it will be necessary to purchase a special sort disc that provides sorting capabilities. This would allow presorting by ZIP Code for bulk mailing. The sort disc costs \$380.00 and would be a one time expenditure.

The State Conservation Commission respectfully requests your favorable consideration of this request for \$2,545.00 to be included in the Omnibus Bill for FY 1985 funding.

Respectfully,


Kenneth F. Kern
Executive Director

KFK:ymp

CC: Governor John Carlin
Wyn Goering, Fiscal Analyst
Doris Nagel, Budget Analyst

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION
Division of Personnel Services

JOHN CARLIN,
Governor
NORMAN HANSON,
Director of Personnel Services

State Office Building
Topeka, Kansas 66612-1595

April 23, 1984

Kenneth F. Kerns
Executive Director
Conservation Commission
109 S.W. 9th, Room 300
BUILDING MAIL

C
O
P
Y

Dear Mr. Kerns:

We have reviewed your request to reallocate position 77824 from a Secretary II to a Clerk IV and position 75242 from a Clerk V to an Administrative Officer I. Based on the reassignment of administrative duties of the Assistant Director to the proposed Administrative Officer I and the reassignment of the clerical duties of the Clerk V to the proposed Clerk IV, this proposal is approved by the Division of Personnel Services.

Sincerely,

Donavene D. Liggett, Supervisor
Personnel Operations for
Designated Agencies

DDL:ND:sl

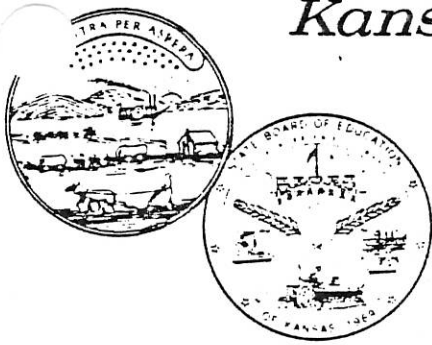
cc: ✓Lyn Goering, Legislative Research
Doris Nagel, Division of Budget

P.m.
C
4-24-84

Kansas State Department of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612



April 20, 1984

TO: Senator Paul Hess
Representative Bill Bunten

FROM: Harold L. Blackburn
Commissioner of Education

SUBJECT: 1984 House Bill 3091

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

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

P.M.
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4-24-84

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

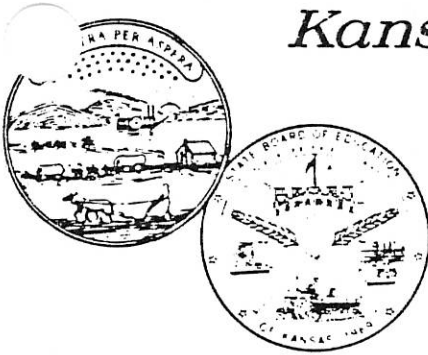
- e. Coordinate responsibility with other states using certification test to determine the acceptability of such test in lieu of Kansas test.
 - f. Administer test scores for the purpose of certification.
 - g. Coordinate the results and evaluation of testing to improve teacher education programs.
 -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

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

Kansas State Department of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612



April 19, 1984

TO: Senator Paul Hess
Representative Bill Bunten

FROM: Harold L. Blackburn
Commissioner of Education

SUBJECT: FY 1984 State Department of Education Budget

During the 1984 legislative session the fiscal year 1984 operating budget for the State Department of Education was reduced by \$176,549 (\$65,143 in state general funds and \$111,406 in special revenue funds).

Following these proposed reductions, the State Department of Education reviewed the operating budget for fiscal year 1984 and requested that \$25,760 of state general fund money be reinstated.

It was suggested after the Senate Ways and Means Subcommittee hearing that the data be updated during the legislative recess and reconsidered during the final three days of the session.

The department has carefully reviewed its expenditures to date. Using such data as a base, we have projected expenditures for the remainder of the fiscal year. Attached to this memorandum are details showing these projections.

We are hereby requesting that \$25,760 of state general fund monies be reinstated for fiscal year 1984. We believe the special revenue fund reductions are appropriate.

If you would like to review our detailed analysis of expenditures, feel free to contact my office.

cc: Lyn Goering

P.M.
E
4-24-84

Kansas State Department of Education

Exhibit A
Prepared April 12, 1984

	Budget Allotments FY 1984	Disbursements 7/1/83-3/31/84*	Estimated Expenditures 4/1/84-6/30/84**	Total Est. Expenditures FY 1984	Estimated Budget Balance 6/30/84	Legislative Reductions FY 1984	Revised Est. Budget Balance 6/30/84	Requested Reinstatement 1984
<u>Telephone</u>								
General Administration	34,525	19,827	12,392	32,219	2,306	(3,000)	(694)	1,000
Governance of Education	2,340	1,692	848	2,540	(200)	--	(200)	--
Quality Control Services	7,620	4,722	2,360	7,082	538	(2,500)	(1,962)	2,500
Consultative Services	12,900	5,970	2,988	8,958	3,942	(3,500)	442	--
Special Education Services	4,845	5,646	2,824	8,470	(3,625)	--	(3,625)	3,500
Postsecondary Education Services	4,500	3,289	1,644	4,933	(433)	(1,000)	(1,433)	1,000
Vocational Education Services	11,500	7,672	3,836	11,508	(8)	--	(8)	--
Totals	<u>78,230</u>	<u>48,818</u>	<u>26,892</u>	<u>75,710</u>	<u>2,520</u>	<u>(10,000)</u>	<u>(7,480)</u>	<u>8,000</u>
<u>Postage</u>								
General Administration	30,517	14,594	7,300	21,894	8,623	(7,500)	1,123	--
Governance of Education	2,640	1,850	924	2,774	(134)	--	(134)	--
Quality Control Services	5,400	3,771	1,796	5,567	(167)	(1,000)	(1,167)	1,000
Consultative Services	13,500	9,468	4,732	14,200	(700)	(2,000)	(2,700)	2,000
Special Education Services	6,400	3,469	1,736	5,205	1,195	(1,000)	195	--
Postsecondary Education Services	1,150	738	368	1,106	44	--	44	--
Vocational Education Services	5,500	2,802	1,400	4,202	1,298	(2,500)	(1,202)	1,500
Totals	<u>65,107</u>	<u>36,692</u>	<u>18,256</u>	<u>54,948</u>	<u>10,159</u>	<u>(14,000)</u>	<u>(3,841)</u>	<u>4,500</u>
<u>Repairing and Servicing</u>								
General Administration	<u>17,455</u>	<u>16,645</u>	<u>2,710</u>	<u>19,355</u>	<u>(1,900)</u>	<u>(4,260)</u>	<u>(6,160)</u>	<u>4,260</u>
<u>Travel and Subsistence</u>								
General Administration								
Fiscal Auditing	33,350	25,351	10,437	35,788	(2,438)	(4,285)	(6,723)	7,000
Postsecondary Education Services								
Community Colleges	10,138	5,237	3,221	8,458	1,680	(3,500)	(1,820)	2,000
Totals	<u>43,488</u>	<u>30,588</u>	<u>13,658</u>	<u>44,246</u>	<u>(758)</u>	<u>(7,785)</u>	<u>(8,543)</u>	<u>9,000</u>
Total Requested FY 1984 Reinstatement								<u>25,760</u>

DISBURSEMENTS THROUGH MARCH 31, 1984 REPRESENTS ONLY 8 MONTHS EXPENDITURES FOR TELEPHONE, POSTAGE, AND MOTOR POOL CHARGES. REPRESENTS 4 MONTHS EXPENDITURES TO BE DISBURSED DURING THE LAST QUARTER.

KANSAS WHEAT COMMISSION

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

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

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

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

KENT B. LAMB
Secretary
District #2
Macksville, Kansas

WINSTON E. PETERSON
District #3
Monument, Kansas

ROBERT W. ANDERSON
District #4
Kinsley, Kansas

ADRIAN J. POLANSKY
District #5
Belleville, Kansas

STEPHEN K. FRAZIER
District #6
Winfield, Kansas

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

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

April 17, 1984

Senator Paul Hess, Chairman
Senate Ways and Means Committee
State Capitol Building
Topeka, Kansas 66612

Dear Senator Hess:

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

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

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

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

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

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

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

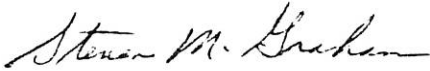
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Senator Paul Hess - Page 2 - April 17, 1984

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

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

Sincerely,



Steven M. Graham
Administrator

SMG/jl

cc: Lynne Holt

Project 8041 - Operation Game Thief Program

This program is a public involvement program involving concerned citizens reporting wildlife violations on a toll free 800 telephone number. The wildlife violation complaint will then be dispatched to a Game Protector for immediate action. It will increase the effectiveness of the present Fish and Game Law Enforcement coverage and provide a deterrent to future wildlife violations.

Numerous neighboring states: Colorado, Missouri and Oklahoma have this program and have found it to be very beneficial to combating wildlife violations. Ex. - Oklahoma receives an average of 150 wildlife violation complaints monthly from their Operation Game Thief Program. They have a 35% success ratio on apprehending the wildlife violators who were turned in by the concerned public.

CODE	ADM.	I & E	FISH	GAME	LE	CAP. IMP.	TOTAL
100	-0-	-0-	-0-	-0-	4,660	-0-	4,660
202	-0-	-0-	-0-	-0-	5,000	-0-	5,000
290	-0-	-0-	-0-	-0-	10,190	-0-	10,190
270	-0-	4,000	-0-	-0-	-0-	-0-	4,000
370	-0-	-0-	-0-	-0-	150	-0-	150
GRAND TOTALS	-0-	4,000	-0-	-0-	20,000	-0-	24,000

JUSTIFICATION OF EXPENDITURES

CODE 100

SALARIES

\$4,660 will be required for part-time help to operate the program from August through January. These will be the peak activity months.

CODE 202

TELEPHONE

\$5,000 will be required for toll free 800 telephone service. This will give the program 10 hours of paid service per month.

CODE 290

CONTRACTUAL SERVICES

\$4,490 will be required to lease a ASTRA NET System on a yearly basis. This system is necessary if the Operation Game Thief Program is to operate.

\$5,600 will be required for contractual services from the Pratt Regional Law Enforcement Center. If the program is going to have 24-hour service, the Pratt Regional Law Enforcement Center would have to answer and dispatch the calls during the hours the program was not being handled by the Kansas Fish and Game Commission.

CODE 270

ADVERTISING

\$4,000 will be required to advertise and promote the program. This is necessary in order that the general public is properly informed about the program.

CODE 370

COMPLAINT FORMS

\$150 will be required to purchase 2,000 multi-carbon copy complaint forms to be used for receiving the telephone complaints, recordkeeping and general program follow up.

PM
G
4-24-84

OFFICE OF THE SECURITIES COMMISSIONER
 BUDGET ESTIMATES FOR AN OFFICE IN WICHITA
 FY 1985

	<u>Additional Expenditures For Agency Operations</u>	<u>Total Expenditures For Wichita Operations</u>
<u>Salaries and Benefits</u>		
Additional personnel:		
Securities Investigator/Auditor I (2)	\$ 47,352	\$ 47,352
Secretary II	13,140	13,140
Reclassification of current personnel:		
Securities Investigator/Auditor II	5,604	30,840
Director of Enforcement	5,052	--
	71,148	91,332
KPERS	3,273	4,201
FICA	5,001	6,420
Worker's Compensation	285	365
Unemployment Insurance	498	639
	80,205	102,957
6% Salary Rate Revision	4,812	6,177
Health Insurance	3,600	4,800
Total	88,617	113,934
 <u>Contractual Services</u>		
Communication	5,963	7,817
Rent	10,000	10,000
Repairing and Servicing	665	800
Travel and Subsistence	13,910	20,865
Fees -- Other Services	1,800	2,400
Other Contractual Services	660	880
Total	32,998	42,762
 <u>Commodities</u>		
Professional Supplies	150	200
Office Supplies	938	1,250
Total	1,088	1,450
 <u>Capital Outlay</u>		
Desks, Chairs and Consoles-Exec.	1,756	2,634
Desk and Chair -- Secretarial	450	450
Calculators	256	256
Filing Cabinets	984	984
Table and Chairs	1,110	1,110
Typewriter	933	933
Copier - Lease/Purchase	2,400	2,400
Mobile Radios and Installation	2,048	2,048
Other Equipment	500	500
Total	10,437	11,315
Total Expenditures	\$133,140	\$169,461

I
4-24-84

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590

John Carlin Governor

Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill No. 2703 with my signature approving the bill, except for Section 6(a) thereof that reads:

"(a) On the effective dates of this act, of the \$1,861,628 appropriated for the above agency by section 7(a) of chapter 24 of the 1983 Session Laws of Kansas from the state general fund in the salaries and wages account, the sum of \$57,592 is hereby lapsed."

and except for Section 6(g) thereof that reads:

"(g) The expenditure limitation established by section 7(b) of chapter 24 of the 1983 Session Laws of Kansas on the special employment security fund is hereby decreased from no limit to \$0. Any expenditures from the special employment security fund for purposes specified in K.S.A. 44-716a and amendments thereto shall be in addition to any expenditure limitation imposed on this fund."

all of which I line item veto.

This bill contains several items which reduce the levels of previously appropriated funding for basic agency operations. The Department of Human Resources has expressed concern on some of these items, as they will reduce appropriation levels below anticipated expenditures. Such reductions, occurring more than three-quarters of the way through the current fiscal year, pose the potential, if allowed to become law, of seriously disrupting the orderly and efficient management of the agency. This I cannot allow. I will not agree to items which reduce the level of resources available to an agency late in the current fiscal year, without the specific consent of the agency head.

And except for all of Section 29 thereof that reads:

"(a) In addition to the purposes for which expenditures are authorized for fiscal year 1984 from the forestry, fish and game commission fee fund, as prescribed by section 5(a) of chapter 9 of the 1983 Session Laws of Kansas, expenditures may be made for fiscal year 1984 from such fund for the following purpose, subject to the expenditure limitation prescribed therefor:

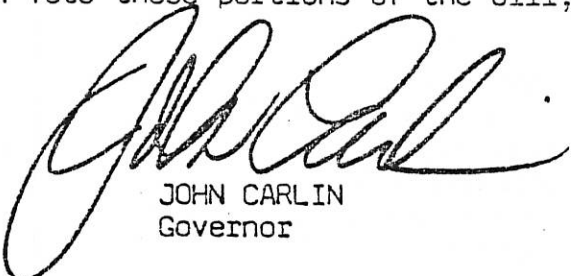
"Repair and modification of upstream channel at
Nemaha state fishing lake..... 20,000

"(b) Commencing 30 days after the effective date of this act, no expenditures shall be made from the forestry, fish and game commission fee fund unless prior to such time the Kansas fish and game commission has adopted rules and regulations providing standards and guidelines for the issuance of warning tickets by game protectors."

which I also line item veto.

While I do not necessarily object to the repairs proposed at Nemaha State Fishing Lake, I am compelled to line item veto Section 29 in its entirety. Subsection (b) is an inappropriate item to be contained in an appropriations bill. I am concerned with the increasing frequency with which the Legislature endeavors to place in appropriations bills matters which are not germane to appropriations. Such a subject rightfully should be addressed in a separate bill. Even though the general intent of this provision might be desirable, the method of forcing the situation is unacceptable. I cannot allow such an action to become law.

For these reasons, I line item veto these portions of the bill, while approving the remaining portions.



JOHN CARLIN
Governor

Dated: April 23, 1984