

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at \_\_\_\_\_  
Chairperson

1:15 a.m./p.m. on Monday, April 1, 1985 in room 514-S of the Capitol.

All members were present except:

- Committee staff present:
- Ed Ahrens - Legislative Research
  - Paul West - Legislative Research
  - Gloria Timmer - Legislative Research
  - Laura Howard - Legislative Research
  - Jim Wilson - Revisor's Office
  - Sharon Schwartz - Administrative Aide

Conferees appearing before the committee:  
 None  
 Others present (Attachment 1)

Chairman Bunten called the meeting to order at 1:15 p.m.

Committee continued with consideration of subcommittee reports on SB 86.

PUBLIC DISCLOSURE COMMISSION (Attachment 2)  
 Representative King reported for FY 85/86. Being no discussion, he moved that the subcommittee report be adopted. Seconded by Representative Helgerson. Motion carried.

STATE TREASURER (Attachment 3)  
 Representative Duncan reported for FY 1985, he then moved for adoption of the subcommittee report. Seconded by Representative King. Motion carried.

Representative King reported for FY 1986, he then moved the subcommittee report be adopted. Seconded by Representative Duncan. Motion carried.

GRANT - VETERANS OF WORLD WAR I (Attachment 4)  
 Subcommittee made no change in recommendations. Representative Lowther moved the report be adopted. Seconded by Representative Solbach. Motion carried.

STATE BOARD OF TAX APPEALS, Section 12 - SB 86 (Attachment 5)  
 Subcommittee commented there might be a need for an adjustment in the Omnibus bill regarding product recall on the Exxon 750 computer and the agency possibly purchasing another printer. Representative Duncan moved for adoption of the subcommittee report. Seconded by Representative Ott. Motion carried.

KANSAS SOLDIERS' HOME (Attachment 6)  
 Representative Teagarden presented the FY 1985 report, and moved that the report be adopted. Seconded by Representative Luzzati. Motion carried.

Representative Miller presented the FY 1986 report. He did point out that the subcommittee concurred with the Governor on the ending balances. He then moved that the subcommittee report be adopted. Seconded by Representative Teagarden. Motion carried.

ATTORNEY GENERAL - KBI (Attachment 7)  
 Representative Luzzati presented the FY 1985 subcommittee report and moved that it be adopted. Seconded by Representative Teagarden. Motion carried.

Representative Teagarden reported for FY 1986 and moved for adoption of the subcommittee report. Seconded by Representative Miller. Motion carried.

DEPARTMENT OF ECONOMIC DEVELOPMENT (Attachment 8)  
 Representative Solbach reported for FY 1985 and moved for adoption of the report. Seconded by Representative Hoy. Motion carried.

Representative Lowther presented the FY 1986 report. Representative Solbach presented a Minority Report. One area of lengthy discussion was \$80,000 for the National Development Council contract to provide training for agency personnel and development leaders.

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

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means

room 514-S, Statehouse, at 1:15 ~~am~~/p.m. on Monday, April 1, 1985

Representative Shriver offered a motion to increase the \$20,000 SGF associated with the National Mainstreet contract to \$30,000, making the split \$30,000 state general funds and \$50,000 from other funds. Representative Ott seconded.

Representative Solbach offered a substitute motion to put the funding at \$40,000 SGF and \$40,000 other funds. Representative Helgerson seconded. The motion failed.

Back on the original motion from Representative Shriver. The motion passed.

Representative Rolfs offered a motion relating to Small Business Development, to remove the F.T.E. position associated with rental costs for field offices. Seconded by Representative King. The motion failed.

Representative Rolfs offered a subsequent motion that the House disagree with Item 2 of the Small Business Development portion of the Senate report. Seconded by Representative Heinemann. Motion carried.

Representative Heinemann moved that Item #1 under Small Business Development on page 4 be removed. Seconded by Representative Solbach. Motion carried.

Representative Mainey offered a motion to restore \$10,000 to the "Travel, Tourism, and Film Services" budget. Representative Solbach seconded. The motion failed.

Representative Lowther moved that the subcommittee report, as amended, be adopted. Seconded by Representative Hoy.

Representative Solbach moved that the Minority Report be adopted, showing the amendments that were just approved. Representative Mainey seconded.

Representative Wisdom offered a motion to amend the Minority Report by restoring \$40,000 rather than the suggested \$80,000 under Small Business Development, and that \$15,000 be SGF and \$25,000 federal funds. Seconded by Representative Rolfs. The motion carried.

Representative Lowther moved that the subcommittee report, as amended, be adopted. Representative Chronister seconded. Motion carried.

DEPARTMENT OF HUMAN RESOURCES (Attachment 9)

Representative Guldner reported for FY 1985 and moved that the report be adopted. Seconded by Representative Turnquist. Motion carried.

Representative Guldner reported for FY 1986 and moved that the subcommittee report be adopted. Seconded by Representative Dyck. Motion carried.

KANSAS ARTS COMMISSION (Attachment 10)

Representative Teagarden presented the subcommittee report. Note was made of Item 5 on page 2, in which \$150,000 is recommended for the National Endowment for the Arts (over a 3-year period). Representative Miller presented a Minority Report which suggests this amount be reduced to \$50,000. Representative Teagarden moved that the subcommittee report be adopted. Representative Miller made a substitute motion that the Minority report be adopted. Representative Chronister seconded. The motion carried.

Representative Duncan requested introduction of a bill relating to examination and license fees for State Board of Abstractors (Attachment 11). Representative Rolfs moved that the bill be introduced and referred to the Committee of the Whole. Seconded by Representative Louis. Motion carried.

DEPARTMENT OF INSURANCE (Attachment 12)

Representative Duncan presented the FY 1985 subcommittee report. Being no questions he moved for adoption of the report. Seconded by Representative Ott. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,  
room 514-S, Statehouse, at 1:15 ~~xxx~~ p.m. on Monday, April 1, 1985

DEPARTMENT OF INSURANCE (cont'd) (Attachment 12)

Representative Shriver presented the FY 1986 subcommittee report. Representative Heinemann offered a motion to remove first and second paragraphs of Item #4, relative to SB 267, in the House subcommittee report. Seconded by Representative Hamm.

Representative Louis offered a substitute motion to remove all of Item #3 as well as that portion included in Representative Heinemann's motion. It was seconded by Representative Helgerson.

For purposes of voting, the motion was divided into two questions. On the motion to remove the first two paragraphs of Item #4, the motion carried.

On the motion to remove all of Item #3, page 5, the motion carried.

Representative Teagarden moved that Item 6 on page 6, which relates to the Health Care Stabilization Fund, be deleted from the House subcommittee report. Seconded by Representative Turnquist. The motion failed.

Representative Duncan moved that the Subcommittee report for Department of Insurance, as amended, be adopted. Seconded by Representative Shriver. Motion carried.

Chairman Buntan requested introduction of a bill concerning municipal universities; imposing a 1/2 mil tax levy for Washburn University, be introduced and referred to the Committee of the Whole (Attachment 13). Representative Rolfs moved the bill be introduced. Representative Heinemann seconded. The motion carried.

ATTORNEY GENERAL (Attachment 14)

Representative Helgerson presented the subcommittee report for FY 1985. Being no questions, he moved for adoption of the report. Seconded by Representative Louis. Motion carried.

Representative King reported for FY 1986. Item #1, page 4, of the House subcommittee report states that Kansas Highway Patrol has requested permission to retain an attorney in the area of labor negotiations. Chairman Buntan offered a motion that the word "negotiations" be changed to "discussion". Representative Chronister seconded. Motion carried.

Representative Duncan moved that Item #1 of the Senate Subcommittee Recommendations, which contains pragmatic language, be removed from the report. This would mean that the House subcommittee does not concur with the Senate. Seconded by Representative Rolfs. The motion failed.

Representative Louis moved that the subcommittee report for Attorney General, as amended, be adopted. Seconded by Representative Helgerson. Motion carried.

LIEUTENANT GOVERNOR (Attachment 15)

Representative Louis presented the subcommittee report. Senate and House subcommittees both concurred with the Governor's recommendations. Representative Louis moved that the report be adopted. Seconded by Representative Helgerson. Motion carried.

GOVERNOR'S DEPARTMENT (Attachment 16)

Representative Louis presented the report. Both Senate and House concurred with the Governor's recommendations. Representative Louis moved for adoption of the report. Seconded by Representative Helgerson. Motion carried.

Representative Chronister moved that SB 86, as amended, be reported favorable for passage. Seconded by Representative Turnquist. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,  
room 514-S, Statehouse, at 1:15 ~~xxx~~/p.m. on Monday, April 1, 1985

HB 2165 -- an act relating to postsecondary education; concerning community college and municipal university finance; increasing rates of state aid entitlements and out-district tuition payments; amending K.S.A. 1985 Supp. 71-301, 71-602 and 72-6503, and repealing the existing sections.

Chairman Buntten explained the bill for the committee and presented a proposed amendment (Attachment 17). The amendment increases state aid to community and municipal colleges for each credit hour, from \$25.00 to \$26.25. It provides for the school of law an amount  $1\frac{1}{2}$  times the rate. The total cost would be about \$1 million.

Appearing in support of the legislation were Dr. John Green, President of Washburn; Patricia Bernhardt, Washburn Student Association; Meryl Hill representing community colleges; and Connie Hubbell, State Board of Education.

Chairman Buntten moved that the proposed amendment be adopted. Seconded by Representative Heinemann. Motion carried.

Representative Heinemann moved that HB 2165, as amended, be recommended favorable for passage. Seconded by Representative Shriver. Motion carried.

Chairman Buntten announced that the committee's next meeting will be at 12:00 Noon, April 2, 1985.

Meeting adjourned at 4:15 p.m.

Date 4-1-85

Name	Address	Representing
Cheryl Clark	1620 S.W. Tyler, Topeka	K.B.L.
Brocky Guldner	Syracuse, Ks.	visitor
Jayne Plunkett	Syracuse KS	Visitor
Richard Plunkett	Syracuse, Ka.	Visitor
Emma Horton	Kendall, Kans	Visitors
Aaron Plunkett	Syracuse, Ks	Visitors
Butt W. Horton	Kendall Ks.	Visitor
Harriet Lange	Topeka	Ks. Assn Broadcasters
Robert Burtch	Topeka	Ks. Arts Commission
John Reed	Topeka	Ks. Arts Commission
Robin Fowler	1620 Tyler, Topeka	KBI
Jim Green	"	KBI
Thomas E. Kelly	"	KBI
Patricia A. Barnhart	# 1700 College Topeka	Washburn Student Assoc.
Jean Turner	Overbrook, Ks	State Office of Treasurer
Chusan Johnson	Topeka	
Ken Todd	"	Ins Dept
Ron Kitchin	"	Ins Dept.
Susan Ruffly	Topeka	Budget
Sta Teasley	Topeka	KVC
Cathy Hansen	Topeka	KDED
WALTER DARLING	TOPEKA	Division of Budget

SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission Bill No. NA Bill Sec. NA  
 Analyst: Rothe Analysis Pg. No. 494 Budget Pg. No. 1-151

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 185,567	\$ 185,567	\$ (2,000)
F.T.E. Positions	5.0	5.0	—

Agency Request/Governor's Recommendation

The Commission estimates expenditures of \$185,567 in FY 1985, which is the amount approved by the 1984 Legislature.

The Governor concurs with the agency's estimate of expenditures for FY 1985.

Senate Subcommittee Recommendations

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

1. Reappropriate \$2,000 in State General Funds in travel and subsistence savings to be applied toward the purchase and development of custom computer software programming in FY 1986 for the statistical analysis of lobbying and election campaign finance data. The Subcommittee notes that all additional current year savings (\$6,500) will be applied towards the purchase of two personal computers (as recommended by DISC). The computer and programming purchases will also speed the comprehensive desk review process of candidates, political action committees, and party committees. Finally, the Subcommittee notes that the purchases would eliminate the need for additional employees.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.


Senate Recommendation

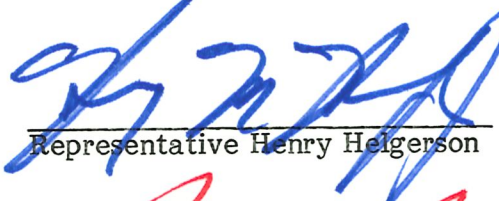
The Senate concurs with the Committee's recommendation.

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House Subcommittee Recommendation

The House Subcommittee concurs with the Senate's recommendation.

  
Representative David Louis  
Subcommittee Chairman

  
Representative Henry Helgeson

  
Representative Kenneth King

SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission Bill No. 86 Bill Sec. 5

Analyst: Rothe Analysis Pg. No. 494 Budget Pg. No. 1-151

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 236,798	\$ 184,124	\$ 1,650
F.T.E. Positions	6.0	5.0	—

Agency Request/Governor's Recommendation

The Commission is requesting \$236,798 from the State General Fund for FY 1986. The request is an increase of \$51,231, or 27.6 percent, over the expenditure estimate for the current year. The agency is requesting an additional \$37,510 over FY 1985 for salaries and wages which would support one new position, additional temporary help and a 5.5 percent salary adjustment. Contractual services would increase by \$13,777 including an \$8,455 increase in printing expenditures, and a \$6,147 increase in office rent.

The Governor recommends expenditures of \$184,124 for FY 1986, a reduction of \$52,674 from the agency's request. The Governor does not recommend the addition of a new position, funding for temporary help, or funding for the 5.5 percent salary adjustment. The recommendation includes a reduction of \$12,291 in contractual services including reductions of \$2,459 in printing and advertising, \$4,939 in rents, and \$3,524 in travel and subsistence.

Senate Subcommittee Recommendations

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

1. Deletion of \$350 in State General Funds in communication savings.
2. The Subcommittee recommends that \$2,000 be reappropriated in FY 1985 travel and subsistence savings and be applied in FY 1986 towards the purchase of computer software programming for the statistical analysis of lobbying and election campaign finance data.
3. The Subcommittee recommends that K.S.A. 1984 Supp. 46-265 be amended to permit the Secretary of State to collect a larger lobbyist registration fee (currently \$15), in order to offset the printing costs of the The Lobbying Handbook. The Secretary of State would distribute a copy of the handbook along with an identification badge to each lobbyist upon receipt of the annual registration fee. Currently, the State Printer charges the Public Disclosure Commission \$1,000 for the 1,000 handbooks printed annually for free distribution by the Commission.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Recommendation

The Senate concurs with the Committee's recommendations.

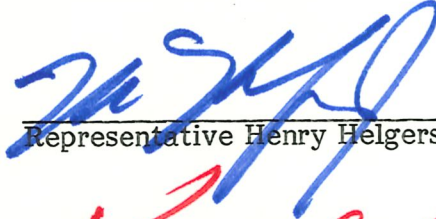


House Subcommittee Recommendation

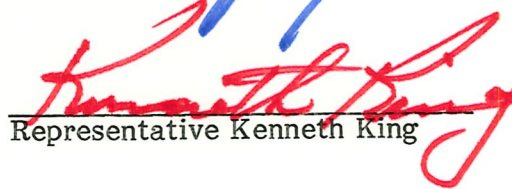
The House Subcommittee concurs with the Senate's recommendation.



Representative David Louis  
Subcommittee Chairman



Representative Henry Helgerson



Representative Kenneth King

SUBCOMMITTEE REPORT

Agency: State Treasurer Bill No. — Bill Sec. —  
 Analyst: Howard Analysis Pg. No. 541 Budget Pg. No. 1-177

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,223,232	\$ 2,205,749	\$ (5,322)
Aid to Local Units	49,106,118	49,169,689	—
TOTAL	<u>\$ 51,329,350</u>	<u>\$ 51,375,438</u>	<u>\$ (5,322)</u>
State General Fund:			
State Operations	\$ 1,521,990	\$ 1,504,507	\$ (5,322)
Aid to Local Units	41,973,018	41,954,821	—
TOTAL	<u>\$ 43,494,008</u>	<u>\$ 43,459,328</u>	<u>\$ (5,322)</u>
F.T.E. Positions	53.0	53.0	—

Senate Subcommittee Recommendations

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

1. Reappropriation of \$322 to FY 1986 due to projected turnover savings.
2. Reappropriation of \$5,000 to FY 1986 due to projected savings in communication expenditures.

Senate Committee Recommendations

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendations

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

House Subcommittee Recommendations

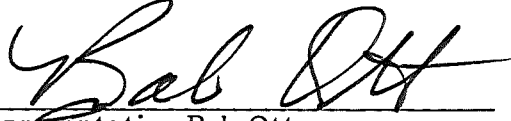
The House Subcommittee concurs with the recommendations of the Senate with the following adjustments:

1. Reduction of \$2,000 in the reappropriation to FY 1986 for projected communications expenditure savings. The agency has experienced some billing problems with AT&T and has not yet received their bills for January and February. Their savings in the current fiscal year will be lower than anticipated.

4/1/85 (3)

A large, bold, handwritten signature in black ink that reads "JSDuncan". The letters are thick and stylized, with a long horizontal stroke at the end.

Representative J. Sanford Duncan  
Subcommittee Chairman

A handwritten signature in black ink that reads "Bob Ott". The letters are fluid and cursive, with a long horizontal stroke at the end.

Representative Bob Ott

A handwritten signature in black ink that reads "Jack Shriver". The letters are fluid and cursive, with a long horizontal stroke at the end.

Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: State Treasurer Bill No. 86 Bill Sec. 15  
 Analyst: Howard Analysis Pg. No. 541 Budget Pg. No. 1-177

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,307,550	\$ 2,170,691	\$ (232)
Aid to Local Units	51,037,100	51,665,957	—
TOTAL	<u>\$ 53,344,650</u>	<u>\$ 53,836,648</u>	<u>\$ (232)</u>
<b>State General Fund:</b>			
State Operations	\$ 1,619,530	\$ 1,482,671	\$ (232)
Aid to Local Units	43,907,000	44,470,882	—
TOTAL	<u>\$ 45,526,530</u>	<u>\$ 45,953,553</u>	<u>\$ (232)</u>
F.T.E. Positions	56.0	54.0	—

Agency Request/Governor's Recommendation

The agency has submitted a request for FY 1986 expenditures for state operations which totals \$1,644,530, exclusive of debt service. Of that total, \$1,619,530 would be financed from the State General Fund, a 6.4 percent increase over the estimate for FY 1985 of \$1,521,990. The agency requests 56.0 F.T.E. positions, an increase of 3.0 F.T.E. positions over the FY 1985 estimate. The agency's FY 1986 budget request includes estimates of aid to local units totaling \$51,037,100 of which \$43,907,000 would be financed from the State General Fund. Estimated debt service payments for university revenue bonds total \$663,020 for FY 1986.

The Governor recommends FY 1986 expenditures for state operations totaling \$1,507,671, exclusive of debt service. The recommendation is \$136,859 less than the amount requested by the agency. The Governor recommends State General Fund financing of \$1,482,671, a decrease of 1.5 percent from the FY 1985 estimate of \$1,504,507. The Governor recommends 54.0 F.T.E. positions, an increase of 1.0 F.T.E. position above the authorized FY 1985 total. The estimate for state aid to local units in the Governor's budget totals \$51,665,957, of which \$44,470,882 would be from the State General Fund. The Governor concurs with the agency estimate for university debt service.

Senate Subcommittee Recommendations

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

1. Reduction of \$232 in communication expenditures to reflect a 17.8 percent increase in KANS-A-N rather than the 31 percent increase budgeted for some subprograms.
2. The Subcommittee requests that the agency review its fee structure in the fiscal agency and bond registration subprograms. We believe that these

subprograms should fund themselves through their fees, and the agency should insure that fees are sufficient for these purposes. The expenditures for the two subprograms in FY 1986, as recommended by the Governor total \$415,473. In FY 1984 fee receipts were \$41,256 for fiscal agency and \$187,271 for bond registration for a total of \$228,527. In the current fiscal year receipts are estimated at \$40,000 for fiscal agency and \$275,000 for bond registration for a total of \$315,000. Raising fees to completely fund these two subprograms would result in approximately \$100,000 in expenditure savings to the State General Fund in FY 1986.

#### Senate Committee Recommendations

The Senate Committee concurs with the recommendation of the Subcommittee with the following adjustment:

1. Delete \$12,444,605 which would have resulted from the transfer of the Health Care Stabilization Fund from the Insurance Department to the Attorney General. The Committee recommends the introduction of a bill to accomplish the transfer and believes there should be further study prior to such a transfer.

#### Senate Committee of the Whole Recommendations


The Senate Committee of the Whole concurs with the recommendations of the Committee.


#### House Subcommittee Recommendations

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

1. Delete \$1,000 from communications expenditures.
2. Delete \$819,300 of Local Ad Valorem Tax Reduction Fund payments which were recommended by the Governor as a result of his requested one-half cent sales and use tax increase.
3. The Subcommittee expresses concern over lengthy delays in the Unclaimed Property program both in initially sending out claim forms and in processing and reviewing those returned forms. The Subcommittee feels strongly that these delays must be reduced and requests that the agency take action to strengthen their procedures. To assist in solving this problem, the Subcommittee concurs with the addition of one Account Clerk I as recommended by the Governor.
4. The Subcommittee wishes to note that the State Treasurer has responded to Post-Audit recommendations by changing procedures and initiating legislation where necessary to accomplish these changes.

5. The Subcommittee wishes to express support for H.B. 2527 which has passed the House and is currently in the Senate Governmental Organization Committee. The bill would enact a recommendation of Legislative Post Audit to amend the statute to authorize current procedures for publication and notice under the Disposition of Unclaimed Property Act.
6. The Subcommittee concurs with the recommendation of the Senate that the fee structure in the fiscal agency and bond registration subprograms be reviewed to allow these two subprograms to be totally funded through their fees.

  
\_\_\_\_\_  
Representative J. Sanford Duncan  
Chairman

  
\_\_\_\_\_  
Representative Bob Ott

  
\_\_\_\_\_  
Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Grant - Veterans of World War I Bill No. 86 Bill Sec. 16

Analyst: Efird Analysis Pg. No. 545 Budget Pg. No. 1-183

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Other Assistance	\$ 2,000	\$ 2,000	\$ —

Senate Subcommittee Recommendations

FY 1985. No change in the approved level of funding at \$2,000 is recommended for the current year.

FY 1986. The Subcommittee concurs with the Governor's FY 1986 recommendation for a \$2,000 grant to the Veterans of World War I, Department of Kansas.


Senate Committee Recommendation


The Committee concurs with the FY 1985 and FY 1986 recommendations.

House Subcommittee Recommendation

The Subcommittee concurs with the Senate.

  
\_\_\_\_\_  
Representative James Lowther  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative Rex Hoy

  
\_\_\_\_\_  
Representative John Solbach

4/1/85 (4)

SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals Bill No. 86 Bill Sec. 12

Analyst: Efird Analysis Pg. No. 532 Budget Pg. No. 1-175

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 667,098	\$ 618,178	\$ (554)
F.T.E. Positions	14.0	14.0	—

Agency Request/Governor's Recommendation

FY 1985. The Board does not request any changes in its approved budget of \$611,258. The Governor recommends \$611,258 for the current fiscal year.

FY 1986. The Board's request of \$667,098 from the State General Fund is an increase of 9.1 percent over the current fiscal year estimate. The primary enhancements and increases include \$8,486 for reclassifications, \$4,860 for higher office rent, \$10,944 additional for travel, \$3,000 for office supplies, \$1,474 for tuition, and \$8,500 for consultants.

The Governor recommends \$618,178 in FY 1986 or an increase of 1.1 percent over FY 1985. Included in the Governor's recommendations are reclassification financing for the two attorneys (\$6,821), higher rent (\$4,560), additional travel (\$1,575), office supplies (\$500), and consultants (\$5,000).

Senate Subcommittee Recommendation

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

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

1. Delete \$554 for KANS-A-N charges to reduce budgeted increase to 17.8 percent over the FY 1985 estimate.

The Subcommittee notes that H.B. 2434 may reduce the agency's estimated expenditures for postage and printing if the proposed legislation passes.

The Subcommittee also directs that the Board should have a further review conducted by DISC to determine if it would be cost-effective to switch from the word data processing equipment currently being acquired to personal computers. The Subcommittee is concerned by the \$20,887 price for equipment.

Senate Committee Recommendation

The Committee concurs with the Subcommittee report for FY 1985 and 1986.

4/1/85 (5)



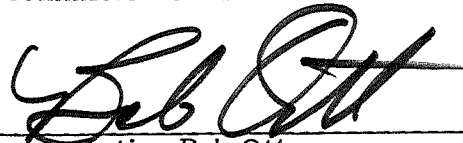
House Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Senate, except for the following: reappropriate \$4,261 from the State General Fund to reflect the anticipated refund of the lease-purchase and maintenance financing of the Exxon 750 computer, peripherals and software due to a product recall.

FY 1986. The Subcommittee concurs with the Senate, except for the following: reduce \$6,955 relative to the Exxon 750 computer system. The Subcommittee recommends consideration during Omnibus of an alternative computer system after the Board and DISC have studied what type of device might best serve the needs of the agency as a replacement.



\_\_\_\_\_  
Representative J. Sanford Duncan  
Subcommittee Chairman



\_\_\_\_\_  
Representative Bob Ott



\_\_\_\_\_  
Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals Bill No. 86 Bill Sec. 12  
 Analyst: Efird Analysis Pg. No. 532 Budget Pg. No. 1-175

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 667,098	\$ 618,178	\$ (554)
F.T.E. Positions	14.0	14.0	—

Agency Request/Governor's Recommendation

FY 1985. The Board does not request any changes in its approved budget of \$611,258. The Governor recommends \$611,258 for the current fiscal year.

FY 1986. The Board's request of \$667,098 from the State General Fund is an increase of 9.1 percent over the current fiscal year estimate. The primary enhancements and increases include \$8,486 for reclassifications, \$4,860 for higher office rent, \$10,944 additional for travel, \$3,000 for office supplies, \$1,474 for tuition, and \$8,500 for consultants.

The Governor recommends \$618,178 in FY 1986 or an increase of 1.1 percent over FY 1985. Included in the Governor's recommendations are reclassification financing for the two attorneys (\$6,821), higher rent (\$4,560), additional travel (\$1,575), office supplies (\$500), and consultants (\$5,000).

Senate Subcommittee Recommendation

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

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

1. Delete \$554 for KANS-A-N charges to reduce budgeted increase to 17.8 percent over the FY 1985 estimate.

The Subcommittee notes that H.B. 2434 may reduce the agency's estimated expenditures for postage and printing if the proposed legislation passes.

The Subcommittee also directs that the Board should have a further review conducted by DISC to determine if it would be cost-effective to switch from the word data processing equipment currently being acquired to personal computers. The Subcommittee is concerned by the \$20,887 price for equipment.

Senate Committee Recommendation

The Committee concurs with the Subcommittee report for FY 1985 and 1986.

House Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Senate, except for the following: reappropriate \$4,261 from the State General Fund to reflect the anticipated refund of the lease-purchase and maintenance financing of the Exxon 750 computer, peripherals and software due to a product recall.

FY 1986. The Subcommittee concurs with the Senate, except for the following: reduce \$6,955 relative to the Exxon 750 computer system. The Subcommittee recommends consideration during Omnibus of an alternative computer system after the Board and DISC have studied what type of device might best serve the needs of the agency as a replacement.



\_\_\_\_\_  
Representative J. Sanford Duncan  
Subcommittee Chairman



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Representative Bob Ott



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Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home Bill No. — Bill Sec. —  
 Analyst: Efird Analysis Pg. No. 537 Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 1,054,270	\$ 975,335	\$ 35,020
General Fee Fund	1,934,843	1,934,662	(102,792)
Subtotal	<u>\$ 2,989,113</u>	<u>\$ 2,909,997</u>	<u>\$ (67,772)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 10,000	\$ 10,000	\$ —
Other Funds	125,000	125,000	—
Subtotal	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ —</u>
<b>TOTAL</b>	<u><u>\$ 3,124,113</u></u>	<u><u>\$ 3,044,997</u></u>	<u><u>\$ (67,772)</u></u>
 F.T.E. Positions	 132.8	 132.8	 —

Agency Request/Governor's Recommendation

The agency makes no revision in its approved operating budget of \$2,989,113.

The Governor recommends a reduction of \$79,116 from the approved budget, of which \$78,935 is from the State General Fund (salaries and wages) and \$181 is from the General Fee Fund (other operating expenditures).

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's reduction of \$79,116 and recommends further reductions of \$67,772 for total savings of \$146,888 in the approved budget for the agency. The \$146,888 reduction is 4.9 percent of the current approved budget and should be apportioned in the following manner:

	<u>Approved</u>	<u>Gov. Rec.</u>	<u>Sub. Adj.</u>	<u>Recommended</u>
State General Fund	\$1,054,270	\$ (78,935)	\$ 35,020	\$ 1,010,355
General Fees Fund	1,934,843	(181)	(102,792)	1,831,870
<b>TOTAL</b>	<u><u>\$2,989,113</u></u>	<u><u>\$ (79,116)</u></u>	<u><u>\$ (67,772)</u></u>	<u><u>\$ 2,842,225</u></u>

The Subcommittee noted that in the first seven months of FY 1985 the agency underspent its salaries and wages budget by \$68,361 and that additional salary turnover savings above the 0.7 percent recommended by the Governor may be anticipated. Because the agency has expended all of its State General Fund appropriation except \$43,915, additional savings recommended by the Subcommittee should be apportioned against the General Fee Fund in the amount of \$102,792 and \$35,020 of the Governor's recommended State General Fund reduction should be restored.

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The Subcommittee adjustments, coupled with Governor's recommendations, have the following impact:

	<u>State General Fund - Salaries and Wages</u>	<u>General Fees Fund - Salaries and Wages</u>	<u>General Fees Fund - Other Operating Expenditures</u>
Approved	\$1,054,270	\$1,102,485	\$ 832,358
Governor's Recommendation	(78,935)	29,517	(29,698)
Subcommittee Adjustments	35,020	(102,792)	—
Net Adjustment	<u>(43,915)</u>	<u>(73,275)</u>	<u>(29,698)</u>
Recommended	\$1,010,355	\$1,029,210	\$ 802,660
Percent Reduction	(4.2)%	(6.6)%	(3.6)%

The Subcommittee recommends net salary turnover savings of \$117,190 or 5.4 percent. Actual turnover in FY 1983 was 6.0 percent and in FY 1984 was 7.2 percent.

The Subcommittee recommends reappropriation of \$43,915 from the State General Fund in FY 1985 to FY 1986. In addition, the Subcommittee recommends that the expenditure limitation on the General Fees Fund not be reduced in FY 1985, thus leaving \$102,973 available in FY 1985 should an emergency arise. However, the Subcommittee recommends reducing the FY 1986 State General Fund financing by \$102,973 and shifting \$102,973 of expenditures to the General Fees Fund.

Senate Committee Recommendation

The Committee concurs with the Subcommittee report.

House Subcommittee Recommendations

The Subcommittee concurs with the Senate, except for the following:

1. Increase the reappropriation by \$35,020 from the State General Fund and increase expenditures charged against the General Fees Fund by \$35,020.
2. Restore \$23,262 in salaries and benefits cut by the Senate from the General Fees Fund to pay temporary and part-time help (\$11,666) and two staff recently hired (\$10,790).
3. Increase the estimate for receipts to the General Fees Fund by \$67,253 in FY 1985 for a total of \$1,640,465.

*David Miller*

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Representative David Miller  
Subcommittee Chairman

*Ruth Luzzati*

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Representative Ruth Luzzati

*George Teagarden*

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Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home Bill No. 86 Bill Sec. 14

Analyst: Efird Analysis Pg. No. 537 Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 1,616,448	\$ 1,185,464	\$ (123,745)
General Fees Fund	1,620,566	1,737,778	82,721
Subtotal	<u>\$ 3,237,014</u>	<u>\$ 2,923,242</u>	<u>\$ (41,024)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 214,000	\$ 214,000	\$ (214,000)
Other Funds	91,666	112,000	174,000
Subtotal	<u>\$ 305,666</u>	<u>\$ 326,000</u>	<u>\$ (40,000)</u>
<b>TOTAL</b>	<u><u>\$ 3,542,680</u></u>	<u><u>\$ 3,249,242</u></u>	<u><u>\$ (81,024)</u></u>
F.T.E. Positions	140.8	133.8	—

Agency Request/Governor's Recommendations

The agency requests operating expenditures of \$3,237,014 and capital improvements of \$305,666 for a waste treatment system and recreation room. Enhancements include 5.0 F.T.E. new positions to increase staffing in Walt Hall and 3.0 F.T.E. new positions in food service.

The Governor recommends operating expenditures of \$2,923,242 in FY 1986 and \$326,000 for capital improvements, with the increased cost attributed to the recreation room. Only 1.0 F.T.E. new position in food service is recommended by the Governor. Salary turnover savings of 0.9 percent or \$19,329 are recommended by the Governor.

Senate Subcommittee Recommendations

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

1. Shift \$102,973 of State General Fund financing for salaries and wages to the General Fees Fund to reflect FY 1985 savings carried over to FY 1986.
2. Increase salary turnover savings from \$19,329 to \$60,353 in FY 1986, with \$20,772 from the State General Fund and \$20,252 from the General Fees Fund to be added to the Governor's estimated savings.
3. Shift financing of the waste treatment facility from the State General Fund to the State Institutions Building Fund per Attorney General Opinion No. 85-18. This results in State General Fund savings of \$214,000, with \$174,000 funding for the project from the State Institutions Building Fund recommended per the engineering study estimate and Joint Committee on State Building Construction recommendations.

- Recut the appropriations bill to reflect line item salaries and wages expenditures from the State General Fund and a salaries and wages limitation for expenditures from the General Fees Fund. The Subcommittee recommends:

	<u>SGF</u>	<u>GFF</u>	<u>Total</u>
Salaries and Wages	\$1,061,719	\$ 992,364	\$2,054,083
Other Operating	—	828,135	828,135
	<u>\$1,061,719</u>	<u>\$1,820,499</u>	<u>\$2,882,218</u>

- Note that a Post Audit study of the agency and its relationship to other agencies (the Department of Human Resources and Kansas Veterans Commission) was requested to aid the Legislature in its review of the Soldiers' Home.
- Recommend a bill be introduced to direct that U.S. Veterans Administration payments to the Soldiers' Home be deposited in the agency's General Fees Fund.

Senate Committee Recommendation

The Committee concurs with the Subcommittee report.

House Subcommittee Recommendations

The Subcommittee concurs with the Senate, except for the following:

- Reduce State General Fund expenditures by \$37,576 and shift \$37,576 to the General Fees Fund for salaries and wages based on additional carryover from FY 1985 and additional receipts in FY 1986 above those estimated by the Governor or the Senate. A beginning balance of \$344,791 is estimated and net receipts of \$1,640,465, the same as the revised FY 1985 projection, are estimated in FY 1986.

<u>General Fees Fund</u>	<u>FY 1985</u>	<u>FY 1986</u>
Beginning Balance	\$ 719,478	\$ 344,791
Net Receipts	1,640,465	1,640,465
Total Funds	<u>\$2,359,943</u>	<u>\$1,985,256</u>
HWM Sub. Rec. Expds.	2,015,152	1,858,075
Ending Balance	<u>\$ 344,791</u>	<u>\$ 127,181</u>



*David Miller*

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Representative David Miller  
Subcommittee Chairman

*Ruth Luskati*

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Representative Ruth Luskati

*George Teagarden*

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Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Attorney General - KBI Bill No. 161 Bill Sec. —

Analyst: Hauke Analysis Pg. No. 486 Budget Pg. No. 4-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 6,212,650	\$ 6,054,756	\$ (98,951)
State General Fund	\$ 6,061,846	\$ 5,903,952	\$ (98,951)
F.T.E. Positions	141	141	

Senate Subcommittee Adjustments

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

1. The Subcommittee learned that the KBI will receive additional FY 1985 funding of approximately \$39,000 to support its criminal justice statistics program. The Subcommittee endorses an expenditure limitation increase to allow expenditure of these funds, upon receipt of a Governor's Budget Amendment. The Subcommittee learned that a Governor's Budget Amendment is forthcoming concerning these funds.
2. The Subcommittee reviewed the agency's FY 1985 expenditures for KANS-A-N telephone services. Based upon expenditures to date, the Subcommittee recommends that the FY 1985 communications budget be reduced by \$38,777 in the General Support Subprogram (from \$173,148 to \$134,371). The Subcommittee recommends that these savings be reappropriated to reduce FY 1986 appropriations.
3. The Subcommittee reviewed the agency's FY 1985 expenditures for long distance data transmission. Based upon expenditures to date, the Subcommittee recommends that the FY 1985 budget for this long distance communication be reduced by \$11,939 (from \$261,580 to \$249,641). The Subcommittee recommends that these savings be reappropriated to reduce FY 1986 appropriations.
4. The Subcommittee reviewed expenditures to date for salaries and wages. Based upon expenditures to date, the Subcommittee recommends that the Governor's revised FY 1985 salary and wage budget be reduced by \$48,235, from the State General Fund, which is reappropriated to reduce FY 1986 appropriations.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee recommendations.


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<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Recommendation</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (98,951)	\$ 5,955,805	\$ (49,155)
State General Fund	\$ (98,951)	\$ 5,805,001	\$ (88,096)
F.T.E. Positions			

House Subcommittee Recommendations

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

1. Based upon expenditures to date, the Subcommittee recommends a reduction of \$4,415 to the agency's travel and subsistence budget. The Subcommittee notes that its recommendation allows a \$10,000 contingency for unexpected travel. This reduction is from the State General Fund, which the Subcommittee recommends be reappropriated as an offset to FY 1986 appropriations.
2. Based upon expenditures to date, the Subcommittee recommends a reduction of \$20,000 to the agency's utilities budget. This reduction is partially due to expenditures below FY 1985 estimates and due to the agency's relocation occurring during October, rather than during July. The Subcommittee recommends that these savings be reappropriated to offset FY 1986 appropriations.
3. Based upon expenditures to date, the Subcommittee recommends a reduction of \$63,681 in the agency's rentals budget. This reduction is the result of the agency's relocation occurring during October, rather than July, as originally budgeted.
4. The Subcommittee concurs with Governor's Budget Amendment No. 2 which recommends addition of \$38,941 from the Criminal Justice Statistics Federal Fund. Adoption of this Governor's Budget Amendment increases the FY 1985 expenditure limitation on this federal fund from \$33,816 to \$72,757. The increase would be expended for other operating expenditures related to criminal justice statistics systems.

  
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Representative David Miller  
Subcommittee Chairman

  
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Representative Ruth Luzzati

  
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Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Attorney General - KBI Bill No. 86 Bill Sec. 4  
 Analyst: Hauke Analysis Pg. No. 486 Budget Pg. No. 4-51

<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	\$ 7,456,200	\$ 6,067,624	\$ (157,886)
State General Fund	\$ 7,354,460	\$ 5,965,884	\$ (157,886)
F.T.E. Positions	175	144	—

Senate Subcommittee Adjustments

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

1. The Subcommittee recommends that the KBI's State General Fund appropriations be made in two line items, salaries and wages and other operating expenditures. This appropriations format differs from the program format contained in the Governor's recommendation.
2. The Subcommittee learned that additional federal funds may be forthcoming in FY 1986 to support the agency's criminal justice statistics program. Upon receipt of a Governor's budget amendment concerning these additional funds, the Subcommittee would recommend that the Criminal Justice Statistics — Federal Fund be authorized with a No-Limit appropriation.
3. The Subcommittee learned that the KBI frequently expends funds to install its radio equipment, when vehicles are replaced. The Subcommittee recommends that the KBI utilize KDOT shops to obtain these radio "changeouts."
4. The Subcommittee reviewed the agency's FY 1986 budget for long distance data transmission. The Subcommittee learned that this budget includes 83 percent inflation, based upon preliminary budget instructions. Although the exact FY 1986 cost of these services remains an unknown, the Subcommittee believes that 83 percent is unrealistic for one year. Therefore, the Subcommittee recommends that this budget be reduced by \$100,000 (from \$478,691 to \$378,691). The Subcommittee notes that this recommendation allows 51 percent inflation, which should be sufficient to finance tariff increases in FY 1986.
5. The Subcommittee reviewed the agency's FY 1986 budget for KANS-A-N long distance services. The Subcommittee learned that this budget includes 31 percent inflation. The Subcommittee adopts 17.8 percent inflation, recommended by the Joint DISC Subcommittee for FY 1986 KANS-A-N expenditures. When applied to the revised FY 1985 recommendation (see item 2 of FY 1985 report), this recommendation allows a

reduction of \$57,886 (from \$212,874 to \$154,988) in communication expenditures in the General Support subprogram.

6. The Subcommittee reviewed with the agency problems associated with significant increases in fingerprint filings and records checks. The Subcommittee learned that records checks prior to licensure of such persons as school bus drivers, real estate agents, day care providers, etc., has a considerable impact upon the workload of this agency. The Subcommittee wishes to highlight the cost of such records checks, particularly those involving inquiry by non-criminal justice agencies. The Subcommittee suggests the concept of a user fee as a possible method of offsetting costs associated with records check by non-criminal justice agencies.
7. The Subcommittee reviewed the FY 1986 Governor's recommendations, which include 3.0 F.T.E. additional employees. The Subcommittee wishes to note that 2.0 of those additional employees are custodial workers and are proposed as state employees in FY 1986, rather than the FY 1985 inclusion as contractual services. Consequently, of the additional positions 2.0 are essentially a technical increase.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Recommendation</u>	<u>House Subcommittee Adjustments*</u>
State Operations:			
All Funds	\$ (157,886)	\$ 5,909,738	7,604
State General Fund	(157,886)	5,807,998	(22,950)
F.T.E. Positions	—	144.0	4.0

\* Includes adoption of Governor's Budget Amendment No. 2.

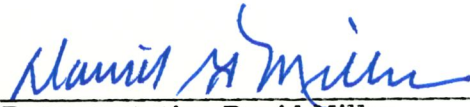
House Subcommittee Recommendations

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

1. The Subcommittee recommends reduction of the agency's FY 1986 travel and subsistence budget by \$10,910. The Subcommittee's recommendations are based upon estimated FY 1985 expenditures plus 5 percent inflation and a \$20,000 contingency for unexpected travel. The Subcommittee's recommendations allow an agencywide travel budget of \$397,344, rather than the \$408,254 contained in the Governor's recommendations.
2. The Subcommittee reviewed the Senate recommendations concerning the FY 1986 budget for long distance data circuits. The Subcommittee recommends a FY 1986 budget of \$331,299 for the long distance data circuits, a reduction of \$47,392 to the Senate recommendation and a reduction of \$147,392 to the Governor's recommendation. The

Subcommittee's recommendation was produced by applying 35.6 percent inflation to that portion of the revised FY 1985 estimate attributable to private telephone vendors and 17.8 percent inflation to that portion of the revised FY 1985 estimate attributable to the KANS-A-N network. This estimate allows inflation double the KANS-A-N system for that portion of these circuits which is directly secured from private vendors.

3. The Subcommittee concurs with Governor's Budget Amendment No. 2, which recommends addition of \$15,554 from the Criminal Justice Statistics Federal Fund for items of other operating expenditure. The agency had requested that this funding be appropriated without an expenditure limitation. However, the Subcommittee concurs with the Governor's recommendation for FY 1986, which would place a revised limitation of \$45,554 on this fund.
4. The Subcommittee recommends reduction of the agency's utilities budget by \$9,663. This reduction is based upon annualizing FY 1985 estimates and applying estimated inflation of 7.9 percent for electricity and 6.4 percent for gas.
5. Based upon receipts during early months of FY 1985 to the Evidence Purchase and Investigation Fund, the Subcommittee observes that the fund balance at the beginning of FY 1986 will be approximately \$15,000 higher than budgeted. Therefore, the Subcommittee recommends that the FY 1986 General Fund budget for evidence purchase be decreased by \$15,000 (from \$70,175 to \$55,175) and that the budget for evidence purchase from the Evidence Purchase and Investigation Fund be increased by \$15,000 (from \$49,740 to \$64,740).
6. To assist in reduction of a backlog of laboratory examinations, the Subcommittee recommends \$47,364 from the State General Fund to add two Criminalist I positions to the agency's laboratories. Each of these positions involve expenditure of \$23,682 (\$20,064 for base salaries and \$3,618 for fringe benefits).
7. The Subcommittee recommends addition of \$33,922 from the State General Fund to finance two new Law Enforcement Telecommunication Operators. This addition would allow presence of at least two operators on each shift for the ASTRA law enforcement communications network. Each of these positions involves expenditure of \$16,961 (of which \$14,076 is base salary and \$2,885 is fringe benefits).
8. The Subcommittee reviewed the FY 1986 turnover rate for this agency. The Governor's FY 1986 recommendations are based upon 2.4 percent turnover. The Subcommittee is of the opinion that turnover in an agency of this size will be at least 3.0 percent, especially considering the length of time required to classify and fill new positions. Therefore, the Subcommittee adjusts the agency's salary and wage budget to 3.0 percent turnover, allowing a reduction of \$21,271 from the State General Fund.



Representative David Miller,  
Subcommittee Chairman



Representative Ruth Luzzati



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Department of Economic Development      Bill No. NA      Bill Sec. NA

Analyst: West      Analysis Pg. No. 506      Budget Pg. No. 1-107

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 4,504,504	\$ 4,579,430	\$ (27,500)
Aid to Local Units	18,075,034	18,075,034	—
Other Assistance	30,000	30,000	—
<b>TOTAL</b>	<u>\$ 22,609,574</u>	<u>\$ 22,684,464</u>	<u>\$ (27,500)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,531,047	\$ 3,606,047	\$ (27,500)
Other Assistance	30,000	30,000	—
<b>TOTAL</b>	<u>\$ 3,561,047</u>	<u>\$ 3,636,047</u>	<u>\$ (27,500)</u>
F.T.E. Positions	67.0	67.0	—

Senate Subcommittee Recommendation

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

Industrial Development

1. Delete \$12,500 to provide for an adjustment of salaries and wages based on actual and anticipated expenditures.
2. The Subcommittee concurs with the Governor's recommendation of an additional \$75,000 for the Kansas Industrial Training Program in FY 1985.

Travel and Tourism

1. Delete \$6,000 to provide for an adjustment of salaries and wages based on actual and anticipated expenditures.

Planning and Community Development

1. Delete \$4,000 to provide for an adjustment of salaries and wages based on actual and anticipated expenditures.

Advanced Technology

1. Delete \$5,000 to provide for an adjustment of salaries and wages based on actual and anticipated expenditures.

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2. The Subcommittee recommends that S.B. 161 be amended to give the Advanced Technology Commission authority to expend research grant funds reappropriated from FY 1984 in FY 1985.

Senate Committee Recommendations

FY 1985. The Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendations


The Committee of the Whole concurs with the recommendations of the Committee.

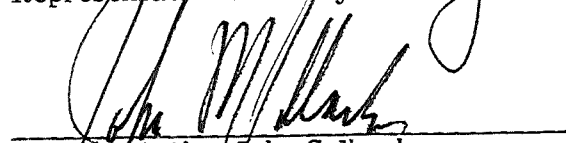
House Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the budget as recommended by the Senate, with the following adjustments:

1. Reappropriate the anticipated savings in salaries and wages of \$27,500 for FY 1986 instead of deleting them and reduce the FY 1986 appropriations by an equal amount. The reappropriations should be allocated by the Divisions as outlined by the Senate Subcommittee Recommendations.

  
\_\_\_\_\_  
Representative Jim Lowther  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative Rex Hoy

  
\_\_\_\_\_  
Representative John Solbach

SUBCOMMITTEE REPORT

Agency: Department of Economic Development Bill No. 86 Bill Sec. 3  
 Analyst: West Analysis Pg. No. 506 Budget Pg. No. 1-107

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,514,266	\$ 5,093,779	\$ (194,051)
Aid to Local Units	18,553,041	18,073,371	—
Other Assistance	20,000	20,000	—
Capital Improvements	50,000	50,000	—
TOTAL	<u>\$ 25,137,307</u>	<u>\$ 23,237,150</u>	<u>\$ (194,051)</u>
State General Fund:			
State Operations	\$ 5,605,899	\$ 4,159,173	\$ (144,051)
Other Assistance	20,000	20,000	—
TOTAL	<u>\$ 5,625,899</u>	<u>\$ 4,179,173</u>	<u>\$ (144,051)</u>
F.T.E. Positions	78.0	73.0	—

Senate Subcommittee Recommendations

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

Administration

1. Delete \$5,131 to adjust the increase in KANS-A-N from 31.0 percent to 17.8 percent.
2. The Subcommittee recommends that the agency, in conjunction with DISC, examine the possibility of purchasing microcomputers or word processing equipment to replace the current rental word processing equipment.

Minority Business

1. Subject to the approval of the Division of Personnel, add \$1,453 to provide a Secretary I for the Office of Minority Business instead of the current Clerk-Tyist II.
2. Delete \$1,000 associated with stationery and office supplies.

Advanced Technology

1. Amend the appropriations bill (S.B. 86) to provide for the reappropriation of any balance in research grant funds from FY 1985 to be available for FY 1986.

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2. The Subcommittee concurs with the amount recommended for research grants in FY 1986 except as noted above and the allocation process used in previous years and directs that the Advanced Technology Commission report to the Ways and Means Committee on the need for any changes in the allocation process in conjunction with the FY 1987 budgeting process.

#### Small Business Development

1. Delete \$2,357 associated with rental costs for field offices based on updated information from the agency.
2. The Subcommittee directs that when a vacancy occurs in the field offices in western Kansas that the vacancy not be filled and the duties of the two field offices be consolidated into one centrally located field office.
3. Delete \$80,000 (\$30,000 State General Fund and \$50,000 other funds) associated with a contract with the National Development Council for training economic development personnel.

#### Industrial Development

1. Delete \$75,000 associated with the Kansas Industrial Training program. This provides a 83 percent increase over the original FY 1985 appropriation.
2. The Subcommittee directs that the agency consult with the Kansas Wheat Commission and the Board of Agriculture to insure that international marketing efforts are not being duplicated.
3. The Subcommittee directs that the agency consult with the Secretary of Department of Human Resources about the use of federal Job Training Partnership Act funds for industrial training.

#### Travel, Tourism, and Film Services

1. Delete \$38,016 due to an anticipated delay in the opening of the South Haven Tourist Information Center.
2. Add \$6,000 to provide an increase in the contracts for the Kansas Association of Broadcasters (KAB) and the Kansas Press Association (KPA) for general promotion of the state via public service announcements. This would provide a total of \$20,000 for KAB and \$3,000 for KPA in FY 1986. Based on testimony before the Subcommittee, it is anticipated that in FY 1986 the Ah-Kansas promotional spots will be expanded to include channels 4, 19, and 41 in the Kansas City area and possibly channel 8 in the Wichita area.

Community Development

1. The Subcommittee recommends that the agency review the guidelines governing the distribution of CDBG funds with a view towards providing greater input from local and regional development organizations, using the funds for job training purposes, and a concentration on refurbishing the current infrastructure.

Senate Committee Recommendation

The Committee concurs with the report as submitted by the Subcommittee with the following adjustment:

1. To make a technical correction, item No. 4 under Industrial Development should be item No. 3 under Small Business Development.

Senate Committee of the Whole Recommendation

The Committee of the Whole concurs with the recommendations of the Committee.

House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (194,051)	\$ 4,899,748	\$ (186,442)
Aid to Local Units	—	18,073,371	149,000
Other Assistance	—	20,000	—
Capital Improvements	—	50,000	—
TOTAL	<u>\$ (194,051)</u>	<u>\$ 23,043,099</u>	<u>\$ (37,442)</u>
State General Fund:			
State Operations	\$ (144,051)	\$ 4,015,122	\$ (206,442)
Other Assistance	—	20,000	—
TOTAL	<u>\$ (144,051)</u>	<u>\$ 4,035,122</u>	<u>\$ (206,442)</u>
F.T.E. Positions	—	73.0	—

Under the agency's proposed reorganization plan two new offices (Advanced Technology and Minority Business Affairs) and one new Division (Small Business Development) would be created and the currently existing Divisions of Minority Business Affairs and Housing would be eliminated. While the Subcommittee makes no recommendation regarding the proposed plan the budget recommendations are presented as if the proposed plan had been adopted to provide continuity between the agency's request, Governor's recommendations, and Senate adjustments.

FY 1986. The Subcommittee concurs with the budget as submitted by the Senate, with the following adjustments:

Office of Advanced Technology

1. Decrease State General Fund appropriations by \$5,000 due to reappropriation of anticipated savings from FY 1985.

Small Business Development

1. Delete \$7,093 associated with travel for the field representatives. This is one-half of the level of funding recommended by the Governor and is to be allocated between both field offices.

Industrial Development

1. Decrease State General Fund appropriations by \$12,500 due to reappropriation of anticipated savings from FY 1985.
2. Delete \$50,000 associated with international advertising.
3. Delete \$45,000 associated with international representation.
4. Delete \$25,000 associated with the Kansas Industrial Training program (KIT). This provides \$250,000 for the program in FY 1986.
5. Delete \$8,950 associated with travel.
6. The Subcommittee directs that the agency consult with the Kansas Wheat Commission and the Board of Agriculture to insure that international marketing efforts are not being duplicated.

Travel, Tourism, and Film Services

1. Decrease State General Fund appropriations by \$6,000 due to reappropriation of anticipated savings from FY 1985.
2. Delete \$3,334 associated with the reclassification of an Economic Development Representative II position.
3. Delete \$1,965 associated with the reclassification of a Tourist Counselor II position.
4. Delete \$2,500 associated with international travel.
5. Delete \$1,000 associated with an increase in the contract for the Kansas Press Association.
6. Delete \$500 associated with Film Services Travel.
7. Delete \$4,800 associated with production of the Kansas Film Directory.

8. Delete \$8,800 associated with production and placement of advertising for on-location filming in Kansas.

#### Community Development

1. Decrease State General Fund appropriations by \$4,000 due to the reappropriation of anticipated savings from FY 1985.
2. Add \$149,000 and make the expenditure limitation of the grants-in-aid portion of the Community Development Block Grant-Federal Fund "no limit" as per Governor's Budget Amendment 2-7.
3. Amend the appropriations bill (S.B. 86) to provide that not less than 10 percent of the CDBG grants-in-aid funds available in federal program year 1985 shall be used to implement the Multipurpose Small Lakes Program Act (H.B. 2578).
4. Shift \$20,000 associated with the National Mainstreet contract from the State General Fund to other funds. Funding for this project remains at \$80,000 but will be \$20,000 State General Fund and \$60,000 other funds instead of \$40,000 State General Fund and \$40,000 other funds as recommended by the Governor.
5. The Subcommittee notes the January 1985 performance audit of the Departments' Administration of the Small Cities Community Development Block Grant Program identified a number of serious problems that may have substantially effected the outcome of grant awards in 1984. Lack of documentation, rating errors and miscalculations substantially effected the outcome of the grant awards. Scoring errors in the ratings of these community improvement grant applications were most serious. Among the changes recommended by the Post Audit study were that the subjective rating system used for community improvement grant applications in 1984 should be abandoned, written guidance should be provided to rates to assist them in their ratings, use of a microcomputer to facilitate the accurate scoring and ranking of grant applications should be undertaken and combined applications should be eliminated.


The Subcommittee notes that the department again will be administrating some \$16.5 million in the 1985 grant year and strongly endorses the recommendations of the Legislative Post Audit. The Subcommittee recommends the Department consult with HUD prior to implementation of the 1985 grant year program over the Department's current administrative plan for possible improvements or changes to insure the efficiency of evaluating the grant applications.

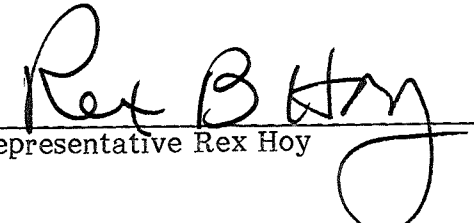
The Subcommittee further recommends the 1986 Legislature review the Department's administration of the 1985 grant year program.

#### Certified Development Companies

The Subcommittee reviewed a request from the Kansas Association of Certified Development Companies to provide state financial assistance for the 17 members of the association for a period of five years until the member

companies have a chance to achieve self-sufficiency. The Subcommittee is of the opinion that this request has arisen at too late a date to be adequately reviewed at this time, but recognizes that the needs of the CDC's are real. The Subcommittee recommends that the Department examine this issue and the needs of the CDC's and develop a plan to provide any needed support via state, local, and private sector involvement.

  
Representative Jim Lowther  
Chairman

  
Representative Rex Hoy

House Subcommittee Recommendations — Minority Report

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (194,051)	\$ 4,899,748	\$ 52,500
Aid to Local Units	—	18,073,371	149,000
Other Assistance	—	20,000	—
Capital Improvements	—	50,000	—
TOTAL	<u>\$ (194,051)</u>	<u>\$ 23,043,099</u>	<u>\$ 201,500</u>
State General Fund:			
State Operations	\$ (144,051)	\$ 4,015,122	\$ 2,500
Other Assistance	—	20,000	—
TOTAL	<u>\$ (144,051)</u>	<u>\$ 4,035,122</u>	<u>\$ 2,500</u>
F.T.E. Positions	—	73.0	—

Under the agency's proposed reorganization plan two new offices (Advanced Technology and Minority Business Affairs) and one new Division (Small Business Development) would be created and the currently existing Divisions of Minority Business Affairs and Housing would be eliminated. While I make no recommendation regarding the proposed plan the budget recommendations are presented as if the proposed plan had been adopted to provide continuity between the agency's request, Governor's recommendations, and Senate adjustments.

FY 1986. I concur with the budget as submitted by the Senate, with the following adjustments:

Office of Advanced Technology

1. Decrease State General Fund appropriations by \$5,000 due to reappropriation of anticipated savings from FY 1985. This provides a savings for the FY 1986 State General Fund appropriations while increasing the flexibility available to the agency.

Small Business Development

1. Restore \$80,000 (\$30,000 State General Fund and \$50,000 federal funds) associated with a contract with the National Development Council. The contract with the National Development Council would provide training for both agency personnel and private financial and development leaders throughout the state to increase expertise in various federal programs involving economic development; technical assistance throughout the state especially in areas where historically the required expertise has been lacking; seminars for local economic development professionals; and implementation of a private sector lender commitment program whereby the local financial community would be asked to set aside a portion of their funds to be made available for long-term fixed rate financial assistance for new and expanding small businesses. (2/17/81)

Industrial Development

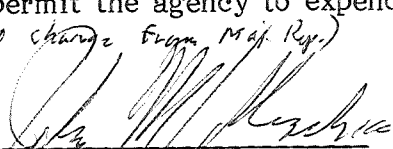
1. Decrease State General Fund appropriations by \$12,500 due to reappropriation of anticipated savings from FY 1985. This provides a savings for the FY 1986 State General Fund appropriations while increasing the flexibility available to the agency.

Travel, Tourism, and Film Services

1. Decrease State General Fund appropriations by \$6,000 due to reappropriation of anticipated savings from FY 1985. This provides a savings for the FY 1986 State General Fund appropriations while increasing the flexibility available to the agency.

Community Development

1. Decrease State General Fund appropriations by \$4,000 due to the reappropriation of anticipated savings from FY 1985. This provides a savings for the FY 1986 State General Fund appropriations while increasing the flexibility available to the agency.
2. Add \$149,000 and make the expenditure limitation of the grants-in-aid portion of the Community Development Block Grant-Federal Fund "no limit" as per Governor's Budget Amendment 2-7. This action was requested due to information received by the agency that Kansas will be obtaining more federal funding for this program than was originally anticipated. The change to a "no-limit" fund would permit the agency to expend all federal funds received for this purpose. (No change from Maj. Rep.)

  
Representative John Solbach



SUBCOMMITTEE REPORT

Agency: Department of Human Resources Bill No. 86 Bill Sec. 7

Analyst: Efird Analysis Pg. No. 497 Budget Pg. No. 2-13

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 35,622,290	\$ 33,074,549	\$ (462,263)
Other Assistance	192,809,134	193,167,961	(2,385,002)
Subtotal	<u>\$228,431,424</u>	<u>\$226,242,510</u>	<u>\$ (2,847,265)</u>
Capital Improvements	313,161	191,161	(134,000)
TOTAL	<u>\$228,744,585</u>	<u>\$226,433,671</u>	<u>\$ (2,981,265)</u>
<b>State General Fund:</b>			
State Operations	\$ 2,825,440	\$ 2,459,768	\$ (39,574)
Other Assistance	17,000	17,000	—
TOTAL	<u>\$ 2,842,440</u>	<u>\$ 2,476,768</u>	<u>\$ (39,574)</u>
F.T.E. Positions	1,110.5	1,066.5	(14.0)

Agency Request/Governor's Recommendation

The agency's FY 1986 request for operating expenditures is \$28,614,053 higher than the agency's revised FY 1985 estimate. Increases in expenditures are attributed to state operations (\$2,603,719) and other assistance (\$26,271,495), with the latter increase attributed primarily to higher unemployment insurance benefits payments. Financing from the State General Fund would increase \$464,873 with major increases attributed to two legal services positions for wage and hour litigation (\$55,514), data processing move to the Santa Fe building (\$110,000) involving computer relocation, additional clerical help and other operating expenses for the Veterans Services unit (\$98,986), program expansions for Mexican American Affairs and Employment of the Handicapped (\$120,420) which include new positions and reorganization, and financing of \$48,994 for new positions to perform prevailing wage surveys. A total of 34.5 F.T.E. new positions are requested by the agency in FY 1986.

The Governor recommends increases in state operations of \$809,464 and in other assistance of \$26,629,072 over the current fiscal year approved estimates. State General Fund financing would increase \$111,768 by the Governor's recommendations. A total of 15.0 F.T.E. new positions is recommended. Enhancements and program expansions include funding of \$57,800 SGF for intergovernmental grants coordination and 1.0 F.T.E. new position; two legal services staff (2.0 F.T.E.) and \$50,410 SGF for wage and hour litigation; 5.0 F.T.E. new positions for Unemployment Insurance paid with FUTA funds to perform quality control on benefit payments; 6.0 F.T.E. new staff for Job Training; 1.0 F.T.E. new position for Industrial Health and Safety for clerical duties; 2.0 F.T.E. new positions for WIN; clerical help (1.0 F.T.E.) and \$12,669 SGF for Veterans Services; 3.0 F.T.E. new staff for Workers' Compensation, including a second Assistant Director; 2.0 F.T.E. new staff to work on prevailing wage surveys and financed by \$41,426 SGF; and financing for major reclassifications in Unemployment Insurance, Work Incentive (WIN) program and Job Service. In addition, the Governor recommends abolishing 8.0 F.T.E. positions in Job Service because of federal funding reductions and closing four Job Service offices in FY 1985. Reductions in capital improvements financing also is recommended.

4/1/85

(9)

Senate Subcommittee Recommendation

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

1. Delete financing for reclassifications in the Employment Service (\$119,517), Unemployment Insurance (\$30,899) and WIN (\$13,359) programs because it appears that inadequate funds will be available for the Employment Service. The Subcommittee believes that all three areas should be treated alike since the purpose of the reclassifications is to establish common job descriptions and titles for the three programs. The agency should explore the possibility of using Unemployment Insurance funds to finance the Employment Service reclassifications if the two programs are to be consolidated as far as job sharing is concerned. The Subcommittee does not feel it has enough information to approve the proposal, but urges the agency to address the consolidation of positions from the two programs and the question of job sharing so that further action might be taken this Session, if possible.
2. Change the intergovernmental grants coordinator's position from classified to unclassified since the Secretary is authorized a Special Assistant position which has never been established or filled. The Subcommittee feels that this position should be unclassified and might more appropriately be located in the Department of Administration. However, the Subcommittee is reluctant to delete the position and funding at this time and directs that the Secretary use the Special Assistant position to handle the intergovernmental grants review process.
3. Delete 2.0 F.T.E. new positions and State General Fund financing of \$48,856 salaries and wages and \$3,500 other operating expenses relative to wage and hour litigation. The Subcommittee has reviewed K.S.A. 44-324 and notes that the statute says that the Secretary "may" take action "appropriate" to enforce or defend claims relative to wage and hour litigation. The Subcommittee recommends that the Secretary adopt the policy that claims involving \$5,000 or more should not be handled by the agency's legal staff. The Secretary should furnish the Legislature a fiscal impact assessment of the \$5,000 limitation and the number of cases which the agency might handle, based on historical data. The Subcommittee urges the House to consider adding financing for wage and hour litigation after receiving the fiscal impact data. In addition, the Subcommittee recommends that a bill be introduced to change language in K.S.A. 44-324 to read the Secretary "may" take an assignment of a claim (rather than "shall").
4. Delete 2.0 F.T.E. positions in data processing as was recommended in FY 1985 to reflect historical staffing levels. No funding reductions are recommended since either temporary or intermittent employees may be needed to help with workloads.
5. Note that the Governor deleted \$110,000 of State General Fund financing requested to finance the relocation of the agency's computer to the Santa Fe building. The Subcommittee has discussed with the Secretary possible relocation to the ESSI building and the acquisition of a new \$900,000

computer for both the agency and ESSI to share. The Subcommittee urges the Secretary to keep the Legislature fully informed of developments relative to these issues.

6. Urge the Secretary to provide the Legislature with further information about the 1,500 hour intermittent employees who work in the Unemployment Insurance benefits area since they are not included in the agency's F.T.E. limitation. The Subcommittee believes that during the budget review process this Session, further study of this situation should be undertaken as data are provided.
7. Delete 2.0 F.T.E. positions in Job Training as was recommended in FY 1985 to reflect actual staffing patterns in this program. No reduction in financing is recommended since the funds may be used for other purposes.
8. Adjust the expenditure limitations for Job Training to reflect new allocation figures for the state:

<u>Program</u>	<u>Gov. Rec.</u>	<u>Sub. Adj.</u>	<u>Sub. Rec.</u>
Title II-A	\$10,493,853	\$ 83,712	\$10,577,565
Title II-B	5,729,407	(1,940,653)	3,788,754
Title III	922,456	(528,061)	394,395

All adjustments will affect the other assistance payments rather than state operations.

9. Urge the agency to review the use of Job Training funds in conjunction with the Department of Corrections and Department of Education to determine if Title II-A funds provided Service Delivery Areas and Title II-A funds under the 8 percent education setaside might be used to finance vocational training for inmates at state correctional institutions and on-the-job training for college students. The Secretary should report to the Legislature relative to this matter as information becomes available.
10. Delete 1.0 F.T.E. new position and reallocate an existing vacant Industrial Hygienist position to a Clerk III in FY 1986. Savings of \$2,577 State General Fund and \$23,193 Occupational Safety and Health Administration (OSHA) federal funds result from the reallocation of the vacant position which the Subcommittee identified as unfunded in FY 1985 because of federal budget reductions affecting OSHA.
11. Monitor closely the Boiler Inspection Fee Fund which appears to have a cash-flow problem in FY 1985 which might affect FY 1986 financing if fees are not adjusted in a more timely manner. The Subcommittee notes that fees were to have been raised effective January 1, 1985, in the Governor's budget recommendations, but were not raised until later this calendar year. The Secretary should raise fees prior to FY 1987 if cash-flow remains a problem after July 1, 1985.
12. Delete 1.0 F.T.E. new position and reallocate an existing vacant Veterans Service position from another area of the state to allow hiring clerical help

at the Wichita Veterans Hospital for the Veterans Service program. Savings of an estimated \$12,669 State General Fund financing will result from the reallocation. The Subcommittee does not identify a specific position to be reallocated, but the agency should seek to maximize the efficiency of its operation.

13. Delete \$7,500 State General Fund financing for impasse fact-finding and mediation services and introduce legislation to make the activity self-supporting (as is the case under the Professional Negotiations Act) by amending the Public Employer-Employee Negotiations Act in K.S.A. 75-4332(e) to require that parties at impasse be assessed equally to pay the costs of fact-finding and mediation.
14. Delete 1.0 F.T.E. position from Occupational Information and reduce federally funded expenditures by \$27,383 for salaries and wages since this position has not been filled in recent years. The Subcommittee recommended the same action in FY 1985.
15. Delete 7.0 F.T.E. positions and \$208,338 of financing for salaries and wages for the Employment Security Systems Institute (ESSI) due to anticipated reductions in federal financing in FY 1986. These new 7.0 F.T.E. positions and financing are above the current staffing level of 60.0 F.T.E. The Subcommittee recommended the same action in FY 1985.
16. Add 2.0 F.T.E. new positions, \$32,678 for salaries and benefits, and \$2,850 for other operating expenses for an education specialist and clerical help requested by the agency for the Advisory Committee on Mexican-American Affairs. The additional staffing and financing from the State General Fund will allow a Clerk II and Intergroup Education Specialist to be added.
17. Reduce capital improvements from \$191,161 to \$57,161 as recommended by the Joint Committee on State Building Construction. Reductions include \$106,000 for a new telephone system for the Wichita Job Service Office which has been deferred pending a report from the Division of Information Systems and Communications, \$20,000 for roof repairs, and \$8,000 for pressure relief shutters.
18. Recut the appropriations bill to reflect State General Fund line items for salaries and wages, other operating expenses, court reporting costs relative to K.S.A. 72-5413 et seq. and 75-4321 et seq., and payment of educational claims under K.S.A. 73-1217 and 73-1218.

#### Senate Committee Recommendation

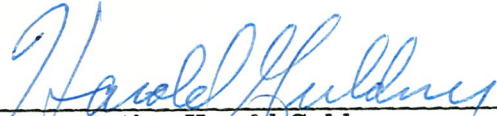
The Committee concurs with the Subcommittee report.

House Subcommittee Recommendations

The Subcommittee concurs with the Senate, except for the following:

1. Delete 1.0 F.T.E. positions and \$57,800 from the State General Fund for the intergovernmental grants coordinator which the Senate Ways and Means Committee is considering relative to the Department of Administration budget. The Subcommittee suggests that this item could be considered during Omnibus if not included in the Department of Administration's budget. (See item 2 — Senate Subcommittee Recommendations.)
2. Restore 2.0 F.T.E. positions for the Data Processing section based on the Secretary's appeal noted in item 3 below. (See item 4 — Senate Subcommittee Recommendations.)
3. Delete 5.0 F.T.E. positions and \$148,445 from ESSI based upon information provided by the Secretary that five people were being transferred to the Data Processing section in order to help fill vacant positions in FY 1985. (See item 15 — Senate Subcommittee Recommendations.)
4. Delete 2.0 F.T.E. positions and \$35,528 from the State General Fund for program enhancements to the Advisory Committee for Mexican-American Affairs which were added by the Senate. (See item 16 — Senate Subcommittee Recommendations.)
5. Reduce budgeted mileage reimbursements for private automobiles from \$.22 to \$.205. Savings of \$1,791 from the State General Fund and \$25,699 from all other funds result from this reduction.
6. Reduce \$23,317 from the State General Fund for the Industrial Health and Safety program in order to reduce the state's share of financing 3.0 F.T.E. positions (currently funded 100 percent from the State General Fund) to 66 percent from the State General Fund and 34 percent from the Occupational Safety and Health Administration (OSHA) Federal Fund. All other positions in this program are partially financed by OSHA and by the State General Fund. The OSHA expenditure limitation will increase \$23,317.
7. Reduce travel and subsistence expenditures for the Apprenticeship Training program by \$1,000 from the State General Fund.
8. Note that in concurring with the Senate on item 12 of the Senate Subcommittee recommendations, the Subcommittee wishes to indicate its support for the Secretary to undertake an evaluation of the Veterans Service field offices and staffing patterns in order to determine if consolidation into fewer locations would achieve more efficient and cost-effective operations in serving the state's veterans.
9. Note that S.B. 363 is pending and that the Senate Subcommittee recommendation (item 13) eliminated \$7,500 from the State General Fund for fact-finding and mediation services in anticipation of this bill passing. The Subcommittee believes that the \$7,500 financing should be an Omnibus item if S.B. 363 does not pass.

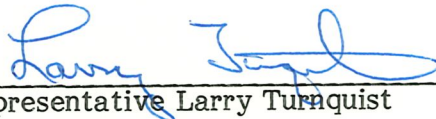
10. Recommend that the Secretary study the use of an assessment of penalty against owners of boilers who fail to have the units inspected rather than relying on the statutory fine which apparently is seldom applied. Also recommend that the House Governmental Organization Committee consider transferring the Boiler Inspection program to the State Fire Marshal when it reviews this program during the 1986 Legislature.
11. Note that item 3 of the Senate Subcommittee recommendations deleted funds for wage and hour litigation and that this Subcommittee recommends that financing of this activity be considered during Omnibus in conjunction with the Governor's Budget Amendment No. 2-12 for FY 1985 and S.B. 352 which is pending this Session.



Representative Harold Guldner  
Subcommittee Chairman



Representative Harold Dyck



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Department of Human Resources      Bill No. 161      Bill Sec. 5  
 Analyst: Efird      Analysis Pg. No. 497      Budget Pg. No. 2-13

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 33,018,571	\$ 32,265,085	\$ (276,188)
Other Assistance	166,537,639	166,538,889	(978,762)
Subtotal	<u>\$199,817,371</u>	<u>\$198,803,974</u>	<u>\$ (1,254,950)</u>
Capital Improvements	261,161	163,161	—
<b>TOTAL</b>	<u><u>\$200,078,532</u></u>	<u><u>\$198,967,135</u></u>	<u><u>\$ (1,254,950)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 2,360,567	\$ 2,348,000	\$ (43,350)
Other Assistance	17,000	18,250	—
<b>TOTAL</b>	<u><u>\$ 2,377,567</u></u>	<u><u>\$ 2,366,250</u></u>	<u><u>\$ (43,350)</u></u>
<b>F.T.E. Positions</b>	<b>1,076.5</b>	<b>1,051.5</b>	<b>(12.0)</b>

Agency Request/Governor's Recommendation

The agency requests several revisions in its current year operating budget. Additional state operations financing of \$96,252 from the State General Fund and \$800,583 from all other funds, plus 25.0 F.T.E. new positions are requested. A decrease of \$12,798,858 in unemployment insurance (UI) benefit payments is estimated. Expenditure increases for the Job Training (JTPA) program's other assistance payments are requested in the following amounts: \$1,640,887 for Title II-A, \$2,753,482 for Title II-B, and \$789,053 for Title III. A decrease in Work Incentive (WIN) benefit payments of \$25,000 is estimated. An increase of \$12,161 for capital improvements is requested.

The Governor recommends supplemental State General Fund financing of \$84,935. A reduction in state operations financing of \$1,610,119 from special revenue funds is recommended. The Governor concurs with the approved FY 1985 F.T.E. position limitation of 1,051.5 and does not recommend additional positions. The Governor concurs with the agency's estimates of decreased UI benefit payments (other assistance), with higher JTPA assistance payments, and with lower WIN payments (other assistance). A reduction in capital improvement expenditures to \$163,161 also is recommended.

Senate Subcommittee Recommendation

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

1. Reduce the State General Fund supplemental appropriation by \$40,537 for salaries and benefits and by \$2,813 for other operating expenses relative to the intergovernmental grants coordination. The Subcommittee recommendation would allow three months of State General Fund financing in FY 1985 for this function.

2. Delete 7.0 F.T.E. positions and \$208,338 of salaries and benefits from the Employment Security Systems Institute (ESSI) in FY 1985 to reflect the actual pattern of employment. The Subcommittee has been advised by the Secretary that ESSI will operate at its current staffing complement of 60.0 F.T.E. in FY 1985 and will not expand its staff as recommended by the Governor.
3. Delete 1.0 F.T.E. position and \$24,500 of salaries and benefits (with a corresponding expenditure limitation reduction) from the Occupational Information System in FY 1985 to reflect the actual pattern of employment. The Subcommittee notes that the position has not been filled for several years, but has been budgeted each preceding fiscal year.
4. Reduce the expenditure limitation adjustment for the Job Training financing of Title II-B by \$978,762 in FY 1985 to reflect the latest state allocation. The Governor's recommendation of Title II-B financing would have increased expenditures from \$4,465,938 to \$7,036,554 and the Subcommittee adjustment reduces the Governor's revised expenditure limitation to \$6,057,792.
5. Delete 2.0 F.T.E. positions from data processing to reflect actual staffing patterns during FY 1985. No reduction in salaries and benefits is recommended since part-time and intermittent staff may be utilized in lieu of full-time staff.
6. Delete 2.0 F.T.E. positions from Job Training to reflect actual staffing patterns during FY 1985. No reduction in expenditures is made since funds may be shifted to other expenses if needed.
7. Add clarification to the proviso in the 1984 Session Laws on capital improvements to indicate that the agency may pay the lease-purchase cost of \$12,161 for a building at 433 South Topeka Avenue as recommended by the Joint Committee on State Building Construction. In addition, the Subcommittee recommends that the expenditure limitations for capital improvements be adjusted to reflect the Governor's recommendation for FY 1985 expenditures of \$151,000 from Reed Act funds for capital improvements and \$12,161 from the Employment Security Administration Fund for the lease-purchase of the building.
8. Note that while concurring with the Governor's supplemental State General Fund recommendation of \$6,000 to pay factfinders and mediators in cases involving public employees and employers, the Subcommittee intends to recommend changes be made in FY 1986 so that the state does not bear the costs for factfinding and mediation in the future. The Subcommittee report for FY 1986 addresses this concern.

#### Senate Committee Recommendation


The Committee concurs with the Subcommittee report.




House Subcommittee Recommendations

The Subcommittee concurs with the Senate, except for the following:

1. Defer consideration of the Governor's Budget Amendment No. 2-12 until Omnibus since S.B. 352 is pending. The GBA adds \$33,000 of State General Fund expenditures in FY 1985 and would require a supplemental appropriation to finance a portion of the cost of wage and hour litigation. An additional \$15,500 of State General Fund savings from two other programs are identified by the GBA and would be transferred to help finance the proposed expenditure of \$48,500 for legal services in FY 1985 relative to wage and hour claims.
2. Reappropriate \$2,545 from the State General Fund to FY 1986 and by proviso limit the use of this financing to matching federal OSHA funds if they become available in FY 1986 for an Industrial Hygienist position which is being held vacant this fiscal year because of federal funding reductions.

  
\_\_\_\_\_  
Representative Harold Guldner  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative Harold Dyck

  
\_\_\_\_\_  
Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission Bill No. 86 Bill Sec. 10  
 Analyst: Holt Analysis Pg. No. 526 Budget Pg. No. 1-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 319,606	\$ 278,072	\$ (275)
Aid to Local Units	95,000	75,000	—
Other Assistance	724,744	806,987	—
TOTAL	<u>\$ 1,139,350</u>	<u>\$ 1,160,059</u>	<u>\$ (275)</u>
State General Fund:			
State Operations	\$ 245,000	\$ 217,447	\$ (275)
Aid to Local Units	55,000	35,000	—
Other Assistance	425,000	388,126	—
TOTAL	<u>\$ 725,000</u>	<u>\$ 640,573</u>	<u>\$ (275)</u>
F.T.E Positions	9.0	8.0	—

Agency Request/Governor's Recommendation

The Commission requests \$1,139,350 for FY 1986 to include \$230,421 for salaries and wages, \$89,185 for other operations, and \$819,744 for arts programming. Of the total amount requested for FY 1986, \$725,000 would be financed from the State General Fund, \$413,350 from federal grants, and \$1,000 from the Special Gifts Fund.

The Governor recommends \$1,160,059 for FY 1986 to include \$194,956 for salaries and wages, \$83,118 for other operations, and \$881,987 for arts programming. Of the total amount recommended for FY 1986, \$640,573 would be financed from the State General Fund, \$518,486 from federal funds, and \$1,000 from the Special Gifts Fund.

Senate Subcommittee Recommendations

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

1. Reduction of \$275 from the State General Fund for capital outlay expenditures to correct a miscomputation.
2. Insertion of the proviso for the Promotion of the Arts Fund in the appropriations bill ending June 30, 1986: "And provided further, that expenditures from this account for official hospitality shall not exceed \$300."
3. The Commission's arts programming grants served 78 counties in FY 1984 and will serve 85 counties in FY 1985. The Subcommittee urges the Commission to use part of its FY 1986 appropriation for grants to extend program support to presently unserved counties in the state.

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4. Note is made that the Commission expended \$583,790 in federal and state funds for arts programming in FY 1984, whereas grant recipients generated \$5,843,704 in local funds — a ratio of approximately 10 to 1. The Subcommittee wishes to commend the Commission for its efforts in encouraging communities to leverage local funds.
5. Note is made that Kansas is one of three states to be selected by the National Endowment for the Arts to participate in a three-year Test Program of Support of Local Arts Agencies. The National Endowment for the Arts will grant the Commission \$150,000 (\$50,000 each year for three years), to be matched with equivalent amounts in state funds. Matching local funds must total at least \$100,000 each year. To support the Commission's participation in this program, the Governor recommends for FY 1986 \$50,000 from the State General Fund, with which the Subcommittee concurs.

Senate Committee Recommendation


The Senate Committee concurs with the Subcommittee's recommendation.

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate's recommendation for FY 1986 with the following adjustments:

1. Reduction of \$587 from the State General Fund for communications expenditures.
2. Concurrence with the Governor and Senate on expenditures of \$423,126 from the State General Fund recommended for arts programming.

  
Representative Ruth Luzzati


  
Representative George Teagarden

MINORITY REPORT

I concur with the Subcommittee report with the following exception: The report concurs with the Governor's (and Senate's) recommendation to increase State General Fund support for "other assistance" (for programming) from \$238,126 to \$388,126. That \$150,000 increase represents a 63 percent increase in this item. Although I agree that arts programs can positively affect "quality of life," I must object to this exorbitant increase in this item in light of our fiscal constraints for FY 86.

The agency indicated that \$50,000 of this proposed \$150,000 increase would be needed to qualify for a 100 percent match of federal funds and a 200 percent match of local funds. This amount would constitute a 21 percent increase in this item and taken together with other items in the budget, would result in a 10.8 percent increase in the overall State General Fund support for the agency.

Therefore, in order to give the agency the new dollars that are most important to its expansion, I recommend we approve a \$50,000 increase (rather than the \$150,000) in "other assistance," included in the majority report.

  
\_\_\_\_\_  
Representative David Miller  
Subcommittee Chairman

*Unproofed*

HOUSE BILL NO. \_\_\_\_\_

AN ACT concerning abstracters; relating to examination and license fees; amending K.S.A. 58-2801 and 58-2805 and repealing the existing sections.

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

Section 1. K.S.A. 58-2801 is hereby amended to read as follows: 58-2801. (a) Every person, firm, partnership, association or corporation, which makes, compiles or completes and sells abstracts of title to real estate in the state of Kansas shall first secure and hold a valid license issued in accordance with the provisions of this act. The annual fee for each abstracter's license shall be fixed by the abstracters' board of examiners by rules and regulations in an amount not to exceed \$50 for each year or part of a year. The board may establish rules and regulations for the proration of license fees for licenses to be effective for a period of time less than one year.

~~On or before October 1 of each year~~ (b) The board shall determine annually the amount necessary to carry out and enforce the provisions of this act for the next ensuing year and shall fix the license fee for such year at the sum deemed necessary for such purposes. Such fee shall accompany the application for license and shall be returned to the applicant if the license is not issued. Every license issued under the provisions of this act shall expire on December 31 of the year for which issued. In the absence of any condition or reason which might warrant the refusal of the granting of a renewal license, the board shall issue a license each year upon receipt of a written request of the applicant together with the annual fee established by the board in accordance with the provisions of this section.

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(c) The board may adopt rules and regulations which authorize the issuance of inactive licenses to licensees eligible for such inactive license in accordance with the rules and regulations. The license fee for an inactive license shall be the same as the annual fee for an abstractor's license established under this section.

~~The annual fee for an abstractor's license in effect immediately prior to the effective date of this act shall continue in effect until the abstractors' board of examiners adopts rules and regulations fixing a different fee therefor under this section.~~

(d) All fees charged and collected by the board on and after July 1, 1983, and prior to the effective date of this act for the annual fee for an abstractor's license are hereby specifically authorized and validated.

Sec. 2. K.S.A. 58-2805 is hereby amended to read as follows: 58-2805. (a) Any person, firm, partnership, association or corporation applying for a license under the provisions of this act may obtain the license by complying with the provisions of this act and by passing an examination conducted by the abstractors' board of examiners. No examination or any collateral written or verbal inquiry by the board shall require any applicant for a license to declare the city, county or other area of the state in which the applicant intends to engage in the practice of making, compiling and completing and selling abstracts of title to real estate in this state. The board shall hold at least two examinations each year, to be held at times and places to be fixed by the board. The board at least 30 days before the time fixed for the commencement of an examination shall give notice thereof by publication in the Kansas register. The fee for the examination shall be fixed by the board by rules and regulations in an amount adequate to cover the cost of the examination and shall be paid to the board at the time application is made for such examination. In the case of a firm, partnership, association or corporation, the examination

need only be taken by the active manager or one of the active managers of the firm, partnership, association or corporation.

(b) If in the opinion of the board the applicant does not pass the examination, a license shall be denied, and the fee shall be retained by the board. An applicant who has failed to pass such examination may apply for and take a second examination after a period of six months has elapsed from the date of the previous examination.

~~The--examination--fee--in--effect--immediately--prior--to--the  
effective--date--of--this--act--shall--continue--in--effect--until--the  
abstracters--board--of--examiners--adopts--rules--and--regulations  
fixing--a--different--fee--therefor--under--this--section.~~

(c) All examination fees charged and collected by the board on and after July 1, 1983, and prior to the effective date of this act are hereby specifically authorized and validated.

Sec. 3. K.S.A. 58-2801 and 58-2805 are hereby repealed.

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

SUBCOMMITTEE REPORT

Agency: Department of Insurance Bill No. 161 Bill Sec. New

Analyst: Rampey Analysis Pg. No. 521 Budget Pg. No. 1-131

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,168,065	\$ 7,145,870	\$ (289,330)
Aid to Local Units	2,837,779	2,837,779	—
Other Assistance	20,427,023	20,427,023	—
TOTAL	<u>\$ 30,432,867</u>	<u>\$ 30,410,672</u>	<u>\$ (289,330)</u>
State General Fund:			
State Operations	\$ 3,747,769	\$ 3,725,574	\$ (289,330)
F.T.E. Positions	139.0	139.0	—

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's estimate for FY 1985 except to recommend that expenditures for salaries from the State General Fund be reduced by \$289,330 and that amount be reappropriated for salaries and wages in FY 1986. The Subcommittee's recommendation with regard to salaries is discussed more fully in its report for FY 1986.

House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjustments FY 85</u>	<u>Senate Recommendations FY 85</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (289,330)	\$ 6,856,540	\$ —
Aid to Local Units	—	2,837,779	—
Other Assistance	—	20,427,023	—
TOTAL	<u>\$ (289,330)</u>	<u>\$ 30,121,342</u>	<u>\$ —</u>
State General Fund:			
State Operations	\$ (289,330)	\$ 3,436,244	\$ —
F.T.E. Positions	—	139.0	—

FY 1985. The House Subcommittee concurs with the recommendation of the Senate except to recommend the expenditure reduction of \$289,330 be comprised of \$209,610 from salaries and wages and \$76,720 from other operating expenditures. (The reduction recommended by the Senate was all in salaries and wages.)

4/1/85 (12)



<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,659,128	\$ 7,522,679	\$ (220,406)
Aid to Local Units	2,907,554	2,907,554	—
Other Assistance	22,623,376	22,623,376	(12,444,605)
TOTAL	<u>\$ 33,190,058</u>	<u>\$ 33,053,609</u>	<u>\$ (12,665,011)</u>
State General Fund:			
State Operations	\$ 3,915,539	\$ 3,754,901	\$ (94,007)
F.T.E. Positions	139.0	140.0	(7.5)

Senate Subcommittee Recommendations

FY 1986. The Senate Subcommittee concurs with the Governor with the following exceptions:

1. Reappropriate a total of \$649,899 in unspent balances from the State General Fund for salaries and wages for use in FY 1986 and reduce the FY 1986 appropriation for salaries and wages by a like amount. The reappropriated balance consists of \$360,569 remaining at the end of FY 1984 that has not been spent and an additional amount of \$289,330 in the current year that is not expected to be spent. This recommendation pertains to how expenditures for salaries will be financed and does not have the effect of reducing the amount of money available.

The Subcommittee wishes to make several observations about salaries and the number of positions in the Insurance Department that are germane to the recommendation above and several that follow. The Department has a history of high employee turnover and vacancies. The actual number of full-time equivalent employees in FY 1982 and FY 1983 was 126.7 and 120.6, respectively, out of 136.0 F.T.E. positions authorized. In FY 1984, the number of actual F.T.E. positions was 120.1 out of 139.0 F.T.E. positions authorized. The turnover rate in FY 1984 for salaries paid from the State General Fund was 13.1 percent; the turnover rate for the current year is expected to be 10.1 percent.

The Department of Insurance has responded to the Subcommittee's concerns by providing a number of explanations for the apparently high rate of turnover and positions held vacant. These include holding positions open to see if they really need to be filled, a recruitment process that is sometimes lengthy in order to find the best qualified employees, great difficulty in hiring and retaining employees with specialized skills or employees who are willing to travel as much as some positions demand, the regular loss of employees to the private sector, and a fluctuation in some of the Department's activities that could require some positions to be filled on short notice when the workload becomes unusually heavy.

At this point, the Subcommittee makes no judgment as to the causes of the Department's unusually high turnover rate and emphasizes that the recommendations contained in this report simply address the fact that, for whatever reasons, the Insurance Department has money for salaries and wages it is not spending and authorized positions it is not able to fill. On the contrary, the Subcommittee thinks a more complete evaluation of Insurance Department salaries and positions is called for and therefore recommends that the Department of Insurance prepare a report for review during the 1986 Session that includes the following components.

- a. A description of current vacancies, indicating types of positions and length of time vacant (similar material for the current fiscal year has been submitted to the Subcommittee).
  - b. An explanation as to why the turnover rate appears unusually high, with particular emphasis upon specific problems and types of positions that are especially difficult to fill or keep filled.
  - c. Recommendations to the Legislature to address problems identified by the Department, including recommendations in the areas of salaries, reclassifications, the number of authorized positions, and any other matters that would be relevant to the Legislature's review.
2. Delete \$92,116 from the State General Fund for salaries and wages, which is the result of increasing the turnover rate from 1.7 percent to 5.0 percent. As noted above, the turnover rates for FY 1984 and FY 1985 (estimated) are 13.1 and 10.1, respectively. The Subcommittee thinks a turnover rate of 5.0 percent, which is approximately half the rate estimated for the current year, is a more realistic figure than a 1.7 percent rate.
  3. Delete \$7,500 from the State General Fund for salaries and wages. (This is a technical adjustment to the calculation of unemployment insurance benefits.)
  4. Reduce the number of authorized positions for the insurance examination program from 12.0 F.T.E. to 9.0 F.T.E. positions. The Subcommittee notes that this program, which is funded from fees assessed insurance companies being examined, has had particular difficulty in filling positions. At the present time, 8.0 F.T.E. positions are filled; for the preceding three fiscal years, the highest number of positions filled was 6.7 F.T.E. The Insurance Department points out that it is difficult to find qualified persons who are willing to travel as much as the job requires and that it is desirable to have some contingency in the event that the financial condition of insurance companies requires the Department to hire additional examiners quickly. Nevertheless, the Subcommittee does not believe it is appropriate for an agency to retain authorized positions that may not be necessary. The Subcommittee's purpose in deleting these positions is to call attention to the overall situation in the Insurance Department involving unfilled positions and to encourage the Department to discuss the insurance examiner positions in its report to the 1986 Legislature and include any reasons it may have for wanting the positions restored. The recommended decrease in positions will reduce expenditures for this program by \$126,399.

5. Recommend the introduction of legislation to transfer functions and positions responsible for administering the Health Care Stabilization Fund to the Office of the Attorney General. The number of positions transferred would be 4.5 F.T.E. and the amount of money would be \$12,444,605 in special revenue funds. The Subcommittee emphasizes that its recommendation implies no criticism of how the Fund has been administered by the Insurance Department. In fact, the Subcommittee notes that, when responsibilities for the Fund were placed with the Department, representatives of the Department itself expressed some discomfort at the possibility of conflicts between the Department's role as regulator of insurance companies and administrator of the Fund. It is this potential conflict that is one of the reasons why the Subcommittee thinks the Fund should be administered by another agency whose independence from the regulatory functions performed by the Commissioner of Insurance eliminate the possibility of conflicts that could exist when insurance companies are involved in claims against the Fund.

In addition, the Subcommittee notes the escalating number of claims against the Fund that necessitate increasing legal services on the part of the Department. In the Subcommittee's opinion, the administration of a program that entails regular and direct involvement of attorneys in the settlement of malpractice cases more appropriately resides in the Attorney General's Office, which is charged with providing legal services to state agencies. The Subcommittee notes that the transfer of the Fund is supported by individual members of the Senate Judiciary Committee which held hearings concerning issues pertaining to medical malpractice.

In addition to its recommendation to transfer administrative responsibilities for the Fund to the Attorney General, the Subcommittee makes the following recommendations:

- a. The Subcommittee concurs with the Governor that the present staff should be augmented by the addition of a person highly qualified in the area of medical malpractice whose responsibility would be the early examination of claims against the Fund, the determination of adequate Fund reserves, and the supervision of pending cases. The Subcommittee held a public hearing on matters relating to the Fund which was attended by representatives of the Insurance Department, the State Board of Healing Arts, private insurance companies, the Kansas Bar Association, the Kansas Trial Lawyers Association, and the Kansas Medical Society. At that hearing, a representative of the insurance industry discussed the need for an additional person to work with the Fund and said eight years general insurance experience and four years experience in the area of medical malpractice claims were not unreasonable requirements for the type of person needed to fill the position. Furthermore, the representative of the Kansas Medical Society, whose members are among those assessed to support the Fund, urged the Subcommittee to fund the salary at a level high enough to attract someone with the specialized abilities the job requires. The Subcommittee is convinced that close supervision of claims and the settlement of claims at the earliest possible point are in the best interest of the state.

- b. Amend the Kansas Code of Civil Procedure to allow attorneys representing the Fund to join as parties in actions involving health care providers. (Attorneys representing the Fund presently do not have this explicit authority.)
  - c. Administrators of the Fund should no longer use the services of attorneys who are also representing insurance companies in claims against the Fund. The Subcommittee realizes that the use of attorneys who represent insurance companies involved in claims against the Fund may eliminate some duplication of effort and result in some short-term savings. However, it thinks the interests of the state are better served when counsel representing the state is independent of parties to the suit.
6. Add \$5,609 from the State General Fund for postage as the result of the increase in postal rates.
  7. Add a proviso to the appropriation for the Workers' Compensation Fund limiting expenditures for the administration of the Fund to \$125,327.
  8. Add a proviso to the appropriation for the Firemen's Relief Fund limiting expenditures for the administration of the Fund to \$46,352.
  9. Amend S.B. 86 to return to the traditional format of appropriating expenditures from the State General Fund in a line item for salaries and wages and a line item for other operating expenditures.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee, with the following exception:

1. Delete item 5 concerning the Health Care Stabilization Fund from the report and recommend that legislation be introduced to transfer the functions performed by the Insurance Department with regard to the Fund to the Attorney General.

House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjustments FY 86</u>	<u>Senate Recommendations FY 86</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (220,406)	\$ 7,302,273	\$ (88,038)
Aid to Local Units	—	2,907,554	—
Other Assistance	—	22,623,376	—
TOTAL	<u>\$ (220,406)</u>	<u>\$ 32,833,203</u>	<u>\$ (88,038)</u>
State General Fund:			
State Operations	\$ (94,007)	\$ 3,660,894	\$ (88,038)
F.T.E. Positions	(3.0)	137.0	—

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

1. Add the requirement that the report to be prepared by the Insurance Department regarding vacant positions and turnover is due the first day of the 1986 Session (January 13). (See Senate Subcommittee recommendation number 1.)
2. Amend K.S.A. 40-110 which says that the salaries of certain employees of the Insurance Department appointed by the Commissioner may not exceed the amount paid the Commissioner. (The Commissioner's salary is set statutorily at \$38,500, subject to certain automatic adjustments. The Commissioner is presently paid \$44,741 a year.) The Subcommittee does not necessarily advocate that employees of the Department be paid more than the Commissioner, but thinks salaries should be set pursuant to departmental policy and that it is inappropriate and unusual for such a restriction to appear in the statutes. In addition, the limitation on salaries could prevent the Department from hiring the most qualified people available for certain specialized jobs, such as positions that could be necessary to better administer the Health Care Stabilization Fund. The Subcommittee notes that the limitation appears to apply only to employees who are not in the civil service.
3. Oppose the passage of S.B. 360 which would transfer the functions of the Insurance Commissioner with regard to the Health Care Stabilization Fund to the Attorney General. The Subcommittee is convinced that the possible benefits of a transfer of responsibilities to another agency are outweighed by the fact that administering the Health Care Stabilization Fund is basically an insurance function that involves the evaluation of claims against the Fund, the determination of reserves, and other activities similar to the responsibilities and duties performed by the Insurance Department in general. To separate the Fund from the Department could address some concerns but almost certainly would create a different set of problems perhaps more difficult to solve.

In recommending that responsibilities for the Fund remain with the Insurance Commissioner, the Subcommittee wishes to reemphasize the point made by the Senate that the potential for conflict of interest does exist when the Department uses attorneys to represent the Fund who also represent insurance companies involved in claims against the Fund. The Subcommittee agrees with the Department that in most cases this practice is appropriate and makes good use of available expertise and resources. However, the Subcommittee cautions the Insurance Department to monitor its activities in this area carefully and to hire independent counsel whenever there is any possibility that the interests of the state are not best served by the use of attorneys who represent insurance companies involved in malpractice cases.

4. Oppose the passage of S.B. 267 which would require the Commissioner of Insurance to give to the Board of Healing Arts, upon request, any depositions, reports, summaries of cases, or other relevant information pertaining to any medical malpractice action filed against a licensee of the Board. The bill is intended to make it easier for the Board to get information that could be useful to the Board in connection with its duties to regulate doctors.

The Subcommittee supports the intent of the bill, which is to facilitate the exchange of information between two state agencies, and is concerned that some areas of misunderstanding and a lack of cooperation apparently exist. However, the Subcommittee thinks the effect of S.B. 267 would be to inhibit insurance companies involved in malpractice suits from making information available to the Insurance Department for fear that the information would be given to the Board of Healing Arts. If that were to happen, neither the Board nor the Insurance Department would have access to the desired information. Thus, S.B. 267, if enacted, would not accomplish the purpose for which it was introduced.

Instead, the Subcommittee expresses its concern that better cooperation does not exist between the two agencies and admonishes both the Insurance Department and the Board of Healing Arts to make a greater effort to work out their differences so that they assist each other in carrying out their respective responsibilities.

5. With regard to Senate Subcommittee recommendation number 5(b), the House Subcommittee has been informed by staff that attorneys representing the Health Care Stabilization Fund may already join as parties in actions involving health care providers. Therefore, the recommendation to amend the Kansas Code of Civil Procedures is unnecessary.
6. Amend K.S.A. 1984 Supp. 40-3403, which relates to the Health Care Stabilization Fund, to lower the maximum amount the Fund is liable for any one judgment or settlement from \$3 million to \$1 million. The Subcommittee has been informed that other states, where the maximum amount that may be awarded from similar funds is lower than in Kansas, have found the lower caps to be an effective way to control expenditures from their funds.

The Subcommittee calls attention to the fact that the present surcharge assessed health care providers is 80 percent; estimates for the next year's surcharge are presently in the range of between 110 and 125 percent. The Subcommittee thinks that unless expenditures from the Fund are curtailed, this surcharge, which is ultimately paid by the public, will continue to rise.


The Subcommittee also thinks lowering the maximum that may be paid from the Fund per occurrence will cause more private insurance companies to provide excess coverage malpractice insurance. That is because the higher the limits of the Fund, the fewer the number of health care providers who seek excess coverage from private insurers. If the maximum is lowered, more providers will seek excess coverage insurance, thus creating a better market for insurance companies to provide the coverage.

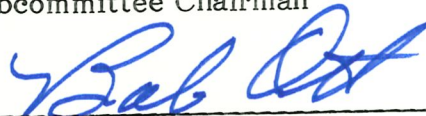
7. Direct the Insurance Department to study and present to the 1986 Legislature possible options relating to an aggregate lifetime maximum amount that may be paid from the Health Care Stabilization Fund to any one health care provider. The study should include, but not be limited to, the possibility of different limits for different specialities, the effect of such limits on malpractice insurance premiums and such other matters as the Department deems relevant. The Department should also study the problem of coverage by the Fund for retiring providers and make suggestions to improve the current policy. The report is to be made to the Legislature by January 13, 1986.

8. Amend S.B. 86 to make the appropriation from the State General Fund for the insurance regulation program a single line item.
9. Of the amount reappropriated by the Senate from FY 1985 to FY 1986 from the State General Fund for salaries and wages (\$649,899), reduce the amount reappropriated from salaries and wages by \$76,720 and reappropriate \$76,720 from other operating expenses. The reason for the Subcommittee's action is that salary savings in the current year will be \$76,720 less than had been estimated originally. Therefore, the Subcommittee recommends this \$76,720 in savings be taken from other operating expenditures instead of salaries.

In addition, the Subcommittee recommends that an additional amount of \$22,195 from the State General Fund for other operating expenditures be reappropriated from FY 1985 to FY 1986. (This is the amount of the Governor's recommended reduction in expenditures for FY 1985 from the amount appropriated.)

10. Delete \$88,038 from the State General Fund for operating expenditures. The effect of the Subcommittee's action is to recommend \$815,006 for other operating expenditures.

  
\_\_\_\_\_  
Representative J. Sanford Duncan  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative Bob Ott

  
\_\_\_\_\_  
Representative Jack Shriver

Baetz 4-1-85

DRAFT BILL NO. \_\_\_\_\_

For Consideration by Committee on Ways and Means

AN ACT concerning municipal universities; tax levies relating to capital improvements; amending K.S.A. 13-13a23 and repealing the existing section.

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

Section 1. K.S.A. 13-13a23 is hereby amended to read as follows: 13-13a23. (a) The board of regents of any municipal university heretofore or hereafter created and established under the provisions of article 13a of chapter 13 of Kansas Statutes Annotated, and amendments thereto, shall have the continuing right, power and authority, by resolution, to issue bonds of such municipal university from time to time, for the purpose of acquiring real estate, erecting buildings or additions to present buildings, and the purchase of equipment for such buildings and for refunding any indebtedness of such university. There shall not be outstanding at any one time an aggregate of bonds of the said municipal university in excess of ~~two-percent-(2%)~~ 2% of the assessed taxable tangible property within the taxing district of ~~said the~~ said municipal university. ~~Said~~ The bonds shall bear interest at a rate not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto and shall mature not later than ~~thirty-(30)~~ 30 years from date of issuance.

(b) Provisions for the payment of ~~said~~ issued under this section shall be made by the establishment of a sinking fund to be created out of the proceeds derived from the taxes levied each year by the board of regents of such municipal university. ~~Such~~ The board of regents is hereby authorized to levy taxes ~~not to exceed one-and-one-quarter-(1-1/4)-mills-on-the-dollar-in-any one-year~~ to provide for either: (a) ~~For~~ (1) Such sinking fund; or (b) ~~for~~ (2) the construction, reconstruction, or equipping of new

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or existing buildings; and for any other permanent improvements. Such taxes shall be in addition to all taxes which may be levied by said the board of regents pursuant to K.S.A. 13-13a18, and amendments thereto and shall not exceed one and one-quarter mills in any one year, except that in calendar years 1985 to 1989, inclusive, such taxes shall not exceed two and one-quarter mills in any one year.

(c) The proceeds from such the tax levy authorized under this section other than that portion of the proceeds for such sinking fund, may be accumulated from year to year and expended for the construction, reconstruction, or equipping of new or existing buildings, or for any one or more of such purposes, and shall not be subject to the provisions of the budget laws, except that in making the budget of such municipal university the amount so accumulated and the amount expended thereof shall be shown therein for the information of the taxpayers.

Sec. 2. K.S.A. 13-13a23 is hereby repealed.

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

SUBCOMMITTEE REPORT

Agency: Attorney General Bill No. 161 Bill Sec. —

Analyst: Howard Analysis Pg. No. 484 Budget Pg. No. 1-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,092,674	\$ 2,122,674	\$ —
Other Assistance	415,324	415,650	—
<b>TOTAL</b>	<u>\$ 2,508,324</u>	<u>\$ 2,538,324</u>	<u>\$ —</u>
<b>State General Fund:</b>			
State Operations	\$ 1,848,842	\$ 1,878,842	\$ —
Other Assistance	—	—	—
<b>TOTAL</b>	<u>\$ 1,848,842</u>	<u>\$ 1,878,842</u>	<u>\$ —</u>
F.T.E. Positions	54.5	54.5	—

Agency Request/Governor's Recommendation

The Attorney General has estimated FY 1985 expenditures totaling \$2,092,674 in state operations. In addition the Attorney General requests \$80,000 in supplemental expenditures. The first supplemental request is for \$30,000 in the Criminal Program to finance an audit in a case involving shortages of grain at a Kansas elevator. The second supplemental request is for \$50,000 in the Litigation Program to pay attorney fees and other expenses associated with construction litigation.

The Governor recommends FY 1985 expenditures of \$2,122,674 in state operations. The Governor concurs with the agency request and recommends the \$30,000 supplemental request involving the grain shortage case.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's recommendation of \$2,122,674 for state operations in FY 1985 including a \$30,000 supplemental appropriation to finance an audit in a grain elevator case. In addition the Subcommittee makes the following observation.

1. The Governor has not yet submitted any budget amendment on the agency's most recent supplemental request for \$50,000 in the Litigation Program to cover litigation costs associated with three construction cases. The Subcommittee declines to recommend funding pending action by the Governor and the Joint Committee on Building Construction. We recommend that the House Subcommittee reviewing this budget make a recommendation after further actions have been taken.

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Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.


Senate Committee of the Whole Recommendation

The Senate Committee concurs with the recommendation of the Committee.

House Subcommittee Recommendations

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

1. Addition of \$50,000 in litigation costs for expenses associated with three construction cases. Since the Senate's consideration of this budget the Governor has submitted Budget Amendment No. 2 concerning these costs. The Subcommittee wishes to commend the state for the recent jury verdict of over \$1,000,000 last week in Shawnee County District Court in one roofing case involving a defective roof at Kansas Neurological Institute. The supplemental request would allow such litigation to continue in other pending roofing cases which this Subcommittee strongly endorses.
2. The Subcommittee wishes to note that the supplemental request for \$30,000 in a case involving shortages of grain at a Kansas elevator was addressed by the Subcommittee reviewing the Grain Inspection Department. This Subcommittee concurs with their recommendation to transfer \$30,000 from the Grain Inspection Fee Fund to the State General Fund to finance this audit.



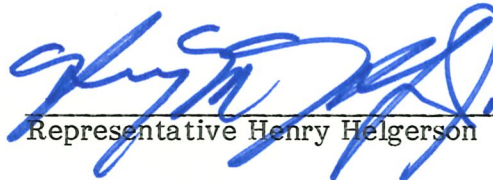
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Representative David Louis  
Subcommittee Chairman



Handwritten signature of Kenneth King in blue ink.

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Representative Kenneth King



Handwritten signature of Henry Helgerson in blue ink.

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Representative Henry Helgerson

SUBCOMMITTEE REPORT

Agency: Attorney General Bill No. 86 Bill Sec. 3  
 Analyst: Howard Analysis Pg. No. 484 Budget Pg. No. 1-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 2,317,882	\$ 2,231,670	\$ —
Other Assistance	—	—	12,444,605
TOTAL	<u>\$ 2,317,882</u>	<u>\$ 2,231,670</u>	<u>\$ 12,444,605</u>
<u>State General Fund:</u>			
State Operations	\$ 2,065,218	\$ 1,986,030	\$ —
Other Assistance	—	—	—
TOTAL	<u>\$ 2,065,218</u>	<u>\$ 1,986,030</u>	<u>\$ —</u>
F.T.E. Positions	54.5	54.5	4.5

Agency Request/Governor's Recommendation

The Attorney General requests expenditures of \$2,317,882 for FY 1986, all of which is for state operations. The FY 1986 request is an increase of \$225,208 over estimated FY 1985 expenditures for state operations. For FY 1986 the agency requests \$225,000 to fund investigation and litigation on interstate water rights. As is customary, no request for claims to be paid from the Tort Claims Fund is made for FY 1986 because the fund is contingent on unanticipated settlements. The FY 1986 request continues the present staffing pattern of 54.5 F.T.E. positions.

The Governor recommends FY 1986 expenditures of \$2,231,670, all of which is for state operations. The recommended decrease of \$86,212 below the agency request is largely the result of deleting the salary plan revision and recalculating the amount for unemployment insurance. The Governor's recommendations reduce nonsalary expenditures by \$4,347 in the area of communications. The Governor's recommended budget is based upon continuing the present staffing level. The Governor concurs with the \$225,000 request in the litigation program for water rights.

Senate Subcommittee Recommendations

FY 1986. The Senate Subcommittee concurs with the recommendation of the Governor with the following changes:

1. Transfer functions and positions responsible for administering the Health Care Stabilization Fund to the Office of the Attorney General from the Department of Insurance. The number of positions transferred would be 4.5 F.T.E. and the amount of money would be \$12,444,605 in special revenue funds. The Subcommittee emphasized that its recommendation implies no criticism of how the Fund has been administered by the Insurance Department. In fact, the Subcommittee notes that, when responsibilities for the Fund were placed with the Department, representatives of the Department itself expressed some discomfort at the possibility

of conflicts between the Department's role as regulator of insurance companies and administrator of the Fund. It is this potential conflict that is one of the reasons why the Subcommittee thinks the Fund should be administered by another agency whose independence from the regulatory functions performed by the Commissioner of Insurance eliminate the possibility of conflicts that could exist when insurance companies are involved in claims against the Fund.

In addition, the Subcommittee notes the escalating number of claims against the Fund that necessitate increasing legal services. In the Subcommittee's opinion, the administration of a program that entails regular and direct involvement of attorneys in the settlement of malpractice cases more appropriately resides in the Attorney General's Office, which is charged with providing legal services to state agencies. The Subcommittee notes that the transfer of the Fund is supported by individual members of the Senate Judiciary Committee which held hearings concerning issues pertaining to medical malpractice.

In addition to its recommendation to transfer administrative responsibilities for the Fund to the Attorney General, the Subcommittee makes the following recommendations:

- a. The Subcommittee concurs with the Governor that the present staff should be augmented by the addition of a person highly qualified in the area of medical malpractice whose responsibility would be the early examination of claims against the Fund, the determination of adequate Fund reserves, and the supervision of pending cases. The Subcommittee held a public hearing on matters relating to the Fund which was attended by representatives of the Insurance Department, the State Board of Healing Arts, private insurance companies, the Kansas Bar Association, the Kansas Trial Lawyers Association, and the Kansas Medical Society. At that hearing, a representative of the insurance industry discussed the need for an additional person to work with the Fund and said eight years general insurance experience and four years experience in the area of medical malpractice claims were not unreasonable requirements for the type of person needed to fill the position. Furthermore, the representative of the Kansas Medical Society, whose members are among those assessed to support the Fund, urged the Subcommittee to fund the salary at a level high enough to attract someone with the specialized abilities the job requires. The Subcommittee is convinced that close supervision of claims and the settlement of claims at the earliest possible point are in the best interest of the state.
- b. Amend the Kansas Code of Civil Procedure to allow attorneys representing the Fund to join as parties in actions involving health care providers. (Attorneys representing the Fund presently do not have this explicit authority.)
- c. Administrators of the Fund should no longer use the services of attorneys who are also representing insurance companies in claims against the Fund. The Subcommittee realizes that the

use of attorneys who represent insurance companies involved in claims against the Fund may eliminate some duplication of effort and result in some short-term savings. However, it thinks the interests of the state are better served when counsel representing the state is independent of parties to the suit from the beginning stages of the action.

2. Retain, as requested by the agency, the current legislative practice of appropriating State General Fund line items for salaries and wages, other operating expenditures, and litigation costs, in lieu of the "program" line items contained in S.B. 86 as introduced.
3. Include as a proviso to the other operating expenditures line item authorization to spend up to \$600 for official hospitality. Expenditures recommended by the Governor include such an amount, but the necessary authorizing language in the appropriations bill is under the administration program and for only \$500.
4. The Subcommittee concurs with the request for \$225,000 recommended by the Governor for investigation and litigation of interstate water rights. The Subcommittee supports the expenditures and encourages the agency to develop greater in-house expertise in these areas in anticipation of future water rights issues.
5. The Subcommittee recommends passage of S.B. 267 as amended which would enhance the ability of the Board of Healing Arts to access information concerning medical malpractice actions. The estimated additional expense to the Health Care Stabilization Fund totals \$15,596.

#### Senate Committee Recommendations

The Senate Committee concurs with the recommendation of the Subcommittee with the following adjustment:

1. Delete \$12,444,605 which would have resulted from the transfer of the Health Care Stabilization Fund from the Insurance Department to the Attorney General. The Committee recommends the introduction of a bill to accomplish the transfer and believes there should be further study prior to such a transfer.

#### Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the recommendations of the Committee.

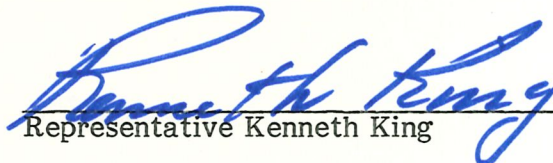
#### House Subcommittee Recommendations

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

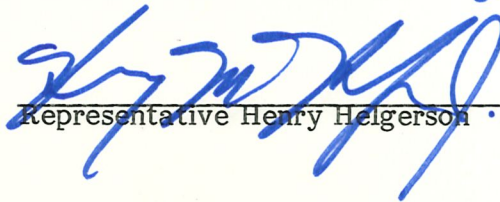
1. The Subcommittee discussed the use of attorneys from the Attorney General's office by the Highway Patrol. Col. Bert Cantwell, Superintendent of the Kansas Highway Patrol, requested permission to retain an attorney in the area of labor negotiations. The Attorney General and the Highway Patrol have discussed this issue and the Attorney General does not object to the retention of an attorney by the Highway Patrol for this specific purpose.
2. The Subcommittee wishes to express their support for the Attorney General in litigation involving water rights with Colorado. While large expenses are involved in this litigation (\$225,000 in FY 1986) it is a matter of vital significance to the water interests of Kansas.



Representative David Louis  
Subcommittee Chairman



Representative Kenneth King



Representative Henry Helgerson

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor Bill No. 86 Bill Sec. 11  
 Analyst: Ahrens Analysis Pg. No. 531 Budget Pg. No. 1-20

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ <u>103,532</u>	\$ <u>99,754</u>	\$ <u>—</u>
State General Fund:			
State Operations	\$ <u>103,532</u>	\$ <u>99,754</u>	\$ <u>—</u>
F.T.E. Positions	3.0	3.0	—

Agency Request/Governor's Recommendation

The FY 1986 budget request of the Lieutenant Governor is an increase of \$5,192 above the FY 1985 agency estimate which is unchanged from the total amount authorized by the 1984 Session.


The Governor recommends total FY 1986 expenditures of \$99,754. The Governor removes \$3,689 for general salary adjustments and \$89 for unemployment insurance. Other operating expenditures of \$30,734 are recommended as requested by the agency.


Senate Subcommittee Recommendation


The Subcommittee concurs with the Governor's recommendation for the Lieutenant Governor.

House Subcommittee Recommendation

The Subcommittee concurs with the Senate.

  
 Representative David Louis  
 Subcommittee Chairman

  
 Representative Henry Helgerson

  
 Representative Kenneth King

4/1/85

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SUBCOMMITTEE REPORT

Agency: Governor's Department Bill No. 86 Bill Sec. 6  
 Analyst: Ahrens Analysis Pg. No. 496 Budget Pg. No. 1-13

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,290,815	\$ 1,243,507	\$ —
Other Assistance	10,000	10,000	—
TOTAL	<u>\$ 1,300,815</u>	<u>\$ 1,253,507</u>	<u>\$ —</u>
State General Fund:			
State Operations	\$ 1,290,815	\$ 1,243,507	\$ —
Other Assistance	10,000	10,000	—
TOTAL	<u>\$ 1,300,815</u>	<u>\$ 1,253,507</u>	<u>\$ —</u>
F.T.E. Positions	33.2	33.2	—

Agency Request/Governor's Recommendation

The FY 1986 budget request totals \$1,300,815, all to be financed from the State General Fund. The FY 1986 budget request is \$53,234 above the FY 1985 estimate. Requested FY 1986 expenditures include \$936,063 for salaries and wages, \$354,752 for other state operations purposes and \$10,000 for other assistance, grants and benefits. The FY 1986 request finances 33.2 F.T.E. positions, an increase of one, an assistant in the Administration Program.

The Governor recommends total FY 1986 expenditures of \$1,253,507, an increase of \$16,663 over the FY 1985 estimate. Expenditures include \$888,755 of salaries and benefits for 33.2 F.T.E. positions, \$354,752 for other state operations purposes and \$10,000 for other assistance. The only change made from the original request is the removal of \$47,308 for a 5.5 percent general salary adjustment.

The FY 1985 revised estimate of expenditures is unchanged from the total approved by the 1984 Session, except for the addition of \$10,737 financed from the agency's Conversion of Materials and Equipment Fund.

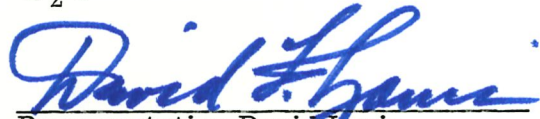
Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

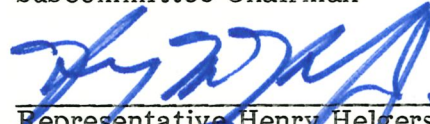
House Subcommittee Recommendation

The Subcommittee concurs with the Senate.

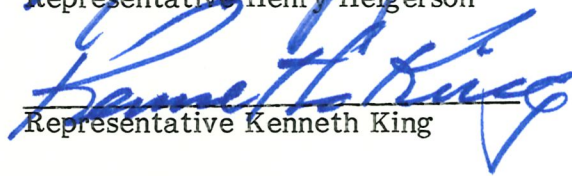
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Representative David Louis  
Subcommittee Chairman

A handwritten signature in blue ink, appearing to read "Henry Helgersen", written over a horizontal line.

Representative Henry Helgersen

A handwritten signature in blue ink, appearing to read "Kenneth King", written over a horizontal line.

Representative Kenneth King

**HOUSE BILL No. 2165**

By Committee on Education

2-5

PROPOSED AMENDMENTS TO H.B. 2165

For consideration by House Ways and Means

4-1-85

0017 AN ACT relating to postsecondary education; concerning com-  
0018 munity college and municipal university finance; increasing  
0019 rates of state aid entitlements and out-district tuition pay-  
0020 ments; amending K.S.A. 1984 Supp. 71-301, 71-602 and 72-  
0021 6503, and repealing the existing sections.

0022 *Be it enacted by the Legislature of the State of Kansas:*

0023 Section 1. K.S.A. 1984 Supp. 71-301 is hereby amended to  
0024 read as follows: 71-301. (a) (1) Subject to provision (2), the board  
0025 of trustees shall charge to and collect from each student tuition at  
0026 rates per credit hour enrolled which shall be established at an  
0027 amount not less than \$12 per credit hour and not more than \$18  
0028 per credit hour.

0029 (2) The board of trustees may charge to and collect from each  
0030 student who resides within a federal military reservation tuition  
0031 at rates per credit hour enrolled which, if established, shall be  
0032 established at an amount not less than \$31 per credit hour and  
0033 not more than \$36 per credit hour.

0034 (b) The board of trustees, in accordance with rules and regu-  
0035 lations of the state board, shall determine and collect an amount  
0036 of out-district tuition to be charged for each student attending the  
0037 community college whose residence is outside of the community  
0038 college district. The board of county commissioners of any  
0039 county charged with payment of out-district tuition shall levy a  
0040 tax on all of the taxable property of the county sufficient to pay all  
0041 out-district tuition charges authorized by this act. The proceeds  
0042 from the tax levied under authority of this section shall be  
0043 deposited in a special fund for payment of out-district tuition.  
0044 Upon receiving a statement of charges for out-district tuition, the  
0045 board of county commissioners shall allow and pay the same

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0046 promptly from the special fund. If there is insufficient or no  
0047 money in the special fund, out-district tuition shall be paid from  
0048 the county general fund or from the proceeds of the sale of  
0049 no-fund warrants issued for the purpose of the payment of  
0050 out-district tuition.

0051 (c) The total out-district tuition charged by a community  
0052 college shall be an amount equal to the number of duly enrolled  
0053 out-district students times ~~§22~~ \$23 for each credit hour of each  
0054 such student.

0055 (d) Out-district tuition shall only be charged for credit hours  
0056 of students if such students, as determined by the state board,  
0057 have not more than 64 credit hours from any institution of  
0058 postsecondary education or the students have not more than 72  
0059 credit hours and are enrolled in terminal type nursing courses or  
0060 freshman-sophomore level preengineering courses.

0061 (e) In May of each fiscal year, the board of trustees shall  
0062 notify the board of county commissioners of the approximate  
0063 amount of out-district tuition which will be charged to the county  
0064 in the succeeding fiscal year.

0065 (f) Expenditures for out-district tuition shall be exempt from  
0066 the budget law of this state to the extent of such payments not  
0067 anticipated in the budget of the county. Taxes levied by counties  
0068 under the authority of this section shall not be subject to or  
0069 within the limitations upon the levy of taxes imposed under the  
0070 provisions of K.S.A. 79-5001 to 79-5016, inclusive, and any  
0071 amendments of such sections.

0072 Sec. 2. K.S.A. 1984 Supp. 71-602 is hereby amended to read  
0073 as follows: 71-602. (a) The basis for distribution of credit hour  
0074 state aid for community colleges for each credit hour of each duly  
0075 enrolled student who was a bona fide resident of the state of  
0076 Kansas during the current school session shall be: (1) ~~Twenty-~~  
0077 ~~five~~ *Twenty-six* dollars for each credit hour in any subject or  
0078 course which is not part of a vocational education program  
0079 approved by the state board under the provisions of article 44 of  
0080 chapter 72 of Kansas Statutes Annotated; and (2) an amount  
0081 which shall be determined by the state board by multiplying by  
0082 1½ the amount ~~provided~~ *specified* in provision (1) for each credit

and twenty-five cents

0083 hour in any subject or course which is part of a vocational  
0084 education program approved by the state board under article 44,  
0085 except that the amount ~~provided for~~ *specified* in provision (1) for  
0086 each credit hour of each student shall be multiplied by two if the  
0087 credit hour is in any subject or course which is part of an  
0088 approved vocational education program which is offered in a  
0089 community college which is also officially designated as an area  
0090 vocational school by the state board.

0091 (b) The determination of credit hours of duly enrolled stu-  
0092 dents shall be made at times prescribed by the state board of  
0093 education.

0094 Sec. 3. K.S.A. 1984 Supp. 72-6503 is hereby amended to read  
0095 as follows: 72-6503. (a) The basis for payments from the municipi-  
0096 pal university fund shall be ~~\$25~~ ~~\$26~~ for each credit hour of each  
0097 duly enrolled undergraduate student and each duly enrolled  
0098 graduate student except for graduate students who are enrolled  
0099 in the school of law.

\$26.25

0100 (b) The basis for payments from the municipal university  
0101 fund shall be ~~\$26~~ for each credit hour of each graduate student  
0102 who is duly enrolled in the school of law *shall be an amount*  
0103 *which shall be determined by the state board by multiplying by*  
0104 *1 1/2 the amount specified in subsection (a) for each credit hour of*  
0105 *duly enrolled students.*

0106 (c) Payment from the municipal university fund shall be  
0107 based only upon credit hours of duly enrolled students who are  
0108 bona fide residents of the state of Kansas during the current  
0109 school term. The determination of credit hours of duly enrolled  
0110 students shall be made at the end of the fifth week of the regular  
0111 spring and fall semesters and at the end of the equivalent period  
0112 for summer sessions. The determination of credit hours of duly  
0113 enrolled students for payments for short-term courses shall be  
0114 made at such times as are prescribed by the state board of  
0115 education.

0116 Sec. 4. K.S.A. 1984 Supp. 71-301, 71-602 and 72-6503 are  
0117 hereby repealed.

0118 Sec. 5. This act shall take effect and be in force from and  
0119 after its publication in the statute book.