

Approved 2-18-85
Date

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Bill Bunten at
Chairperson

8:00 a.m. on Friday, February 15, 1985 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Gloria Timmer - Legislative Research
Laura Howard - Legislative Research
Jim Wilson - Revisor's Office
Sharon Schwartz - Administrative Assistant
Nadine Young - Committee Secretary

Conferees appearing before the committee:

Chairman called the meeting to order at 8:00 a.m. and continued hearings of subcommittee reports on fee agencies, HB 2036.

BOARD OF TECHNICAL PROFESSIONS (Attachment I)

Representative Helgerson presented the report. Subcommittee concurs with the Governor's recommendation for FY 85. Subcommittee recommends introduction of legislation during 1986 session that would reduce the maximum amounts to be charged for certain fees, in light of the large ending balance in this agency. Representative Shriver moved to eliminate No. 1 of the subcommittee report. Seconded by Representative Luzzati. The motion failed. Representative Helgerson moved for adoption of the report. Seconded by Representative Heinemann. Motion carried.

OFFICE OF THE SECURITIES COMMISSIONER (Attachment II)

Representative Heinemann presented the report for FY 85 and FY 86 and moved they be adopted. Representative Chronister seconded and the motion carried.

BOARD OF HEALING ARTS (Attachment III)

Representative Spaniol presented the reports. Subcommittee concurs with Governor's recommendation for FY 85 with one exception - deletion of \$2,500 for seasonal and temporary workers. Representative Hamm moved the report be adopted and it was seconded by Representative Mainey. Motion carried. Subcommittee also concurs with recommendations for FY 86 with one slight adjustment in the area of communications. Representative Hamm moved for adoption of the report and Representative Teagarden seconded. Motion carried.

BOARD OF EMBALMING (Attachment IV)

Representative Branson presented the report. Subcommittee concurs with Governor's recommendation with a slight adjustment. Representative Mainey moved the report be adopted. It was seconded by Representative Helgerson. Motion carried.

BANK COMMISSIONER (Attachment V)

Representative Duncan presented the reports. Subcommittee made a \$40,000 adjustment in the Governor's recommendation for FY 85. Representative Duncan moved the report be adopted and it was seconded by Representative Teagarden. Motion carried.

For FY 86, subcommittee concurs with Governor's recommendation with adjustments in several areas totaling \$30,692. Chairman Bunten moved to amend the report to add a statement that State chartered banks must have a disaster plan in case of complete computer breakdown. Representative Chronister seconded. Motion carried. Representative Duncan moved that the report, as amended, be adopted. It was seconded by Representative Helgerson. Motion carried.

CREDIT UNIONS (Attachment VI)

Representative Erne presented the reports. Subcommittee made a slight adjustment in the FY 85 report. Representative Hoy moved the report be adopted and it was seconded by Representative Helgerson. Motion carried.

Concerning the FY 86 report, two additional items were brought to the attention of the committee that are not mentioned in the report. One is a recommendation that \$2,000 be removed from the communications budget in FY 86. Subcommittee also is recommending that travel expenditures allowed for administrators for 85/86 be a 1-year item.

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

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 8:00 a.m./~~pm~~ on Friday, February 15, 1985.

Representative Hoy moved that we take out an additional \$2,000 for communications in FY 86 and that travel expenses not be loaded into the budget for FY 87. Representative Chronister seconded and the motion carried.

Representative Chronister moved that HB 2036, as amended, be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

Meeting adjourned at 9:00 a.m.

SUBCOMMITTEE REPORT

Agency: Board of Technical Professions Bill No. 2036 Bill Sec. 20
 Analyst: Holt Analysis Pg. No. 61 Budget Pg. No. 1-211

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 190,974	\$ 187,406	\$ (654)
State General Fund	—	—	—
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendation


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

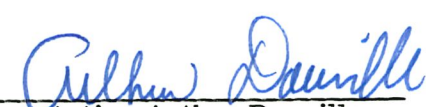
FY 1986. The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee notes that the agency's ending balance for FY 1984 was \$257,622; the agency projects its ending balance to be \$270,229 in FY 1985 and \$269,979 in FY 1986. The Subcommittee believes that these balances are unjustifiably high in light of estimated operating expenses. It is therefore recommended that the Board reduce its fees for FY 1986 and FY 1987 by reducing by half its renewal fees over a two-year period to realize a balance of not more than \$125,000 at the end of FY 1987. The 1984 Legislature recommended that the Board consider reducing its fees until its ending fiscal year balance would be approximately 30 to 40 percent of its annual operating budget. Although the Board enacted a policy which became effective July 1, 1984 to reduce the biennial renewal fee from \$30 to \$5 for licensees who are 70 years of age or older, this change in fees is not expected to have more than a marginal effect on the fee fund balance. In addition, the Subcommittee recommends that the Board submit a report to the House Ways and Means Committee prior to the beginning of the 1986 Legislative Session which would analyze the amount needed in the agency's fee fund balance in the event of a catastrophe such as the Hyatt Regency incident, and which would include a comparison of ending fiscal year balances of technical professions boards in other states. In the event that the Board does not enact in FY 1985 a fee reduction policy for FY 1986 and FY 1987 which would realize a balance of not more than \$125,000 at the end of FY 1987, the Subcommittee recommends the introduction of legislation during the 1986 Session that would reduce the maximum amounts to be charged for certain fees.
2. Reduction of \$654 in travel and subsistence expenditures to equal the amount of \$12,900 budgeted for FY 1985.
3. The Subcommittee notes that there is some confusion with the codes the agency assigns to various expenditures and expects this problem to be corrected.

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<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 249,046	\$ 257,622	\$ 279,259
Net Receipts	183,931	216,142	136,220
Total Funds Available	\$ 432,977	\$ 473,764	\$ 415,479
Less: Expenditures	175,355	194,505	186,752
Ending Balance	<u>\$ 257,622</u>	<u>\$ 279,259</u>	<u>\$ 228,727</u>


 Representative Henry Helgerson
 Subcommittee Chairperson


 Representative Arthur Douville

SUBCOMMITTEE REPORT

Agency: Office of the Securities Commissioner Bill No. 2036 Bill Sec. NA

Analyst: Howard Analysis Pg. No. 56 Budget Pg. No. 1-173

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 701,032	\$ 698,902	\$ (10,729)
State General Fund	—	—	—
F.T.E. Positions	19	19	—


House Subcommittee Recommendations

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

- Delete \$10,729 in savings identified in the areas of communication, rents, and travel. These savings are based on total expenditures projected by the agency for FY 1985. Part of the reason for the savings is the Wichita office operating for only ten months of the fiscal year.

The fee fund analysis, based upon Subcommittee adjustments, is as shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 2,286,870	\$ 500,000
Net Receipts	734,636	775,000
Total Funds Available	\$ 3,021,506	\$ 1,275,000
Less: Expenditures	485,048	688,173
Transfer to State General Fund	2,036,485	86,827
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>


 Representative David Heinemann,
 Subcommittee Chairperson

2/15/85 II

SUBCOMMITTEE REPORT

Agency: Office of the Securities Commissioner Bill No. 2036 Bill Sec. 19

Analyst: Howard Analysis Pg. No. 56 Budget Pg. No. 1-173

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 790,031	\$ 740,197	\$ —
State General Fund	—	—	—
F.T.E. Positions	19	19	—

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations for FY 1986 with the following comments:

1. The Subcommittee concurs with the reclassifications recommended by the Governor but recommends that they be reexamined if a new pay plan is adopted.
2. The Subcommittee declines to add \$4,400 in training expenses requested by the agency and deleted by the Governor. However, the Subcommittee recommends that funds for training be expended through savings in other areas.

Based upon adjustments to the Commissioner's budget made by the Subcommittee the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 2,286,870	\$ 500,000	\$ 500,000
Net Receipts	734,636	775,000	852,500
Total Funds Available	\$ 3,021,506	\$ 1,275,000	\$ 1,352,500
Less: Expenditures	485,048	688,173	740,197
Transfer to State General Fund	2,036,485	86,827	112,303
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>


 Representative David Heinemann,
 Subcommittee Chairperson

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts Bill No. _____ Bill Sec. _____

Analyst: Rampey Analysis Pg. No. 26 Budget Pg. No. 1-199

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 429,533	\$ 429,533	\$ (2,500)
State General Fund	—	—	
F.T.E. Positions	10.0	10.0	10.0

House Subcommittee Recommendation

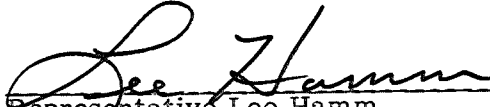
FY 1985. The Subcommittee makes the following adjustment to the Governor's recommendation:

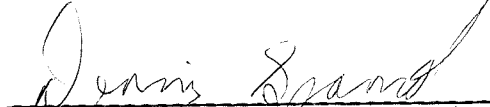
1. Delete \$2,500 for seasonal and temporary workers. The effect of the Subcommittee's adjustment is to recommend \$7,500 for seasonal and temporary workers instead of \$10,000 as originally approved.

The reason for the deletion is that it is the Subcommittee's understanding that some of the funds for temporary employees are being used for a law clerk for the Board's attorney. The Subcommittee notes that the Legislature has added two attorney positions to the Board's staff in the last two years: the Board attorney position added in FY 1984 and the Disciplinary Attorney position added in FY 1985. (The Disciplinary Attorney position is required under legislation enacted by the 1984 Legislature which is intended to strengthen the Board's disciplinary procedures.)

The Subcommittee is surprised that the activities of the Board's attorney warrant the use of a part-time law clerk, particularly when it is the Subcommittee's understanding that money for part-time and temporary help was intended by the Legislature to pay for additional secretarial and other clerical help.

Therefore, the Subcommittee is recommending that funds for the law clerk be deleted for the remainder of the current year in order to signal to the Board that it is the Subcommittee's recommendation that the activities of the Board's attorney be reviewed and justified to the Legislature.


 Representative Lee Hamm,
 Subcommittee Chairman


 Dennis Spaniol

2/15/85 III

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts Bill No. 2036 Bill Sec. 7
 Analyst: Rampey Analysis Pg. No. 26 Budget Pg. No. 1-199

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 511,543	\$ 459,929	\$ (500)
State General Fund	—	—	—
F.T.E. Positions	10.0	10.0	10.0

House Subcommittee Recommendations

FY 1986. The Subcommittee makes the following adjustment to the Governor's recommendation:

1. Delete \$500 for communications. The reduction is the result of applying a lower rate of increase to KANS-A-N expenditures than was recommended by the Governor. The reduction still leaves \$500 more for communications as recommended by the Governor than what was requested by the Board. The Governor's recommended increase takes into account higher postage rates.

In addition, the Subcommittee makes the following comments and recommendations:

1. The Legislature should continue to monitor the implementation of legislation enacted by the 1984 Legislature (S.B. 507) relating to the Health Care Stabilization Fund administered by the Commissioner of Insurance. The legislation also strengthened the Board of Healing Art's disciplinary procedures.

One feature of the legislation is that the Insurance Commissioner is authorized to appoint a Board of Governors to advise him on matters relating to the fund, assist in the evaluation of claims against the fund, and, if necessary, terminate liability for a health care provider who is found to present a significant risk to the fund. In addition, the legislation directs the Board of Governors, the Insurance Commissioner, the Attorney General, and the officers and employees of state agencies that license health care providers to "consult with and assist each other" in carrying out their duties.

The Subcommittee realizes that the new law has been in effect only since July, 1984. However, it is aware that tensions already have developed between the Board of Healing Arts and the Insurance Department as to what information about malpractice claims it is proper for the Insurance Department to disclose to a regulatory board. The issue apparently

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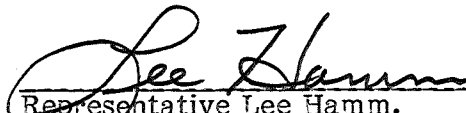
involves questions of law that the Subcommittee is not able to resolve, but the Subcommittee urges the two agencies to work together to reconcile their differences. As part of its review of the Board of Healing Arts' budget, the Subcommittee already has held one meeting with staff from the two agencies in an attempt to develop lines of communication. The Subcommittee believes the agencies should continue to meet and recommends that the appropriate Ways and Means subcommittees of the 1986 Legislature review any progress that has been made to bring about better cooperation between the two agencies.

2. The Subcommittee has been informed that the Division of Information Systems and Communications (DISC) is considering a proposal to combine the data processing activities of the boards of Healing Arts, Nursing, and Pharmacy. If such a proposal is made and adopted for FY 1986, adjustments may have to be made to the budgets of the respective agencies.
3. The Subcommittee supports the Board's request to raise the statutory maximum for the annual license renewal fee for doctors from \$50 to \$150. Renewal fees presently being charged are at the statutory maximum.

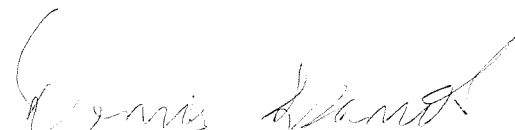
It is the Subcommittee's understanding that the Board intends to actually charge \$75 to renew a license. That increase over the present rate would generate approximately \$175,000 in additional revenue. The Subcommittee notes that the Board of Healing Arts must maintain a fairly high ending balance because most of its revenues are not received until the end of the fiscal year. (In FY 1984, almost 70 percent of the Board's revenues were received in May and June.) Therefore, the balance at the end of the year must be high enough to carry the Board through most of the following fiscal year. In order to enable the Board to generate additional revenue, the Subcommittee recommends that K.S.A. 65-2808 be amended to set the maximum rate for the renewal of licenses for doctors at \$150.

The status of the Board's fee fund is shown below. The analysis takes into account the Subcommittee's adjustment but not additional revenues generated from the proposed fee increase:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 328,859	\$ 411,687	\$ 397,736
Net Receipts	391,638	413,082	410,660
Total Funds Available	\$ 730,497	\$ 824,769	\$ 808,396
Less: Expenditures	720,497	427,033	459,429
Ending Balance	<u>\$ 411,687</u>	<u>\$ 397,736</u>	<u>\$ 348,967</u>



Representative Lee Hamm,
Subcommittee Chairman



Representative Dennis Spaniol

SUBCOMMITTEE REPORT

Agency: Board of Embalming Bill No. 2036 Bill Sec. 11
 Analyst: Holt Analysis Pg. No. 35 Budget Pg. No. 1-197

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustment</u>
State Operations:			
All Funds	\$ 103,268	\$ 94,010	\$ (1,700)
State General Fund	—	—	—
F.T.E. Positions	3.0	3.0	—

House Subcommittee Recommendations

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

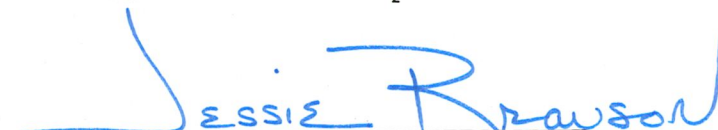
FY 1986. The Subcommittee concurs with the Governor's recommendation for FY 1986 with the following exceptions:

1. Reduction of \$200 in communication expenditures.
2. Reduction of \$1,500 in travel and subsistence expenditures.

The Subcommittee adjusts the Governor's fee fund analysis in fiscal years 1985 and 1986 as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 32,749	\$ 31,582	\$ 33,021
Net Receipts	83,794	92,563	94,579
Total Funds Available	\$ 116,543	\$ 124,145	\$ 127,600
Less: Expenditures	84,961	91,124	92,310
Ending Balance	\$ 31,582	\$ 33,021	\$ 35,290


 Representative David Louis
 Subcommittee Chairperson


 Representative Jessie Branson

2/15/85 

SUBCOMMITTEE REPORT

Agency: Bank Commissioner Bill No. NA Bill Sec. 4

Analyst: Howard Analysis Pg. No. 18 Budget Pg. No. 1-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,721,389	\$ 1,721,389	\$ (40,183)
State General Fund	—	—	—
F.T.E. Positions	53.0	53.0	—

House Subcommittee Recommendations

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

- Based upon expenditure patterns to date the Subcommittee makes the following adjustments:

	<u>Projected FY 1985 Expenditures</u>	<u>Governor's Recommendation</u>	<u>Subcommittee Adjustment</u>
Salaries and Wages	\$ 1,450,156	\$ 1,467,014	\$ (16,858)
Communication	15,768	23,389	(7,621)
Freight	21	1,500	(1,479)
Printing	967	6,831	(5,864)
Rents	31,742	28,311	3,431
Repairs	3,955	3,963	(8)
Travel	151,606	167,727	(16,121)
Fees — Other Services	3,545	3,818	(273)
Fees — Prof. Services	854	900	(46)
Utilities	5,016	5,468	(452)
Other Contractual Serv.	8,873	5,733	3,140
Stationery/Office Sup.	5,203	3,235	1,968
TOTAL ADJUSTMENT			<u>\$ 40,183</u>

2/15/85 *JH*

The fee fund analysis, based on the Subcommittee's adjustments in FY 1985, is as follows for the Bank Commissioner Fee Fund:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 371,685	\$ 273,867
Net Receipts	1,403,126	1,724,130
Total Funds Available	\$ 1,774,811	\$ 1,997,997
Less: Expenditures	1,500,944	1,681,206
Ending Balance	<u>\$ 273,867</u>	<u>\$ 316,791</u>



Representative J. Santford Duncan,
Subcommittee Chairperson

SUBCOMMITTEE REPORT

Agency: Bank Commissioner Bill No. 2036 Bill Sec. 4
 Analyst: Howard Analysis Pg. No. 18 Budget Pg. No. 1-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 2,177,744	\$ 2,113,336	\$ (30,692)
State General Fund	—	—	
F.T.E. Positions	63	63	(1.0)

House Subcommittee Recommendation

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

1. Deletion of the Attorney I position, budgeted at \$28,106 including fringe benefits. The Subcommittee recommends that \$10,000 be appropriated toward part-time law clerk or clerks to be supervised by the Attorney II.
2. The Subcommittee concurs with the recommendation for 9.0 F.T.E. new Financial Examiner positions but recommends that the Commissioner reassess the proposed plan to have one new examiner in each field office and examine the possibility of having some work unassigned out of the Topeka office for greater flexibility.
3. Deletion of \$9,668 from the salary increase for the Commissioner. This would still be an increase of \$12,780 over his current salary to \$40,332 and would set the salary at the same level as the Securities Commissioner.
4. Deletion of \$1,684 from the communications recommendation due to a lower anticipated increase in KANS-A-N rates.
5. Deletion of \$784 in repairs and servicing for a phone for the requested Attorney I position, and \$450 for a desk and chair requested for that position under capital outlay.
6. The Subcommittee notes that bank examiners currently work out of their homes and maintain confidential records in their home where they are not secure from observation by unauthorized persons or accidental loss or damage. The Subcommittee requests that the agency locate its examiners in actual office space by July 1, 1985. In some states, offices are shared with the FDIC and preliminary discussions indicate that this will be possible in the cities where FDIC maintains offices in Kansas. In communities where this not possible, the Subcommittee recommends that the agency explore sharing space with other state agencies. The Subcommittee notes that additional funding will be necessary for office supplies, equipment, and rent, but feels strongly that the present system is unacceptable. The Subcommittee notes that balances in the fee fund are sufficient to cover the costs of these items.

3/15/85

[Signature]

The following table reflects the Subcommittee adjustments to the Bank Commissioner Fee Fund.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 371,685	\$ 273,867	\$ 316,791
Net Receipts	1,403,126	1,724,130	2,290,534
Total Funds Available	\$ 1,774,811	\$ 1,997,997	\$ 2,607,325
Less: Expenditures	1,500,944	1,681,206	2,082,644
Ending Balance	<u>\$ 273,867</u>	<u>\$ 316,791</u>	<u>\$ 524,681</u>

The Subcommittee notes that ending balances may be lower in the current fiscal year and in fiscal year 1986 if net receipts remain lower than anticipated due to larger examinations at fewer banks. The Commissioner plans a fee increase because of lower revenue due to fewer examinations.



Representative J. Santford Duncan
Subcommittee Chairperson

SUBCOMMITTEE REPORT

Agency: Department of Credit Unions Bill No. 2036 Bill Sec. NA
 Analyst: Howard Analysis Pg. No. 31 Budget Pg. No. 1-105

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 323,804	\$ 321,429	\$ (1,285)
State General Fund	—	—	
F.T.E. Positions	9.0	9.0	—


House Subcommittee Recommendation

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

1. The Subcommittee deletes \$2,000 in communications in FY 1985. The Subcommittee believes that expenses have been overstated based on year to date expenditures and estimated increases.
2. The Subcommittee adds \$100 in repairs and servicing. Expenses for the year may be higher than anticipated when the agency submitted its budget request.
3. The Subcommittee adds \$615 in travel expenditures to allow the credit union administrator to travel to two meetings of the National Association of Credit Union Supervisors which he currently serves as President.

Based upon adjustments to the Board's budget made by Subcommittee, the ending balance in the Department of Credit Union's fee fund will be \$206,481 in FY 1985. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 84</u>	<u>Estimated FY 85</u>
Beginning Balance	\$136,132	\$ 182,306
Net Receipts	323,262	344,319
Total Funds Available	\$459,394	\$ 526,625
Less: Expenditures	277,089	320,144
Ending Balance	<u>\$182,306</u>	<u>\$ 206,481</u>


 Representative Rex Hoy
 Subcommittee Chairperson


 Representative Larry Erne

2/15/85 

SUBCOMMITTEE REPORT

Agency: Department of Credit Unions Bill No. 2036 Bill Sec. 9

Analyst: Howard Analysis Pg. No. 31 Budget Pg. No. 1-105

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 342,609	\$ 325,544	\$ 1,315
State General Fund	—	—	—
F.T.E. Positions	9.0	9.0	—

Agency Request/Governor's Recommendation

The agency request for FY 1986 would maintain the same level of staffing and operations as in the current fiscal year and would allow examination of all 170 state-chartered credit unions in Kansas.

The Governor's recommendation reduces the agency request by \$17,065 including deletion of the salary adjustment (\$14,118), reductions in unemployment insurance (\$677) and reductions in communications and travel.

House Subcommittee Recommendation

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

1. The Subcommittee adds \$1,315 in travel expenses for travel by the credit union administrator as an ex officio member of the Board of Directors of the National Association of State Credit Union Supervisors.

Based upon adjustments to the Board's budget made by the Subcommittee, the ending balance in the Department of Credit Union's Fee Fund will be \$206,481 in FY 1985 and \$191,275 in FY 1986. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 136,132	\$ 182,306	\$ 206,481
Net Receipts	323,262	344,319	311,653
Total Funds Available	\$ 459,394	\$ 526,625	\$ 518,134
Less: Expenditures	277,089	320,144	326,859
Ending Balance	\$ 182,305	\$ 206,481	\$ 191,275


 Representative Rex Hoy
 Subcommittee Chairperson


 Representative Larry Erne

VII

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 2036

"AN ACT making and concerning appropriations for the fiscal year ending June 30, 1986, for the abstracters' board of examiners, board of accountancy, state bank commissioner, board of barber examiners, behavioral sciences regulatory board, state board of healing arts, Kansas state board of cosmetology, state department of credit unions, Kansas dental board, state board of embalming, Kansas board of examiners in fitting and dispensing of hearing aids, consumer credit commissioner, board of nursing, board of examiners in optometry, state board of pharmacy, Kansas real estate commission, savings and loan department, office of the securities commissioner of Kansas, state board of technical professions and state board of veterinary examiners; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing."

Be amended:

On page 2, in line 58, by striking "\$151,774" and inserting in lieu thereof "\$151,242"; in line 68, by striking "\$2,113,336" and inserting in lieu thereof "\$2,082,644"; in line 80, by striking "\$68,397" and inserting in lieu thereof "\$69,367";

On page 3, in line 100, by striking "\$459,929" and inserting in lieu thereof "\$459,429"; in line 111, by striking "\$248,267" and inserting in lieu thereof "\$240,870"; in line 122, by striking "\$325,544" and inserting in lieu thereof "\$324,859"; in line 132, by striking "\$112,293" and inserting in lieu thereof "\$110,193"; in line 142, by striking "\$94,010" and inserting in lieu thereof "\$92,310";

On page 4, in line 153, by striking "\$9,751" and inserting in lieu thereof "\$8,219"; by striking all in lines 165 to 173, inclusive, and inserting in lieu thereof the following material to read as follows:

"Provided, That quarterly transfers of moneys may be made from this fund to the appropriate account of the restricted fees fund of Kansas state university pursuant to a contract which is hereby authorized to

be entered into by the consumer credit commissioner and the Kansas council on economic education of Kansas state university to conduct a consumer credit education program: Provided further, That any quarterly transfers of moneys from this fund to the appropriate account of the restricted fees fund of Kansas state university pursuant to such contract shall be in addition to any expenditure limitation imposed on this fund: Provided, however, That the total amount of such quarterly transfers shall not exceed \$65,000.";

Also on page 4, in line 192, by striking "\$21,870" and inserting in lieu thereof "\$21,470";

On page 5, in line 202, by striking "\$243,475" and inserting in lieu thereof "\$242,784"; in line 224, by striking "\$181,997" and inserting in lieu thereof "\$181,734"; in line 246, by striking "\$187,406" and inserting in lieu thereof "\$186,752";

On page 6, in line 257, by striking "\$42,282" and inserting in lieu thereof "\$42,049"; in line 275, by striking "63.0" and inserting in lieu thereof "62.0";

And the bill be passed as amended.

Chairperson