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SUBCOMMITTEE REPORTS

FOR

APPROPRIATIONS BILLS

As Presented to the Senate Ways and Means Committee

SB 28

SB 29

SB 78

SB 86

SB 87

SB 166

SB 161, 1985 Supplemental  
(Included with correspond-  
ing agencies and 1986  
appropriations)

HB 2036

HB 2057

HB 2088

HB 2102

HB 2128

HB 2134


HB 2154, 1985 Supplemental  
(Included with corresponding  
agencies and 1986 appropria-  
tions)

RETIREMENT BILLS AND ISSUES

HB 2218


SENATE SUBCOMMITTEE REPORT

RETIREMENT BILLS AND ISSUES




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Senator Robert V. Talkington  
Subcommittee Chairman



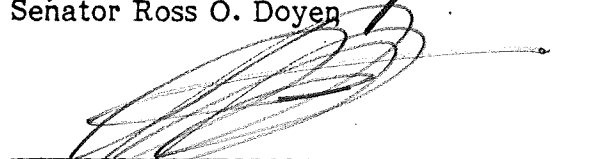
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Senator Gus Bogina



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Senator Ross O. Doyen



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Senator Michael L. Johnston

SUBCOMMITTEE REPORT

Agency: Retirement Issues Bill No. — Bill Sec. —  
Analyst: Ryan/Conroy Analysis Pg. No. — Budget Pg. No. —

The Subcommittee held several meetings reviewing specific retirement bills and general retirement policy issues. During the course of the deliberations Mr. Marshall Crowther, Executive Secretary of KPERS, informed the Subcommittee that the most recent actuarial studies relating to the retirement systems indicated that reductions to the future employer contribution rates would be communicated to the KPERS Board of Trustees later this month. These reductions are a result of actuarially favorable experience for the retirement systems.

The actuarial studies indicate the KPERS nonschool rate would drop from the currently certified rate for fiscal year 1986 of 4.9 percent of covered payroll to 3.7 percent of covered payroll. The KPERS school rate would drop from the currently certified rate for FY 1986 of 4.3 percent of covered payroll to 3.6 percent of covered payroll. Unless accelerated by the 1985 Legislature, the changes would be reflected in FY 1987.

The Subcommittee was informed that there would be no change in the rate for the Kansas Police and Firemen's Retirement System (KP&F) and that the rate for the Judges Retirement System was certified for three years at a time and the present rate will not change again until FY 1989.

Mr. Crowther also informed the Subcommittee that the approximate value of .1 percent of covered payroll for employer contribution rates is \$1 million for school and \$460,000 for nonschool state. The Subcommittee was advised that the nonschool state rate was apportioned approximately at 50 percent State General Fund and 50 percent agency special revenue funds, while the school rate is all charged to the State General Fund. The following table reflects the total amount of estimated savings.

KPERS EMPLOYER RATES

FY 1986

	<u>Current</u>	<u>Revised*</u>	<u>Difference</u>
Nonschool	4.9	3.7	1.2
School	4.3	3.6	0.7

\* This rate would apply to state FY 1987 unless advanced to FY 1986 by 1985 Legislature.

Estimated Savings

<u>State</u>			
<u>Nonschool</u>	\$ 460,000	Per 0.1	
	x 12		
	\$ 5,520,000	All Funds	
	x 50%		
	\$ 2,760,000	General Fund	
<u>School</u>	\$ 1,000,000	Per 0.1	
	x 7		
	\$ 7,000,000	General Fund	
<u>Totals</u>	\$12,520,000	All Funds	
	9,760,000	General Fund	

The Subcommittee recommends that the employer rate for school and nonschool be accelerated to FY 1986 and that a rate of 4.0 percent for school and 4.3 percent for nonschool be certified. This would continue the present policy of the employer's contributions being at least as great as the employee's contributions. The employee's contribution rate is 4.0 percent. The Subcommittee's recommendation of an employer contribution rate of 4.0 percent for school and 4.3 percent for nonschool accelerated to FY 1986 would realize savings in excess of \$4.3 million from the State General Fund. The following table indicates the potential savings.

Employer Contribution Rate of  
4.0 Percent - School and 4.3 Percent - Non-School

		<u>All Funds</u>		<u>SGF</u>
<u>Nonschool</u>	\$ 460,000 x 6 =	\$2,760,000	x 50% =	\$1,380,000
<u>School</u>	1,000,000 x 3 =	<u>3,000,000</u>	x 100% =	<u>3,000,000</u>
		\$5,760,000		\$4,380,000



The Subcommittee also recommends numerous enhancements, many of which have no actuarial cost, for retirants and active members of KPERS, KP&F and the Judges Retirement System. The Subcommittee requests that all of the following enhancements be combined into an omnibus retirement bill:

KPERS

1. Governor's recommendation to increase the maximum amount of optional group life insurance for state employees to \$100,000. No cost. (H.B. 2182)
2. Governor's recommendation to establish a survivor option D and revise the existing option factors. No cost. (H.B. 2218)
3. Permit purchase of benefits for teaching service in overseas dependent schools or recognized teacher exchange programs. Double deductions for purchase of military service credit if commenced during calendar year 1986. No cost. (H.B. 2500)
4. Change definition of final average salary to the average of the highest four (4) years of participation. Effective for those retiring on and after July 1, 1988. Cost: school - .2 nonschool - .2
5. Make the retirant dividend payment (13th check) permanent for all who retire through July 1, 1987. Cost: school - .1 nonschool - .2
6. Increase benefits for all who retire prior to July 1, 1984, by 5 percent. Provide for prior service benefits based on final average salary for all retirants. (Back date 1981 H.B. 2529). Any increases would be inclusive of all post-retirement adjustments. Effective January 1, 1986. Cost: school - .1 nonschool - .1
7. Increase death benefit for all retirants from \$1,000 to \$1,500. No cost. (H.B. 2245)
8. Increase the value of all participating service to 1.4 for all who retire on and after July 1, 1988 with 10 or more years of participating service. Cost: school - .1 nonschool - .1
9. Provide for inclusion of post 1981 Kansas City retirants and the retirant dividend payment and two 10 percent increases for the same group of Kansas City, Kansas school retirants. No cost. (H.B. 2017)
10. Provide an election for all active members of the Kansas City, Kansas plan to elect KPERS membership. No cost.
11. Provide additional benefits for special members who retired under KSRS which would give partial benefits for noncredited school service. No cost.
12. Allow members of the Legislature to elect to include all expense money and compensation for retirement purposes. Permit those electing to include compensation at the effective date of the act to make retroactive payments to include up to three years of expense payments in past compensation. Allow a new election for those elected officials who are not presently KPERS members. No cost.

13. Amend the definition of compensation to follow the social security definition of compensation unless specifically provided by statute. Effective date to be the first day of fiscal year coinciding with or following the effective date of the act. No cost.
14. Provide that any elected official could elect to continue participating in KPERS after leaving office by contributing the appropriate employer and employee contributions. No cost. (S.B. 356)
15. Provide for the mandatory certification of final contributions by the employer for members who have terminated or died. No cost.
16. Provide that KPERS could annualize compensation of Regents' employees under TIAA who are paid their contractual salary in less than 12 months. No cost.

#### Judges Retirement System

1. Reduce the factor for early retirement from .6 to .3. No cost.
2. Provide for salary adjustment at the time of retirement for all who are disabled for five or more years immediately preceding retirement. No cost.
3. Reduce the period for selecting an option without proof of insurability from three years to one year before retirement. No cost.
4. Governor's recommendation to establish a survivor option D and revise the existing option factors. No cost. (H.B. 2218)
5. Make the retirant dividend payment (13th check) permanent for all who retire through July 1, 1987. Cost: .2
6. Increase benefits for all who retire prior to July 1, 1984, by 5 percent. Cost: .1
7. Increase death benefit for all retirants from \$1,000 to \$1,500. No cost.
8. Governor's recommendation to increase the maximum amount of operational group life insurance for state employees to \$100,000. No cost. (H.B. 2182)

#### KP&F

1. Provide that local units may apply for affiliation with KP&F by transferring present KPERS participants for future service only. Provides safety nets to protect individuals who are transferred in such manner. No cost. (H.B. 2220)
2. Decrease the period prior to retirement for selecting an option without proof of good health from three years to one year. No cost.
3. Provide 50 percent FAS lump-sum death benefit and one-half of member's monthly benefit to beneficiaries of KP&F service-connected disability members who die after two years and whose death is not the approximate cause of disability. No cost. (S.B. 163)

4. Provide a 50 percent FAS lump-sum death benefit and one-half of member's monthly retirement benefit to beneficiaries of KP&F nonduty disability members.
5. Provide spouse's benefit for KP&F retirants who marry after retirement and are married for five years at the time of retirant's death. No cost. (H.B. 2219)
6. Governor's recommendation to establish a survivor option D and revise the existing option factors. No cost. (H.B. 2218)
7. Make the retirant dividend payment (13th check) permanent for all who retire through July 1, 1987. Cost: .2
8. Increase benefits for all who retire prior to July 1, 1984, by 5 percent. Cost: .1
9. Increase death benefit for all retirants from \$1,000 to \$1,500. No cost. (H.B. 2245)

SUBCOMMITTEE REPORT

Agency: Legislature and Related Agencies Bill No. 28 Bill Sec. All  
 Analyst: Ahrens Analysis Pg. No. 1 Budget Pg. No. 1-31

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Committee Adjustments</u>
State Operations — All Funds:			
Commission on Interstate Cooperation	\$ 148,195	\$ 148,195	\$ —
Legislative Coordinating Council			
Council Expenses	241,978	240,958	1,020
Legislative Research Department	1,346,390	1,346,390	—
Revisor of Statutes	1,643,744	1,640,109	—
Educational Planning Committee	47,540	47,540	—
Legislature	6,276,717	6,276,717	—
Division of Post Audit	1,318,175	1,316,356	(104,997)
<b>TOTAL</b>	<u>\$ 11,022,739</u>	<u>\$ 11,016,265</u>	<u>\$ (103,977)</u>
State Operations:			
State General Fund	<u>\$ 10,951,770</u>	<u>\$ 10,945,296</u>	<u>\$ (89,146)</u>
F.T.E. Positions	92.0	92.0	—

Agency Requests/Governor's Recommendations

The combined budget request for the Legislature and related agencies totals \$11,022,739 of which \$11,016,265 would be financed from the State General Fund. As directed by the Legislative Coordinating Council, the request does not include any amounts for changes in salary rates.

The Governor recommends \$11,016,265 for FY 1986, a reduction of \$6,474 all from the State General Fund. The reductions include \$1,020 for health insurance of a position in the budget of the Legislative Coordinating Council the current incumbent of which has chosen not to enroll in the group health plan, and \$5,454 of technical adjustments to fringe benefits budgeted for the Revisor of Statutes and Division of Post Audit. Furthermore, S.B. 28, as introduced to carry out the Governor's recommendations, would alter prior legislative policy by lapsing all unencumbered balances of appropriations as of June 30, 1985, and by removing authorization for the Interstate Cooperation Commission to provide official hospitality in the course of its duties.

Committee Recommendations

The Committee met as a whole to hear and consider S.B. 28. The Committee concurs with the Governor's recommendations with the following changes:

1. Continue prior legislative practice with respect to reappropriations of unencumbered balances and extend the practice to the Division of Post Audit. Accordingly, the Committee has amended S.B. 28 to provide for reappropriation of balances which reduce new FY 1986 appropriations as follows: Interstate Cooperation Commission, \$35,399; Legislative Coordinating Council, \$17,333; Legislative Research Department, \$141,756; Revisor of Statutes, \$122,600; Legislative Educational Planning Committee, \$10,804; Legislature, \$501,616; and Division of Post Audit, \$84,855.
2. Amend section 2 of S.B. 28 to continue the practice of providing authority to the Interstate Cooperation Commission to provide official hospitality.
3. Restore \$1,020 to the Legislative Coordinating Council for employee health insurance benefits.
4. Reduce the expenditures of the Division of Post audit by \$104,997 (\$90,166 State General Fund and \$14,831 Federal Audit Services Fund) for FY 1986 contracted financial audits, in accordance with the February 6 request of the Chairman of the Legislative Post Audit Committee.

SENATE SUBCOMMITTEE REPORT ON SENATE BILL NO. 29

FY 1986 APPROPRIATIONS

Sections Pertaining to:

Judicial Branch  
Judicial Council  
Board of Indigents' Defense Services  
Crime Victims Reparations Board

  
\_\_\_\_\_  
Senator Merrill Werts,  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Frank Gaines

  
\_\_\_\_\_  
Senator Joseph Harder

SUBCOMMITTEE REPORT

Agency: Judicial Council Bill No. 29 Bill Sec. 2  
 Analyst: Mills Analysis Pg. No. 105 Budget Pg. No. 1-45

<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	\$ 209,450	\$ 194,213	\$ 3,060
State General Fund	209,450	194,213	3,060
F.T.E. Positions	3.0	3.0	—

Agency Request/Governor's Recommendation

The request for FY 1986 would support the current 3.0 F.T.E. positions and provide for approximately 60 Council and committee meetings. The request includes funds to produce two Kansas Judicial Bulletins and supplements to the Kansas Benchbook and PIK-Criminal 2d.

The Governor's recommendation would maintain the current staff and provide for approximately 54 Council and committee meetings. The recommendation includes funds to produce the requested publications.

Senate Subcommittee Recommendation

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

1. Addition of \$3,060 for group health insurance which was inadvertently omitted in the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Board of Indigents' Defense Services      Bill No. 29      Bill Sec. 3  
 Analyst: Mills      Analysis Pg. No. 107      Budget Pg. No. 1-129

<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	\$ 3,728,073	\$ 3,403,385	\$ (4,600)
State General Fund	3,728,073	3,403,385	(4,600)
F.T.E. Positions	45.25	40.5	—

Agency Request/Governor's Recommendation

Major items in the FY 1986 request include a total of \$2,067,888 for assigned counsel; funding for a total of 8.75 F.T.E. new positions, including two new public defenders for the Wichita office; and funding of \$259,149 for Legal Services for Prisoners, Inc.

The Governor's recommendation includes \$1,940,000 for assigned counsel; funding for four new positions, including the two public defenders in Wichita; and a State General Fund expenditure of \$223,468 for Legal Services for Prisoners, Inc.

Senate Subcommittee Recommendations

FY 1985 Revisions. The agency's estimated expenditures for FY 1985 are \$146,619 below the approved expenditure level. The Senate Subcommittee concurs with the Governor's FY 1985 recommendation with the following exceptions:

1. The Subcommittee concurs with the agency request to expend \$5,000 from FY 1985 funds for the purchase of a microcomputer for the 3rd Judicial District Public Defender Office (Shawnee County).
2. The Subcommittee concurs with the agency request to expend \$1,070 from FY 1985 funds for the purchase of a complete set of Kansas Digests for the 18th Judicial District Public Defender Office (Sedgwick County).

FY 1986 Revisions. The Senate Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Reduction of \$5,000 in FY 1986 funding for capital outlay as a result of the computer purchase noted in 1 above.
2. Addition of \$400 to purchase two desks and two chairs for the 3rd Judicial District Public Defender Office.
3. Deletion of the position limitation imposed by S.B. 29. The agency currently has no position limitation; the Subcommittee recommends that the agency be allowed to operate for one more year with no position limitation.



SUBCOMMITTEE REPORT

Agency: Judicial Branch Bill No. 29 Bill Sec. 4  
 Analyst: Mills Analysis Pg. No. 114 Budget Pg. No. 1-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
All Funds	\$ 43,112,924	\$ 39,445,992	(697,792)
State General Fund	42,979,588	39,301,370	(697,792)
<b>F.T.E. Positions:</b>			
Appellate Court Justices and Judges	17.0	16.0	14.0
District Court Judges	211.5	211.5	211.5
Nonjudicial Personnel	1,352.5	1,346.0	1,337.5

Agency Request/Governor's Recommendation

The FY 1986 request includes funding for an expansion of the Court of Appeals from 7 to 10 members, 21 new positions (including the three new judgeships), a two-range salary upgrade for 597 nonjudicial personnel positions, reclassification of 34 individual positions, and capital outlay totaling \$371,408. In addition, the request includes funding for continued expansion and development of the Court's data processing system (\$426,550).

The Governor's recommendation for FY 1986 totals \$39,445,992. The Governor's recommendation includes funding for an expansion of the Court of Appeals from 7 to 9 members, a one-range salary upgrade for 597 nonjudicial personnel positions, reclassification of 34 individual positions, capital outlay totaling \$267,736, an expenditure of \$369,676 for data processing, and an expenditure of \$75,000 for nonjudicial personnel travel and training. The Governor's recommendation includes funding for a total of 13.5 new positions.

Senate Subcommittee Recommendation

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

1. Deletion of \$271,166 for the proposed expansion of the Court of Appeals. The Subcommittee feels that this issue should be decided by the Legislature before any funding is recommended.
2. Deletion of \$115,084 for the recommended 5.5 F.T.E. Court Services Officer I positions.
3. Addition of \$24,969 for one new Court Reporter position for the 21st Judicial District.
4. Addition of \$24,524 for printing expenses of the Appellate Reporter.
5. Addition of \$16,040 for the maintenance agreement on the word processor in Data Processing.

6. Deletion of \$411,982 for the proposed salary upgrades for 597 nonjudicial personnel positions. The Subcommittee recommends that the agency develop a study of wage data for comparable jobs in the private sector for consideration by the House Committee.
7. Deletion of \$35,972 for the proposed reclassification of 34 individual positions.
8. Addition of \$1,792 for office furniture for the new Appellate Clerk position.
9. Addition of \$1,500 for professional services for the Office of Judicial Administration.
10. Reinstatement of the Judicial Education Program as a separate budget program in the Judicial Branch. This will require the addition of \$67,587 for Judicial Education. The Governor's recommendation includes \$117,480 (\$10,000 for the Office of Judicial Administration, \$32,480 for judges' travel, and \$75,000 for nonjudicial personnel travel) which was intended to replace the Judicial Education program. With the addition of the \$67,587, the total recommended for Judicial Education is \$185,067.
11. Amendment of the appropriation bill to provide a position limitation of 14.0 for appellate court justices and judges and 1,337.5 for nonjudicial personnel to reflect accurately the Governor's recommendation and the Subcommittee adjustments.
12. The Subcommittee notes that the sale price of Kansas Reports volumes is reviewed annually by the Court, and that the price was last increased effective July 1, 1984. The Subcommittee urges the continued annual review of these prices by the Court.

SUBCOMMITTEE REPORT

Agency: Crime Victims Reparations Board      Bill No. 29      Bill Sec. 5  
 Analyst: Mills      Analysis Pg. No. 125      Budget Pg. No. 4-43

<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	\$ 1,167,666	\$ 950,682	\$ --
State General Fund	351,850	407,866	--
F.T.E. Positions	4.0	3.0	--

Agency Request/Governor's Recommendation

The FY 1986 request provides funding for one additional clerical position, salary upgrades for the Director and Investigator, and the payment of claims for crime victims and grants to domestic violence programs.

The Governor recommends a total expenditure of \$950,682, of which \$407,866 is from the State General Fund. Other funding sources to be used include the Protection From Abuse Fund (\$239,000), the Federal Preventive Health Block Grant (\$30,816), and the Crime Victims Reparations Fund (\$273,000). The Governor does not recommend the proposed increase in the court docket fee to provide additional funding for the Crime Victims Reparations Fund, nor the new clerical position or the salary upgrades.

Senate Subcommittee Recommendation

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

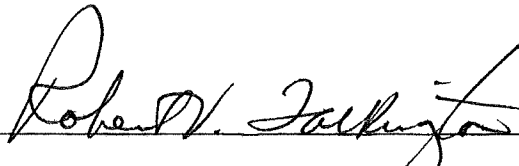
1. The Subcommittee recommends that legislation be enacted to increase the court docket fee assessment for the Crime Victims Reparations Fund from \$1 to \$3. Enactment of S.B. 108 will increase from \$1 to \$3 that portion of the docket fee earmarked for crime victims reparations and provide additional funding for this program. The Subcommittee notes that crime victims claims have increased during the current fiscal year, while receipts to the Crime Victims Reparations Fund have been decreasing.
2. If demands for crime victims reparations continue to increase beyond the level of funding available, the Board should implement a system of prorating the awards made to crime victims.
3. An Attorney General's opinion has been requested on the issue of whether the crime victims reparations program is an entitlement program. When released, this opinion should be considered by the House Committee. If the Attorney General rules that the current statutes do indeed establish an entitlement program, legislation should be enacted to end the entitlement aspect of the program by giving the Board more discretion in making awards to crime victims.

Subcommittee Reports

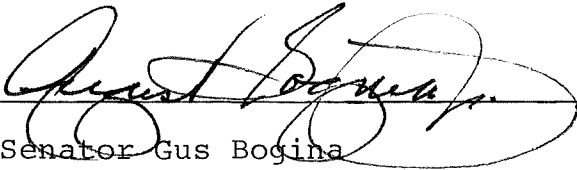
Senate Bill No. 161  
Senate Bill No. 78

Kansas Public Employees Retirement System

Department of Revenue



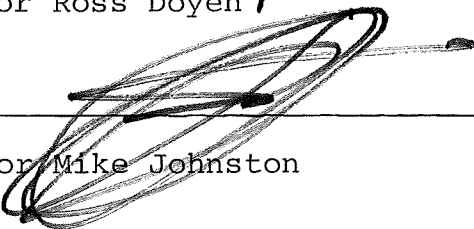
Senator Robert Talkington  
Chairman



Senator Gus Bogina



Senator Ross Doyen



Senator Mike Johnston

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERS) Bill No. 161 Bill Sec. 4  
 Analyst: Conroy Analysis Pg. No. 69 Budget Pg. No. 1-145/3-33

<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	\$ 3,027,746	\$ 3,184,351	\$ (177,000)
Aid to Local Units	41,245,940	41,245,940	--
Other Assistance	91,029,192	91,029,192	--
<b>TOTAL</b>	<u>\$135,302,878</u>	<u>\$135,459,483</u>	<u>\$ (177,000)</u>
<b>State General Fund:</b>			
State Operations	\$ --	\$ --	\$ --
Aid to Local Units	41,245,940	41,245,940	--
Other Assistance	--	--	--
<b>TOTAL</b>	<u>\$ 41,245,940</u>	<u>\$ 41,245,940</u>	<u>\$ --</u>
F.T.E. Positions	57.0	57.0	--

Governor's Recommendation

The Governor recommends an expenditure limitation increase of \$177,000 in the current year. The additional funds would provide for continued development of the existing data processing plan by the Division of Information Systems and Communications (DISC) of the Department of Administration. The development of the first KPERS data processing program or membership system has proven more costly than originally estimated.

Senate Subcommittee Recommendation

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

Fiscal Year 1985.

1. Delete the recommended supplemental appropriation of \$177,000 for continued data processing development by DISC. The Subcommittee requests that a distributive processing study be conducted by DISC in cooperation with KPERS to determine if the agency's data processing needs could be met through decentralized data processing or if full in-house computer capabilities are needed. The Subcommittee requests that DISC complete the distributive processing study no later than April 1, 1985 for its presentation to the 1985 Legislature. Once the study is completed and a decision is reached, the Subcommittee recommends that the appropriate amount of funds, if any, be restored to the agency budget for data processing needs.
2. The Subcommittee recommends that the proposed reallocation of a Secretary II to a data processing analyst position not take place until a final determination is made on the data processing needs of the agency.

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs) Bill No. 78 Bill Sec. 2  
 Analyst: Conroy Analysis Pg. No. 69 Budget Pg. No. 1-145/3-33

<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	\$ 3,162,894	\$ 3,025,241	\$ (541,536)
Aid to Local Units	44,422,065	43,824,874	--
Other Assistance	97,701,617	97,701,617	--
TOTAL	<u>\$145,286,576</u>	<u>\$144,551,732</u>	<u>\$ (541,536)</u>
<b>State General Fund:</b>			
State Operations	\$ --	\$ --	\$ --
Aid to Local Units	44,422,065	43,824,874	--
Other Assistance	--	--	--
TOTAL	<u>\$ 44,422,065</u>	<u>\$ 43,824,874</u>	<u>\$ --</u>
F.T.E. Positions	61.0	57.0	--

Agency Request/Governor's Recommendation

The agency's request of \$145,286,576, while maintaining the current level of operations, also provides for the development of in-house computer capabilities. The request includes four new data processing positions, the purchase of computer equipment and supporting funds for the data processing operation.

The Governor's recommendation provides for continuation of the current level of operation and does not include funds for the development of an in-house data processing operation by the agency. The Governor does recommend funds for the continued development of the existing data processing plan by the Division of Information Systems and Communications (DISC) of the Department of Administration.

Senate Subcommittee Recommendation

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

Fiscal Year 1986

1. Delete \$541,536 for all data processing costs within the agency. The Subcommittee requests that DISC in cooperation with KPERs conduct a distributive processing study to determine if the agency's data processing needs could be met through decentralized data processing or if full in-house computer capabilities are needed. The Subcommittee requests that DISC complete the distributive processing study no later than April 1, 1985 for its presentation to the 1985 Legislature. Once the study is completed and a decision reached, the Subcommittee recommends that the appropriate amount of funds be restored to the agency budget for data processing needs.

2. Add \$9,670 for travel and subsistence to provide for the continued opportunity for KPERS Board of Trustees to interview prospective investment managers.
3. Add \$5,400 for a telephone facsimile machine to transmit same day investment reports and brokerage confirmations to KPERS.

SUBCOMMITTEE REPORT

Agency: Department of Revenue Bill No. 78 Bill Sec. 3  
 Analyst: Efird Analysis Pg. No. 75 Budget Pg. No. 1-153

<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	\$ 51,040,637	\$ 42,304,247	\$ (203,159)
State Aid	9,212,415	9,130,836	--
Other Assistance	20,000	20,000	--
Subtotal	<u>\$ 60,273,052</u>	<u>\$ 51,455,083</u>	<u>\$ (203,159)</u>
Capital Improvements	245,131	270,131	--
TOTAL	<u>\$ 60,518,183</u>	<u>\$ 51,725,214</u>	<u>\$ (203,159)</u>
<b>State General Fund:</b>			
State Operations	\$ 26,735,594	\$ 22,312,176	\$ (183,805)
State Aid	1,631,579	1,550,000	--
Other Assistance	20,000	20,000	--
TOTAL	<u>\$ 28,387,173</u>	<u>\$ 23,882,176</u>	<u>\$ (183,805)</u>
F.T.E. Positions	1,557.0	1,482.0	(4.0)

Agency Request/Governor's Recommendations

FY 1985. The agency requests a supplemental State General Fund appropriation of \$46,750 to pay mailing costs to notify taxpayers who received an income tax refund in CY 1984. No other adjustments in state operations are requested in FY 1985. The Governor does not recommend the supplemental funding of \$46,750. The Governor's recommendations include reductions of \$67,871 from the State General Fund and of \$148,006 from the Division of Vehicles Operating Fund to reflect savings in other operating expenses for state operations. The Governor also recommends modifications in state aid payments to reflect the November, 1984 consensus estimates for inheritance tax payments to counties, city and county bingo tax payments, and mineral tax rebates to counties and school districts.

FY 1986. The agency's budget includes operating expenditures of \$60,273,052 and two capital improvement projects of \$245,131. The Governor recommends operating expenditures of \$51,455,083 and two capital improvement projects of \$270,131. For state operations, the Governor's recommendations allow an increase of \$1,531,271 in expenditures over the revised estimate for FY 1985, including \$270,795 from the State General Fund and \$1,218,070 from the DOV Operating Fund. Major additions and enhancements include five new positions for auditing businesses (\$134,335 SGF), three new positions for a Fair Share Withholding unit (\$45,146 SGF), three new positions for VIPS programming (\$74,955 DOV), and financing for both salary range and individual reclassifications. Other recommendations include \$128,560 SGF financing for shelving to store tax records, an increase of \$431,636 DOV financing for data processing and \$363,027 DOV for license tags, and a shift from SGF to DOV financing for office rents amounting to \$315,586. State aid and other assistance payments recommended by the Governor are based upon November, 1984 consensus estimates. The additional \$25,000 for capital improvements recommended by the Governor would finance a scale at the South Haven motor carrier inspection station, which is to be constructed in FY 1986, along with one at Caney.



## Senate Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendations, including State General Fund reductions of \$67,871 from the State General Fund for other operating expenditures and of \$148,006 from the Division of Vehicles Operating Fund for other operating expenditures. The Subcommittee recommends that \$50,000 of the State General Fund savings in FY 1985 be reappropriated to FY 1986 to reduce new financing required next fiscal year. The remaining \$17,871 of State General Fund savings will be available in FY 1985 if needed. The Subcommittee also recommends that \$148,006 of the DOV Operating Fund savings be carried over to FY 1986 in order to reduce the transfer from the State Highway Fund by \$148,006 in FY 1986. The State Highway Fund is the primary financing source for the DOV Operating Fund which is used to support the motor vehicles activities of the department.

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

1. Delete \$133,293 of State General Fund financing and \$17,559 of DOV financing for excess retirement payments. The Subcommittee believes that these payments for accumulated sick leave and annual leave which are paid upon retirements of state employees should be handled by supplemental appropriations after they have been paid and if they cannot be financed with available savings accruing from salary turnover. These payments have previously been subsumed as part of turnover. The Subcommittee notes that not all agencies have budgeted these excess retirement payments in FY 1986 and that by deleting the financing from those agencies which have estimated their payments, a more uniform approach may be used to fund them after actual payments have been encumbered by the agencies. The Subcommittee recommends that all other Subcommittees adopt this method.
2. Delete in FY 1986 \$30,106 from the State General Fund and \$1,795 from the DOV Operating Fund for KANS-A-N charges as a result of reducing the estimated increase over FY 1985 from 31.0 percent to 17.8 percent.
3. Delete 1.0 F.T.E. new position and \$20,406 of State General Fund financing for a Property Appraiser I recommended for the State Appraisal unit of the Property Valuation Division to work on motor carrier valuation. The Subcommittee notes that in the department's justification for computerizing motor carrier valuation work (for which the Governor recommends \$25,427 in FY 1985 to continue current applications and to develop programs for motor carrier and public utilities valuation), it was pointed out that the staff would become more productive and permit reassignment of two appraisers to other duties, thus avoiding the need to hire additional staff. The Subcommittee notes that an additional \$12,663 for three microcomputers to be used in PVD are included in the FY 1986 Governor's recommendations with which the Subcommittee concurs and that \$13,154 has been spent in FY 1985 for three microcomputers.
4. Recut the appropriations bill to include salaries and wages limitations for both State General Fund and DOV Operating Fund financing as well as to include a State General Fund limitation for other operating expenditures. In addition, the Subcommittee directs that line items for capital improvements at Caney and South Haven for Motor Carrier Inspection facilities be added to the bill.

5. Recommend that the Governor submit a budget amendment which would add the necessary financing from the State General Fund and F.T.E. positions to initiate the process of statewide property reappraisal. The Subcommittee believes that in order to start the process of planning for statewide reappraisal that both financing and staff must be included in the FY 1986 budget for the department. The Subcommittee further notes that the agency had budgeted the following amounts to initiate planning for reappraisal in its FY 1986 request:

New PVD Division	\$ 841,692
Consultant Services	365,000
Software and DP Services	244,400
Data Processing	195,077
Other DP Charges	77,293
Data Processing Staff	83,173
TOTAL	<u>\$1,806,635</u>
F.T.E. Positions	35.0

6. Delete 3.0 of 11.0 new F.T.E. positions in the following areas, but do not reduce the salaries and benefits for the new positions:

	<u>Gov. Rec.</u>	<u>Adjustment</u>	<u>Gov. Rec./ Sub. Rec.</u>	
Field Audit Services	5.0	(1.0)	\$134,335	SGF
Fair Share Withholding	3.0	(1.0)	45,146	SGF
Vehicle Information Processing	3.0	(1.0)	74,955	DOV

The Subcommittee recommends that 3.0 vacant F.T.E. positions be reallocated for the new duties of the positions addressed above. The Subcommittee does not identify specific vacant positions to be abolished and does not estimate savings to be reduced from such action. Any savings which occur from abolishing existing positions would reduce the salary turnover rate for the agency.

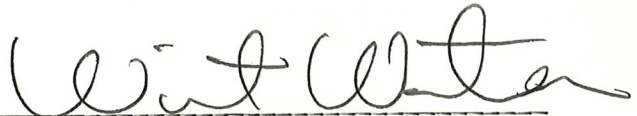
SENATE SUBCOMMITTEE REPORTS ON SENATE BILL NO. 161 -  
SUPPLEMENTAL APPROPRIATIONS BILL

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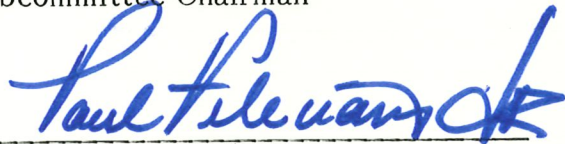
SENATE BILL NO. 86 -- FY 1986 APPROPRIATIONS

Sections Pertaining to:

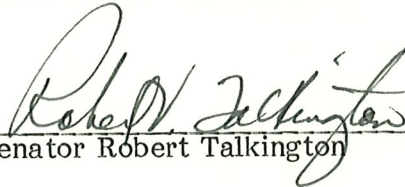
- Sec. 2 -- Commission on Civil Rights
- Sec. 3 -- Attorney General
- Sec. 4 -- Attorney General -- Kansas Bureau of Investigation
- Sec. 5 -- Kansas Public Disclosure Commission
- Sec. 6 -- Governor's Department
- Sec. 7 -- Department of Human Resources
- Sec. 8 -- Department of Economic Development
- Sec. 9 -- Insurance Department
- Sec. 10 -- Kansas Arts Commission
- Sec. 11 -- Lieutenant Governor
- Sec. 12 -- State Board of Tax Appeals
- Sec. 13 -- Secretary of State
- Sec. 14 -- Kansas Soldier's Home
- Sec. 15 -- State Treasurer
- Sec. 16 -- Grant -- Veterans of World War I



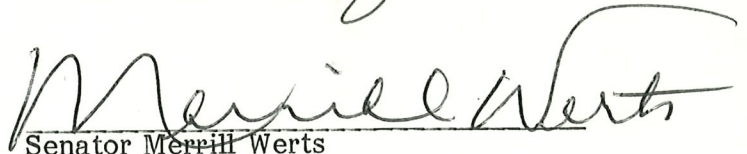
Senator Wint Winter, Jr.,  
Subcommittee Chairman



Senator Paul Feleciano



Senator Robert Talkington



Senator Merrill Werts

SUBCOMMITTEE REPORT

Agency: Commission on Civil Rights Bill No. 86 Bill Sec. 2

Analyst: Holt Analysis Pg. No. 479 Budget Pg. No. 1-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
All Funds	\$ 1,397,756	\$ 1,249,683	\$ (13,441)
State General Fund	1,157,756	989,683	(13,441)
<b>F.T.E. Positions</b>	<b>45.7</b>	<b>42.7</b>	<b>--</b>

Agency Request/Governor's Recommendation

The Commission's FY 1986 request of \$1,397,756 includes \$1,122,014 for salaries and wages and \$275,742 for other operating expenses. Of the total amount requested, \$1,157,756 would be financed from the State General Fund, and \$240,000 from federal funds.

The Governor's FY 1986 recommendation of \$1,249,683 includes \$1,011,704 for salaries and wages and \$237,979 for other operating expenses. Of the total amount recommended, \$989,683 would be financed from the State General Fund and \$260,000 from federal funds.

Senate Subcommittee Recommendations

FY 1985. The Subcommittee recommends that \$15,457 from the State General Fund be reappropriated from FY 1985 to FY 1986 to reflect the following current year adjustments:

1. Reduction of \$7,557 for rental expenditures.
2. Reduction of \$2,036 (Compliance and Education Program) for professional services fees.
3. Reduction of \$5,864 (Public Hearing Examiner Program) for professional services fees.

FY 1986. The Subcommittee concurs with the Governor's recommendations with the following adjustments to the State General Fund:

1. Reduction of \$3,732 for rental expenditures. The agency has overstated its request for copier rental expenditures.
2. Reduction of \$2,000 (Compliance and Education Program) for professional services fees.
3. Reduction of \$5,644 (Public Hearing Examiner Program) for professional services fees.

4. Reduction of \$2,065 for communications expenditures to reflect an adjustment to KANS-A-N costs.
5. The Subcommittee is concerned that the number of hearings in past years (8 in FY 1982; 13 in FY 1983; and 6 in FY 1984) does not appear to justify the expenditures associated with supporting a full-time hearing examiner. The Subcommittee therefore recommends that upon retirement of the present hearing examiner, alternative arrangements be considered for hearing cases.

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>
All Funds:			
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>
State General Fund:			
State Operations	\$ 2,065,218	\$ 1,986,030	\$ --
Other Assistance	--	--	12,444,605
TOTAL	<u>\$ 2,065,218</u>	<u>\$ 1,986,030</u>	<u>\$ 12,444,605</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.



SUBCOMMITTEE REPORT

Agency: Attorney General Bill No. — 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>\$ 2,508,324</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.

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.

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.

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.

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.

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>
<b>All Funds:</b>			
State Operations	\$ 1,290,815	\$ 1,243,507	\$ ---
Other Assistance	10,000	10,000	---
<b>TOTAL</b>	<u>\$ 1,300,815</u>	<u>\$ 1,253,507</u>	<u>\$ ---</u>
<b>State General Fund:</b>			
State Operations	\$ 1,290,815	\$ 1,243,507	\$ ---
Other Assistance	10,000	10,000	---
<b>TOTAL</b>	<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.

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)
<b>TOTAL</b>	<u><u>\$228,744,585</u></u>	<u><u>\$226,433,671</u></u>	<u><u>\$ (2,981,265)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 2,825,440	\$ 2,459,768	\$ (39,574)
Other Assistance	17,000	17,000	—
<b>TOTAL</b>	<u><u>\$ 2,842,440</u></u>	<u><u>\$ 2,476,768</u></u>	<u><u>\$ (39,574)</u></u>
<b>F.T.E. Positions</b>	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.



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 ESSA 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.

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>\$ (1,254,920)</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>\$ (1,254,920)</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>
F.T.E. Positions	1,076.5	1,051.5	(12.0)

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.

SUBCOMMITTEE REPORT

Agency: Department of Economic Development      Bill No. 86      Bill Sec. 8

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>
<b>All Funds:</b>			
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	—
<b>TOTAL</b>	<u>\$ 25,137,307</u>	<u>\$ 23,237,150</u>	<u>\$ (194,051)</u>
<b>State General Fund:</b>			
State Operations	\$ 5,605,899	\$ 4,159,173	\$ (144,051)
Other Assistance	20,000	20,000	—
<b>TOTAL</b>	<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.

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.

#### 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.
4. 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.

#### 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.



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>
<b>F.T.E. Positions</b>	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.
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.

SUBCOMMITTEE REPORT

Agency: Department of Insurance Bill No. 86 Bill Sec. 9  
 Analyst: Rampey Analysis Pg. No. 521 Budget Pg. No. 1-131

<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	\$ 7,659,128	\$ 7,522,679	\$ (94,007)
Aid to Local Units	2,907,554	2,907,554	—
Other Assistance	22,623,376	22,623,376	(12,571,004)
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.

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>
<b>All Funds:</b>			
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	—
<b>TOTAL</b>	<u>\$ 30,432,867</u>	<u>\$ 30,410,672</u>	<u>\$ (289,330)</u>
<b>State General Fund:</b>			
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.

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>
<b>All Funds:</b>			
State Operations	\$ 319,606	\$ 278,072	\$ (275)
Aid to Local Units	95,000	75,000	--
Other Assistance	724,744	806,987	--
<b>TOTAL</b>	<b><u>\$ 1,139,350</u></b>	<b><u>\$ 1,160,059</u></b>	<b><u>\$ (275)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 245,000	\$ 217,447	\$ (275)
Aid to Local Units	55,000	35,000	--
Other Assistance	425,000	388,126	--
<b>TOTAL</b>	<b><u>\$ 725,000</u></b>	<b><u>\$ 640,573</u></b>	<b><u>\$ (275)</u></b>
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.

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.



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.

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 Recommendations

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 Recommendations

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.

SUBCOMMITTEE REPORT

Agency: Secretary of State Bill No. 86 Bill Sec. 13  
 Analyst: Rothe Analysis Pg. No. 534 Budget Pg. No. 1-21

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 2,052,094	\$ 1,959,694	\$ --
State General Fund	1,419,465	1,350,525	--
F.T.E. Positions	60.0	60.0	--

Agency Request/Governor's Recommendation

The agency's FY 1986 budget request totals \$2,052,094 of which \$1,419,465 would be financed from the State General Fund. The total request is an increase of \$83,855 over the current year estimate of \$1,968,239, and would maintain the same 60.0 F.T.E. positions approved for the current fiscal year. Principal increases are in the Administration program due to increasing computerization, development of the land survey activity, the prepaid deposit system, and the UCC filing service. The agency requests a decrease in funding for the Elections and Legislative Matters program because of a decrease in activities in a nonelection fiscal year. The agency also requests decreased expenditure approval in FY 1986 for the UCC program due to a continuing adjustment in the anticipated number of statements filed, and the number of mail and telephone inquiries made.

The Governor recommends total expenditures of \$1,959,694 for FY 1986, a reduction of \$92,400 from the agency's request. The Governor recommends \$1,350,525 of financing from the State General Fund, a reduction of \$68,940 from the requested amount. The Governor recommends FY 1986 expenditures of \$583,169 from various special revenue funds, a \$23,460 reduction from the agency's request. The Governor recommends 60.0 F.T.E. positions for FY 1986, as requested by the agency. Most of the Governor's recommended reduction from the agency's FY 1986 request is the result of the removal of \$80,279 for a 5.5 percent salary adjustment.

Senate Subcommittee Recommendations

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

FY 1986. The Subcommittee concurs with the Governor's expenditure recommendation of \$1,959,694 for FY 1986, including State General Fund financing of \$1,350,525. In addition, the Subcommittee makes the following recommendations:

1. Continue prior legislative practice of appropriating State General Fund financing in three line items for salaries and wages (reappropriate subject to expenditure limitation), other operating expenditures (similarly reappropriate), and official hospitality.

2. The Subcommittee notes that the Information and Copy Service Fee Fund balance is estimated by the Governor to be \$24,930 as of June 30, 1985, and \$33,916 as of June 30, 1986. The Governor recommends fee fund expenditures of \$16,446 for FY 1985 and \$20,514 for FY 1986. The Subcommittee suggests that the Information and Copy Service Fee Fund balance be reviewed and adjusted if necessary during the 1986 Legislative Session.
3. The Subcommittee notes that the Uniform Commercial Code (UCC) Fee Fund balance is estimated by the Governor to be \$115,093 as of June 30, 1985, and \$253,450 as of June 30, 1986. The Governor recommends fee fund expenditures of \$426,410 for FY 1985 and \$402,003 for FY 1986. The Subcommittee suggests that the UCC fees and Fee Fund balance be reviewed and adjusted if necessary during the 1986 Legislative Session.

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>
<b>F.T.E. Positions</b>	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.

4. 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>

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>
TOTAL	<u>\$ 3,124,113</u>	<u>\$ 3,044,997</u>	<u>\$ (67,772)</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 Recommendations

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
TOTAL	<u>\$2,989,113</u>	<u>\$ (79,116)</u>	<u>\$ (67,772)</u>	<u>\$ 2,842,225</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.

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

	State General Fund - Salaries and Wages	General Fees Fund - Salaries and Wages	General Fees Fund - Other Operating Expenditures
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.



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	\$ (44,059)
Aid to Local Units	51,037,100	51,665,957	--
<b>TOTAL</b>	<u>\$ 53,344,650</u>	<u>\$ 53,836,648</u>	<u>\$ (44,059)</u>
<b>State General Fund:</b>			
State Operations	\$ 1,619,530	\$ 1,482,671	\$ (44,059)
Aid to Local Units	43,907,000	44,470,882	--
<b>TOTAL</b>	<u>\$ 45,526,530</u>	<u>\$ 45,953,553</u>	<u>\$ (44,059)</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. Reduction of \$43,827 in salaries and wages to reflect removal of amounts requested for accumulated sick leave for people planning to retire. The

policy of this Committee is to appropriate for these expenditures after the fact.

3. 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.

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>
<b>All Funds:</b>			
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>
<b>State General Fund:</b>			
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.

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.

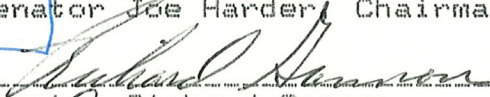
Senate Bill 161 - Supplemental Appropriations Bill

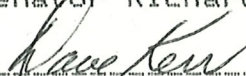
New Section - State Board of Agriculture  
New Section - Board of State Fair Managers

Senate Bill 87 - FY 1986 Appropriations Bill

Sec. 2 - State Board of Agriculture  
Sec. 3 - Kansas Animal Health Department  
Sec. 4 - Kansas Grain Inspection Department  
Sec. 5 - Board of State Fair Managers  
Sec. 6 - Kansas Wheat Commission  
Sec. 7 - State Conservation Commission  
Sec. 8 - Kansas Water Office

  
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Senator Joe Harder, Chairman

  
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Senator Richard Gannon

  
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Senator David Kerr

SUBCOMMITTEE REPORT

Agency: Board of Agriculture Bill No. 87 Bill Sec. 2  
 Analyst: Goering Analysis Pg. No. 131 Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Recommendation</u>
<b>All Funds:</b>			
State Operations	\$ 12,570,742	\$ 11,840,273	\$ (614,756)
Capital Improvements	116,000	116,000	(50,000)
<b>TOTAL</b>	<u>\$ 12,686,742</u>	<u>\$ 11,956,273</u>	<u>\$ (664,756)</u>
<b>State General Fund:</b>			
State Operations	\$ 8,229,828	\$ 7,635,726	\$ (981,095)
Capital Improvements	116,000	16,000	(83,000)
<b>TOTAL</b>	<u>\$ 8,345,828</u>	<u>\$ 7,751,726</u>	<u>\$ (1,064,095)</u>
<b>F.T.E. Positions</b>	<b>319.0</b>	<b>318.0</b>	<b>(10.5)</b>

Agency Request/Governor's Recommendation

The agency requests a total of \$12,570,742 for FY 1986 state operations expenditures. The total includes \$8,229,828 from the State General Fund and \$4,340,914 from special revenue funds. The request includes a net increase of 18.5 F.T.E. positions compared to the current approved staffing level.

Major components of the request include 5.0 F.T.E. positions and associated other operating expenses to centralize dairy product regulation activities. This proposal would eliminate the need for contracts with local health departments for inspection services, enabling net savings of approximately \$130,000 compared to the FY 1985 budget. The agency's request also includes a total of \$448,000 from the State General Fund for contract payments to private engineering firms for conducting field audits of developed water rights. The request reflects an increase of \$288,000 from the current funding level of \$160,000. For the Division of Water Resources, 5.0 F.T.E. positions are requested to be added in FY 1986, including one position to initiate a state-funded dam safety program and one for responsibilities in the area of floodplain management. In the Agricultural Market Promotion and Development subprogram, the agency requests a total of \$699,304 for FY 1986, a 36.7 percent increase compared to the FY 1985 approved funding level of \$511,676. The request includes an International Market Specialist position to be added in FY 1986, an increase of \$47,049 for travel expenses, an increase of \$5,000 for official hospitality, and an additional \$21,408 to finance reclassifications for marketing personnel. For the Division of Plant Health, which is proposed for reorganization effective FY 1986, the agency requests a professional position to establish a chemigation safety program, a clerical position for reviewing insurance coverage prerequisites for licensure of pesticide applicators, and an increase of \$7,700 for accessing data from the National Pesticide Information Retrieval System. The request also includes a total of \$41,500 for acquisition of computer equipment in FY 1986 to automate the agency's regulatory activities, and 1.0 F.T.E. position to coordinate the agency's computer activities. Also requested is \$116,000 from the State General Fund for a capital improvement project for the agency's laboratory facility.

The Governor recommends a total of \$11,956,273 for FY 1986, of which \$7,635,726 would be financed from the State General Fund. The Governor's recommendation deletes \$416,375 included in the agency's request for salary adjustments in FY 1986. A net increase of 17.5 F.T.E. positions is recommended by the Governor.

The Governor recommends a total of \$409,245 from the State General Fund to establish a Farmers' Assistance, Counseling, and Training Service (FACTS). The new program would be staffed by 7.0 F.T.E. new positions, including three attorneys and two management analysts. The total includes \$135,000 for contractual legal services and \$50,750 for travel and subsistence. The Governor adopts the agency's proposal to centralize activities in the regulation of dairy products. A total of 6.0 F.T.E. new positions are recommended to implement the proposal, the cost of which is more than offset by eliminating contracts with three local health departments for inspection work. For the Division of Water Resources, the Governor recommends the requested increase of \$288,000 for contracted water right audits. Also recommended is one new position for a state-funded dam safety program. The Governor recommends an increase of \$93,226 for the Agricultural Market Promotion and Development subprogram. The increase includes funding for the requested International Market Specialist position. Also recommended is a total of \$15,500 for official hospitality expenses and an increase of \$18,720 for travel costs. Although the Governor appears to recommend funding for the proposed reclassifications, technical errors result in underfunding the recommendation by \$13,778. The Governor recommends the requested clerical position for the Division of Plant Health for the purpose of verifying required proof of insurance or surety bond coverage for pesticide applicator licensees. The Governor recommends no funding for agency use of the National Pesticide Information Retrieval System. The Governor recommends the requested funding totaling \$41,500 for acquisition of computer equipment as well as the requested position to coordinate computer activities within the agency. The Governor recommends \$116,000 from the State General Fund for several capital improvement items for protecting the safety of laboratory personnel.

#### Senate Subcommittee Recommendations

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

1. Deletion of \$18,672 in unemployment insurance contribution savings generated by applying a rate of 0.24 percent rather than 0.54 percent included in the Governor's recommendation. The adjustment allows savings as follows: \$16,422 from the State General Fund, \$2,124 from the Federal Meat and Poultry Fund, \$26 from the Corn Commission Fund, \$62 from the Grain Sorghum Commission Fund, and \$38 from the Soybean Commission Fund. Special revenue fund savings of \$217 in the Egg Inspection subprogram and \$581 in the Agricultural Supply subprogram are recommended to offset State General Fund expenditures elsewhere in the agency. No adjustment is made for the Agricultural Marketing and Development subprogram for reasons explained elsewhere in this report.
2. Deletion of \$409,245 in State General Fund expenditures and 7.0 F.T.E. positions recommended for the FACTS program, pending legislative action on S.B. 172 which would authorize implementation of the program.
3. Deletion of 1.0 F.T.E. position recommended by the Governor to be added to the Agricultural Market Development subprogram. The Subcommittee

learned that the agency has not yet filled a similar position added to the budget effective FY 1985. Deletion of the position recommended for FY 1986 allows State General Fund salary savings of \$30,252 plus \$4,937 for fringe benefits, for a total of \$35,189.

4. Deletion of 1.0 F.T.E. Clerk-Typist II position recommended for the Pesticide Use subprogram. Deletion of this position allows State General Fund salary savings of \$10,164 plus \$2,336 for fringe benefits, for a total of \$12,500. The Subcommittee recommends restoration of \$4,885 for salaries and wages and \$381 for fringe benefits for intermittent clerical employees currently used for this purpose. The total to be added is \$5,266, for net savings of \$7,234 in State General Fund salaries and wages expenditures.
5. Shift of \$100,000 in expenditures recommended by the Governor to be financed from the State General Fund to special revenue funds as follows:

Egg Fee Fund	\$ 2,000
Dairy Fee Fund	10,000
Meat and Poultry Fee Fund	5,000
Entomology Fee Fund	7,000
Water Appropriation Cert. Fee Fund	7,000
Agricultural Chemical Fee Fund	10,000
Feeding Stuffs Fee Fund	5,000
Fertilizer Fee Fund	10,000
Pesticide Use Fee Fund	15,000
Seed Examination Fee Fund	17,000
Livestock Remedies Fee Fund	2,000
Grade A Milk Fee Fund	10,000
Total	<u>\$100,000</u>

The Subcommittee's recommendation is intended to offset State General Fund expenditures by expending balances in the above funds proposed by the agency and recommended by the Governor to be carried forward to FY 1987. Special revenue fund expenditures deleted by the Governor's recommendation in association with the salary adjustment reserve are not affected by this recommendation.

6. Increase of federal fund expenditures by a total of \$54,000 and establishment of expenditure limitations as follows on four new federal receipt accounts which the Governor recommends to be appropriated without expenditure limitation:

Operation of Alfalfa Weevil Parasite Processing Laboratory	\$ 26,000
Pest Detection and Survey	28,000
Gypsy Moth Detection Program	0
State Marketing Improvement	0
Total	<u>\$ 54,000</u>

7. Deletion of \$16,324 for KANS-A-N expenditures. The adjustment applies a 17.8 percent increase to the amounts budgeted for FY 1985 for KANS-A-N



and long-distance data communications expenditures, and retains an additional \$2,584 associated with additional positions proposed to be added for the Dairy Inspection subprogram. The reduction includes \$14,768 from the State General Fund, \$280 from the Grain Sorghum Commission Fund, \$172 from the Soybean Commission Fund, \$120 from the Corn Commission Fund, and \$984 from the Federal Meat and Poultry Fund. Special revenue fund savings in the Egg Inspection subprogram (\$36) and in the Agricultural Supply subprogram (\$738) are recommended to offset State General Fund costs elsewhere in the agency.

8. Deletion of \$51,801 recommended by the Governor for salary payments to retirants for accumulated leave, plus \$6,707 in associated fringe benefits, for a total of \$58,508. This amount allows savings of \$54,551 from the State General Fund and \$3,957 from the Federal Meat and Poultry Fund.
9. Reduction of \$9,388 from the State General Fund for central office rent costs. This adjustment retains a total of \$184,200 to finance central office rent at the present rate per square foot of \$6.00. The Subcommittee is aware that the current five-year lease expires effective May 1, 1985, and that the Department of Administration has determined that the agency will remain in the Mills Building rather than relocating to the Santa Fe Building. However, information is not yet available from the Department of Administration regarding the terms of the new lease. The Subcommittee therefore recommends that agency officials approach the House with the necessary information regarding the additional amounts which may be necessary to finance the new lease in FY 1986.
10. Deletion of \$31,267 recommended by the Governor to finance a utility surcharge in FY 1986. The Subcommittee notes that the appropriate amount to budget for the utility surcharge, if any, depends upon the terms of the new lease which is currently being negotiated. Therefore the Subcommittee recommends that the agency submit necessary data to the House in support of any request for utility surcharge funding for FY 1986. The adjustment is to be financed as follows: \$30,034 from the State General Fund, \$69 from the Corn Commission Fund, \$98 from the Soybean Commission Fund, \$160 from the Grain Sorghum Commission Fund, and \$906 from the Federal Meat and Poultry Fund. The special revenue fund savings of \$237 for the Egg Inspection subprogram and \$1,396 for the Agricultural Supply subprogram are assumed to offset State General Fund expenses elsewhere in the agency.
11. Reduction of \$500 from State General Fund expenditures recommended by the Governor for official hospitality expenditures specifically for the Secretary and Assistant Secretary. This adjustment retains \$1,000 for such costs in FY 1986. The Subcommittee also recommends revisions to the official hospitality proviso recommended by the Governor to allow the agency increased flexibility in the amount which may be legally expended such purposes.
12. Deletion of \$4,719 in salaries and wages, \$611 for associated fringe benefits, and 0.5 F.T.E. position recommended by the Governor to convert a half-time clerical position in the Meat and Poultry Inspection subprogram to full-time. This recommendation allows savings of \$2,665 from the State General Fund and an equal amount from the Federal Meat and Poultry Fund, for a total of \$5,330.

13. The Subcommittee notes that the Governor recommended \$2,500 to purchase protective clothing for personnel who have responsibilities in the area of anhydrous ammonia regulation. The Subcommittee also notes that the Governor did not recommend the requested \$750 to purchase a temperature-humidifier recorder for the weights and measures laboratory, to which the agency attaches a high priority. The Subcommittee notes that the agency may purchase the \$750 recording device and reduce expenditures for protective clothing by an equivalent amount if it wishes to do so.
14. Deletion of \$10,198 from the State General Fund for equipment purchases for the Water Appropriation subprogram.
15. Deletion of \$24,864 for salaries and wages, \$4,239 for fringe benefits, \$935 for capital outlay, and \$4,402 for travel expenses recommended by the Governor to finance 1.0 F.T.E. Civil Engineer II position for the proposed dam safety program. The Subcommittee does not foreclose the possibility of initiating such a program at some point in the future, but does not recommend establishing such a program in FY 1986. This recommendation allows a total of \$34,440 in State General Fund savings.
16. Deletion of \$10,000 from the State General Fund recommended by the Governor for a contractual study regarding integration of dam information into the Water Rights Information System.
17. Deletion of \$9,305 from the State General Fund for equipment for the Division of Laboratories. The adjustment retains \$7,200 for purchase of computer equipment, identified by the agency as its top priority.
18. The Subcommittee notes that it is apparently the Governor's intent to recommend an estimated \$21,408 for reclassification of marketing personnel effective FY 1986. The Subcommittee recommends deletion of \$2,388 plus \$309 for fringe benefits requested by the agency to reclassify clerical personnel. However, the Subcommittee notes that a technical error in the Governor's recommendation causes the salaries and wages budget to be underfinanced by an estimated \$13,778. Therefore, the Subcommittee does not recommend an adjustment to implement its recommendation at this time. The Subcommittee urges the Governor to submit a budget amendment to adequately finance the recommendation, at which time the Subcommittee recommends that the Legislature delete any funding included for reclassification of clerical personnel.
19. Reduction of \$7,766 from the State General Fund recommended by the Governor for salary (\$6,876) and fringe benefit (\$890) costs for reclassification of an Agricultural Inspector I to an Ecological Specialist in the Pesticide Use subprogram.
20. Reduction of \$5,000 plus \$390 for fringe benefits from the State General Fund for salaries and wage expenses for temporary harvest machine inspectors. The total adjustment is \$5,390.
21. Shift of \$224,000 in State General Fund expenditures recommended by the Governor for water audit contract services to be financed instead from a new special revenue fund. The Subcommittee recommends that water right permit holders reimburse the state for 50 percent of the state's cost for

performing field inspections of developed water rights. The Subcommittee intends that the agency bill water right holders for whom audits are performed not only by private engineering firms on behalf of the state, but also for those conducted by employees of the Division of Water Resources. The Subcommittee recommends that an expenditure limitation of \$224,000 be placed on the fund for FY 1986 and that expenditures from the fund are to be limited to costs associated with performing such field inspections. Together with the \$224,000 also recommended by the Subcommittee from the State General Fund, the total authorized for expenditure for FY 1986 for contracted water audits is \$448,000, the amount recommended by the Governor to be financed totally from the State General Fund.

22. Deletion of \$50,000 recommended by the Governor from the State General Fund for two components of a capital improvement project for the agency's laboratory facility. Of the remaining \$66,000 recommended for the capital improvement project, the Subcommittee recommends that \$16,500 be financed from the Feeding Stuffs Fee Fund and \$16,500 from the Fertilizer Fee Fund, allowing additional State General Fund savings of \$33,000. This adjustment adopts the recommendation of the Joint Committee on State Building Construction.
23. Revision of the appropriation bill format to coincide with the appropriation line item structure adopted by the 1984 Legislature.

The Subcommittee recommends that an interim legislative study be undertaken regarding the respective roles of various state agencies in the promotion of Kansas agricultural products. Specifically, the study should focus on the activities of the following agencies and programs:

- Kansas Department of Economic Development
- International Grains Program (KSU)
- Wheat Commission
- Board of Agriculture:
  - Agricultural Market Development subprogram
  - Grain Sorghum Commission
  - Corn Commission
  - Soybean Commission

The Subcommittee is of the opinion that the division of responsibilities among these agencies should be clarified by the Legislature.

SUBCOMMITTEE REPORT

Agency: Board of Agriculture Bill No. 161 Bill Sec. NA  
 Analyst: Goering Analysis Pg. No. 131 Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Recommendations</u>
All Funds:			
State Operations	\$ 11,038,951	\$ 11,017,574	\$ (8,296)
Capital Improvements	13,000	13,000	--
TOTAL	<u>\$ 11,051,951</u>	<u>\$ 11,030,574</u>	<u>\$ (8,296)</u>
State General Fund:			
State Operations	\$ 6,978,926	\$ 6,960,967	\$ (55,824)
Capital Improvements	13,000	13,000	--
TOTAL	<u>\$ 6,991,926</u>	<u>\$ 6,973,967</u>	<u>\$ (55,824)</u>
F.T.E. Positions	300.5	300.5	--

Agency Request/Governor's Recommendation

The agency's revised FY 1985 request for operating expenditures exceeds the approved spending level by \$16,359. The revised budget includes two supplemental expenditure requests for which a total of \$36,359 is requested. Offsetting the requested increase is a reduction of \$20,000 in estimated expenditures from the Water Rights Information Fees Fund.

The agency requests an increase of \$17,977 to finance anticipated increases in the FY 1985 utility surcharge associated with the agency's central office space lease. Of the total, \$16,248 is requested from the State General Fund and the balance of \$1,729 from several special revenue funds. The request would provide a total of \$27,534 for the FY 1985 utility surcharge, including the \$9,557 included in the approved budget for this purpose. Also requested is an increase in expenditure authority for the Federal Pesticide Enforcement Fund in the amount of \$18,382 to allow expenditure of federal grant moneys for computer equipment to automate the functions of the Pesticide Records Center.

The Governor recommends an increase of \$17,534 for the utility surcharge, of which \$17,225 would be from the State General Fund and \$752 from special revenue funds. Also recommended is the increase of \$18,382 in expenditure authority for the Federal Pesticide Enforcement Fund to allow purchase of computer equipment. The Governor also adopts the agency's revised estimate of expenditures from the Water Rights Information Fees Fund. A variety of other adjustments to the approved budget are also recommended by the Governor. The net adjustment recommended by the Governor is a reduction of \$5,018 compared to the budget approved by the 1984 Legislature and Finance Council, of which \$1,711 reflects a net reduction in State General Fund expenditures.

Senate Subcommittee Recommendations

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

1. Reduction of \$5,000 from the State General Fund amount recommended by the Governor for the FY 1985 utility surcharge. The Subcommittee learned that the utility costs for the first six months of FY 1985 exceeded costs for the comparable period in FY 1984 by only \$252. The Governor's recommendation would provide \$27,534 for the FY 1985 utility surcharge, while the actual FY 1984 surcharge was \$16,490. The Subcommittee is therefore of the opinion that \$22,534 will be adequate to finance the FY 1985 utility surcharge.
2. Addition of \$55,934 in estimated expenditures from federal funds not included in the Governor's recommendation. The Subcommittee learned that federal revenues have been received and are being expended by the agency in FY 1985, and is of the opinion that the budget should reflect these expenditures.
3. Reduction of \$16,812 from the amount estimated for salaries (\$15,571) and fringe benefits (\$1,241) for relief staff in the Meat and Poultry Inspection Subprogram. The reduction includes \$8,406 from the State General Fund and an equal amount from federal funds.
4. Reduction of \$25,007 for salaries and wages and \$11,688 for other operating expenditures associated with an Agricultural Market Analyst position newly approved effective FY 1985. The Subcommittee learned that the position has not yet been filled and recommends that savings to date be deleted from the budget. The remaining balance of \$15,110 in the account would permit the agency to fill the position as of March 1, 1985. This adjustment generates total State General Fund savings of \$36,695.
5. Reduction of \$5,000 in State General Fund expenditures budgeted for salary costs of temporary harvest machine inspectors, plus \$723 for associated fringe benefits. The total adjustment is \$5,723.
6. Addition of a section to S.B. 161 to implement the Governor's recommendations, as amended by the recommendations of this Subcommittee. The Subcommittee recommends that FY 1985 savings from the State General Fund be reappropriated to reduce FY 1986 appropriations.

SUBCOMMITTEE REPORT

Agency: Animal Health Department Bill No. 87 Bill Sec. 3  
 Analyst: Hunn Analysis Pg. No. 153 Budget Pg. No. 5-17

<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	\$ 1,543,917	\$ 1,487,841	\$ (7,037)
Other Assistance	—	—	—
<b>TOTAL</b>	<u>\$ 1,543,917</u>	<u>\$ 1,487,841</u>	<u>\$ (7,037)</u>
<b>State General Fund:</b>			
State Operations	\$ 450,000	\$ 330,189	\$ (6,567)
Other Assistance	—	—	—
<b>TOTAL</b>	<u>\$ 450,000</u>	<u>\$ 330,189</u>	<u>\$ (6,567)</u>
F.T.E. Positions	40.0	40.0	—

Agency Request/Governor's Recommendation

The agency's request would essentially maintain the current level of operations. The request provides for the elimination of two funds no longer needed, the consolidation of three fee funds into one fund, and the elimination of the Tuberculosis Indemnification account. The agency requests \$450,000 from the State General Fund for its FY 1986 operations, which would fund 29.2 percent of the budget.

The Governor's recommendation provides financing of \$330,189 from the State General Fund of 22.2 percent of the total recommended budget. The Governor's recommendation reduces expenditures in the areas of travel and brucellosis testing. The Governor's recommendation also changes seven county inspector positions from a salary and wage expenditure to a contractual service and deletes fringe benefits for these positions. The Governor also recommends changes in the funds structure as requested by the agency.

Senate Subcommittee Recommendations

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

1. Deletion of \$4,584 in State General Fund expenditures for communications. The Subcommittee recommends that this amount be reappropriated to reduce FY 1986 State General Fund appropriations.

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

1. Deletion of \$5,173 in State General Fund expenditures for communications. This reduction is based on recommendations of the Joint Subcommittee on Telecommunications which projects a 17.8 percent increase in KANS-A-N costs.

2. Deletion of \$1,394 in salary and wage expenditures from the State General Fund and \$470 in salary and wage expenditures from the Livestock Brand Fees Fund. This adjustment corrects miscalculations included in the Governor's recommendation.
3. The Subcommittee concurs with the Governor's recommendation to budget the county option inspector payments as a contractual service rather than a salary and wage item. The Subcommittee notes that there may be some savings in this area as fringe benefits will no longer be paid to these inspectors.
4. The Subcommittee notes that the Governor's recommendation to merge three funds and eliminate two other funds and the Tuberculosis Indemnification Account would require statutory changes. The Subcommittee concurs with the Governor's recommendations on these fund changes, but notes that no bills have been introduced to this effect. The Subcommittee recommends that bills be introduced which would allow these changes and that, until such bills are adopted, the appropriations language for this agency should reflect existing law.

SUBCOMMITTEE REPORT

Agency: Grain Inspection Department Bill No. 87 Bill Sec. 4  
 Analyst: Holt Analysis Pg. No. 158 Budget Pg. No. 5-37

<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	\$ 5,136,654	\$ 4,695,212	\$ —
State General Fund	—	—	—
F.T.E. Positions	186.0	181.0	—

Agency Request/Governor's Recommendation

The agency requests \$5,136,654 for agency operations and the salaries of 186.0 F.T.E. positions. Of the amount, \$4,341,191 is requested for salaries and wages, to include \$448,254 for temporary and overtime expenditures.

The Governor recommends \$4,695,212 for agency operations and the salaries of 181.0 F.T.E. positions. Recommended expenditures provide \$3,946,613 for salaries and wages, of which \$343,021 is designated for temporary and overtime expenditures.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee concurs with the Governor's FY 1985 recommendation of \$4,562,633.

FY 1986. The Senate Subcommittee concurs with the Governor's FY 1986 recommendation of \$4,695,212.



SUBCOMMITTEE REPORT

Agency: Board of State Fair Managers Bill No. 87 Bill Sec. 5

Analyst: Howard Analysis Pg. No. 164 Budget Pg. No. 5-29

<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	\$ 2,574,859	\$ 2,442,165	\$ (1,004)
Capital Improvements	1,235,500	1,250,000	--
<b>TOTAL</b>	<u>\$ 3,810,359</u>	<u>\$ 3,692,165</u>	<u>\$ (1,004)</u>
<b>State General Fund:</b>			
State Operations	\$ --	\$ --	\$ --
Capital Improvements	1,235,500	1,250,000	--
<b>TOTAL</b>	<u>\$ 1,235,500</u>	<u>\$ 1,250,000</u>	<u>\$ --</u>
F.T.E. Positions	16.0	16.0	--

Agency Request/Governor's Recommendation

For FY 1986, the agency estimates operating expenditures of \$2,574,859. This is an increase of \$303,178 over the current year estimate. Increases are in the areas of salaries and wages (\$51,131); contractual services (\$134,754); commodities (\$16,409); capital outlay (\$80,884); and sales tax (\$20,000). The agency request includes one new position, a Secretary I, bringing the agency to a total of 16.0 F.T.E. positions. The agency requests \$1,035,500 in State General Funds to begin renovation of the grandstand and \$200,000 in State General Funds for Special Maintenance.

For FY 1986 the Governor recommends operating expenditures of \$2,442,165, a reduction of \$132,694 from the agency request. Reductions are in the areas of salaries and wages (\$33,380); contractual services (\$29,750); and capital outlay (\$69,564). The Governor concurs with the request for a 1.0 F.T.E. Secretary I. The Governor also recommends \$1,100,000 in State General Funds to begin grandstand renovation and \$150,000 for Special Maintenance.

Senate Subcommittee Recommendation

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

1. Delete \$1,004 in salaries and wages as a technical adjustment to remove the entire 5.5 percent salary adjustment.
2. The Joint Building Committee has not yet made any recommendation concerning the grandstand renovation. This Subcommittee defers any recommendation to the full Committee pending action by the Building Committee.

SUBCOMMITTEE REPORT

Agency: Board of State Fair Managers Bill No. NA Bill Sec. NA  
 Analyst: Howard Analysis Pg. No. 164 Budget Pg. No. 5-29

<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	\$ 2,271,681	\$ 2,294,681	\$ —
Capital Improvements	250,000	250,000	—
<b>TOTAL</b>	<u>\$ 2,521,681</u>	<u>\$ 2,544,681</u>	<u>\$ —</u>
<b>State General Fund:</b>			
State Operations	\$ —	\$ —	\$ —
Capital Improvements	250,000	250,000	—
<b>TOTAL</b>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ —</u>
F.T.E. Positions	15.0	15.0	—

Agency Request/Governor's Recommendation

The agency estimates \$2,271,681 in FY 1985 operating expenditures. The total is unchanged from that authorized by the 1984 Legislature and is entirely from fee funds. In addition, the Fair requests a supplemental appropriation of \$16,288 from the State General Fund for expenses incurred in connection with an exhibit at the 1984 State Fair from the Henan Province of China. This amount is not reflected in the agency's budget request or the Governor's recommendations, due to the late date of the request.

The Governor recommends \$2,294,681 in operating expenditures in FY 1985, an increase of \$23,000 over the agency estimate. Significant changes are increases of \$13,000 for entertainers' fees and \$10,000 for state sales tax payments. Other minor shifts are made between object codes. The Governor makes no recommendation concerning the supplemental appropriation requested by the agency.

Senate Subcommittee Recommendations

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

1. The Subcommittee has been apprised of and is aware of the agency's supplemental request for \$16,288 in State General Funds in connection with the Chinese exhibit; however, we defer any action until the Governor responds to the request. We recommend that the House Subcommittee considering the State Fair budget review this request and make appropriate adjustments.

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission Bill No. 87 Bill Sec. 6  
 Analyst: Holt Analysis Pg. No. 170 Budget Pg. No. 5-47

<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	\$ 1,764,160	\$ 1,753,003	\$ (1,563)
State General Fund	—	—	—
F.T.E. Positions	8.0	8.0	—

Agency Request/Governor's Recommendation

The Commission's FY 1986 request totals \$1,764,160 which includes \$225,297 for salaries, \$1,230,571 for contractual services, and \$308,292 for other agency operating expenditures.

The Governor's FY 1986 recommendation totals \$1,753,003 which includes \$214,885 for salaries (removing the proposed salary increase), \$1,249,071 for contractual services, and \$289,047 for other agency operating expenditures.

Senate Subcommittee Recommendations

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

1. Reduction of \$12,738 for the Commission's membership in United States Wheat Associates in FY 1986. The Committee was informed that the Commission's membership will be \$487,262 instead of the recommended amount of \$500,000.
2. A shift of \$12,925 from FY 1985 to FY 1986 for computer equipment and associated expenditures. The 1984 Legislature had authorized expenditures of \$10,125 for the purchase of this equipment in FY 1985.
3. A reduction of \$1,750 for the purchase of an electronic memory typewriter to be purchased instead in FY 1985.
4. The 1984 committee reports were concerned about the Commission's projected fee fund balance in FY 1985, and recommended that the agency consider curbing its operating expenditures in its FY 1986 budget request. The Senate subcommittee shares the concern expressed last year in these reports, particularly in light of the continued decline in the agricultural economy. Recommended expenditures for FY 1985 and FY 1986 exceed estimated receipts generated from wheat excise taxes in both fiscal years. Because wheat production may be reduced from FY 1985 to FY

1986, the Subcommittee strongly recommends that the agency prepare a contingency plan for FY 1986 to accommodate a possible reduction in receipts. Based on the Subcommittee's adjustments to expenditures and the agency's projected level of receipts in fiscal years 1985 and 1986, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 812,607	\$ 1,023,443	\$ 832,852
Net Receipts	<u>1,622,124</u>	<u>1,561,004</u>	<u>1,673,500</u>
Total Funds Available	\$ <u>2,434,731</u>	\$ <u>2,584,447</u>	\$ <u>2,506,352</u>
Less: Expenditures (Including refunds)	<u>1,411,288</u>	<u>1,751,595</u>	<u>1,834,940</u>
Ending Balance	<u><u>\$ 1,023,443</u></u>	<u><u>\$ 832,852</u></u>	<u><u>\$ 671,412</u></u>

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission Bill No. NA Bill Sec. NA  
 Analyst: Holt Analysis Pg. No. 170 Budget Pg. No. 5-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,722,181	\$ 1,685,720	\$ (17,240)
State General Fund	—	—	—
F.T.E. Positions	8.0	8.0	—

Senate Subcommittee Recommendation

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

1. Reduction of \$12,925 for computer equipment and associated expenditures, to be shifted to FY 1986.
2. Addition of \$1,750 for the purchase of an electronic memory typewriter, recommended for FY 1986.
3. Reduction of \$6,065 for the Commission's membership in United States Wheat Associates in FY 1985. Although the 1984 Legislature appropriated \$460,000 for that purpose, actual expenditures were \$453,935.
4. Although the Subcommittee recommends a reduction to the amount budgeted for FY 1985, this recommendation reflects no reduction to the expenditure limitation for the current fiscal year.

SUBCOMMITTEE REPORT

Agency: State Conservation Commission Bill No. 87 Bill Sec. 7

Analyst: Goering Analysis Pg. No. 177 Budget Pg. No. 5-27

<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	\$ 430,896	\$ 185,052	\$ 2,477
Aid to Local Units	2,864,005	1,764,005	(197,500)
Other Assistance	3,000,000	2,000,000	(200,000)
TOTAL	<u>\$ 6,294,901</u>	<u>\$ 3,949,057</u>	<u>\$ (395,023)</u>
State General Fund:			
State Operations	\$ 430,896	\$ 185,052	\$ 2,477
Aid to Local Units	2,864,005	1,764,005	(197,500)
Other Assistance	3,000,000	2,000,000	(200,000)
TOTAL	<u>\$ 6,294,901</u>	<u>\$ 3,949,057</u>	<u>\$ (395,023)</u>
F.T.E. Positions	9.0	5.5	--

Agency Request/Governor's Recommendation

The agency's request for FY 1986 increases current staffing from 4.5 F.T.E. positions to 9.0 F.T.E. positions. The request would add 2.0 F.T.E. unclassified professional personnel and 2.5 F.T.E. classified clerical positions. The budget request also includes other operating expenditure increases associated with the requested staff expansion. Also requested is \$6,534, excluding fringe benefits, for temporary staff salaries to research and write a supplement to a 1969 publication on Kansas soil conservation districts. The state operations request includes \$6,508 for capital outlay, including \$3,508 for office equipment associated with the requested positions and \$3,000 for a microcomputer, printer, and software. The agency requests \$100,000 to provide contractual services for planning watershed dam projects eligible for federal P.L. 83-566 dam construction funding.

The Governor recommends 1.0 F.T.E. additional unclassified Conservation Coordinator position at a salary cost of \$20,952, excluding fringe benefits and salary adjustments. The Governor does not recommend the requested temporary salary funding. The Governor's recommendation eliminates all funding requested for capital outlay. No funding is recommended for watershed planning.

The following table reflects amounts requested and recommended for state aid programs relative to appropriations made a year ago for FY 1985 for these programs.

<u>State Aid Program</u>	<u>FY 1985 Appropriation</u>	<u>FY 1986 Appropriation</u>	
		<u>Agency Request</u>	<u>Gov. Rec.</u>
State Aid to Conservation			
Districts	\$ 749,720	\$ 764,005	\$ 764,005
Watershed Dam Construction			
Assistance	800,000	2,000,000	1,000,000
Water Resources Cost-Share Program	1,500,000	3,000,000	2,000,000

Of the \$2,000,000 recommended by the Governor for the cost-share program, \$1,500,000 is proposed to be distributed in the same manner as in the past -- 60 percent equally among the 105 conservation districts and 40 percent on the basis of an index composed of nonfederal rural acreage, erosion potential, and rainfall in each district. The additional \$500,000 recommended by the Governor for FY 1986 is recommended to be appropriated in a separate line item and is to be targeted to geographic areas of the state having special needs for conservation efforts.

#### Senate Subcommittee Recommendations

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

1. Reduction of \$400 for communications expenditures. This adjustment provides \$7,200 for FY 1986, a 20 percent increase above the FY 1985 estimated expenditure level of \$6,000.
2. Reduction of \$281 for unemployment insurance contributions. This adjustment recomputes this fringe benefit at the revised rate of 0.24 percent.
3. Reduction of \$842 for office lease expenses, based on the current lease agreement for 1,811 square feet at \$6.50 per square foot, for a total of \$11,772. The Governor had recommended \$12,614 for this purpose. The Subcommittee notes that the agency's lease agreement will expire at the end of March, 1986, and as a result adjustments may be required to this budget item by the 1986 Legislature.
4. Addition of \$4,000 for capital outlay expenditures to allow the agency to purchase a microcomputer, monitor, printer, software, and office equipment for the position recommended by the Governor.
5. Addition of \$2,500 for state aid to conservation districts to correct an arithmetic error in the amount requested by the agency and recommended by the Governor. The total of \$766,505 recommended by the Subcommittee will fund this state aid program at the maximum statutory level in accordance with past legislative policy.
6. Reduction of \$200,000 for watershed dam construction assistance. This adjustment retains \$800,000 for this program of state aid which is available to organized watershed districts for dam construction projects not eligible for federal P.L. 83-566 dam construction assistance.
7. Reduction of \$200,000 for the Water Resources Cost-Share Program. This adjustment retains a total of \$1,800,000 for this program for FY 1986. The Subcommittee concurs with the Governor's recommendation to distribute \$1,500,000 of this sum under the allocation methodology used currently. The additional \$300,000 recommended by the Subcommittee is intended to be targeted to areas which have particular needs for additional conservation efforts as proposed by the Governor. The Subcommittee recommends the additional \$300,000 as a first step toward implementation of the State Water Plan.

8. The Subcommittee recommends revisions to the appropriation bill to reappropriate FY 1985 savings to FY 1986 in accordance with past legislative policy.

The Subcommittee's recommendations for the state aid and assistance programs, in comparison with the Governor's recommendation and comparable amounts appropriated for FY 1985, are shown below:

<u>State Aid Program</u>	<u>FY 1985 Appropriation</u>	<u>FY 1986 Appropriation</u>	
		<u>Gov. Rec.</u>	<u>Subcomm. Rec.</u>
State Aid to Conservation			
Districts	\$ 749,720	\$ 764,005	\$ 766,505
Watershed Dam Construction Assis- tance	800,000	1,000,000	800,000
Water Resources Cost-Share Program:			
Current Distribution Method	1,500,000	1,500,000	1,500,000
Targeted for Areas of Special Need	—	500,000	300,000
Subtotal - Cost-Share Program	<u>\$ 1,500,000</u>	<u>\$2,000,000</u>	<u>\$1,800,000</u>
<b>TOTAL STATE AID AND ASSISTANCE</b>	<u><u>\$ 3,049,720</u></u>	<u><u>\$3,764,005</u></u>	<u><u>\$3,366,505</u></u>



SUBCOMMITTEE REPORT

Agency: State Conservation Commission Bill No. NA Bill Sec. NA  
 Analyst: Goering Analysis Pg. No. 177 Budget Pg. No. 5-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 164,588	\$ 162,503	\$ (842)
Aid to Local Units	1,584,258	1,574,720	9,538
Other Assistance	1,673,903	1,673,903	--
<b>TOTAL</b>	<u>\$ 3,422,749</u>	<u>\$ 3,411,126</u>	<u>\$ 8,696</u>
<b>State General Fund:</b>			
State Operations	\$ 162,006	\$ 159,981	\$ (842)
Aid to Local Units	1,584,258	1,574,720	9,538
Other Assistance	1,673,903	1,673,903	--
<b>TOTAL</b>	<u>\$ 3,420,227</u>	<u>\$ 3,408,604</u>	<u>\$ 8,696</u>
F.T.E. Positions	4.5	4.5	--

Agency Request/Governor's Recommendation

The agency's revised FY 1985 budget estimate exceeds by \$185,963 the level of expenditures approved by the 1984 Legislature and Finance Council. Of the total increase, \$2,522 is to be financed from Federal Resource Conservation Act funds carried forward from prior years. The balance of \$183,441 is from the State General Fund and reflects reappropriated savings in water resources cost-sharing program grants (\$173,903) and the watershed dam construction grant program (\$9,538). Legislative action is not required to authorize these requested expenditure revisions.

The Governor's recommendation for FY 1985 exceeds current approved expenditures by \$174,340, but is \$11,623 less than the agency's revised estimate. The Governor recommends a reduction of \$2,085 in State General Fund expenditures for administrative costs. The Governor's recommendation also excludes expenditure of \$9,538 in reappropriated savings for the watershed dam construction program.

Senate Subcommittee Recommendations

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

1. Increase in budgeted State General Fund expenditures of \$9,538 to reflect expenditure of reappropriated FY 1984 savings in the watershed dam construction assistance program.
2. Reduction of \$842 in the amount budgeted for office rent, to coincide with the current annual lease costs of \$11,772.
3. Reappropriation of FY 1985 savings to FY 1986 in accordance with past legislative policy.

The Subcommittee notes that the Governor's recommendation reduces the agency's revised salaries and wages budget estimate by \$828, excluding fringe benefits, for the agency's 0.5 F.T.E. Clerk-Typist II position. The Subcommittee learned that the agency employed this position on a full-time basis for three months during the summer of 1984, although funds were approved by the 1984 Legislature only for half-time employment of this individual. The Subcommittee makes no recommendation on this item but suggests that the agency approach the Governor and the Division of the Budget if it is unable to absorb the shortfall.

SUBCOMMITTEE REPORT

Agency: Kansas Water Office Bill No. 87 Bill Sec. 8  
 Analyst: Goering Analysis Pg. No. 184 Budget Pg. No. 5-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Recommendation</u>
<b>All Funds:</b>			
Reservoir Payments	\$ 1,835,654	\$ 1,836,296	\$ --
Other State Operations	1,288,978	1,421,240	(53,760)
<b>TOTAL</b>	<u>\$ 3,124,632</u>	<u>\$ 3,257,536</u>	<u>\$ (53,760)</u>
<b>State General Fund:</b>			
Reservoir Payments	\$ 1,835,654	\$ 1,836,296	\$ --
Other State Operations	1,288,978	1,421,240	(53,760)
<b>TOTAL</b>	<u>\$ 3,124,632</u>	<u>\$ 3,257,536</u>	<u>\$ (53,760)</u>
<b>F.T.E. Positions</b>	<b>22.0</b>	<b>22.0</b>	<b>--</b>

Agency Request/Governor's Recommendation

The agency's request of \$3,257,536 for FY 1986 proposes deletion of 2.0 F.T.E. currently vacant positions as well as an administrative assistant for the Chairman of the Kansas Water Authority, for which nine months' funding was approved for FY 1985. The request includes \$2,838 for DISC data processing services to develop a data system to assist in managing Kansas river basin systems. Also requested is a total of \$276,508 to finance contract agreements with the U.S. Geological Survey. Included in the request is \$47,300 for office rent costs, assuming a rate of \$11.00 annually per square foot.

The Governor's recommendation includes financing for 22.0 F.T.E. positions. The recommendation deletes requested funding for development of a river basin management data system. The Governor does recommend \$200,000 from the State General Fund for water research, a portion of which is to be used for research on the Dakota Aquifer. The Governor's recommendation includes \$32,250 for office rent expenses, assuming a lease rate of \$7.50 per square foot for FY 1986.

Senate Subcommittee Recommendation

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

1. Deletion of \$2,136 from the amount recommended by the Governor for USGS contract agreements.
2. Reduction of \$6,450 for office rent costs and \$57 for conference room rent costs. The Subcommittee learned the agency's office space lease is currently being renegotiated. The Subcommittee recommends funding for the current lease rate of \$6.00 per square foot for the office and \$6.50 for the conference room until such time as lease negotiations are completed. Because the conference room lease will not expire until late FY 1986, the 1986 Legislature may need to adjust this expenditure item at that time.

3. Deletion of \$3,180 recommended by the Governor for a utility surcharge on leased office space in FY 1986. The amount necessary, if any, for this purpose is contingent on the outcome of lease negotiations which have not yet been completed.
4. Reduction of \$1,937 for unemployment insurance, applying a 0.24 percent rate rather than 0.54 percent as recommended by the Governor.
5. Reduction of \$40,000 for water research. The Subcommittee recommends a total of \$160,000 for water research, of which \$99,000 is for research on the Dakota Aquifer and \$61,000 for research on stream/aquifer interaction. The Subcommittee emphasizes that these funds are intended only as a one-year commitment. The Subcommittee expects the agency to submit a status report on these research projects to the 1986 Legislature, at which time consideration may be given to funding for future years.
6. Revisions to the appropriation bill format to reflect the appropriation line items as adopted by the 1984 Legislature. The Subcommittee recommends reappropriation of any FY 1985 savings to FY 1986.

The Subcommittee learned that the agency has experienced difficulty in obtaining final reports from U.S.G.S. related to services performed under contract with the state. For example, as of November 29, 1984, the Water Office had not yet received the final report from U.S.G.S. on the data collection program for FY 1982. The Subcommittee commends the agency on its efforts to achieve cooperation from U.S.G.S. by refusing to enter into any new cooperative agreements or to release encumbered funds for these projects until all outstanding final reports on prior contract agreements have been provided to the state. The Subcommittee recommends that the 1986 Legislature review the status of these contract arrangements. If full cooperation has not been achieved by that time, the Subcommittee would urge the 1986 Legislature to remove all funding for U.S.G.S. contracts from the budget.

SUBCOMMITTEE REPORT

Agency: Kansas Water Office Bill No. — Bill Sec. —  
 Analyst: Goering Analysis Pg. No. 184 Budget Pg. No. 5-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
Reservoir Payments	\$ 1,815,807	\$ 1,812,688	\$ —
Other State Operations	1,271,025	1,264,776	(2,150)
TOTAL	<u>\$ 3,086,832</u>	<u>\$ 3,077,464</u>	<u>\$ (2,150)</u>
State General Fund:			
Reservoir Payments	\$ 1,815,807	\$ 1,812,688	\$ —
Other State Operations	1,271,025	1,264,776	(2,150)
TOTAL	<u>\$ 3,086,832</u>	<u>\$ 3,077,464</u>	<u>\$ (2,150)</u>
F.T.E. Positions	24.75	22.75	—

Agency Request/Governor's Recommendation

The agency's revised FY 1985 expenditure estimate exceeds by \$18,736 the level approved by the 1984 Legislature and Finance Council. The increase is attributable in its entirety to moneys reappropriated from FY 1984 for operation and maintenance payments on federal reservoirs. The increase constitutes a contingency expenditure for which the 1984 Legislature provided a mechanism; consequently no additional action is required to authorize expenditure of these moneys.

The Governor recommends an FY 1985 budget which is \$9,368 more than the current approved spending level. The recommendation includes \$15,617 in expenditures from reappropriated savings for operation and maintenance payments on federal reservoirs. Offsetting this increase is a net reduction of \$6,249 in other expenditures. The Governor's recommendation also deletes 2.0 F.T.E. positions for which no funding is included in the revised FY 1985 estimate.

Senate Subcommittee Recommendation

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

1. Reduction of \$2,150 for office rent costs. The Governor's recommendation assumes that the agency's rent will increase from \$6.00 per square foot to \$7.50 per square foot for the last four months of FY 1985. The Subcommittee learned that the agency's new lease is currently being renegotiated and therefore recommends funding at the current rate pending the outcome of those negotiations.
2. The Subcommittee recommends reappropriation of FY 1985 savings to reduce FY 1986 appropriations.

The Subcommittee also learned that the agency does not plan to expend \$2,000 included in the FY 1985 recommended budget for a research plan on the interaction of surface and groundwater in streams. Also, a contract for which the Governor has recommended \$8,000 in FY 1985 has actually been negotiated for \$6,000. However, the agency also learned that the agency expects a significant overexpenditure in printing costs during FY 1985 because of publication of the State Water Plan. Therefore, the Subcommittee does not recommend elimination of these savings in the current fiscal year.

SUBCOMMITTEE REPORTS

SENATE BILL NO. 88

State Library

Department of Revenue — School District Income Tax Fund


Kansas State School for the Visually Handicapped


Kansas State School for the Deaf

Department of Education

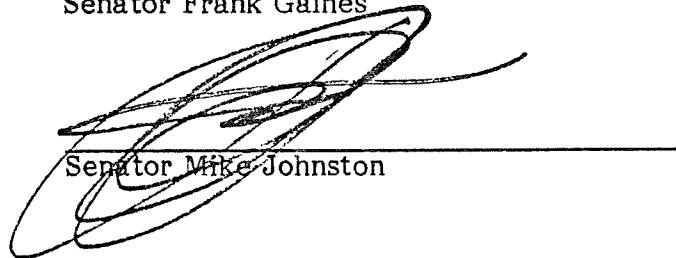
Advisory Council for Vocational Education

Kansas Public Television Board

  
\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chairman

  
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Senator Gus Bogina

  
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Senator Frank Gaines

  
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Senator Mike Johnston

SUBCOMMITTEE REPORT

Agency: Kansas State Library Bill No. 88 Bill Sec. 2  
 Analyst: Holt Analysis Pg. No. 245 Budget Pg. No. 3-45

<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	\$ 1,591,310	\$ 1,262,204	\$ (8,991)
Aid to Local Units	3,809,946	2,694,064	—
TOTAL	<u>\$ 5,401,256</u>	<u>\$ 3,956,268</u>	<u>\$ (8,991)</u>
State General Fund:			
State Operations	\$ 1,181,787	\$ 856,977	\$ (7,878)
Aid to Local Units	3,110,427	1,994,545	—
TOTAL	<u>\$ 4,292,214</u>	<u>\$ 2,851,522</u>	<u>\$ (7,878)</u>
F.T.E. Positions	25.5	24.0	—

Agency Request/Governor's Recommendation

The Library's FY 1986 request of \$5,401,256 includes \$610,003 for salaries and wages for 25.5 F.T.E. positions, a net increase of 1.5 F.T.E. positions above the current year staffing level. In addition, this request provides \$297,500 (\$122,500 in federal funds; \$175,000 from the State General Fund) for payment to seven regional library centers for services to the blind and physically handicapped, \$2.2 million from the State General Fund for the Interlibrary Loan Development Plan, \$1,244,767 (\$509,340 in federal funds; \$735,427 from the State General Fund) for support for regional and public library system operations, \$15,000 from the State General Fund for the establishment of the Interlibrary Loan Materials Replacement Fund, \$208,000 from the State General Fund for the Reader Enrollment and Distribution System (READS), and \$20,470 from the State General Fund for the establishment and operation of the Kansas Union Catalog Maintenance Center.

The Governor's FY 1986 recommendation of \$3,956,268 includes \$543,134 for salaries and wages for 24.0 F.T.E. positions, the same number of positions as in FY 1985. In addition, the Governor's recommendation concurs with the agency's request of \$297,500 for payment to seven regional library centers for blind and physically handicapped services. The Governor recommends \$1.2 million from the State General Fund for the Interlibrary Loan Development Plan, \$1,128,885 for operating support for regional and public library systems, and \$18,459 from the State General Fund for maintenance of the Kansas Union Catalog data base. No funding is recommended for the establishment of the Interlibrary Loan Materials Replacement Fund and READS.

Senate Subcommittee Recommendation

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

1. Remove the expenditure limitation for the Federal Library Services and Construction Act Fund and make it a no-limit fund.



2. Delete the proviso that imposes an expenditure limitation on the state operations account of the Federal Library Services and Construction Act Fund. This deletion would not affect, however, the limitation of \$500 imposed on official hospitality expenditures.
3. Add \$1,625 from the State General Fund (Reference Services — Fees-Professional Services) for Westlaw — a data processing package to be used for legal bibliographic searches.

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

1. Remove the expenditure limitation on the Federal Library Services and Construction Act Fund and make it a no-limit fund.
2. Delete the proviso that imposes an expenditure limitation on the state operations account of the Federal Library Services and Construction Act Fund.
3. Amend the expenditure limitation for official hospitality (federal funds) in the appropriations bill from \$600 to \$700 to properly reflect the Governor's recommendation. This is a technical adjustment which will not alter total expenditures.
4. Add \$3,900 from the State General Fund (Reference Services — Fees-Professional Services) for Westlaw — a data processing package to be used for legal bibliographic searches.
5. Reduce \$11,778 from the State General Fund and \$1,113 from federal funds for communications.
6. The Subcommittee does not recommend the establishment of an Inter-library Loan Materials Replacement Fund, as requested by the agency. However, the Subcommittee does recommend that a portion of the \$1.2 million for the Interlibrary Loan Development Plan be used to purchase books that have been lost through interlibrary loan transactions.

SUBCOMMITTEE REPORT

Agency: Department of Revenue — School  
District Income Tax Rebate

Bill No. 88

Bill Sec. 3

Analyst: Rampey

Analysis Pg. No. 252

Budget Pg. No. 3-81

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Aid to Local Units: State General Fund	\$113,000,000	\$108,400,000	—
F.T.E. Positions	—	—	—

Senate Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation of \$103,600,000, which is the revised consensus estimate.

FY 1986. The Subcommittee concurs with the Governor's recommendation of \$108,400,000, which is the revised consensus estimate.

SUBCOMMITTEE REPORT

Agency: School for the Visually Handicapped      Bill No. 38      Bill Sec. 4  
 Analyst: Holt      Analysis Pg. No. 253      Budget Pg. No. 3-93

<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	\$ 2,375,626	\$ 2,045,546	\$ 460
Capital Improvements	336,302	65,000	—
<b>TOTAL</b>	<u>\$ 2,711,928</u>	<u>\$ 2,110,546</u>	<u>\$ 460</u>
<b>State General Fund:</b>			
State Operations	\$ 2,321,868	\$ 1,991,788	\$ (4,540)
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 2,321,868</u>	<u>\$ 1,991,788</u>	<u>\$ (4,540)</u>
<b>F.T.E. Positions</b>	94.5	85.0	—

Agency Request/Governor's Recommendation

The agency requests FY 1986 operating expenditures of \$2,375,626, to include \$1,988,280 for salaries and wages and \$387,346 for other operations. The School anticipates financing of \$2,321,868 from the State General Fund, \$32,858 from federal funds, and \$20,900 from other sources. An addition of 11.0 F.T.E. positions is requested — a personnel management specialist, four dormitory teachers, an early childhood specialist, two nurses, one activity therapist, and two activity therapist aides.

The Governor recommends FY 1986 operating expenditures of \$2,045,546, to include \$1,723,546 for salaries and wages and \$322,000 for other operations. The Governor recommends financing agency operations with \$1,991,788 from the State General Fund, \$32,858 from federal funds, and \$20,900 from other sources. An addition of 1.5 F.T.E. positions — a part-time personnel management specialist to be shared with the School for the Deaf, and a full-time dormitory teacher — is recommended.

Senate Subcommittee Recommendations

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

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

1. Addition of \$460 from the State General Fund for shift differential expenditures (Administration).
2. Reduction of \$5,000 from the State General Fund for utilities expenditures and a commensurate increase of \$5,000 to the General Fees Fund. The

School intends to enter into an agreement with Wyandotte County Special Education Cooperative, pending Kansas State Board of Education approval. This agreement would allow the School and the cooperative to use Irwin Dormitory, which is presently unoccupied, to provide various evaluation, speech, cognitive development and educational services to preschool handicapped students. As part of the agreement, the cooperative would pay a portion of the utilities expenditures requested and recommended for FY 1986.

SUBCOMMITTEE REPORT

Agency: School for the Deaf Bill No. 88 Bill Sec. 5  
 Analyst: Holt Analysis Pg. No. 257 Budget Pg. No. 3-1

<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	\$ 4,850,735	\$ 4,289,643	\$ (26,335)
Capital Improvements	402,000	67,000	—
<b>TOTAL</b>	<u>\$ 5,252,735</u>	<u>\$ 4,356,643</u>	<u>\$ (26,335)</u>
<b>State General Fund:</b>			
State Operations	\$ 4,594,735	\$ 3,998,741	\$ (26,335)
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 4,594,735</u>	<u>\$ 3,998,741</u>	<u>\$ (26,335)</u>
F.T.E. Positions	183.0	167.5	—

Agency Request/Governor's Recommendation

The School requests FY 1986 operating expenditures of \$4,850,735, to include \$4,042,845 for salaries and wages and \$807,890 for other operations. The School anticipates financing of \$4,594,735 from the State General Fund, \$186,000 from federal funds, and \$70,000 from other sources. An addition of 16.0 F.T.E. positions is requested — a personnel officer, nine dormitory teachers, four preschool teachers, and two preschool teacher aides.

The Governor recommends FY 1986 operating expenditures of \$4,289,643, to include \$3,542,277 for salaries and wages and \$747,366 for other operations. The Governor recommends financing agency operations with \$3,998,741 from the State General Fund, \$197,271 from federal funds, and \$93,631 from other sources. An addition of a .5 F.T.E. personnel management specialist position is recommended, to be shared with the School for the Visually Handicapped.

Senate Subcommittee Recommendations

FY 1985. The Senate Subcommittee recommends that \$24,624 from the State General Fund be reappropriated from FY 1985 to FY 1986 to reflect the following current year adjustments:

1. Reduction of \$30,747 for utilities expenditures (Supportive Services).
2. Addition of \$6,123 for operating expenditures that were originally budgeted for FY 1985 but recommended for deletion by the Governor. Expenditures to date appear to warrant the reinstatement of the following: \$280 for utilities in the superintendent's residence, \$4,700 for professional and scientific supplies (Instructional Services), and \$1,143 for maintenance materials, supplies, and parts (Supportive Services).

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

1. Reduction of \$26,335 for utilities expenditures (Supportive Services).

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No. 161 Bill Sec. New  
 Analyst: Rampey Analysis Pg. No. 266 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,899,836	\$ 6,880,999	\$ 15,686
Aid to Local Units	649,840,182	647,278,678	(30,521)
Other Assistance	6,477,646	6,477,646	—
<b>TOTAL</b>	<u>\$662,857,664</u>	<u>\$660,637,323</u>	<u>\$ (14,835)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,818,869	\$ 3,807,979	\$ 15,686
Aid to Local Units	578,019,828	575,818,324	(30,521)
Other Assistance	152,646	152,646	—
<b>TOTAL</b>	<u>\$581,991,343</u>	<u>\$579,778,949</u>	<u>\$ (14,835)</u>
F.T.E. Positions	174.0	174.0	—

Senate Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Add \$15,686 to the FY 1985 appropriation from the State General Fund for salaries and wages. The amount is for accumulated annual and sick leave for three employees, one who retired in February and two who will retire on March 18.
2. Delete \$18,905 for Washburn University credit hour state aid. The deletion would have the effect of reducing the appropriation for credit hour aid to \$3,481,095 and is the result of revised enrollment estimates made by Washburn University.
3. Delete \$11,616 for Washburn University out-district state aid. The deletion would have the effect of reducing the appropriation for out-district aid to \$640,948 and is the result of revised enrollment estimates made by Washburn University.
4. Authorize the reappropriation of unspent funds from FY 1985 to FY 1986 for the Washburn University State Aid for Off-Campus Work-Study Program. University officials estimate that, of the \$19,178 appropriated from the State General Fund for the program during the current year, \$12,000 will be spent. The Subcommittee recommends that the balance remaining be reappropriated and added to the amount appropriated for FY 1986.
5. Amend Section 51(a) of Chapter 23 of the 1984 Session Laws of Kansas to delete the proviso limiting expenditures for state aid payments for special education teaching units to \$61,173,165. The effect of the Subcommittee's recommendation would be to permit the expenditure of \$570,435 in savings

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from special education transportation costs for special education teaching unit reimbursement. The Subcommittee recommends that the shift be made because the number of special education teaching units is greater than had been estimated. The Subcommittee's recommendation does not change the total amount appropriated for special education in the current year (\$70,703,165).

6. Take no action to provide for the redistribution to school districts of approximately \$1.8 million in school district equalization aid distributed to the Shawnee Mission School District during the current year. The law requires the State Board of Education to make monthly aid payments to school districts from September through January on the basis of what the district received the prior year. Because aid to the Shawnee Mission School District will decrease substantially from what it was the prior year, the district must return money it receives in FY 1985 that is in excess of that to which it is entitled. Under existing law and based upon state accounting procedures, that money (approximately \$1.8 million) will lapse into the State General Fund at the end of FY 1985.



Agency: Department of Education Bill No. 83 Bill Sec. 6Analyst: Rampey Analysis Pg. No. 266 Budget Pg. No. 3-5

<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	\$ 7,458,168	\$ 7,209,470	\$ (39,663)
Aid to Local Units	746,501,863	730,062,071	(34,290,826)
Other Assistance	7,272,000	7,252,486	—
TOTAL	<u>\$761,232,031</u>	<u>\$744,524,027</u>	<u>\$ (34,330,489)</u>
State General Fund:			
State Operations	\$ 4,138,168	\$ 4,066,898	\$ (39,663)
Aid to Local Units	669,624,363	653,184,571	(34,290,826)
Other Assistance	172,000	152,486	—
TOTAL	<u>\$673,934,531</u>	<u>\$657,403,955</u>	<u>\$ (34,330,489)</u>
F.T.E. Positions	180.0	178.0	—

Senate Subcommittee Recommendations

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

1. Add \$14,000 from the State General Fund for the purchase of four memory typewriters, three regular typewriters, and one microcomputer and accessories.
2. Delete \$75,000 from the State General Fund (out of \$150,000) for the Summer Academy for High Achieving Students and appropriate the remaining \$75,000 as a line item appropriation with the proviso that the State Board of Education enter into a contract with Fort Hays State University to provide the program.
3. Add \$18,837 in salaries and wages and \$2,500 for other operating expenses from the State General Fund for a .5 F.T.E. position in the area of school accreditation. The funding would replace fee funds currently transferred from the budget of the Consumer Credit Commissioner used to pay half of the salary of an Education Program Specialist who works part-time in the area of economic and consumer education and part-time in the area of school accreditation. H.B. 2036, which contains the budget of the Consumer Credit Commissioner and is currently in the Senate Ways and Means Committee, provides for the transfer of \$65,000 to Kansas State University for consumer education programs and makes no money available to the State Department of Education for these programs. The Commissioner of Education concurs with the recommendation contained in H.B. 2036 and wants to use the Education Program Specialist full-time in the area of school accreditation. The Subcommittee's recommendation would accomplish that purpose by funding the portion of the salary that would be unfunded if H.B. 2036 passes in its present form.

4. Delete \$30.3 million from the State General Fund in general state aid to school districts. The effect of the Subcommittee's deletion is to recommend \$442,056,000 in general state aid.
5. Delete \$613,760 from the State General Fund for preschool programs for handicapped four-year old children. The deleted funding consists of \$293,760 recommended by the Governor to count handicapped children each as .5 F.T.E. student for purposes of funding under the School District Equalization Act and an additional amount of \$320,000 in categorical aid for preschool special education programs.
6. Delete \$1,625,188 from the State General Fund for special education state aid. The deletion is the result of recalculating the "excess cost" of special education aid at the 95 percent level based upon budget per pupil limitations of 104 percent to 108 percent, as contained in H.B. 2144, as amended. The total amount recommended by the Subcommittee is \$76,385,821.

*These are deleted*

In addition, the Subcommittee recommends that K.S.A. 72-978 be amended to provide that paraprofessionals used in the special education categories of gifted, learning disabled, educable mentally handicapped, speech-language, school psychologists, school social workers, and adaptive physical education (categories as defined in the State Plan for Special Education) be counted as .25 F.T.E. special teacher instead of .5 F.T.E. special teacher.

The Subcommittee further recommends that the State Board of Education amend the State Plan for Special Education to redefine the population to be served in the area of "Personal and Social Adjustment" to "Seriously Emotionally Disturbed."

7. Delete \$107,500 from the State General Fund for bilingual education. The effect of the Subcommittee's recommendation is to recommend \$645,000 for the Bilingual Education Program which would fund the program at the current statutory maximum of \$150 per student, not \$175 as recommended by the Governor.
8. Delete \$842,160 from the State General Fund for community college credit hour aid. The effect of the Subcommittee's recommendation is to delete funding that is the consequence of the Governor's recommended rate increase.
9. Delete \$254,612 from the State General Fund for community college out-district state aid. The Subcommittee's recommendation is based on current rates for out-district state aid, not the increased amount recommended by the Governor.
10. Delete \$485,881 from the State General Fund for Washburn University credit hour aid. The deletion is the result of using current rates for credit hour aid instead of increased rates recommended by the Governor and of using a revised number of eligible hours provided by Washburn University.

*introduce Bill?*

In addition, the Subcommittee recommends the introduction of legislation that would provide for the payment of credit hour state aid to Washburn

University for junior, senior, and graduate level courses at 1.25 times the rate for undergraduate courses.

11. Delete \$61,725 from the State General Fund for Washburn University out-district state aid. The reduction is the result of using the current rate for out-district state aid and of using a lower estimate of the number of eligible hours provided by the University.
12. Amend S.B. 88 to appropriate funds to the State Department of Education in the categories of salaries and wages and other operating expenditures.

SUBCOMMITTEE REPORT

Agency: Advisory Council for Vocational Education

Bill No. 88

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 285

Budget Pg. No. 3-97

<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	\$ 130,564	\$ 126,581	—
State General Fund	—	—	—
F.T.E. Positions	2.0	2.0	—

Senate Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation of \$120,771.

FY 1986. The Subcommittee concurs with the Governor's recommendation of \$126,581.

SUBCOMMITTEE REPORT

Agency: Public Television Board Bill No. 88 Bill Sec. 8  
 Analyst: Holt Analysis Pg. No. 286 Budget Pg. No. 3-63

<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	\$ 4,500	\$ 4,500	\$ —
Aid to Local Units	490,496	144,636	185,674
Other Assistance	927,727	617,864	(102,864)
<b>TOTAL</b>	<u>\$ 1,422,723</u>	<u>\$ 767,000</u>	<u>\$ 82,810</u>
<b>State General Fund:</b>			
State Operations	\$ 4,500	\$ 4,500	\$ —
Aid to Local Units	490,496	144,636	185,674
Other Assistance	927,727	617,864	(102,864)
<b>TOTAL</b>	<u>\$ 1,422,723</u>	<u>\$ 767,000</u>	<u>\$ 82,810</u>
F.T.E. Positions	—	—	—

Agency Request/Governor's Recommendation

The Board's request of \$1,422,723 for FY 1986 continues the current year level of state support for the four public television stations: \$113,000 for the Kansas City station, \$131,000 for each of the stations in Topeka and Wichita, and \$225,000 for the Bunker Hill station. This request also includes funding of \$120,000 in matching funds to KTWU (Topeka) and \$233,000 to KPTS (Wichita) for various federal projects, reappropriates \$199,310 for the translator project requested by KTWU (Topeka) in the event that these funds are not expended in FY 1985, provides \$50,000 for adult educational television, \$150,000 for operating grants to five public radio stations, \$53,000 for KANZ (Pierceville) to complete construction of the Hill City station, \$12,913 for KHCC (Hutchinson) to purchase recording equipment, and \$4,500 for the Board's administrative expenses.

The Governor's recommendation of \$767,000 for FY 1986 accords with the agency's request for operating grants for public television stations. This recommendation does not include funding in FY 1986 for the KTWU translator project, but does include \$37,500 in state matching funds for replacement equipment, the distribution of which is undesignated. In addition, the Governor recommends \$75,000 for operating grants to five public radios, \$50,000 for adult educational television, and \$4,500 for the Board's administrative expenses.

Senate Subcommittee Recommendation

FY 1985. Reappropriation of \$199,310 from FY 1985 to FY 1986 for the construction of translators at Pittsburg, Independence, and Emporia by KTWU (Topeka). The 1984 Legislature authorized \$199,310 for the translator project, pending the Board's receipt of notification that federal funding for the project was approved. However, the station did not get a construction permit from the Federal Communications Commission, a precondition for grant awards from the National Telecommunications Information Agency (NTIA). Therefore, the station will not need the sum of \$199,310 in FY 1985. The Subcommittee

learned that the station reapplied to NTIA for funding for FY 1986 and therefore recommends reappropriation of \$199,310, expenditures of which are to be conditioned on receipt of federal funds and construction permits.

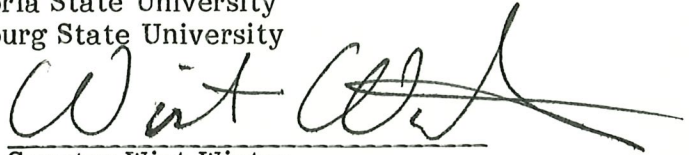
FY 1986. The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Reappropriation from FY 1985 of \$199,310 for the KTWU translator system.
2. Deletion of \$75,000 in operating grants for the five public radio stations.
3. Reduction of \$94,000 from \$225,000 to \$131,000 for the operating grant to KOOD (Bunker Hill) to make the funding level commensurate to that of the public television stations in Topeka and Wichita.
4. Addition of \$52,500 in state matching funds for replacement equipment, the distribution of which is undesignated.

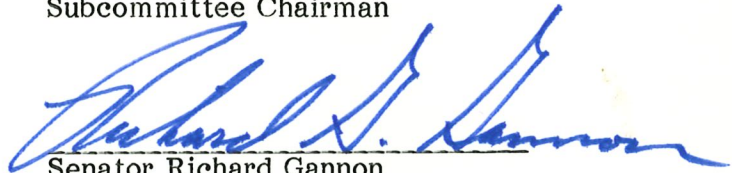
FY 1985 AND FY 1986  
SENATE SUBCOMMITTEE REPORTS

SENATE BILL NO. 166

Section 2 — Fort Hays State University  
Section 5 — Emporia State University  
Section 6 — Pittsburg State University



Senator Wint Winter,  
Subcommittee Chairman



Senator Richard Gannon

SUBCOMMITTEE REPORT

Agency: Fort Hays State University Bill No. 166 Bill Sec. 2  
 Analyst: Galligan Analysis Pg. No. 549 Budget Pg. No. 3-29

<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	\$ 16,397,174	\$ 15,701,179	\$ (119,585)
General Fees Fund	3,748,879	3,665,659	(30,000)
General Use Funds	\$ 20,146,053	\$ 19,366,838	\$ (149,585)
Other Funds	7,281,085	6,873,787	—
Subtotal	<u>\$ 27,427,138</u>	<u>\$ 26,240,625</u>	<u>\$ (149,585)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	390,250	476,886	—
Other Funds	1,920,330	457,300	—
Subtotal	<u>\$ 2,310,580</u>	<u>\$ 934,186</u>	<u>\$ —</u>
<b>TOTAL</b>	<u>\$ 29,737,718</u>	<u>\$ 27,174,811</u>	<u>\$ (149,585)</u>
<b>F.T.E. Positions:</b>			
Classified	294.4	293.4	1.0
Unclassified	321.6	320.6	—

Agency Request/Governor's Recommendation

The request for FY 1986 is based on an adjusted FY 1985 general use budget of \$18,309,415. The adjustment to the base includes removal of \$42,534 appropriated for the FY 1985 \$204 per F.T.E. additional compensation for classified employees. The base was also adjusted to more accurately reflect workers' compensation and pension plan contribution rates for both classified and unclassified employees. The operating budget for FY 1985 is 5.9 percent more than the amount expended during FY 1984. The operating budget requested for FY 1986, including systemwide maintenance increases and program improvements as well as individual program improvements, totals \$27,427,138 and would result in a 9.2 percent increase of operating expenditures over the amount authorized for FY 1985. The Governor recommends a total operating budget of \$26,240,625 which represents a 6.2 percent increase over the estimate for the current fiscal year. The recommendation includes further adjustments to the FY 1985 base to reflect FY 1986 unemployment insurance rates. Thus the general use base to which the recommended increases are added is \$40,966 less than the approved FY 1985 general use budget.

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$134,524 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a



5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).

- b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
- c. Deletion of \$4,711 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
- d. Addition of \$13,685 to the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
- e. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
- f. Deletion of \$12,300 recommended to provide an additional 6.5 percent increase for GTA stipends.
- g. Deletion of \$13,120 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
- h. Exclusion of the \$43,395 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.
- i. Deletion of \$70,074 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any


savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.

- j. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
  
2. Addition of \$71,460 and 1.0 F.T.E. position for the equipment and support staff to establish a computer lab in remodeled Martin Allen Hall. The recommendation includes salary funds for one F.T.E. unclassified position for one-half year because the University will not need to fill the position until the remodeling work is completed. The Subcommittee appreciates the University's candor in presenting its computing plans to the Legislature and the President's willingness to discuss the long term plans in regard to computer activities.
  
3. Addition of a proviso on the oil and gas royalties fund that would restrict expenditure of the funds to use of the University farm with no expenditure limitation.
  
4. Reduction of the expenditure limitation on the GFF by \$30,000 based upon the revised revenue estimate made after spring enrollment. This reduction would result in a FY 1986 ending balance of approximately \$18,000 as recommended by the Governor.
  
5. The Subcommittee endorses the siting of the Department of Education's Summer Academy for High Achieving Students at FHSU.
  
6. The Subcommittee visited the campus during the review of the University's budget and was very impressed with its operation and efficiency. It appears that every effort is made to extend resources as far as possible through cordial cooperation between the academic and administrative elements. The appearance and atmosphere of the campus are evidence of the positive results of the efforts.
  
7. The Subcommittee concurs with the recommendations of the Joint Building Construction Committee in particular that for the Sheridan Coliseum renovation project. The Committee recommends that the University have authority to expend \$250,000 of gift funds to complete final planning for the coliseum renovation project during FY 1986. As part of its recommendation, the Committee specifically reserves the prerogative to review the plans and the progress of the fund raising effort prior to committing any additional state funds to the project.

FY 1985 AND FY 1986  
SENATE SUBCOMMITTEE REPORTS

SENATE BILL NO. 166

Section 3 — Kansas State University  
Section 4 — Kansas State University - Veterinary Medical Center

  
\_\_\_\_\_  
Senator Joseph Harder,  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Paul Feleciano

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 166 Bill Sec. 3

Analyst: Galligan Analysis Pg. No. 555 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 74,073,760	\$ 74,073,760	\$ --
General Fees Fund	16,197,798	16,197,798	(50,000)
Land Grant Funds	6,780,977	6,780,977	50,000
Interest	175,000	175,000	--
General Use Funds	\$ 97,227,535	\$ 97,227,535	\$ 0
Other Funds	54,287,132	54,287,132	--
Subtotal	<u>\$151,514,667</u>	<u>\$151,514,667</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 637,200 <sup>a</sup>	\$ 539,500	\$ (19,553) <sup>b</sup>
Educational Building			
Fund	4,603,576	4,524,301	(110,000)
Other Funds	4,160,017	4,160,017	--
Subtotal	<u>\$ 9,400,793</u>	<u>\$ 9,223,818</u>	<u>\$ (129,553)</u>
TOTAL	<u>\$160,915,460</u>	<u>\$160,738,485</u>	<u>\$ (129,553)</u>

**F.T.E. Positions:**

Classified	1,863.2	1,863.2	--
Unclassified	2,193.7	2,193.7	--

a) Includes a supplemental request for \$97,700.

b) Amount of major maintenance funds reappropriated to FY 1986.

Agency Request/Governor's Recommendation

The University requests a supplemental appropriation of \$97,700 from the State General Fund to be used to begin designing an addition to the James R. MacDonald Laboratory during the current fiscal year. The total cost of the addition is estimated to be \$1,094,700. The University requests the balance of the funding as a State General Fund capital improvement appropriation for FY 1986. The addition would house new research equipment that will be purchased with a \$3.2 million grant from the Department of Energy.

The Governor does not recommend funding of the \$97,700 supplemental request for capital improvement expenditures. The recommendation for FY 1986 includes almost the entire amount requested for planning and construction of the new physics facility.

### Senate Subcommittee Recommendation

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

1. Reduction of \$50,000 from the current year expenditure limitation on the General Fees Fund. The adjustment will not result in a reduction of expenditure authority for the University because it is offset by \$50,000 of unanticipated land grant funds received during the current fiscal year. The Subcommittee recommends that the \$50,000 be retained in the GFF to be expended during FY 1986.
2. The Subcommittee concurs with the Joint Building Construction Committee's recommendation that \$110,000 from the EBF appropriated for the plant sciences greenhouses be lapsed. The reduction is made based upon the bid that was recently accepted.

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 166 Bill Sec. 3  
 Analyst: Galligan Analysis Pg. No. 555 Budget Pg. No. 3-37

<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	\$ 82,148,194	\$ 77,853,177	\$ (1,056,527)
General Fees Fund	17,514,485	17,465,007	(478,107)
Land Grant Funds	6,977,564	6,977,564	—
Interest	103,700	103,700	—
General Use Funds	\$106,743,943	\$102,399,448	\$ (1,534,634)
Other Funds	57,060,774	57,060,774	—
Subtotal	<u>\$163,804,717</u>	<u>\$159,460,222</u>	<u>\$ (1,534,634)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 997,000	\$ 1,094,000	\$ (547,350)
Educational Building			
Fund	5,469,000	4,534,246	(52,650)
Other Funds	16,973,787	19,173,787	—
Subtotal	<u>\$ 23,439,787</u>	<u>\$ 24,802,033</u>	<u>\$ (600,000)</u>
<b>TOTAL</b>	<u>\$187,244,504</u>	<u>\$184,262,255</u>	<u>\$ (2,134,634)</u>
<b>F.T.E. Positions:</b>			
Classified	1,873.2	1,862.7	1.0
Unclassified	2,218.4	2,197.9	5.0

Agency Request/Governor's Recommendation

The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 base budget of \$97,387,388. The adjustment to the base includes removal of \$212,258 appropriated for FY 1985 to provide \$204 of additional compensation for classified employees. The base was also adjusted to more accurately reflect workers' compensation and pension plan contribution rates for both classified and unclassified employees. The operating budget requested for FY 1986, including \$6,961,609 for systemwide maintenance increases, \$2,016,379 for systemwide program improvements and \$1,126,500 for individual program improvements, totals \$163,804,717 and would result in an 8.1 percent increase of operating expenditures over the amount authorized for FY 1985. The request includes a total of 34.7 F.T.E. new positions.

The Governor's recommendation for operating expenditures for FY 1986 totals \$159,460,222. The recommendation includes \$1,259,440 for systemwide program improvements, \$5,403,878 for program maintenance increases and \$1,126,500 for individual program improvements. The recommendation includes 8.5 F.T.E. new classified positions to be financed from general use funds and 23.2 F.T.E. additional positions to be financed from restricted use funds. The Governor's recommendation is based upon an FY 1985 adjusted general use budget that is \$290,298 less than the base as adjusted by the University. The bulk of the additional reductions is in unemployment compensation and FICA. The former adjustment was made because the rate that will be in effect during FY 1986 is less than half as much as that included in the budget instructions.

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$876,532 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
  - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$23,893 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
  - d. Deletion of \$11,755 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - e. Deletion of \$4,443 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
  - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
  - g. Deletion of \$134,061 recommended to provide an additional 6.5 percent increase for GTA stipends.

- h. Deletion of \$69,770 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - i. Exclusion of the \$200,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.
  - j. Deletion of \$349,180 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
  - k. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
2. Addition of \$125,000 and 5.0 F.T.E. positions to enable the University to develop a pilot project to determine the effectiveness of additional faculty advising as a dropout reduction measure. The Subcommittee learned that the University conducted a limited one-semester study in the fall of 1983 that indicated that increased faculty advising could make a significant difference in the retention rate. The Subcommittee is of the opinion that the results of that preliminary study demonstrate that the approach is worthy of a longer test period. The amount recommended is not to be included in the University's base budget in order that subsequent requests for continuation or expansion of the program can be reviewed separately by the Legislature. The Subcommittee recommends that the University submit a report of the activities and results of the program to the Ways and Means Committees at the beginning of the 1987 Legislature so that the progress of the program can be assessed at that time. The funds recommended are to be appropriated as a separate line item.
3. Deletion of \$145,000 recommended for academic and administrative computing systems enhancements. The Subcommittee encourages the University to continue its efforts to develop a long-range plan for meeting the computing needs in both the academic and administrative areas and would expect to have an opportunity to review those plans during the 1986 Session.
4. Add \$55,000 and 1.0 F.T.E. classified position to provide maintenance and support for the Konza Prairie research site. The Subcommittee notes that



these additional funds are not to be used for additional research activities, but rather to maintain the site in order that it can continue to adequately support research activities. The Subcommittee notes that the bulk of the research conducted at the site is supported by non-state sources and that the ratio of research funds to support in FY 1984 was approximately 3 to 1. The Subcommittee also notes that the results of the research can be beneficial to Kansans who must be concerned with grassland management.

5. Deletion of \$100,000 of the \$200,000 recommended by the Governor for purchase of instructional equipment. The Subcommittee learned from the President that he and the Chancellor of the University of Kansas had not yet determined whether the plans to develop a high-speed communication link between the two campuses would proceed in the absence of a specific recommendation by the Governor for the project. The reduction made by the Subcommittee is done pending a decision by the Universities on this matter. The Subcommittee is of the opinion that this joint venture may have merit.
6. The Subcommittee concurs with the Joint Building Construction Committee's recommendations for FY 1986. The Committee's recommendations that differ from those of the Governor are as follows:
  - a. delete \$600,000 from the Chemistry-Biochemistry building project and include the amount in the multiyear appropriation for FY 1989; and
  - b. financing of half of the new physics research facility from the EBF rather than the SGF as recommended by the Governor.
7. Reappropriation of any unencumbered balances in the Centers of Excellence account at the end of FY 1985 for expenditure in FY 1986.
8. Reduction of the expenditure limitation on the GFF by \$478,107 in order to more accurately reflect the current estimate of receipts based upon spring enrollment. The Subcommittee learned that the expenditure limitation included in the Governor's recommendation was based upon an estimate of receipts that was overstated by approximately \$570,000. The reduction recommended by the Subcommittee would permit an FY 1986 ending balance of \$100,000.
9. In addition to the recommendations for expenditures, the Subcommittee makes the following observations and recommendations:
  - a. The Subcommittee reviewed the University's request for additional OOE funds to support agricultural extension activities and learned from the Dean of the College of Agriculture that approximately ten positions in the extension service are routinely left unfilled so that funds can be shifted from salaries and wages to OOE. The Subcommittee is concerned that this practice appears to be routine and that it has continued for a number of years. The Subcommittee therefore recommends that before any additional expenditures are approved for the extension service, the budget be adjusted to accurately reflect the

purposes for which expenditures will be made. The Subcommittee also learned that the University has not always received sufficient expenditure authority to provide for fringe benefits at the rates mandated for the federal employees in the extension service. The Subcommittee is of the opinion that if the budget accurately reflected the purposes for which requested funds would be expended, some of the difficulties could be avoided.

- b. The Subcommittee is not convinced that the formula currently used to generate the requests for expenditures for servicing and maintenance of new buildings is an accurate reflection of costs. In particular, the Subcommittee is of the opinion that use of the same formula for all buildings on all campuses is not a good budgeting practice. Therefore, the Subcommittee recommends that the Board of Regents develop new formulas that accommodate differences of use, configuration, volume of traffic, staffing patterns, and other factors that impact the cost of servicing and maintaining buildings on the campuses. The Subcommittee notes the effort that the Board made in this area by developing a more campus-specific means of estimating the cost of utilities for new buildings, and anticipates similar positive results from the development of new formulas for OOE and personnel.
- c. After reviewing this budget and the systemwide recommendations made by the Governor, the Subcommittee is convinced that an examination of the base budgets of the universities is in order. The Subcommittee recommends strongly that the Board of Regents begin such a review on a program by program basis. Given the magnitude of this endeavor, the Subcommittee expects that the reviews would be conducted on a multiyear basis with regular reports with recommendations to the Legislature.
- d. The Subcommittee reviewed the request for additional support for research into respiratory disease in meat animals. The Subcommittee is aware that this research may address a need in Kansas, and would encourage the House Subcommittee to explore the extent of the problem and the degree to which the proposed research would address it.

SUBCOMMITTEE REPORT

Agency: Veterinary Medical Center Bill No. 166 Bill Sec. 4

Analyst: Galligan Analysis Pg. No. 564 Budget Pg. No. 3-41

<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	\$ 6,328,608	\$ 5,929,309	\$ (209,759)
General Fees Fund	1,833,303	1,897,000	51,160
Hospital Revenue Funds	1,110,000	1,110,000	—
General Use Funds	\$ 9,271,911	\$ 8,936,309	\$ (158,599)
Other Funds	309,361	309,361	—
Subtotal	<u>\$ 9,581,272</u>	<u>\$ 9,245,670</u>	<u>\$ (158,599)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	—	121,528	—
Subtotal	<u>\$ —</u>	<u>\$ 121,528</u>	<u>\$ —</u>
<b>TOTAL</b>	<u>\$ 9,581,272</u>	<u>\$ 9,367,198</u>	<u>\$ (158,599)</u>
<b>F.T.E. Positions:</b>			
Classified	123.4	121.4	—
Unclassified	88.4	88.4	—

Agency Request/Governor's Recommendation

The Veterinary Medical Center's (VMC) operating expenditure request for FY 1986 is a 13 percent increase over the estimate of operating expenditures for the current fiscal year. The FY 1985 general use budget was adjusted prior to calculation of the FY 1986 request to remove the \$204 per classified F.T.E. addition compensation (\$25,362) and to include fringe benefits at rates in effect during FY 1986. The adjustments result in a total reduction of \$4,319. The request for FY 1986 includes the systemwide maintenance increases of 7 percent for salaries and other operating expenditures and 15 percent for utilities; a \$3,000 addition to the student wage base and \$450,000 and 6.0 F.T.E. positions for program improvement. In addition to the funding requests for FY 1986, the VMC also requests: (1) a transfer of \$5,000 from the General Fees Fund (GFF) to the Health Professions Student Loan Fund (HPSL) (to match federal loan dollars); (2) addition of restricted fee accounts entitled "Application for Post Baccalaureate Programs" and "Embryo Transfer Unit" to the Restricted Fees Fund (RFF); and (3) addition of 2.0 F.T.E. classified positions to support the Embryo Transfer Unit. The latter new unit will be established as a service unit at the VMC and is to be supported by fees charged for the service.

The Governor's recommendation for operating expenditures for the Veterinary Medical Center (VMC) for FY 1986 totals \$9,245,670 which represent a 9.1 percent increase over estimated expenditures for the current fiscal year. The recommendation is based on the adjusted base included in the request with a further adjustment to reflect the unemployment insurance rate that will be in effect during FY 1986. The recommendation includes a 6 percent increase for unclassified and student salaries and other operating expenditures (OOE) and an 8 percent increase for utilities expenditures. The recommendation also includes \$393,859 and 4.0 F.T.E. positions for the requested program

improvement. The recommendation includes the requested transfer to the student loan fund, but does not include the requested 2.0 F.T.E. positions for the Embryo Transfer Unit.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$53,771 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
  - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$6,570 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
  - d. Deletion of \$456 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - e. Deletion of \$8,405 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - f. Deletion of \$89,398 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.

- g. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
  
- 2. Shift financing of \$51,160 from the SGF to the GFF during FY 1986. This recommendation is based upon the revenue estimate provided after spring, 1985 enrollment and will allow an ending balance of \$35,000.
  
- 3. Addition of two new accounts to the restricted fees fund: (1) application for post baccalaureate programs; and (2) embryo transfer unit. Two F.T.E. classified positions, to be paid from the restricted fee fund, are added for the embryo unit.

SUBCOMMITTEE REPORT

Agency: Emporia State University Bill No. 166 Bill Sec. 5

Analyst: Galligan Analysis Pg. No. 569 Budget Pg. No. 3-25

<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	\$ 17,011,499	\$ 16,359,570	\$ (399,689)
General Fees Fund	3,792,928	3,797,786	—
Interest	35,000	35,000	—
General Use Funds	\$ 20,839,427	\$ 20,192,356	\$ (399,689)
Other Funds	6,165,849	6,165,849	—
Subtotal	<u>\$ 27,005,276</u>	<u>\$ 26,358,205</u>	<u>\$ (399,689)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	250,000	250,000	—
Other Funds	214,305	214,305	—
Subtotal	<u>\$ 464,305</u>	<u>\$ 464,305</u>	<u>\$ —</u>
<b>TOTAL</b>	<u>\$ 27,469,581</u>	<u>\$ 26,822,510</u>	<u>\$ (399,689)</u>
<b>F.T.E. Positions:</b>			
Classified	276.85	276.1	2.35
Unclassified	339.60	338.1	1.0

Agency Request/Governor's Recommendations

The University's estimate of expenditures for the current year is equal to the amount approved by the 1984 Legislature. The Governor does not recommend any adjustments to the expenditures for the current fiscal year. The level of operating expenditure for FY 1985 is 6.8 percent more than the amount actually expended during FY 1984. State General Fund expenditures are 8.4 percent over those of FY 1984 and general use fund expenditures are 8.1 percent more than the previous year. The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 budget of \$19,586,296. The adjustment to the base includes removal of \$45,927 appropriated for the FY 1985 \$204 per F.T.E. additional compensation for classified employees. The operating budget requested for FY 1986, including systemwide maintenance increases and program improvements as well as individual program improvements, totals \$27,005,276 and represents a 4.9 percent increase over the amount authorized for FY 1985. The request for FY 1986 includes a total of \$1,529,436 for program maintenance increases for salaries, OOE and utilities; \$467,260 for systemwide program improvements, including funds for library acquisitions, academic computing, GTA stipends, additional faculty retirement contributions, student wage increases, and instructional equipment; and \$367,258 for individual program improvements for the school of education. The amount requested for FY 1986 also includes a reduction of \$1,119,823 due to the enrollment decline between FY 1982 and FY 1984. The enrollment adjustment includes elimination of 4.0 F.T.E. classified positions and 24.0 F.T.E. unclassified positions. The program improvements would result in addition of 2.5 F.T.E.

classified positions and 6.5 F.T.E. unclassified positions. The University's request also includes a shift of expenditure (\$14,901) of general use funds from salaries and wages to OOE and elimination of a 1.0 F.T.E. classified position to more accurately reflect expenditures.

The Governor recommends expenditure of \$20,192,356 of general use funds during FY 1986. The Governor's recommendation is built upon a general use base that is \$39,396 less than that contained in the University's request, due to the reduction of the unemployment insurance rate for FY 1986. The operating budget recommended for FY 1986 totals \$26,358,205 which is 2.4 percent more than the estimate of expenditures for the current fiscal year. The recommendation includes \$1,050,807 for program maintenance increases, \$245,503 for systemwide program improvements, and \$168,969 for individual program improvements. The program improvements recommended by the Governor include addition of 6.5 F.T.E. positions. The Governor also recommends \$300,000 to establish the Kansas Regents' Center for Excellence in Educational Service on the Emporia State University campus. The Governor concurs with the enrollment adjustment included in the University's request, including deletion of 28.0 F.T.E. positions. The base budget shift from salaries and wages to OOE is included in the Governor's recommendation.

#### Senate Subcommittee Recommendations

As part of its review of the University's budget, the Subcommittee visited the campus and held a public hearing during which members of the community, students, faculty and staff presented their views on a variety of topics, particularly regarding the enrollment declines and budget reductions experienced by the University. Based upon the testimony presented, conversations with the President and administrative staff, a review of the University's budget and consideration of other facts, the Subcommittee makes the following findings, conclusions and recommendations:

#### Findings

1. Full-time equivalent enrollment has declined by 34 percent from 1969 to 1984 from a high of 6,700 to 4,450 in 1984.
2. While there are a number of reasons for declines in enrollment, those expressed to the Subcommittee and appropriate to mention include the following:
  - a. loss of a regional base as a result, in part, of growth and increased competition from community colleges and Washburn University;
  - b. attractiveness of the University of Kansas, Kansas State University and Wichita State University to students pursuing a course of study that includes graduate and professional programs;
  - c. growth in programs that are not directly related to improvement of undergraduate teacher training and a resultant decrease in emphasis on teacher education as the primary mission of the University;

- d. demographic trends, resulting in a lower number of graduating high school seniors; and
  - e. decline in enrollment in teacher education programs, that results in part from the economic realities that affect the attractiveness of primary and secondary teaching as a profession.
3. As a result of declining enrollments, the University has, since FY 1982, experienced base budget reductions totaling \$1,312,186.
  4. The University has made decisions regarding allocation of the FY 1986 budget reductions that affect course offerings in the College of Liberal Arts and Sciences and, with the exception of a shift of funding to the local school district of the laboratory school, no reductions have been identified for the College of Education. The University does not plan to make reductions in a number of graduate programs (other than the five identified for elimination during the fall of 1984) and other academic areas that are not directly related to undergraduate teacher education as part of the enrollment adjustment, despite further anticipated budget reductions in FY 1987.
  5. As a result of funding reductions related to enrollment declines, faculty at the University have additional teaching responsibilities that result in overload assignments in order to retain course offerings in some areas. It was particularly noted that overload assignments occur in the disciplines where graduate programs exist because the faculty who teach undergraduate courses have increased their workloads in order to maintain graduate programs.
  6. Testimony presented at the hearing focused on the incorrect perception that the loss of graduate programs resulted in a reduction of quality in undergraduate programs. University personnel noted that the elimination of graduate programs may indeed have a positive impact on the quality of undergraduate course offerings because teaching overload assignments can be reduced or eliminated.
  7. The president of the University, Robert E. Glennen, began his tenure early in the current fiscal year and without full knowledge of the significant base budget reduction for FY 1986 that would result from the decline in enrollment. As a result, President Glennen has had insufficient time to address the issue and formulate a specific plan for internal reorganization.
  8. There is a consensus at the University that internal reorganization is necessary in order to re-emphasize the mission of providing high quality undergraduate training for primary and secondary teachers and administrators. There is, however, a conflict within the University in regard to the organizational structure most appropriate to conduct the mission.
  9. The reductions in funding and course offerings in the College of Liberal Arts and Sciences has resulted in a decrease in the ability of the institution to provide the comprehensive arts and sciences background essential for



quality undergraduate teacher education. In addition, the funding reductions in the College of Liberal Arts and Sciences have resulted in the elimination of course offerings in particular areas of specialty important in the undergraduate teacher training mission.

### Conclusions

1. The decline in enrollment and application of the formula funding policy has a cyclical effect with respect to enrollment declines.
2. The loss of funding has resulted in inappropriate faculty overload particularly in those subject areas where graduate programs are maintained.
3. The support of primary and secondary education in Kansas and efficient use of public resources require the identification of an institution of higher education as the preeminent provider of undergraduate teacher training. The mission of undergraduate teacher training is not necessarily related to the maintenance of graduate programs in the arts and sciences, nor the maintenance of certain other programs now in existence at the University.
4. The strong tradition of the University in undergraduate teacher training combined with the state's need (identified above) suggests that the University must establish a firm and aggressive policy that returns it to the primary mission of providing undergraduate teacher education. Such a redefinition can only be accomplished by a combination of: (1) internal decisions that result in elimination of programs determined by the institution and the Board of Regents not to be directly related to undergraduate teacher training; and (2) positive support from the Board of Regents and the Legislature in the form of a long term commitment to assist with the University's internal realignment to emphasize the important and unique mission of undergraduate teacher training. Such positive support from the Legislature should come in the form of funding for program improvements designed to strengthen undergraduate training in liberal arts and sciences in connection with establishing undergraduate teacher training as the institution's primary function.
5. The current administration of the University that includes a new vice-president for Academic Affairs and all very recently-appointed academic deans has not had sufficient time to address the problem and to revise the mission of the University to determine the appropriate internal reallocation of resources. As a result, the Legislature is not able to respond in FY 1986 with special and unique program improvements as outlined.

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

1. The University commence, immediately after consultation with the Board of Regents, a comprehensive internal review in order to make recommendations regarding internal reallocation of resources, to eliminate programs not directly related to the mission of undergraduate teacher training, and to reduce the inappropriate faculty overloads that exist in the College of Liberal Arts and Sciences.
2. The Subcommittee has not identified specific programs or offerings in the University to be eliminated. While the Subcommittee considered making such recommendations, it decided not to pursue that avenue because program decisions are the responsibility of the University and the Board of Regents. The Subcommittee believes that there are offerings and programs that can be eliminated, but leaves those decisions to the Board of Regents.
3. The Legislature adopt a policy of enhanced funding for the University in recognition of its special mission of undergraduate teacher training following approval by the Board of Regents of the University's plan for internal reorganization.
4. The Legislative Coordinating Council authorize the Special Committee on Ways and Means during the 1985 interim, to review with ESU and the Board of Regents the University's progress in modifying curricular offerings and administrative reorganization, with the goal of providing positive legislative support in the form of increased funding as a result of the reorganization. Further, that the Legislative Coordinating Council authorize a review of state funding of all publically funded postsecondary education institutions in the state including Washburn University and the community colleges. The study should focus on determining whether existing state funding policy, including the tuition grant and scholarship programs, has the detrimental impact on the Regents' institutions that was claimed by participants at the public hearing.
5. The 1985 Legislature approve the FY 1986 program improvements recommended by the Governor for the College of Education.
6. The Legislature approve the siting of the Regents' Center of Excellence in Education Service at the University with funding for the Center to be approved in FY 1987. The Subcommittee recommends that the Legislature consider carefully whether full funding of the service component is necessary before the research component is funded.
7. The Legislature identify Emporia State University as the premier Regents' University in the state devoted to quality undergraduate training of primary and secondary educators and that the Legislature commend the institution for its contributions to that field.
8. Addition of \$200,000 to be used by ESU to improve its undergraduate teacher training program. Expenditure of the funds during FY 1986 would be subject to Finance Council approval after the Council reviews the Board's plan for the use of the funds. The plan presented to the Finance Council must, at a minimum, include delineation of the course of action

that the University intends to pursue in regard to all of the recommendations made in this report.

9. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$183,760 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed in accordance with Committee policy, pending passage of the legislation.
  - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees, and adjustment of fringe benefits to reflect FY 1986 rates. (\$8,480 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
  - d. Deletion of \$3,507 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - e. Deletion of \$1,240 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University included for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
  - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities, and counties as well as private employers.
  - g. Deletion of \$15,024 recommended to provide an additional 6.5 percent increase for GTA stipends.
  - h. Deletion of \$10,912 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - i. Exclusion of the \$50,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a

separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.

- j. Deletion of \$71,746 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
  - k. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
10. The Subcommittee reviewed the University's revised general fee receipts estimates for FY 1986 and noted that those estimates are based upon a fall, 1985 head count enrollment decline of 148. Based upon the Governor's recommended general fee expenditure of \$3,797,786, the University would have a balance of \$49,990 to carry forward to FY 1987. That is \$25,034 more than the amount recommended by the Governor and in the opinion of the Subcommittee, is more in line with the University's needs.
  11. The Subcommittee concurs with the Joint Building Construction Committee's recommendation for expenditure of \$250,000 from the EBF during FY 1986 to make life safety improvements to Plumb Hall. The Subcommittee also concurs with the Building Committee's recommendation to permit expenditure of \$214,305 of special revenue funds for improvements to parking lots and the student union.
  12. Deletion of \$5,000 recommended to provide staff reclassification.
  13. Deletion of the Housing and Dining Fund from the list of special revenue funds. Addition of the Student Union Refurbishing Fund and the Basic Opportunity Grant Program-Federal Fund to the list of special revenue funds that are appropriated without limit.
  14. Addition of 2.35 F.T.E. unclassified positions and 1.0 classified positions due to the change of the University's plans for allocation of the enrollment adjustment. As originally proposed, the University would have eliminated 24 F.T.E. unclassified positions and 4.0 F.T.E. classified positions. The University's revised allocation of the adjustment will eliminate 21.65 F.T.E. unclassified positions and 3.0 F.T.E. classified positions. The Subcommittee reviewed the allocation of the enrollment adjustment and is of the opinion that the University should be granted the flexibility to make the adjustments in a manner that supports its efforts to improve undergraduate teacher training.

SUBCOMMITTEE REPORT

Agency: Pittsburg State University Bill No. 166 Bill Sec. 6

Analyst: Galligan Analysis Pg. No. 576 Budget Pg. No. 3-59

<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	\$ 17,746,171	\$ 16,975,473	\$ (562,735)
General Fees Fund	3,711,764	3,721,155	197,548
General Use Funds	\$ 21,457,935	\$ 20,696,628	\$ (365,187)
Other Funds	4,083,109	4,083,109	--
Subtotal	<u>\$ 25,541,044</u>	<u>\$ 24,779,737</u>	<u>\$ (365,187)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	538,000	12,974	531,500
Other Funds	--	--	--
Subtotal	<u>\$ 538,000</u>	<u>\$ 12,974</u>	<u>\$ 531,500</u>
<b>TOTAL</b>	<u><u>\$ 26,079,044</u></u>	<u><u>\$ 24,792,711</u></u>	<u><u>\$ 166,313</u></u>
<b>F.T.E. Positions:</b>			
Classified	268.4	266.7	.7
Unclassified	325.4	324.4	(2.0)

Agency Request/Governor's Recommendation

The requested general use budget of \$20,696,628 for FY 1986 is computed on an adjusted FY 1985 base budget of \$19,565,855. The adjustment to the base includes removal of the \$204 per classified F.T.E. position additional compensation appropriated a year ago. The base adjustment also includes \$44,480 to pay accumulated sick leave to retirants; \$64,374 to provide an additional 1 percent employer contribution to TIAA; and adjustments to other fringe benefits to reflect FY 1986 rates. The operating budget for FY 1985 (not including capital improvements) is 6.6 percent more than the amount expended for operations during FY 1984. The request for FY 1986, which includes \$1,414,862 for program maintenance increases, \$281,000 for systemwide program improvements, and \$196,218 for individual program improvements, totals \$25,541,044 and would result in a 10 percent increase over the amount authorized for FY 1985.

The Governor recommends an operating budget of \$24,779,737 for FY 1986. The recommended level of expenditures is 6.7 percent more than the level approved for the current fiscal year and includes \$944,823 for program maintenance, \$115,071 for systemwide program improvements and \$130,983 for an individual program improvement. The general use budget recommended for FY 1986 totals \$20,696,628.

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$148,810 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
  - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$3,337 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
  - d. Deletion of \$3,834 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - e. Deletion of \$1,168 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
  - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
  - g. Deletion of \$10,071 recommended to provide an additional 6.5 percent increase for GTA stipends.
  - h. Deletion of \$12,552 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - i. Exclusion of the \$30,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a

separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.

- j. Inclusion of the \$25,000 recommended by the Governor for additional funds for academic computing in a separate line item with a proviso that would prohibit the use of the funds for payment of long term lease purchase agreements. (See also item 8(a) below.)
- k. Deletion of \$79,432 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
- l. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation, including the changes noted above.
2. Increase the expenditure limitation on the GFF for FY 1986 by \$197,548 based upon the revised receipts estimate after spring enrollment. The shift of financing does not increase the expenditure level because the State General Fund is reduced by an equal amount. The Subcommittee also recommends that the University be given authority to match new NDSL funds received during FY 1986 with a transfer from the General Fees Fund as requested.
3. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for \$531,000 from the Educational Building Fund to remodel three buildings for the technology programs and to begin planning for remodeling of Porter Hall for use by the art department.
4. Deletion of \$130,983 and 3.0 F.T.E. positions recommended to establish academic service centers on the campuses of two community colleges in southeast Kansas. The Subcommittee is of the opinion that this project does not have any positive impact on the quality of the University's existing programs. The Subcommittee suggests that the Board review the request in light of maintaining the quality of the existing programs.
5. Addition of \$25,000 and 1.7 F.T.E. classified positions for a maintenance technician and data entry operator requested by the University.

6. The Subcommittee notes that there are six community colleges within 70 miles of Pittsburg State University and suggests that the Legislature review the provision of state financial assistance to so many postsecondary educational institutions in such close proximity. There appears to be some duplication of effort in the expenditure of state funds for these institutions and the geographic concentration seems to have a negative impact on Pittsburg State University and the overall quality of education.
7. The Subcommittee is concerned about the presence of a cosmetology program at the University and the use of University resources to support a program that might better be located at a community college or vocational-technical school.
8. The Subcommittee notes the improvement in the relations between the faculty and the administration and commends all of the staff for the improved atmosphere and efforts to develop better working relationships.



FY 1985 AND FY 1986  
SENATE SUBCOMMITTEE REPORTS

SENATE BILL NO. 166

Section 7 — University of Kansas

  
\_\_\_\_\_  
Senator Ross Doyen,  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Mike Johnston

SUBCOMMITTEE REPORT

Agency: Kansas University Bill No. 166 Bill Sec. 7  
 Analyst: Galligan Analysis Pg. No. 583 Budget Pg. No. 3-85

<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	\$ 88,437,846	\$ 83,646,663	\$ (2,099,836)
General Fees Fund	27,257,984	27,981,888	--
Interest	35,000	35,000	--
General Use Funds	<u>\$115,730,830</u>	<u>\$111,663,551</u>	<u>\$ (2,099,836)</u>
Other Funds	61,347,300	61,272,625	--
Subtotal	<u>\$177,078,130</u>	<u>\$172,936,176</u>	<u>\$ (2,099,836)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	1,418,625	1,838,198	131,000
Other Funds	335,000	335,000	--
Subtotal	<u>\$ 1,753,625</u>	<u>\$ 2,173,198</u>	<u>\$ 131,000</u>
<b>TOTAL</b>	<u>\$178,831,755</u>	<u>\$175,109,374</u>	<u>\$ (1,968,836)</u>
<b>F.T.E. Positions:</b>			
Classified	1,958.6	1,955.5	4.0
Unclassified	2,250.7	2,250.7	6.0

Agency Request/Governor's Recommendation

The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 base budget of \$103,274,766. The adjustment to the base includes removal of \$241,532 appropriated for FY 1985 to provide \$204 per F.T.E. additional compensation for classified employees. The base was also adjusted to remove amounts reappropriated from previous fiscal years that are budgeted for expenditure during the current fiscal year. The operating budget request for FY 1986, including \$8,693,889 for systemwide maintenance increases, \$2,436,156 for systemwide program improvements and \$1,326,019 for individual program improvements totals \$177,078,130 and would result in a 9.5 percent increase of operating expenditures over the amount authorized for FY 1985.

The Governor's recommendation for FY 1986 totals \$172,936,176 which represents a 7.0 percent increase over the Governor's recommendation for the current fiscal year. The Governor concurs with the base adjustments that include removal of the FY 1985 additional classified compensation and reappropriations. The recommendation includes \$5,881,381 for systemwide maintenance increases, \$1,726,684 for systemwide program improvements and \$780,720 for individual program improvements. The latter amount includes funding recommended for the new education research center discussed in item 5 below.

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$1,131,519 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
  - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$16,590 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
  - d. Deletion of \$10,454 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - e. Addition of \$19,308 to the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
  - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
  - g. Deletion of \$248,528 recommended to provide an additional 6.5 percent increase for GTA stipends.
  - h. Deletion of \$84,097 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - i. Exclusion of the \$250,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a

separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.

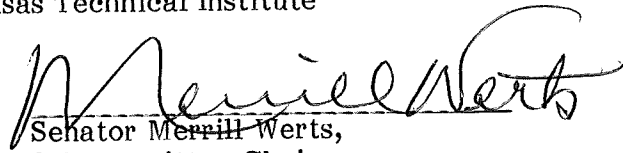
- j. Deletion of \$503,721 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
  - k. Lapse \$500,000 of State General Fund appropriation for FY 1985. This action does not alter the current year expenditure level recommended by the Governor, but is consistent with Committee policy in regard to shifting current year expenditures.
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- 2. Delete \$100,000 recommended for academic computing.
  - 3. Delete \$678,000 and 3.0 F.T.E. positions recommended for the Regents' Center of Excellence in Education Research. The Subcommittee notes that program would not be of direct benefit to the University and is of the opinion that if the Center is funded it should be part of the Regents' office.
  - 4. Addition of \$266,090 and 4.0 F.T.E. unclassified positions requested by the University to establish a Bachelor of Science in Computer Engineering program.
  - 5. Addition of \$110,000 and 4.0 F.T.E. classified positions requested by the University for a preventive maintenance program for the automated operational systems that have been installed in many of the campus buildings.
  - 6. Addition of \$200,000 requested by the University to establish an equipment matching fund pool.
  - 7. Addition of \$77,675 as a separate line item appropriation for the university affiliated research program at Parsons State Hospital.
  - 8. Addition of a proviso on the Centers of Excellence line item that would permit reappropriation of unexpended funds at the end of FY 1985.
  - 9. The Subcommittee reviewed the University's request for funds to establish a microwave communication link with Kansas State University and encourages the two institutions to pursue that and to explore other advanced communications methods that might be mutually beneficial.

10. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction that include reduction of FY 1986 expenditures for the Science Library by \$200,000; increase expenditures for the Snow Hall renovation project by \$240,000 and approve expenditure of \$91,000 for the major utilities analysis. All of the projects are recommended for funding from the Educational Building Fund.

FY 1985 AND FY 1986  
SENATE SUBCOMMITTEE REPORTS

SENATE BILL NO. 166

Section 8 — Wichita State University  
Section 10 — Kansas Technical Institute

  
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Senator Merrill Werts,  
Subcommittee Chairman

  
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Senator David Kerr

SUBCOMMITTEE REPORT

Agency: Wichita State University Bill No. 166 Bill Sec. 8  
 Analyst: Galligan Analysis Pg. No. 591 Budget Pg. No. 3-102

<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	\$ 39,433,108	\$ 37,317,199	\$ (773,154)
General Fees Fund	10,991,636	11,459,998	—
General Use Funds	<u>\$ 50,424,744</u>	<u>\$ 48,777,197</u>	<u>\$ (773,154)</u>
Other Funds	16,603,694	16,239,294	—
Subtotal	<u>\$ 67,028,438</u>	<u>\$ 65,016,491</u>	<u>\$ (773,154)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 3,774	\$ —	\$ —
Educational Building			
Fund	4,924,612	3,221,700	—
Other Funds	782	364,400	—
Subtotal	<u>\$ 4,929,168</u>	<u>\$ 3,586,100</u>	<u>\$ —</u>
<b>TOTAL</b>	<u>\$ 71,957,606</u>	<u>\$ 68,602,591</u>	<u>\$ (773,154)</u>
<b>F.T.E. Positions:</b>			
Classified	616.4	614.9	(3.6)
Unclassified	922.3	909.5	2.0

Agency Request/Governor's Recommendation

The operating budget requested for FY 1986 includes \$3,599,606 for program maintenance increases, \$988,075 for systemwide program improvements, and \$380,115 for individual program improvements. The request for general use funds is composed of \$39,887,063 for salaries and wages, \$7,681,223 for other operating expenditure (OOE) and \$2,856,458 for utilities. The requested amount of general use funds is a 10.8 percent increase over the FY 1985 general use base budget. The request is developed from an FY 1985 general use base budget that has been adjusted to remove the \$204 per classified F.T.E. additional compensation appropriated a year ago and to include fringe benefits at the FY 1986 rates. The request includes 16.9 F.T.E. new positions.

The Governor's recommendation of operating expenditures for FY 1986 totals \$65,016,491 and includes \$2,526,066 for program maintenance, \$739,848 for systemwide program improvements and \$178,747 for individual program improvements. The recommendation for general use funds expenditures is composed of \$38,676,746 for salaries and wages, \$7,416,146 for OOE and \$2,684,305 for utilities. The recommended general use funds expenditures are a 7.2 percent increase over the FY 1985 general use base budget. A total of 2.6 F.T.E. new positions are included in the recommendation.

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$369,452 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
  - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$7,542 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
  - d. Deletion of \$7,659 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - e. Deletion of \$2,920 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
  - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
  - g. Deletion of \$51,016 recommended to provide an additional 6.5 percent increase for GTA stipends.



- h. Deletion of \$31,167 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - i. Exclusion of the \$200,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.
  - j. Inclusion of the \$151,000 recommended by the Governor for additional funds for academic computing in a separate line item with a proviso that would prohibit the use of the funds for payment of long term lease purchase agreements. (See also item 8(a) below.)
  - k. Deletion of \$196,746 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
  - l. Deletion of \$58,764 and 1.6 FTE positions recommended for maintenance and operation of the recital hall on the WSU campus. The Committee learned that the University had withdrawn the request after the Governor made his recommendation.
  - m. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation, including the changes noted above.
- 2. Deletion of \$23,808 recommended for additional GTA positions. The Subcommittee concurs with the recommendation of the Governor to provide 2.0 FTE positions for GTAs.
  - 3. The Subcommittee concurs with the Joint Building Construction Committee's recommendation of appropriation of \$321,700 from the EBF for the College of Business remodeling project during FY 1986. The Subcommittee also concurs with the Building Committee's recommendation of multi-year appropriation from the EBF for the Ablah Library project as follows:

FY 1986	\$2,900,000
FY 1987	4,600,000
FY 1988	2,174,500
FY 1989	2,500,000
FY 1990	574,500

(The Ablah Library project appropriation is contained in H.B. 2087, the "emergency supplemental" bill.)

4. Reappropriation of any unexpended balance in the Centers of Excellence account at the end of FY 1985.
5. Deletion of the physical education and student services complex and associated play fields private grant fund and addition of the Pell grants and pledged residence halls suspense fund to the list of special revenue funds.
6. Shift of two positions from the classified to the unclassified service. The University requested this change in order to have a greater degree of flexibility in staffing of the physical plant program.
7. In addition to the expenditure adjustments noted above, the Subcommittee makes the following observations and recommendations:
  - a. The Subcommittee reviewed the University's request for additional academic computing funding for FY 1986 in accordance with the Committee's systemwide decision. During the review, the Subcommittee learned that the University committed, during the current fiscal year, to a six-year plan to upgrade its computing capabilities. That plan includes two multi-year lease-purchase agreements for mainframe computers. The total cost of the upgrade is estimated to be \$3.8 million with payments extending from FY 1985 through FY 1991. The plan to purchase a new mainframe was not presented in the University's budget for FY 1985, nor was the 1984 Legislature apprised of the University's plans. The Subcommittee is of the opinion that this action is an example of how the state government has allowed itself to move away from a cash basis discipline so that as budgets are reviewed each year, the Legislature looks only at single year commitments, not at the total cost of a project. The Subcommittee also is concerned that some long-term commitments are being made without Legislative review of either the single year or multi-year costs. The Subcommittee questions the appropriateness of this and other similar transactions that are made with increasing frequency throughout state government. The Subcommittee recommends that the Ways and Means Committee require that funding requests that involve multi-year commitments should be brought before the Legislature each year in much the same manner as capital improvements. The Subcommittee feels strongly that long-term purchase commitments must be included in agency budget requests. The Subcommittee specifically concurs with the Governor's recommendation

for FY 1986. However, the Subcommittee notes that the funding made available for FY 1986 cannot be viewed as a commitment to expenditures during future years, any specific strategy the University has adopted in regard to its computer needs, or to a further upgrade of the system.

- b. The Subcommittee is of the opinion that the cooperative education program and the off-campus work-study program are designed to serve two different purposes, and therefore recommends that the University maintain a strict delineation between the two programs.
- c. The existing enrollment adjustment formula may not adequately allow for the needs of the Universities that are generated by the number of people (headcount) who are enrolled. The Subcommittee urges the Board of Regents to reexamine the formula and make a report of its findings and recommendations to the Legislature.

SUBCOMMITTEE REPORT

Agency: Wichita State University Bill No. 161 Bill Sec. New  
 Analyst: Galligan Analysis Pg. No. 591 Budget Pg. No. 3-102

<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	\$ 34,815,534	\$ 34,815,534	\$ (377,087)
General Fees Fund	10,693,966	10,693,966	377,087
General Use Funds	\$ 45,509,500	\$ 45,509,500	\$ --
Other Funds	16,092,786	15,766,186	--
Subtotal	<u>\$ 61,602,286</u>	<u>\$ 61,275,686</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 402,000	\$ 405,774	\$ --
Educational Building Fund	895,000	947,912	(900,000)
Other Funds	--	327,382	--
Subtotal	<u>\$ 1,297,000</u>	<u>\$ 681,068</u>	<u>\$ (900,000)</u>
<b>TOTAL</b>	<u>\$ 62,899,286</u>	<u>\$ 62,956,754</u>	<u>\$ (900,000)</u>
<b>F.T.E. Positions:</b>			
Classified	613.3	613.3	--
Unclassified	908.5	908.5	--

Agency Request/Governor's Recommendation

The FY 1985 estimate of general use operating expenditures is equal to the amount approved a year ago by the Legislature and is composed of \$34,815,534 of State General Funds and \$10,693,966 of General Fees Funds (GFF). The current year base budget as submitted contains a \$20,291 shift of funds from OOE to salaries and wages. The revised estimate of GFF receipts after fall, 1984 enrollment shows \$198,249 of additional revenue available during the current fiscal year.

The Governor's recommendation of operating expenditures for the current fiscal year totals \$61,275,686, which amount is less than the University's estimate by \$326,600 that is included as a capital improvement expenditure rather than an operating expenditure. In addition to that adjustment of the amount reported as capital improvements expenditures, the recommendation includes as current year expenditures a total of \$52,912 that had been included by the University as reappropriated to FY 1986. The Governor's recommendation for expenditures from the General Fees Fund is equal to the amount approved a year ago. The additional revenue reported by the University after fall enrollment has been included in the recommendation as a balance forward to FY 1986.

Senate Subcommittee Recommendation


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

1. Lapse \$377,087 of the State General Fund appropriation for the current year with an offsetting increase of the expenditure limitation on the General Fees Fund. This shift of financing of the budget for the current fiscal year is based upon the University's revised estimate of general fee income during the current fiscal year. The shift will leave the University with a balance of \$200,000 (approximately 2 percent of estimated receipts) in the General Fees Fund at the beginning of FY 1986.
2. Lapse \$900,000 of Educational Building Funds appropriated for the Ablah Library project in accordance with the recommendation of the Joint Committee on State Building Construction. The Committee recommendation included a shift of the \$900,000 from FY 1985 to fiscal years 1988 and 1989. (This recommendation is included in H.B. 2087, the "emergency supplemental" bill.)

FY 1985 AND FY 1986  
SENATE SUBCOMMITTEE REPORTS

SENATE BILL NO. 166

Section 9 — University of Kansas Medical Center  
Section 11 -- State Board of Regents

  
\_\_\_\_\_  
Senator Gus Bogina,  
Subcommittee Chairman

  
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Senator Robert Talkington

  
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Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 166 Bill Sec. 9  
 Analyst: Goering Analysis Pg. No. 598 Budget Pg. No. 3-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 86<sup>a</sup></u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 68,378,685	\$ 59,636,272	\$ (830,586)
General Fees Fund	5,222,129	5,335,000	—
Hospital Revenue Fund	65,468,900	67,689,787	(490,000)
General Use Funds	<u>\$139,069,714<sup>b</sup></u>	<u>\$132,661,059<sup>b</sup></u>	<u>\$ (1,320,586)</u>
Hospital Fund	\$ 800,000 <sup>b</sup>	\$ 800,000 <sup>b</sup>	\$ 490,000
Other Funds	32,832,775	32,832,775	—
Restricted Use Funds	<u>\$ 33,632,775</u>	<u>\$ 33,632,775</u>	<u>\$ 490,000</u>
Subtotal - Operating	<u>\$172,702,489</u>	<u>\$166,293,834</u>	<u>\$ (830,586)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	2,080,000 <sup>b</sup>	1,302,390	(100,000)
Hospital Fund	2,000,000	1,160,000	(150,000)
Other Funds	<u>2,561,057</u>	<u>2,561,057</u>	<u>—</u>
Subtotal - Capital Improvements	<u>\$ 6,641,057</u>	<u>\$ 5,023,447</u>	<u>(250,000)</u>
<b>TOTAL</b>	<u><u>\$179,343,546</u></u>	<u><u>\$171,317,281</u></u>	<u><u>\$ (1,080,586)</u></u>
<b>F.T.E. Positions:</b>			
Classified	3,113.6	3,105.6	1.0
Unclassified	1,363.8	1,355.8	2.0
<b>TOTAL</b>	<u><u>4,477.4</u></u>	<u><u>4,461.4</u></u>	<u><u>3.0</u></u>

a) Reflects revised request submitted November 30, 1984.

b) Previously appropriated.

Agency Request/Governor's Recommendation

The institution's revised operating budget request, submitted on November 30, 1984, totals \$172,702,489, of which \$139,069,714 would be financed from general use funds. The request includes a total of 37.0 F.T.E. new positions. Requested program maintenance increases include 7.0 percent for unclassified salaries, 7.0 percent for classified salaries, 7.0 percent for student salaries, a 1.0 percent increase in the employer contribution to TIAA, a 7.0 percent increase for other operating expenditures, and a 15 percent increase for utilities. Systemwide program improvements, which the Board of Regents authorized the University to request, include \$50,000 for library acquisitions, \$50,000 for academic computing enhancements, and \$12,000 for student salaries.

Requested funding for salaries and other operating expenditures associated with proposed new and improved programs include the following: \$371,023, excluding fringe benefits, for stipend increases for Bell Memorial Hospital residents; \$335,698 to reclassify

and "unclassify" certain positions currently supported from the classified salary base; \$95,000, excluding fringe benefits, for salary enhancements for faculty of the School of Allied Health; \$103,000 to initiate a new medical school curriculum dealing with ethical, legal, humanistic, and socioeconomic aspects of medical practice; \$26,000 to initiate a program of tuition waivers for disadvantaged students; \$259,783 to initiate an interdisciplinary Center on Aging and \$374,913 for a Center on Environmental Health; \$126,156 for new programs at the School of Medicine — Wichita; \$74,029 to replace federal grant support for the graduate nursing outreach program; \$26,000 to initiate outreach education in medical records administration; \$177,452 for operating costs associated with kidney stone lithotripter equipment, for which funds were approved by the 1984 Legislature; \$659,920 for additional operating costs associated with adding a nuclear magnetic resonance (NMR) imaging system for the hospital; \$98,144 to increase staffing for the Poison Information Center; \$156,173 for the second phase expansion of the neonatal intensive care unit; \$49,736 to add a certified prosthetist for the hospital; \$204,054 to establish a Center for the Study of Sleep Disorders; and \$206,173 to expand the adult hematology laminar air flow area.

Also reflected in the budget is a decrease in expenditures associated with the Medical Scholarship Program in accordance with 1983 S.B. 282, which reduces the number of new scholarships effective FY 1986 to 50 per entering class. The FY 1986 total budget request for the program is \$2,956,100, a reduction of \$578,504 from the revised FY 1985 estimate. Of the total, \$525,000 would be financed from the Medical Scholarship Repayment Fund.

New capital improvements requested for FY 1986 include \$75,000 for parking lot improvements, to be financed from the Parking Fee Fund, and \$2,000,000 for renovation of the inpatient pediatrics unit in Robinson Hall, to be financed from the Hospital Fund.

The Governor recommends a total of \$166,293,834 to finance FY 1986 operating expenditures of the institution, of which \$132,661,059 would be financed from general use funds. The Governor recommends a total of 21.0 F.T.E. new positions. Program maintenance increases recommended by the Governor include 6.0 percent for unclassified salaries, 6.0 percent for student salaries, an increase of 1.0 percent in the employer contribution to TIAA, a 6.0 percent increase for other operating expenditures, and an 8.0 percent increase for utilities. The Governor recommends a 6.0 percent increase in salaried resident stipends and a 5.5 percent increase in contractual support for 74 Wichita residents. The Governor's recommendation deletes funding from the institution's budget for classified salary increases and does not include the requested systemwide program improvements for library acquisitions, academic computing, and student salaries.

The Governor recommends the following amounts for new and improved programs unique to the Medical Center: \$175,000 to increase stipends paid to Bell Memorial Hospital residents; \$47,500 for special salary increases for School of Allied Health faculty; \$259,783 as requested for initiation of a Center on Aging; \$374,913 as requested to initiate a Center on Environmental Health; \$28,343 for part-year operating support for the kidney stone lithotripter; \$659,920 as requested for the NMR imaging system equipment and operating support; \$98,144 as requested for the Poison Information Center; and \$156,173 as requested for expanding the neonatal intensive care unit.

The Governor also recommends \$2,000,000 from the Hospital Fund to renovate the inpatient pediatrics unit. However, the Governor recommends appropriation of \$1,100,000 of the total for FY 1987 rather than FY 1986 as requested. The Governor recommends an FY 1986 appropriation of \$260,000 from the Hospital Fund, requested by the institution as an FY 1985 supplemental appropriation, to adequately finance the laundry renovation project. The requested \$75,000 for parking lot improvements is recommended by



the Governor. Of the \$1,980,000 appropriated a year ago for partial funding of the Applegate Energy Center, the Governor recommends a lapse of \$800,000 as a result of bids which were lower than originally anticipated.

#### Senate Subcommittee Recommendation

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

1. Based on the systemwide recommendations of the full Committee:
  - a. Deletion of \$365,548 from the amount recommended for unclassified salaries. This adjustment provides for a 5.5 percent average salary increase for unclassified staff and adjusts for revised fringe benefit rates to be effective FY 1986.
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA (included in the reduction in (a) above). The Committee recommends the increased contribution and has introduced a bill that would amend existing law to permit the increase. However, in accordance with Committee policy, the funding is removed pending passage of the necessary legislation.
  - c. Deletion of \$2,726 from the amount recommended for the maintenance increase in the student wage base. The recommended amount would allow for a 5.5 percent increase to the FY 1985 student salary base.
  - d. Deletion of \$153,634 for other operating expenditures. This adjustment provides a 5.5 percent increase to the FY 1985 base budget.
  - e. Addition of \$50,000 in a separate line item for additional library acquisitions, consistent with the amounts recommended by the Governor and approved by the Committee for the other Regents' institutions. The additional funding is to be excluded from the other operating expenditure base so that the 1986 Legislature will have the opportunity to review separately any future requests for increased library acquisition funding.
  - f. Addition of \$25,000 for academic computing expenditures, to be appropriated in a separate line item with a proviso which would prohibit use of the funds for payment of long-term lease-purchase agreements.
  - g. Deletion of \$447,496 recommended by the Governor as an increase to the utilities base budget. The Committee recommends appropriation of the same amount for FY 1986 utilities as the institution expends during FY 1985. Since the Board of Regents has not yet acted on FY 1985 revisions for utility expenditures, the Committee makes no specific recommendation for FY 1986 at this time. The Committee recommends continued appropriation of utilities funding in a separate line item

with a proviso which permits reappropriation of any savings to be used for energy conservation projects. The Committee further recommends that future appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from previous fiscal years.

- h. Revision of the appropriation bill format to include certain separate line item appropriations from the State General Fund in addition to the separate line items recommended above.

The Committee also recommended an increase in tuition waivers for graduate teaching assistants at the Medical Center from 60 percent to 75 percent. This recommendation reduces projected revenues to the General Fees Fund by \$4,038 but does not require an adjustment in expenditures.

2. Addition of \$53,817 to the classified salary base. This adjustment reflects the past legislative policy of applying shrinkage rates of 3 percent for nursing services personnel salaries and 5 percent for all other classified salaries. The adjustment also provides for changes in fringe benefit rates to be effective in FY 1986.
3. Deletion of \$10,550 from the other operating expenditure base, as adjusted by the full Committee, to delete one-time-only expenditures authorized by the 1984 Legislature for purchase of an electric ambulance vehicle.
4. Deletion of \$31,131 in general use expenditures for salaried residents. This adjustment provides a 5.5 percent increase in the base salary budget and readjusts fringe benefits for rate changes effective in FY 1986.
5. Deletion of \$311,543 to adjust the utilities base budget to \$5,282,153 in accordance with the Subcommittee's FY 1985 recommendation.
6. Deletion of \$58,540 from State General Fund expenditures recommended by the Governor for the medical scholarship program, based on the University's estimate as revised in November, 1984.
7. Addition of \$150,000 in general use expenditures for salaries, wages, and associated fringe benefits. This recommendation would provide funding to permit the University to shift certain classified employees to the unclassified service. The Subcommittee notes that the 1984 Legislature collapsed the institution's F.T.E. position limitations to provide additional flexibility for such shifts, but no additional funding was added to the budget at that time to provide for associated salary increases.
8. Addition of \$103,000 in general use expenditures and 2.0 F.T.E. faculty positions for establishment of a new medicine, ethics, and socioeconomics of health (MESH) curriculum for the medical school.
9. Addition of \$74,029 in general use funding to partially replace federal grant support for the graduate nursing outreach program. Federal grant support for the program terminated effective August 1, 1984. The

Subcommittee notes that additional position authority is not required to shift the funding for these positions from restricted use to general use funds.

10. Addition of \$26,000 and 1.0 F.T.E. faculty position to enable the Medical Records Department to provide outreach courses to medical records personnel across the state.
11. Shift of \$490,000 recommended by the Governor for lease-purchase costs for a nuclear magnetic resonance imaging system from the general use other operating expenditure base, to be financed instead as a Hospital Fund expenditure. The Subcommittee recommends that this sum be excluded from the general use OOE base budget.
12. Deletion of 1.0 F.T.E. unclassified position recommended by the Governor for the Poison Information Center. The Subcommittee concurs with the recommended general use funding to shift this position from private grant support to the general use budget. However, the additional position authority is not necessary to accommodate the University's request.
13. Addition of \$49,736 and 1.0 F.T.E. classified position to allow the University to provide specialized prosthetic services in-house.
14. Addition of \$19,000 as a one-time-only general use expenditure to permit the University to purchase three 50-foot tapered aluminum flagpoles and bases. This adjustment also allows funding for the University to purchase three 5-foot by 7-foot flags. The Subcommittee notes that the institution's present United States flag is extremely worn and ragged and is in desperate need of replacement.
15. The Subcommittee urges the Governor to consider a budget amendment to recommend funding of \$206,173 and 5.0 F.T.E. classified positions to expand the adult hematology laminar airflow area. The Subcommittee learned that the Governor did not recommend funding for this request although it was considered at the time the recommendation was adjusted to shift FY 1985 general use expenditures of \$3,000,000 from the State General Fund to the Hospital Revenue Fund. If a Governor's budget amendment is submitted to the Legislature, the Subcommittee urges the House to consider this item in its review of the University's budget.
16. Shift of \$150,000 of the amount recommended by the Governor from the Hospital Fund for renovation of the inpatient pediatrics unit, to be appropriated instead for FY 1985. This shift will allow the University to initiate the project in the current fiscal year. The Subcommittee also recommends lapse of an additional \$100,000 from the FY 1986 Educational Building Fund appropriation for the Applegate Energy Center expansion. Both adjustments adopt the recommendations of the Joint Committee on State Building Construction.
17. Adjustments to the appropriation bill provisos attached to the Restricted Fees Fund and the Service Clearing Fund to properly reflect those accounts which operate as restricted fee accounts and those which operate as service clearing fund accounts. The Subcommittee notes that this recommendation may affect total reportable expenditures financed from

restricted use funds. The Subcommittee also recommends attachment of provisos to the Hospital Revenue Fund to ensure accurate accounting procedures for patient care revenues which are currently deposited directly to restricted fee accounts but which finance specific hospital-related expenditures.

18. Introduction of legislation to incorporate into statute the authority to acquire liability insurance for the University's aircraft, facilities, and book inventory. If this clean-up legislation passes, appropriate technical revisions to provisos currently included in the University's appropriation bill should be made in the omnibus appropriation bill.
19. Introduction of legislation to exclude the University's medical residents from the definition of "health care provider" currently in K.S.A. 40-3401 and to exempt those residents from liability for damages resulting from health care services they provide under the supervision of a clinical faculty member. The Subcommittee notes that passage of the bill could result in general use fund savings in the amount of \$722,356 currently included in the FY 1985 operating budget to finance medical malpractice insurance for salaried residents. In accordance with Committee policy, budgetary adjustments are deferred until the proposed legislation is enacted.
20. Revisions to the appropriation language recommended by the Governor to treat the University of Kansas Hospital Fund as a special revenue fund. Specific projects recommended for Hospital Fund financing are to be financed from accounts to be established by provisos attached to the special revenue fund. In addition to a overall expenditure limitation to be imposed on the fund, the Subcommittee intends to continue its past policy of limiting expenditures for each distinct project to be financed from the Hospital Fund.
21. The Subcommittee learned that the University plans to approach the Board of Regents on March 14 and 15, 1985, with a revised projection of FY 1985 receipts to the Hospital Revenue Fund. The Subcommittee makes no recommendation regarding additional Hospital Revenue Fund expenditure authority pending Board action on this matter. However, the Subcommittee urges the House to review the revised revenue projection and to make appropriate budgetary adjustments to utilize additional Hospital Revenue Fund expenditure authority for FY 1986 in lieu of State General Fund appropriations. The Subcommittee's proposed additions to the Governor's recommended budget assume that additional patient care receipts will be available to finance the added expenditures.

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 161 Bill Sec. 9  
 Analyst: Goering Analysis Pg. No. 598 Budget Pg. No. 3-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 85<sup>a</sup></u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 62,811,337	\$ 59,811,337	\$ (358,451)
General Fees Fund	5,236,736	5,236,736	---
Hospital Revenue Fund	59,443,113	62,443,113	---
General Use Funds	<u>\$127,491,186</u>	<u>\$127,491,186</u>	<u>\$ (358,451)</u>
Other Funds	30,880,774	30,880,774	---
Subtotal - Op.	<u>\$158,371,960</u>	<u>\$158,371,960</u>	<u>\$ (358,451)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 258,000	\$ 258,000	\$ ---
Educational Building			---
Fund	1,952,086	1,929,691	(500,000)
Hospital Fund	2,400,368 <sup>a</sup>	2,140,368	650,000
Other Funds	2,722,751	2,722,751	---
Subtotal - Cap. Imp.	<u>\$ 7,333,205</u>	<u>\$ 7,050,810</u>	<u>\$ 150,000</u>
<b>TOTAL</b>	<u>\$165,705,165</u>	<u>\$165,422,770</u>	<u>\$ (208,451)</u>
<b>F.T.E. Positions:</b>			
Classified	3,089.6	3,089.6	---
Unclassified	1,350.8	1,350.8	---
<b>TOTAL</b>	<u>4,440.4</u>	<u>4,440.4</u>	<u>---</u>

a) Reflects revised request submitted November 30, 1984.

Agency Request/Governor's Recommendation

The agency's revised FY 1985 estimate of operating expenditures is \$4,133,413 less than the total approved by the 1984 Legislature and Finance Council. The entire reduction reflects savings from restricted use funds. The general use operating budget totaling \$127,491,186, is the same as currently approved.

On November 30, 1984, the agency submitted a revised budget estimate including a request for supplemental funding in the amount of \$260,000 from the Hospital Fund. The additional funding would be used to partially finance renovation of the boiler area of the old power plant for a new hospital laundry. The 1984 Legislature appropriated \$310,000 from the Hospital Fund for this project. The revised request would provide a total of \$570,000.

The Governor recommends no revisions to the institution's current approved general use budget. However, the Governor does recommend a funding shift of \$3,000,000 of the general use operating budget from the State General Fund to the Hospital Revenue Fund. This recommendation followed Board of Regents action on December 21, 1984, approving a \$3,000,000 increase in the FY 1985 revenue estimate for the Hospital Revenue Fund. The Governor recommends the requested additional \$260,000 for the laundry

renovation project as an FY 1986 appropriation rather than for FY 1985 as requested by the University. Also, the Governor recommends deferral to FY 1986 of expenditures for several minor capital improvement projects financed from the Educational Building Fund.

#### Senate Subcommittee Recommendation

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

1. Lapse of \$46,908 in State General Fund expenditures for the Medical Scholarship Program, based on a revised estimate prepared by the institution in November, 1984.
2. Lapse of \$311,543 in State General Fund expenditures for utilities. This adjustment retains \$5,282,153 for FY 1985 utilities expenditures, or 7 percent above actual FY 1984 costs.
3. Shift of \$500,000 appropriated by the 1984 Legislature for partial financing of the Applegate Energy Center expansion from the Educational Building Fund to the Hospital Fund. This adjustment adopts the recommendation of the Joint Committee on State Building Construction.
4. Shift of \$150,000 recommended by the Governor for FY 1986 capital improvement expenditures to FY 1985. This Hospital Fund expenditure authority would allow the University to seek bids in the current fiscal year for a capital improvement project to renovate the inpatient pediatrics unit. The adjustment coincides with the recommendation of the Joint Committee on State Building Construction.
5. Addition of a subsection in S.B. 161 to lapse \$3,000,000, previously appropriated from the State General Fund for FY 1985 operating expenditures, which the Governor's recommendation finances instead from the Hospital Revenue Fund.

**SUBCOMMITTEE REPORT**

Agency: Kansas Technical Institute

Bill No. 166

Bill Sec. 10

Analyst: Galligan

Analysis Pg. No. 614

Budget Pg. No. 3-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,369,449	\$ 3,176,468	\$ (32,169)
General Fees Fund	350,000	300,000	—
General Use Funds	\$ 3,719,449	\$ 3,476,468	\$ (32,169)
Other Funds	435,339	435,339	—
Subtotal	\$ 4,154,788	\$ 3,911,807	\$ (32,169)
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	186,500	184,465	(105,000)
Other Funds	—	—	—
Subtotal	\$ 186,500	\$ 184,465	\$ (105,000)
<b>TOTAL</b>	<u>\$ 4,341,288</u>	<u>\$ 4,096,272</u>	<u>\$ (137,169)</u>
F.T.E. Positions:			
Classified	43.5	41.5	—
Unclassified	55.0	52.0	—

Agency Request/Governor's Recommendation

The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 budget of \$3,192,955. The adjustment to the base includes removal of \$7,348 appropriated for the \$204 per classified F.T.E. positions additional compensation in FY 1985. The request for FY 1986, including systemwide maintenance and program improvement increases as well as individual program improvements, totals \$4,154,788 and represents a 15.6 percent increase over the FY 1985 revised estimate. The request includes a total of \$249,581 for program maintenance increases, \$132,820 for systemwide program improvements, and \$20,351 for an institutional program improvement. The systemwide program improvements include 3.0 F.T.E. additional positions and the institutional program improvement includes a 1.0 F.T.E. additional position.

The Governor's recommendation for operating expenditures for FY 1986 totals \$3,911,807. The recommendation includes \$116,906 for systemwide program improvements, \$20,351 for the individual program improvement and \$156,828 for program maintenance increases. The recommendation is built upon an FY 1985 general use base budget of \$3,187,235. The base budget was adjusted to reflect the unemployment insurance rates that will be in effect for FY 1986. The recommendation includes 3.0 F.T.E. additional classified positions for servicing and maintenance of the new classroom building.

Senate Subcommittee Recommendation

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Deletion of \$19,693 from the amount recommended for the increase for unclassified salaries and to adjust fringe benefit rates to reflect FY 1986 rates. The adjustment provides for a 5.5 percent average salary increase for unclassified staff.
  - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed in accordance with Committee policy, pending passage of the legislation.
  - c. Deletion of \$239 from the amount recommended for an increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
  - d. Deletion of \$3,981 from the amount recommended for the maintenance increase of OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
  - e. Deletion of \$8,256 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institution's expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986 at this time. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
  - f. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation.
2. Deletion of the \$160,000 recommended expenditure from the EBF to purchase and install a new campus telephone system. The Subcommittee recommends appropriation of the funds as an FY 1985 supplemental.
3. The Subcommittee concurs with the recommendation of the Joint Committee on Building Construction to appropriate a total of \$55,000 for FY 1986 to begin planning for renovation of the Aeronautical Technology Complex and a women's dormitory.
4. The Subcommittee received testimony from President Creech in regard to the decline of enrollment for FY 1985. The Subcommittee is of the opinion that the decline is correctly characterized as an anomaly and therefore does not recommend any funding adjustment for FY 1986 at this time. The



Subcommittee notes that the President's testimony indicated that the decline in enrollment for the current fiscal year has the effect of bringing the Institute's actual student/faculty ratio into line with the ratio used in the enrollment adjustment.

SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute Bill No. 161 Bill Sec. New  
 Analyst: Galligan Analysis Pg. No. 614 Budget Pg. No. 3-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85<sup>a</sup></u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 2,938,304	\$ 2,926,304	\$ 3,975
General Fees Fund	237,398	240,000	(3,975)
General Use Funds	\$ 3,175,702	\$ 3,166,304	\$ --
Other Funds	417,008	\$ 417,008	\$ --
Subtotal	<u>\$ 3,592,710</u>	<u>\$ 3,583,312</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 65,000	\$ 65,000	\$ --
Educational Building Fund	1,595,522	1,311,057	160,000
Other Funds	--	--	--
Subtotal	<u>\$ 1,660,522</u>	<u>\$ 1,376,057</u>	<u>\$ 160,000</u>
<b>TOTAL</b>	<u><u>\$ 5,253,232</u></u>	<u><u>\$ 4,959,369</u></u>	<u><u>\$ 160,000</u></u>
<b>F.T.E. Positions:</b>			
Classified	38.5	38.5	--
Unclassified	52.0	52.0	--

(a) Includes a State General Fund supplemental request for \$12,000 and anticipated fee revenue decline of \$36,602 based on fall, 1984 enrollment.

Agency Request/Governor's Recommendation

Kansas Technical Institute (KTI) requests a \$12,000 supplemental appropriation from the State General Fund to offset an anticipated \$36,602 decline in revenue to the General Fees Fund for the current fiscal year. The amount requested would result in expenditure of \$24,602 less during FY 1985 than the amount approved a year ago.

The Governor's recommendation for FY 1985 does not include the requested supplemental, but does include a reduction of expenditure of general fees by \$34,000 from the amount originally estimated. The recommendation results in a reduction of operating expenditures by \$34,000 for FY 1985.

Senate Subcommittee Recommendations

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

1. Appropriation of \$3,975 to offset the shortfall of general fee receipts during the current fiscal year. The Subcommittee reviewed the Institute's revised estimate of revenue after spring enrollment and determined that a reduction of the expenditure limitation on the General Fees Fund to \$236,025 more accurately reflects the amount that will be available in that

fund for expenditure during the current fiscal year and will allow for a beginning balance of \$2,000 in FY 1986.

2. Appropriation of \$160,000 from the EBF to permit the Institute to purchase and install a new telephone system for the campus during the current fiscal year. The Subcommittee learned that the Joint Building Construction Committee had reviewed the Institute's request but deferred action until all of the telecommunications requests could be reviewed and prioritized by the Office of Telecommunications within the Department of Administration. The Subcommittee is of the opinion that this project should proceed during the current fiscal year because of the new classroom building that will be ready for occupancy during the summer.

SUBCOMMITTEE REPORT

Agency: Board of Regents Bill No. 166 Bill Sec. 11  
 Analyst: Galligan Analysis Pg. No. 619 Budget Pg. No. 3-73

<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	\$ 1,255,735	\$ 1,198,820	\$ 11,206
Other Assistance	<u>5,903,312</u>	<u>5,733,312</u>	<u>(250,000)</u>
Subtotal - Operating			
Expenditures	\$ 7,159,047	\$ 6,932,132	\$ (238,794)
Capital Improvements	4,000,000	4,022,679	(22,679)
TOTAL	<u>\$ 11,159,047</u>	<u>\$ 10,954,811</u>	<u>\$ (261,473)</u>
<b>State General Fund:</b>			
State Operations	\$ 1,255,735	\$ 1,198,820	\$ 11,206
Other Assistance	<u>5,061,691</u>	<u>4,891,691</u>	<u>(250,000)</u>
Subtotal - Operating			
Expenditures	\$ 6,317,426	\$ 6,090,511	\$ (238,794)
Capital Improvements	4,000,000	4,000,000	—
TOTAL	<u>\$ 10,317,426</u>	<u>\$ 10,090,511</u>	<u>\$ (238,794)</u>
F.T.E. Positions	17.0	17.0	—

Agency Request/Governor's Recommendation

The Board requests a total of \$11,159,047 for FY 1986. The request includes an operating budget for administration of \$878,235, a total of \$6,280,812 for the variety of assistance programs administered by the Board, and \$4,000,000 for major repairs and maintenance expenditures on the seven campuses. The request includes a 7 percent increase for staff salaries, an additional 1 percent contribution to the unclassified staff retirement plan, an additional staff position for the administrative office, and a new scholarship program. The total request for FY 1986 represents a 57.4 percent increase over the estimate of expenditures for the current fiscal year. The magnitude of the increase is primarily attributable to the presence in the request of \$4,000,000 for major maintenance expenditures. While the Board of Regents requests and is appropriated the funds to be utilized for major maintenance and repair of buildings on the campuses, the funds are allocated and transferred to the individual institutions for expenditure each spring. The amount requested for FY 1986 was appropriated by the 1984 Legislature as part of a multi-year appropriation that included \$2.8 million for the current fiscal year.

For FY 1986 the Governor recommends expenditure of a total of \$10,954,811. The recommendation includes \$821,320 for administration; \$6,110,812 for assistance programs, and \$4,022,679 for major maintenance and repairs. The recommendation does not include an amount for classified salary increases because the Governor's recommended increase has not been allocated to individual agencies. The recommendation includes the requested new staff position and the new scholarship program.

## Senate Subcommittee Recommendations

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

1. Lapse \$22,679 from the major maintenance and repairs account of the EBF that was appropriated for FY 1984 and recommended for reappropriation to FY 1986. The Subcommittee is of the opinion that the SGF amount recommended for major maintenance projects during FY 1986 will be sufficient for that purpose and that in light of that appropriation, EBF resources should be reserved for construction projects.
2. Reduction by \$600,000 of the amount appropriated for the SGF by the 1984 Legislature for major maintenance projects in FY 1986. The reduction is consistent with the recommendation of the Joint Building Construction Committee and when combined with the recommended reappropriation from the current fiscal year will provide \$4 million for major maintenance projects during FY 1986. The Subcommittee also concurs with the Building Committee's recommendation that \$4 million be appropriated for major maintenance projects for FY 1987. The Subcommittee specifically endorses the Building Committee's recommendation that the Board allocate the major maintenance funds well in advance so that the campuses can identify projects and plan for their timely completion.
3. Consistent with the Committee's systemwide decision, deletion of \$3,471 recommended for the additional 1 percent employer contribution to TIAA pending passage of the legislation (S.B. 350).
4. Deletion of \$12,500 recommended for presidential search expenses during FY 1986.
5. Addition of \$27,177 to provide a 5.5 percent average salary increase for the unclassified staff consistent with the Committee's decision for unclassified staff salary increases systemwide.
6. Consistent with Committee policy, deletion of \$250,000 recommended to establish the Regents Distinguished Scholar program pending passage of authorizing legislation (S.B. 301). Consistent with this recommendation, deletion of the Distinguished Scholar Discontinued Attendance fund from the appropriation.
7. Include a proviso on the SGF appropriation for the State Scholarship and tuition grant programs that would permit expenditure of \$100,000 of federal funds for the tuition grant program. This recommendation would not increase expenditures for the program but would clarify the financing included in the Governor's recommendation.
8. During its discussion of the budget request with the Board's staff, the Subcommittee learned that a program review of the institutions' physical plant operations is scheduled for the summer of 1985. In response to questions and concerns raised by the Committee during its deliberation on the systemwide requests, the Subcommittee recommends that the Regents include as part of that effort an examination of the formulas used to request servicing and maintenance funds for new buildings.

SUBCOMMITTEE REPORT

Agency: Board of Regents Bill No. 166 Bill Sec. 11  
 Analyst: Galligan Analysis Pg. No. 619 Budget Pg. No. 3-73

<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	\$ 1,275,101	\$ 1,275,101	\$ (58,000)
Other Assistance	5,281,966	5,281,966	—
Subtotal	<u>\$ 6,557,067</u>	<u>\$ 6,557,067</u>	<u>\$ (58,000)</u>
Capital Improvements	532,084	502,237	(502,237)
<b>TOTAL</b>	<u><u>\$ 7,089,151</u></u>	<u><u>\$ 7,059,304</u></u>	<u><u>\$ (560,237)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 1,274,385	\$ 1,274,385	\$ (58,000)
Other Assistance	4,431,691	4,431,691	—
Subtotal	<u>\$ 5,706,076</u>	<u>\$ 5,706,076</u>	<u>\$ (58,000)</u>
Capital Improvements	502,237	502,237	(502,237)
<b>TOTAL</b>	<u><u>\$ 6,208,313</u></u>	<u><u>\$ 6,208,313</u></u>	<u><u>\$ (560,237)</u></u>
F.T.E. Positions	16.0	16.0	—

Agency Request/Governor's Recommendation

The Board's estimate of expenditures for FY 1985 is \$3,683 less than the amount authorized a year ago. The difference is accounted for by slight adjustments to the calculations of salaries and benefits. The current year estimate of expenditures includes \$3,957 for the \$204 per F.T.E. position additional compensation approved by the 1984 Legislature.

The Governor's recommendation for the current fiscal year is for the level of operating expenditures estimated by the Board. In the area of capital improvements, the Governor recommends lapsing \$7,168 of an Educational Building Fund (EBF) appropriation for energy conservation technical assistance that had been reappropriated from FY 1984. In addition, the Governor's recommendation would defer expenditure of \$22,679 of EBF funds reappropriated from FY 1984. The Governor has included expenditure of the latter amount in his recommendation for FY 1986.

Senate Subcommittee Recommendation

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

1. Reduction of \$600,000 of major maintenance expenditures with that amount reappropriated to FY 1986 to offset the new appropriation. The Subcommittee concurs with this recommendation of the Joint Committee on State Building Construction. (\$97,763 of the reduction is shown in the Subcommittee reports of the institutions to which the Board has allocated the funds.)

2. Reduction of \$50,000 from the Regents' Distinguished Professor program with reappropriation of that amount to offset the FY 1986 appropriation. The Subcommittee learned that two of the five professorships have not yet been filled.
3. Reduction of \$8,000 from the optometry seat purchase program and reappropriation of that amount to offset the FY 1986 appropriation. The Subcommittee learned that not all of the seats for which funds are available are filled during the current academic year.

HOUSE SUBCOMMITTEE REPORTS ON HOUSE BILL NO. 2154 -  
SUPPLEMENTAL APPROPRIATIONS BILL

New Section - Board of Cosmetology

AND

HOUSE BILL NO. 2036 -- FY 1986 APPROPRIATIONS BILL

Sections Pertaining to:

Sec. 2 -- Abstracter's Board of Examiners

Sec. 3 -- Board of Accountancy

Sec. 4 -- Bank Commissioner

Sec. 5 -- Board of Barber Examiners

Sec. 6 -- Behavioral Sciences Regulatory Board

Sec. 7 -- Board of Healing Arts

Sec. 8 -- Board of Cosmetology

Sec. 9 -- Department of Credit Unions

Sec. 10 -- Dental Board

Sec. 11 -- Board of Embalming

Sec. 12 -- Hearing Aid Board of Examiners

Sec. 13 -- Consumer Credit Commission

Sec. 14 -- Board of Nursing

Sec. 15 -- Board of Optometry

Sec. 16 -- Board of Pharmacy

Sec. 17 -- Real Estate Commission

Sec. 18 -- Savings and Loan Department

Sec. 19 -- Office of Securities Commissioner

Sec. 20 -- Board of Technical Professions

Sec. 21 -- Board of Veterinary Examiners.



\_\_\_\_\_  
Senator David Kerr,  
Chairperson



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Senator Mike Johnston



SUBCOMMITTEE REPORT

Agency: Abstracters' Board of Examiners      Bill No. 2036      Bill Sec. 2  
 Analyst: Holt      Analysis Pg. No. 13      Budget Pg. No. 1-185

<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	\$ 14,151	\$ 13,205	\$ --
F.T.E. Positions	--	--	--

House Subcommittee Recommendations

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

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

SUBCOMMITTEE REPORT

Agency: Board of Accountancy Bill No. 2036 Bill Sec. 3  
 Analyst: Timmer Analysis Pg. No. 15 Budget Pg. No. 1-87

<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	\$ 157,188	\$ 151,774	\$ (532)
F.T.E. Positions	3.2	2.7	—

House Subcommittee Recommendation

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

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

1. Deletion of \$1,032 for maintenance contracts on the microcomputer and printer purchased late in FY 1984.
2. Addition of \$500 for temporary help to aid agency staff with data entry input in FY 1986.
3. The Subcommittee notes that the printing and distribution of the "Register of Persons and Firms Permitted to Practice," which is mailed only to permit holders in the state, is of limited value and represents a significant expense to the Board. The Subcommittee recommends that the Board review the current register and investigate less costly formats for FY 1986.
4. The Subcommittee learned that the American Institute of CPAs increased the fees for a complete CPA exam from \$10.00 to \$12.50 after the agency's submission of the budget in September. The Subcommittee concurs with the Governor's recommendation of \$56,825 for exam costs, an increase of \$11,245 over the agency's original request. The Subcommittee also notes that the Board will have to increase the fees charged for the exams to the statutory maximum in order to cover the additional exam costs. No fee increase is reflected in the following table.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 46,534	\$ 47,460	\$ 42,779
Net Receipts	133,828	134,502	128,489
Total Funds Available	\$ 180,362	\$ 181,962	\$ 171,268
Less: Expenditures	132,902	139,183	151,242
Ending Balance	\$ 47,460	\$ 42,779	\$ 20,026

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Adjustments</u>
State Operations:			
All Funds	\$ (532)	\$ 151,242	\$ 2,000
F.T.E. Positions	—	2.7	—

Senate Subcommittee Recommendation

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

1. Addition of \$2,000 for travel and subsistence to allow the Board Executive Secretary and one Board member or two Board members to attend the annual meeting of the National Association of State Boards of Accountancy.
2. The Subcommittee notes that the Board will increase the fees charged for the CPA exam effective July 1, 1985. The following table shows the revised FY 1986 estimates for the fee fund.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 46,534	\$ 47,460	\$ 42,779
Net Receipts	133,828	134,502	136,553
Total Funds Available	180,362	181,962	179,332
Less: Expenditures	132,902	139,183	153,242
Ending Balance	<u>\$ 47,460</u>	<u>\$ 42,779</u>	<u>\$ 26,090</u>

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendations

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

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

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

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

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

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (40,183)	\$ 1,681,206	\$ 37,070
State General Fund	--	--	--
F.T.E. Positions	--	53.0	--

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

1. Add \$14,566 to salaries and wages to fund the Deputy Commissioner's retirement and other projected expenses.
2. Add \$5,278 to Communications based on updated year-to-date expenditures.
3. Add \$15,747 to travel for schooling and training expenditures in the remaining months of the fiscal year.
4. Add \$1,479 to freight for expenses connected with the potential moving of an examiner.

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

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 371,685	\$ 273,867
Net Receipts	1,403,126	1,724,130
Total Funds Available	\$ 1,774,811	\$ 1,997,997
Less: Expenditures	1,500,944	1,718,276
Ending Balance	\$ 273,867	\$ 279,721

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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

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

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

House Committee Recommendation

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

1. The Committee recommends that the Bank Commissioner, through his financial examiners, encourage state-chartered banks to produce disaster recovery plans to protect computer access in the event of an emergency situation. The Commissioner is asked to report back to the Legislature next year on their progress.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (30,692)	\$ 2,082,644	\$ 6,000
State General Fund	--	--	--
F.T.E. Positions	(1.0)	62	--

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

1. Add \$6,000 for rent expenses in connection with House Subcommittee Recommendation No. 6. In three locations the examiners will not be able to share space with the FDIC so expenditures for rent may be incurred. The Subcommittee estimates 1,200 square feet at \$5.00 per square foot.
2. The Subcommittee would also note that some expenditures in office equipment and furniture will be incurred in connection with moving

financial examiners to offices. The Subcommittee recommends that adjustments be made in Conference Committee to provide for these additional expenditures when they have been identified more clearly.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 371,685	\$ 273,867	\$ 279,721
Net Receipts	1,403,126	1,724,130	2,290,534
Total Funds Available	<u>\$ 1,774,811</u>	<u>\$ 1,997,997</u>	<u>\$ 2,570,255</u>
Less: Expenditures	1,500,944	1,718,276	2,088,644
Ending Balance	<u>\$ 273,867</u>	<u>\$ 279,721</u>	<u>\$ 481,611</u>



SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners Bill No. 2036 Bill Sec. 5  
 Analyst: Rothe Analysis Pg. No. 21 Budget Pg. No. 1-189

<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	\$ 73,508	\$ 68,397	\$ 970
F.T.E. Positions	2.5	2.5	—

Agency Request/Governor's Recommendation

The agency's request for FY 1986 would maintain the same staffing levels approved for the current fiscal year and includes other operating expenditures which are \$456 higher than the amount estimated for FY 1985.

The Governor's recommendation reduces the agency's request by \$5,111 for FY 1986. Areas of reduction include salaries and wages (\$2,831), communications (\$100), printing and advertising (\$250), and travel and subsistence (\$1,930).

House Subcommittee Recommendations

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

1. Add \$970 for out-of-state travel and subsistence for the Administrative Officer to attend the five-day National Association of Boards of Barber Examiners meeting in Washington, D.C.

The fee fund analysis, based on the House Subcommittee's adjustments, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 32,584	\$ 41,083	\$ 40,342
Net Receipts	70,080	68,658	67,138
Total Funds Available	\$ 102,664	\$ 109,741	\$ 107,480
Less: Expenditures	61,581	69,399	69,367
Ending Balance	<u>\$ 41,083</u>	<u>\$ 40,342</u>	<u>\$ 38,113</u>

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendations.

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences Regulatory Board      Bill No. 2036      Bill Sec. 6

Analyst: Hauke      Analysis Pg. No. 23      Budget Pg. No. 1-191

<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	\$ 151,225	\$ 122,412	\$ --
State General Fund	--	--	--
F.T.E. Positions	3.0	3.0	--

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations. This concurrence comes following careful review of several potentially offsetting factors, which may impact this agency during FY 1986. In forwarding its report, the Subcommittee submits the following observations:

1. The Subcommittee learned that the Board is scheduled to move to the Santa Fe office building. The agency requested \$400 to finance the move and projected increased rental costs associated with the relocation. Both of these items were deleted in the Governor's recommendations. The Subcommittee learned that the Governor deleted these items pending exact detail of the schedule for moving agencies and the costs associated with that move. The Subcommittee recognizes that this budget will require adjustment during either FY 1986 or FY 1987 to finance this move.
2. The Subcommittee reviewed this agency's request for micro computing equipment, which was not included in the Governor's recommendations. The Subcommittee recognizes the potential for increased efficiency of this Board, given computerization. However, the Subcommittee also learned that the Division of Information Systems and Communications (DISC) is reviewing options for computerizing several licensing boards. Additionally, the Subcommittee believes that potential efficiencies resulting from use of the mainframe or from sharing of resources by several boards could be better achieved when the Santa Fe move is complete.
3. The Subcommittee learned that the Board has engaged a seven-member psychology advisory committee to review continuing education compliance among psychologist licensees. The agency indicates that members of this advisory committee are being paid \$50 per hour and expenditures could total \$5,000 on an annualized basis. The Subcommittee is not recommending additional funding for such an item, as it has not been through the traditional budgetary process. Given the magnitude of the item, the Subcommittee is of the opinion that it should be formally requested, preferably in the agency's budget submittal.
4. The Subcommittee learned that the agency's request and the Governor's recommendations presume a \$5 per exam increase in the amount paid for

purchase of examinations given to social work applicants. Although such an increase is possible, formal notification of it has not been received. If such an increase does not occur, the Board would experience decreased expenditures of approximately \$2,570 which could be used to partially finance the abovementioned contingencies.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendation.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ ---	\$ 122,412	\$ 5,000
State General Fund	---	---	---

Senate Subcommittee Recommendations

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

1. The Subcommittee received an appeal from the Board for \$9,470 above the Governor's recommendations. Of this amount, \$4,470 would finance a microcomputer, which DISC has tentatively approved. The remaining \$5,000 is for professional service fees, which would finance psychologist consultants. The psychologist consultants would review continuing education compliance among psychology licensees.
2. The Subcommittee notes that there are only approximately 450 psychologists in Kansas and is of the opinion that expenditure of \$5,000 for consultant review of their continuing education may be excessive. Further the Subcommittee notes that if psychologist continuing education activities have increased it is at the Board's direction, as statutes concerning continuing education of psychologists have not changed.
3. Therefore, the Subcommittee recommends an increase of the Board's FY 1986 budget by \$5,000, for either contractual services or purchase of a microcomputer. The Subcommittee is hopeful that the Board can achieve a less costly solution to its continuing education reviews and utilize this funding for a microcomputer.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986*</u>
Beginning Balance	\$ 53,379	\$ 80,582	\$ 42,949
Net Receipts	123,925	72,968	141,288
Total Funds Available	\$ 177,304	\$ 153,550	\$ 184,237
Less: Expenditures	96,722	110,601	127,412
Ending Balance	<u>\$ 80,582</u>	<u>\$ 42,949</u>	<u>\$ 56,825</u>

\* Includes Subcommittee adjustment.

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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

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

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

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments FY 85</u>	<u>House Rec. FY 85</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (2,500)	\$ 427,033	\$ 2,500
State General Fund	—	—	
F.T.E. Positions	10.0	10.0	—

FY 1985. The Senate Subcommittee concurs with the recommendations of the House, with the following exception:

1. Restore \$2,500 for a law clerk. However, the Subcommittee intends to express its concern in a letter to the State Board of Healing Arts regarding the Board's apparent lack of justification for individual budget items and for its lack of preparation for its presentation before the Subcommittee.

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendations

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

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

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

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

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

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

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

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

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

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

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



House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (500)	\$ 459,429	\$ --
State General Fund	--	--	--
F.T.E. Positions	10.0	10.0	--

FY 1986. The Senate Subcommittee concurs with the recommendations of the House, with the following exception:

1. The Senate Subcommittee agrees that the statutory maximum for the annual license renewal fee for doctors should be increased from its present limit of \$50, but recommends the limit be set at \$100 instead of \$150. (H.B. 2447, which contains the fee increase, is in the Senate Ways and Means Committee.)

The status of the Board's fee fund is shown below. The analysis does not take into account any additional revenues generated from proposed fee increases:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 328,859	\$ 411,687	\$ 395,236
Net Receipts	391,638	413,082	410,660
Total Funds Available	\$ 730,497	\$ 824,769	\$ 805,896
Less: Expenditures	720,497	429,533	459,429
Ending Balance	\$ 411,687	\$ 395,236	\$ 346,467

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology Bill No. 2154 Bill Sec. NA  
 Analyst: Rothe Analysis Pg. No. 29 Budget Pg. No. 1-193

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 240,774	\$ 240,774	\$ 5,685
F.T.E. Positions	8.0	8.0	—

House Subcommittee Recommendations

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

1. Add \$5,685 in salary costs. The recommendation provides for the accumulated sick leave and vacation pay of a retiring employee. The Subcommittee recommendation requires an increase of the expenditure limitation of \$5,685 above the current fund limitation of \$240,774.

The fee fund analysis, based on the Subcommittee's adjustments in FY 1985, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>
Beginning Balance	\$ 44,936	\$ 36,595
Net Receipts	213,486	275,584
Total Funds Available	\$ 258,422	\$ 312,179
Less: Expenditures	221,380	246,459
Ending Balance	\$ 37,042	\$ 65,720

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendations.

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology Bill No. 2036 Bill Sec. 8  
 Analyst: Rothe Analysis Pg. No. 29 Budget Pg. No. 1-193

<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	\$ 260,903	\$ 248,267	\$ (7,397)
F.T.E. Positions	8.0	8.0	—

Agency Request/Governor's Recommendation

The agency's request for FY 1986 would maintain the same staffing levels approved for the current fiscal year and includes other operating expenditures at a level of \$14,350 more than the amount estimated for FY 1985.

The Governor's recommendation for FY 1986 reduces the agency's request by \$12,636. The recommendation includes the removal of the 5.5 percent salary adjustment (\$10,035), and reductions in travel and subsistence (\$1,661) and in utilities (\$940).

House Subcommittee Recommendations

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

1. Delete \$6,221 in salary costs due to turnover.
2. Delete \$1,176 in rents. The agency, which subleases space to the Board of Barber Examiners, included in its request estimated rent expenditures for space occupied by the Board of Barber Examiners.

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

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 44,936	\$ 36,595	\$ 65,720
Net Receipts	213,486	275,584	286,304
Total Funds Available	\$ 258,422	\$ 312,179	\$ 352,024
Less: Expenditures	221,380	246,459	240,870
Ending Balance	\$ 37,042	\$ 65,720	\$ 111,154

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (7,397)	\$ 240,870	\$ 1,176
F.T.E. Positions	--	8.0	--

The Senate Subcommittee concurs with the House's recommendations with the following exception:

1. Addition of \$1,176 for office rent. The Subcommittee notes that while the Cosmetology and Barber Boards share office space and rent, the Cosmetology Board is required by the landlord to submit a combined monthly rent payment.

The Fee Fund analysis, based on the Senate Subcommittee's adjustments in FY 1986, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 44,936	\$ 36,595	\$ 65,720
Net Receipts	213,486	275,584	286,304
Total Funds Available	\$ 258,422	\$ 312,179	\$ 352,024
Less: Expenditures	221,380	246,459	242,046
Ending Balance	\$ 37,042	\$ 65,720	\$ 109,978

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Department of Credit Unions Bill No. 2036 Bill Sec. 9  
 Analyst: Howard Analysis Pg. No. 31 Budget Pg. No. 1-105

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

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

1. The Committee deletes \$2,000 in communications expenditures.
2. The Committee states that the increased travel recommendation in FY 1985 and FY 1986 are not indicative of a general policy of funding such expenses but are specifically provided only while the Administrator serves as President of the National Association.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations.



SUBCOMMITTEE REPORT

Agency: Dental Board Bill No. 2036 Bill Sec. 10  
 Analyst: Hunn Analysis Pg. No. 33 Budget Pg. No. 1-195

<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	\$ 116,835	\$ 112,293	\$ (2,100)
State General Fund	--	--	--
F.T.E. Positions	1.5	1.5	--

Agency Request/Governor's Recommendation

The agency's request of \$116,835 would essentially maintain the current level of operations with the current level of staffing. Significant funding for investigatory activities is requested in FY 1986 at a level 10.5 percent higher than the level estimated for FY 1985.

The Governor recommends expenditures of \$112,293 for FY 1986, which deletes the 5.5 percent salary adjustment and makes minor adjustments in the amounts budgeted for printing and travel.

House Subcommittee Recommendations

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

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

1. Delete \$2,100 for professional services. The Subcommittee's recommendation reduces the budgeted amount for investigatory activities of the Board. The Subcommittee notes that the Governor's recommendation and agency request provide for a 10.5 percent increase in expenditures for investigatory activities. The Subcommittee's adjustment would allow for a 5 percent increase in expenditures for investigatory activities.

Based upon the Subcommittee's recommendation, the balance remaining in the Dental Board Fee Fund at the end of FY 1985 will be \$140,798 and will be \$126,765 at the end of FY 1986. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 146,428	\$ 152,353	\$ 140,798
Net Receipts	97,662	96,160	96,160
Total Funds Available	\$ 244,090	\$ 248,513	\$ 236,958
Less: Expenditures	91,737	107,715	110,193
Ending Balance	<u>\$ 152,353</u>	<u>\$ 140,798</u>	<u>\$ 126,765</u>

House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendations

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (1,700)	\$ 92,310	\$ 850
State General Fund	—	—	—
TOTAL	<u>\$ (1,700)</u>	<u>\$ 92,310</u>	<u>\$ 850</u>
F.T.E. Positions	—	3.0	—

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

1. Addition of \$100 for communications.
2. Addition of \$750 for travel and subsistence.
3. Based on the Senate Subcommittee's adjustments to expenditures, the fee fund analysis is the following:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 32,749	\$ 31,582	\$ 33,021
Net Receipts	83,794	92,563	94,579
Total Funds Available	<u>\$ 116,543</u>	<u>\$ 124,145</u>	<u>\$ 127,600</u>
Less: Expenditures	84,961	91,124	93,160
Ending Balance	<u>\$ 31,582</u>	<u>\$ 33,021</u>	<u>\$ 34,440</u>

SUBCOMMITTEE REPORT

Agency: Board of Examiners for Hearing Aids      Bill No. 2036      Bill Sec. 12  
 Analyst: Rampey      Analysis Pg. No. 38      Budget Pg. No. 1-201

<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	\$ 10,202	\$ 9,751	\$ (1,532)
State General Fund	--	--	--
F.T.E. Positions	--	--	--

House Subcommittee Recommendation

FY 1985. The Subcommittee concurs with the estimate of \$6,465 and believes it will be possible to purchase a typewriter during the current fiscal year instead of in FY 1986, as requested by the Board and recommended by the Governor. The Subcommittee notes that expenditures through the end of January total \$3,025, leaving an encumbered balance of \$3,440 for the five months remaining this fiscal year.

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

1. Delete \$532 for intermittent clerical help for the Board. The effect of the Subcommittee's adjustment is to recommend \$1,500 for intermittent clerical help instead of \$2,032 as recommended by the Governor. The amount recommended by the Subcommittee would permit the Board to employ an intermittent person for between four and five hours per week. The Subcommittee encourages the Board to find intermittent help at a lower hourly wage than it is presently paying. The current intermittent employee is contracted for through Manpower Incorporated at a rate of \$6.56 per hour and usually works one afternoon per week.
2. Delete \$400 for contractual services for an attorney. The effect of the Subcommittee's adjustment is to recommend \$200 for legal services.
3. Delete \$600 for the purchase of a typewriter. The expenditure will not be necessary in FY 1986 because the Subcommittee recommends that the typewriter be purchased during the current fiscal year.

Based upon the Subcommittee's recommendation, the balance in the Board of Examiner's fee fund will be \$25,669 at the end of FY 1985 and \$21,300 at the end of FY 1986. The status of the fee fund is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 30,158	\$ 30,904	\$ 25,669
Net Receipts	6,200*	1,230*	3,850
Total Funds Available	\$ 36,358	\$ 32,134	\$ 29,519
Less: Expenditures	5,454	6,465	8,219
Ending Balance	<u>\$ 30,904</u>	<u>\$ 25,669</u>	<u>\$ 21,300</u>

\* According to the Board, approximately \$3,075 in receipts for FY 1985 was deposited in the account for FY 1984.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Rec.FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (1,532)	\$ 8,219	\$ 1,132
State General Fund	—	—	—
F.T.E. Positions	—	—	—

FY 1986. The Senate Subcommittee concurs with the recommendations by the House with the following exceptions:

1. Add \$532 for intermittent clerical help for the Board. The effect of the adjustment is to recommend \$2,032 for part-time clerical help, as recommended by the Governor.
2. Add \$600 for a typewriter.

The analysis of the Board's fee fund, based upon adjustments made by the Senate Subcommittee, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 30,158	\$ 30,904	\$ 25,669
Net Receipts	6,200*	1,230*	3,850
Total Funds Available	\$ 36,358	\$ 32,134	\$ 29,519
Less: Expenditures	5,454	6,465	9,351
Ending Balance	\$ 30,904	\$ 25,669	\$ 20,168

\* According to the Board, approximately \$3,075 in receipts for FY 1985 was deposited in the account for FY 1984.

SUBCOMMITTEE REPORT

Agency: Consumer Credit Commissioner Bill No. 2036 Bill Sec. 13  
 Analyst: Rothe Analysis Pg. No. 40 Budget Pg. No. 1-89

<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	\$ 290,237	\$ 278,745	\$ —
F.T.E. Positions	8.0	8.0	—

Agency Request/Governor's Recommendation

The Commissioner's request for FY 1986 would maintain 8.0 F.T.E. positions as approved for the current year, but at lower classifications than originally estimated for FY 1985. The request includes other operating expenditures which are \$11,386 higher than the amount originally estimated for FY 1985. The Commissioner has included a \$50,000 transfer for consumer credit education.

The Governor's recommendation for FY 1986 includes a reduction of \$11,492 in salaries and wages. The recommendation includes no funds for consumer credit education in FY 1986.

House Subcommittee Recommendations

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

1. The 1984 Legislature authorized the Consumer Credit Commissioner to contract with the Kansas Department of Education and the Board of Regents for the purpose of evaluating the status of consumer credit education in Kansas and to recommend programs for effectively carrying out the Commissioner's mandate to provide for increased consumer credit knowledge. The Consumer Credit Commissioner transferred \$20,000 from its fee fund to the Department of Education to fund the evaluation. The Consumer Credit Commissioner set aside an additional \$10,000 in its fee fund to fund a similar evaluation to be conducted by the Kansas Council on Economic Education, a group representing the Board of Regents. The Commissioner directed the Department of Education and the Kansas Council on Economic Education to present plans on how they would utilize three levels of funding — \$30,000, \$50,000, and \$65,000 — to provide for consumer credit education. The Commissioner asks the Legislature to determine which plan and level of funding should be approved for FY 1986. Upon examination of the evaluations conducted by the Department of Education and the Kansas Council on Economic Education, the Subcommittee recommends the following:
  - a. The Consumer Credit Commissioner will be authorized to enter into a contract in the amount of \$65,000 with the Kansas

Council on Economic Education to conduct a consumer credit education program. The Subcommittee further recommends that a proviso be included in the contract that the amount be transferred to the Kansas Council on Economic Education in quarterly installments.

The fee fund analysis, based upon the House Subcommittee's adjustment, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 240,377	\$ 255,809	\$ 255,380
Net Receipts	327,001	295,095	301,382
Total Funds Available	\$ 567,378	\$ 550,904	\$ 556,762
Less: Transfer	65,000	30,000	65,000
Less: Expenditures	246,569	265,524	278,745
Ending Balance	<u>\$ 255,809</u>	<u>\$ 255,380</u>	<u>\$ 213,017</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendations.



SUBCOMMITTEE REPORT

Agency: Board of Nursing Bill No. 2036 Bill Sec. 14  
 Analyst: Howard Analysis Pg. No. 43 Budget Pg. No. 1-203

<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	\$ 487,187	\$ 390,604	\$ --
State General Fund	--	--	--
F.T.E. Positions	11.0	11.0	--

House Subcommittee Recommendations

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

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

1. Reduce printing and advertising by \$1,000 to \$6,360, and shift that \$1,000 to increase fees for other services from \$7,000 to \$8,000 to pay for data processing services and tuition fees.

In addition, the Subcommittee notes that the Executive Director has expressed dissatisfaction with the current salary ranges and the effect she feels that these have on attracting quality professional personnel. This Subcommittee has not had the necessary information to study this matter but we suggest that the Senate Subcommittee review this question if more information is available from the Division of Personnel Services.

Based upon the Subcommittee's recommendations, the balance remaining in the Board of Nursing Fee Fund will be \$135,204 at the end of FY 1985 and \$234,296 at the end of FY 1986. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 80,040	\$ 90,889	\$ 135,204
Net Receipts	415,386	438,802	489,696
Total Funds Available	\$ 495,426	\$ 529,691	\$ 624,900
Less: Expenditures	404,537	394,487	390,604
Ending Balance	<u>\$ 90,889</u>	<u>\$ 135,204</u>	<u>\$ 234,296</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 390,604	\$ 4,836
State General Fund	--	--	--
F.T.E. Positions	--	11.0	--

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

1. Add \$432 to salaries and wages for the Executive Administrator. A change from Range 32 to Range 34 has been approved by Personnel pending some fund resources verification. The Subcommittee would note that the Executive Administrator had planned a move from 32-E to 34-F with a much larger salary increase. However, as a classified employee the Administrator is limited by Division of Personnel Regulation 1-5-19c from moving to Step F in the new range.
2. Add \$4,404 in salaries and wages for a nursing education specialist which the Division of Personnel Services has approved hiring above the minimum step.

The fee fund analysis, based on the Senate Subcommittee's adjustments in FY 1986, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 80,040	\$ 90,889	\$ 135,204
Net Receipts	415,386	438,802	489,696
Total Funds Available	\$ 495,426	\$ 529,691	\$ 624,900
Less: Expenditures	404,537	394,487	395,440
Ending Balance	<u>\$ 90,889</u>	<u>\$ 135,204</u>	<u>\$ 229,460</u>

SUBCOMMITTEE REPORT

Agency: Board of Examiners in Optometry Bill No. 2036 Bill Sec. 15  
 Analyst: Howard Analysis Pg. No. 46 Budget Pg. No. 1-205

<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	\$ 22,466	\$ 21,870	\$ (400)
State General Fund	--	--	--
F.T.E. Positions	.3	.3	--

Agency Request/Governor's Recommendation

The agency's request for FY 1986 would maintain the same staffing and operations as in the current year. The request is \$1,597 greater than FY 1985 because of the biennial printing of the rules and roster booklet.

The Governor's recommendation reduces the agency's request by \$596 for FY 1986. Areas of reduction include salaries and wages, communication, and travel.

House Subcommittee Recommendations

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

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

1. Delete \$200 in communication costs.
2. Delete \$200 in printing. This reduction is made with the recommendation that rules and roster booklets only be mailed to existing members every two years upon the printing of the new booklet. The current practice is to send one to each existing member each year resulting in each member having duplicate copies.

In addition, the Subcommittee makes the following observations:

1. Consideration should be given in FY 1987 to reduce communications further due to the reduction in mailing the rules and roster booklets if they are only sent to existing members every two years.
2. The Board has again submitted a report on the number of complaints it has received in FY 1984 and FY 1985 (to date), the origin, and the status. The Subcommittee wishes to note that though hearing fees have been low in the current fiscal year the requested amounts should not be reduced because one major complaint is pending and it is difficult to predict whether further complaints will be filed.

3. The Subcommittee wishes to note that H.B. 2282 has been introduced to add a lay person to the Board. If this bill passes, consideration should be given for salary and travel adjustments.

Based upon adjustments to the Board's budget made by the Subcommittee, the ending balance in the Optometry Board Fee Fund will be \$39,650 in FY 1985 and \$41,872 in FY 1986. The fee fund analysis is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 25,244	\$ 36,379	\$ 39,650
Net Receipts	23,507	23,676	23,692
Total Funds Available	\$ 48,751	\$ 60,055	\$ 63,342
Less: Expenditures	12,372	20,405	21,470
Ending Balance	<u>\$ 36,379</u>	<u>\$ 39,650</u>	<u>\$ 41,872</u>

House Committee Recommendations

The House Committee concurs with the recommendation of the Subcommittee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

Agency: Board of Pharmacy Bill No. 2036 Bill Sec. 16  
 Analyst: West Analysis Pg. No. 48 Budget Pg. No. 1-207

<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	\$ 254,413	\$ 243,475	\$ (691)
F.T.E. Positions	6.0	6.0	—

House Subcommittee Recommendations

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

1. Add \$881 for travel and subsistence to allow one member of the Board of Pharmacy to accompany the Executive Secretary to the National Association of Boards of Pharmacy meeting.
2. Delete \$1,572 associated with the reclassification of the Clerk-Typist I position. The Subcommittee is concerned with the possible effect of the Governor's proposed secretarial plan in conjunction with reclassifications.

House Committee Recommendation

The House concurs with the Subcommittee report as submitted.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (691)	\$ 242,784	\$ 1,572
F.T.E. Positions	—	6.0	—

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

FY 1986. The Senate Subcommittee concurs with the House recommendations, with the following adjustment:

1. Restore \$1,572 associated with the reclassification of the Clerk-Typist I position.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 88,127	\$ 86,343	\$ 92,267
Net Receipts	224,684	236,310	238,480
Total Funds Available	<u>\$ 312,811</u>	<u>\$ 322,653</u>	<u>\$ 330,747</u>
Less: Expenditures	226,468	230,386	244,356
Ending Balance	<u><u>\$ 86,343</u></u>	<u><u>\$ 92,267</u></u>	<u><u>\$ 86,391</u></u>

SUBCOMMITTEE REPORT

Agency: Real Estate Commission Bill No. 2036 Bill Sec. 17  
 Analyst: Hunn Analysis Pg. No. 51 Budget Pg. No. 1-209

<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	\$ 408,152	\$ 363,499	\$
State General Fund	—	—	
F.T.E. Positions	11.0	11.0	

Agency Request/Governor's Recommendation

The Commission's request would provide a staffing level of 11.0 F.T.E. positions and would allow the resumption of the level of activity authorized prior to funding problems experienced because a fee increase was not authorized during the 1984 Legislative Session. The Commission requests that the statutory limit on its biennial fees be increased to \$100 for brokers and \$60 for salespersons.

The Governor also recommends an increase in the statutory fee limitation and a staffing level of 11.0 F.T.E. positions as requested by the Commission. The Governor's recommendation reduces expenditures in the areas of communications, professional services, and office supplies and deletes the 5.5 percent salary adjustment.

House Subcommittee Recommendations

FY 1985. The Subcommittee concurs with the Governor's recommendation of expenditures of \$263,886. The Subcommittee notes that the Commission is under the allotment system with a limitation of \$333,600 because a requested raise in the statutory limit of the Commission's fees was not authorized during the 1984 Legislative Session.

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

1. The Subcommittee notes that the Commission is currently studying alternatives in meeting their data processing needs. The Commission is investigating the possibility of contracting with an educational testing firm for these services which would not result in direct cost to the Commission, but would be covered by the examination fee charged to applicants. The Subcommittee notes that if the Commission decides on this type of contracted data processing service and discontinues their arrangement with the state's central computing services, there may be savings in this area in FY 1986. (Note: The 1984 Legislature approved \$20,258 to allow the Commission to purchase its own computer system, but the Commission was unable to because of their funding shortage.)

2. The Subcommittee notes that the recommended expenditures for FY 1986 would bring the Commission's activities back to the level authorized prior to its financing problems in FY 1985. The recommended expenditures for FY 1986 are a 5.8 percent increase over the actual expenditures in FY 1984. The 1984 Legislature authorized expenditures for FY 1985 of \$376,173, which was reduced by the allotment system.
3. The Subcommittee concurs with the Governor's recommendation to increase the statutory fee limitations to \$100 for brokers and \$60 for salespersons, and raise the current fees to \$80 for brokers and \$60 for salespersons.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 61,985	\$ 24,579	\$ 24,157
Net Receipts	306,224	263,464	433,252
Total Funds Available	\$ 368,119	\$ 288,043	\$ 457,409
Less: Expenditures	343,540	263,886	363,499
Ending Balance	\$ 24,579	\$ 24,157	\$ 93,910

#### House Committee Recommendations

The House Committee concurs with the Subcommittee with the following amendment:

1. The Committee suggests that the Real Estate Commission consider purchasing the recommended furniture in FY 1986 from Kansas Correctional Industries.

#### Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations.



SUBCOMMITTEE REPORT

Agency: Savings and Loan Department Bill No. 2036 Bill Sec. 18  
 Analyst: Howard Analysis Pg. No. 54 Budget Pg. No. 1-167

<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	\$ 192,807	\$ 181,997	\$ (263)
State General Fund	--	--	--
F.T.E. Positions	5.5	5.5	--

Agency Request/Governor's Recommendation

The request for FY 1986 of \$192,807 would provide salaries and benefits for 5.5 F.T.E. positions, the same level approved for the current year, and other operating expenditures. This amount is 6.6 percent more than the current year estimated expenditures of \$180,843. The increase includes \$7,073 for a 5.5 percent salary adjustment and a \$3,364 travel expenditure increase. The estimate of net receipts for FY 1986 totals \$162,074, which is \$8,742 lower than the current fiscal year.

The Governor's recommendation for FY 1985 is \$8,950 less than the agency estimate. The Governor recommends reductions in salaries and wages (\$5,800), travel (\$2,900) and office supplies (\$250). The Governor's recommendation for FY 1986 differs from the agency request by \$10,812. The Governor removes the salary adjustment (\$7,073) and reduces unemployment insurance (\$343). He also reduces funding for travel (\$3,194) and office supplies (\$200).

House Subcommittee Recommendation

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

FY 1986. The Subcommittee concurs with the budget as recommended by the Governor with the following adjustments:

1. Elimination of \$263 recommended by the Governor for communication expenses in order to reflect a 17.5 percent increase rather than the 25.0 percent increase which was budgeted.

In addition, the Subcommittee makes the following observations:

1. The FY 1986 request for rents includes a 10 percent increase to \$11.00 per square foot suggested by the Division of Budget for state-owned office buildings. The Commissioner believes the agency could negotiate a lower rent independently in privately-owned office space, but at the current time they are statutorily directed where to rent by the Secretary of Administration. The Subcommittee suggests that authority be given to fee boards to negotiate their own leases.
2. The Subcommittee notes the decrease in the number of state-chartered associations from 42 in FY 1983 to 32 in the current fiscal year. Anticipated revenue for FY 1986 may be understated because the Commissioner believes the decline in the number of associations has ended.

The Subcommittee encourages the agency in their intention to review their fee structure and recommend a discount if the carryforward balance is great.

Based upon adjustments to the Board's budget made by the Subcommittee in fiscal years 1985 and 1986, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 63,168	\$ 103,778	\$ 94,021
Net Receipts	194,566	170,816	162,074
Total Funds Available	<u>\$ 257,734</u>	<u>\$ 274,594</u>	<u>\$ 256,095</u>
Less: Expenditures	153,956	180,573	181,734
Ending Balance	<u><u>\$ 103,778</u></u>	<u><u>\$ 94,021</u></u>	<u><u>\$ 74,361</u></u>

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Office of the Securities Commissioner Bill No. NA Bill Sec. NA  
 Analyst: Howard Analysis Pg. No. 56 Budget Pg. No. 1-173

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

House Subcommittee Recommendations

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

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

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (654)	\$ 186,752	\$ 408
State General Fund	—	—	—
TOTAL	<u>\$ (654)</u>	<u>\$ 186,752</u>	<u>\$ 408</u>
F.T.E. Positions	—	3.0	—

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

1. Addition of \$1,700 to include \$100 for a new copier contract and \$1,600 for fees -- professional services.

FY 1986. The Senate Subcommittee concurs with the House Committee's recommendations with the following adjustment:

1. Addition of \$408 to enable the Board to rent its own copier and to discontinue its present arrangement of sharing usage of a copier with the Board of Behavioral Sciences.
2. The fee fund analysis below is based on the following: (a) the Senate Subcommittee's adjustments to expenditures; (b) an estimated reduction in renewal fee receipts for FY 1986, as proposed by the House Subcommittee; and (c) in FY 1986 the elimination of projected reimbursements from the Board of Behavioral Sciences for copier usage.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 249,046	\$ 257,622	\$ 277,559
Net Receipts	183,931	216,142	131,894
Total Funds Available	<u>\$ 432,977</u>	<u>\$ 473,764</u>	<u>\$ 409,453</u>
Less: Expenditures	175,355	196,205	187,160
Ending Balance	<u>\$ 257,622</u>	<u>\$ 277,559</u>	<u>\$ 222,293</u>

SUBCOMMITTEE REPORT

Agency: Board of Veterinary Examiners Bill No. 2036 Bill Sec. 21  
 Analyst: Hunn Analysis Pg. No. 65 Budget Pg. No. 1-213

<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	\$ 53,751	\$ 42,282	\$ (233)
State General Fund	—	—	—
F.T.E. Positions	1.0	0.5	0.5

Agency Request/Governor's Recommendation

The agency's FY 1986 request of \$53,751 would increase the staffing level from 0.5 F.T.E. to 1.0 F.T.E. and would allow the Board to rent office space. The agency's request would not expand the scope of the Board's activities but would allow the shift of administrative duties from the Board Secretary to a full-time clerical position.

The Governor's FY 1986 recommendation of \$42,282 does not provide for rental of office space or an increase in the staffing level.

House Subcommittee Recommendations

FY 1985. The House Subcommittee concurs with the Governor's FY 1985 recommended expenditures with the following adjustment:

1. Delete \$279 for the purchase of a tape recorder. The Subcommittee notes that the Board would rather purchase the tape recorder in FY 1986, rather than FY 1985.

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

1. The Subcommittee notes the Board states it has had difficulty in hiring clerical staff given the current funding for the position. The Subcommittee also notes that KPERS and health insurance benefits are not currently provided for the .5 F.T.E. clerical position. The Subcommittee recommends increasing the salary for the clerical position from \$4,148 to \$6,000 to bring it more in line with other civil service clerical positions and also recommends funding for all fringe benefits normally provided a permanent .5 F.T.E. position. These salary adjustments result in a net increase of \$1,488 to the Governor's recommendation.
2. The Subcommittee notes that the Governor recommends \$2,500 to allow the Board to hire veterinarians to investigate complaints. In the past, the Board Secretary has investigated complaints, usually by letter or phone, rather than hire other veterinarians. The Subcommittee recommends reducing by \$2,000 the amount for investigative services.



- The Subcommittee recommends \$279 for a tape recorder in FY 1986 which the Subcommittee recommended be deleted from the FY 1985 budget. The Board stated it would prefer to purchase the tape recorder in FY 1986.

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 35,860	\$ 44,542	\$ 48,247
Net Receipts	41,175	45,000	45,800
Total Funds Available	\$ 77,035	\$ 89,542	\$ 94,047
Less: Expenditures	32,493	41,295	42,049
Ending Balance	<u>\$ 44,542</u>	<u>\$ 48,247</u>	<u>\$ 51,998</u>

House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Total Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (233)	\$ 42,049	\$ 2,250
State General Fund	--	--	--
F.T.E. Positions	--	0.5	--

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

- Add \$2,250 for rental of office space. The Subcommittee notes the Board Secretary currently provides office space in his private office for the Board's activities at no charge. The Secretary feels he no longer has sufficient space in his office for the clerical activities of the Board and would like to rent office space elsewhere.

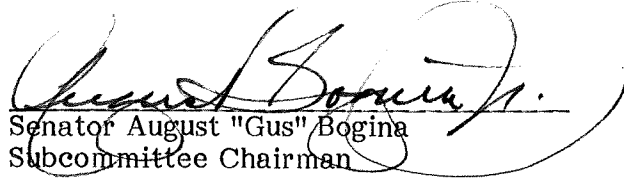
<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 35,860	\$ 44,542	\$ 48,247
Net Receipts	41,175	45,000	45,800
Total Funds Available	\$ 77,035	\$ 89,546	\$ 94,047
Less: Expenditures	32,493	41,295	44,299
Ending Balance	<u>\$ 44,542</u>	<u>\$ 48,247</u>	<u>\$ 49,748</u>

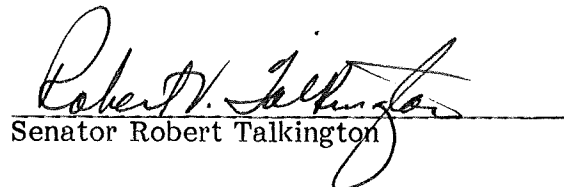
SENATE SUBCOMMITTEE REPORTS ON H.B. 2057

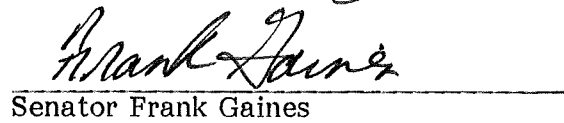
Sections Pertaining to:

Sec. 2 -- Kansas Department of Transportation

Sec. 3 -- Kansas Highway Patrol

  
Senator August "Gus" Bogina  
Subcommittee Chairman

  
Senator Robert Talkington

  
Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Department of Transportation Bill No. 2057 Bill Sec. 2

Analyst: Ahrens Analysis Pg. No. 89 Budget Pg. No. 8-15

<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	\$133,402,299	\$128,832,690	\$ (84,039)
Aid to Local Units	68,574,303	68,574,303	2,886,000
Other Assistance	550,000	550,000	--
Operating Expenditures	\$202,526,602	\$197,956,993	\$ 2,801,961
Capital Improvements	270,534,495	270,534,495	--
TOTAL	<u>\$473,061,097</u>	<u>\$468,491,488</u>	<u>\$ 2,801,961</u>
State General Fund	--	--	--
F.T.E. Positions	3,140.0	3,140.0	--

FY 1985 Agency Request/Governor's Recommendation

The revised FY 1985 budget submitted by the agency reflects revisions for both operating expenditures and capital improvements. The revised estimate for operating expenditures totals \$195,047,701, or \$1,999,910 less than the total estimated following adjournment of the 1984 Session. The revised estimate for capital improvements is \$308,863,646, or \$39,203,045 above the earlier estimate following 1984 legislative action. Of the \$1,999,910 decrease in operating expenditures for FY 1985, \$107,974 is in state operations and \$1,891,936 is in aid to local units and other assistance. The revised estimate of \$77,098,173 for salaries and wages finances 3,139.0 F.T.E. positions, or 15 fewer F.T.E. positions than were authorized by the 1984 Session. The Governor's recommendation with respect to the total revised expenditure estimate for FY 1985 reduces the agency amount by \$273,018. The Governor's revised FY 1985 expenditure estimate reflects only relatively minor reductions in state operations expenditures — \$9,391 in salaries and wages, \$103,357 in contractual services (\$98,338 in travel and subsistence), \$11,701 in commodities and \$148,569 in capital outlay. The capital outlay reduction represents a shift of expenditures for an accounting system software product to FY 1986.

FY 1985 Subcommittee Recommendations

The Subcommittee concurs with the FY 1985 recommendations of the Governor for state operations and capital improvements. However, the Governor's estimate with respect to aid to local units does not properly adjust the Special City and County Highway Fund distributions to reflect the consensus estimate of motor fuel tax receipts. This Subcommittee recommends that the estimate of FY 1985 expenditures from the Special City and County Highway Fund be increased by \$1,134,746 to a total of \$61,816,700. This fund has no expenditure limitation in the appropriation act.

FY 1986 Agency Request/Governor's Recommendation

The agency's FY 1986 request for state operations totals \$133,477,299, an increase of \$8,060,968 over the agency's revised FY 1985 estimate. About half (\$4,019,120) of the increase is in salaries and wages. Other operating expenditures are requested at an amount which is \$4,041,848 above the revised FY 1985 estimate. By major object of

expenditure, requested FY 1986 nonsalary expenditures exceed FY 1985 estimates by \$1,116,161 for contractual services, \$1,795,679 for commodities and \$1,130,008 for capital outlay. One new position is requested. The Governor's recommended FY 1986 expenditures for state operations total \$128,832,690 which is \$4,644,609 below the agency request and \$3,689,377 above the Governor's revised FY 1985 estimate. Reductions include \$4,360,713 of salaries and wages, \$191,642 of contractual services, \$25,503 of commodities and \$66,751 for capital outlay. Most, \$4,126,997, of the Governor's reduction in salaries and wages is the removal of the 5.5 percent general salary adjustment. The Governor recommends the additional position, an Attorney I to assist in handling tort claims filed against the Department. Several position classification changes are recommended, none of which involve clerical positions. The FY 1986 Governor's recommendation for other operating expenditures include \$148,569 for purchase of accounting software and \$1,449,250 to purchase hardware and software for a computer aided system for design, drafting, and mapping. The overall Governor's recommendation for FY 1986 represents a 2.9 percent increase over the revised FY 1985 estimate. As in the case of the FY 1985 estimates, the Governor's recommendation for aid to local units for FY 1986 does not accurately reflect estimates of motor fuel tax receipts. The Governor recommends \$1,448,675 for building construction and improvement projects as requested by the agency.

#### FY 1986 Subcommittee Recommendations

The Subcommittee concurs with the FY 1986 recommendations of the Governor except for the following adjustments:

1. Delete the amounts totaling \$562,673 for retirement compensation plus \$72,866 for related fringe benefits. Because separate amounts for this purpose were budgeted for FY 1984 and FY 1985 and concurred in by the 1984 Legislature, the Subcommittee recommends that turnover estimates be reduced by the same amounts, thus total expenditures would not be changed. The Subcommittee recommends similar adjustments to the FY 1985 budget, involving \$353,360 of retirement compensation and related fringe benefits.
2. Reduce communications costs for the Administration Program by \$12,539, representing a revised estimate of FY 1986 KANS-A-N costs.
3. Delete \$48,941 of salary and benefits for a Chemist IV position which was erroneously included in the Governor's recommendation for the Operations Program.
4. Remove the \$22,559, inclusive of fringe benefits, identified as a separate item in the salaries and wages budget of the Operations Program for a new \$10 per month special salary supplement for positions classified as welders, auto mechanics and helpers and KDOT equipment mechanics. The item is identified as a tool allowance.
5. Shift two positions, a Civil Engineer III and an Engineering Technician V, salaries and wages of \$75,657 and travel of \$2,328 from the Planning and Development Program to the Aviation Program. This item was requested by the agency subsequent to the Governor's Budget Message on the basis that the two positions have actually been performing aviation-related duties.

6. Increase expenditures from the Special City and County Highway Fund by \$2,886,000 to \$62,925,000 which is the estimate for distributions derived from consensus estimates of motor fuel tax receipts.
7. The Subcommittee observes that, based upon costs to date, there are potential savings in motor fuel costs in both FY 1985 and FY 1986 and recommends that any such savings be used for contractual road maintenance. The Subcommittee raised the question of the need for a 7 percent increase in travel and subsistence expenditures for FY 1986 over FY 1985 and learned that, in addition to a 5 percent increase in the estimated in-state subsistence allowance, the agency is anticipating an increase in volume of travel for the Operations and Engineering and Design Programs in connection with increased project activity.
8. Adjust the appropriation language in H.B. 2057 in accordance with the request of the agency and the Division of the Budget by reducing the State Highway Fund expenditure limitations for the Administration and Operations Programs by \$200,000 and \$125,000, respectively; deleting the line item for Conversion of Materials and Equipment Fund; and inserting line items for two federal funds, Metropolitan Transportation Planning and Technological Transfer Grant.

The items recommended by the Governor with which the Subcommittee concurs include the \$1,449,250 of capital outlay for hardware and software to begin implementation of the computer-aided system for design, drafting, and mapping. This would be the initial year of a three-year program of capital outlay for the new system. However, the last two years would be much less costly, involving capital outlay of approximately \$300,000 and \$400,000, respectively. The Department projects eventual savings due to increased efficiency in design and drafting work brought about by the computer-aided system.

The Subcommittee recommends that serious consideration be given to the request of the Department of Transportation that hiring of temporary construction workers by the agency be exempted from the restrictions in current law that no temporary appointment may exceed 25 weeks in duration or 1,000 hours of work in the course of a calendar year.

The Subcommittee is very concerned that the gasohol differential with respect to the state motor fuel tax has substantially reduced receipts to the State Highway Fund and to the Special City and County Highway Fund below the amounts projected to be derived by passage of 1983 H.B. 2566. The Subcommittee supports legislation that would reduce the state tax differential on gasohol by more than one cent.

#### House Committee Recommendation

The House Committee recommends that legislation be enacted to reduce the state gasohol fuel tax differential by three cents and to phase out the remaining two cents.

#### FY 1985 Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the revised estimate for expenditures from the Special City and County Highway Fund. The Subcommittee also recommends that

\$164,000 authorized by the 1984 Session for the development of the Pavement Management System be shifted from FY 1985 to FY 1986. This shift was requested by the agency because of delays encountered in utilizing computer hardware.

FY 1986 Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Recommend. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (84,039)	\$128,748,651	\$ (448,980)
Aid to Local Units	2,886,000	71,460,303	—
Other Assistance	—	550,000	—
Subtotal - Op.	<u>\$ 2,801,961</u>	<u>\$200,758,954</u>	<u>\$ (448,980)</u>
Capital Improvements	—	270,534,495	—
TOTAL	<u><u>\$ 2,801,961</u></u>	<u><u>\$471,293,449</u></u>	<u><u>\$ (448,980)</u></u>
State General Fund	—	—	—
F.T.E. Positions	—	3,140.0	—

The Senate Subcommittee concurs with the FY 1986 House recommendations numbered 1 through 8 except as follows:

1. With respect to item 1 of the House recommendations, which pertains to retirement compensation, the Senate Subcommittee concurs with the removal of \$635,539 for such compensation but without a compensating adjustment of turnover. As a consequence, the expenditures for state operations are reduced by \$17,532 for Administration, \$7,455 for Engineering and Design, and \$610,552 for Operations. The Subcommittee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
2. The Subcommittee recommends the restoration of \$22,559 for allowances for tools (item 4 of the House recommendations), a \$10 per month salary supplement for positions classified as welders, auto mechanics and helpers, and KDOT equipment mechanics.
3. The Subcommittee recommends the shift of an attorney position, salaries and wages of \$36,050 and other operating expenditures of \$2,500 from the Division of Planning to the Division of Administration. This item was requested by the agency subsequent to House review of the KDOT budget.
4. As noted previously, the Subcommittee recommends adjustment of H.B. 2057 to reflect the shift from FY 1985 to FY 1986 of \$164,000 approved by the 1984 Session of the Legislature for the development of the computerized Pavement Management System.

SUBCOMMITTEE REPORT

Agency: Highway Patrol Bill No. 2057 Bill Sec. 3  
 Analyst: West Analysis Pg. No. 94 Budget Pg. No. 8-1

<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	\$ 27,644,226	\$ 21,437,574	\$ (285,228)
Aid to Local Units	765,000	287,000	(73,000)
Subtotal Operating	<u>\$ 28,409,226</u>	<u>\$ 21,724,574</u>	<u>\$ (358,228)</u>
Capital Improvements	\$ 758,523	\$ 31,077	\$ —
<b>TOTAL</b>	<u><u>\$ 29,167,749</u></u>	<u><u>\$ 21,755,651</u></u>	<u><u>\$ (358,228)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 24,547,706	\$ 18,722,888	\$ (280,561)
Aid to Local Units	765,000	287,000	(73,000)
Subtotal Operating	<u>\$ 25,312,706</u>	<u>\$ 19,009,888</u>	<u>\$ (353,561)</u>
Capital Improvements	\$ 758,523	\$ 31,077	\$ —
<b>TOTAL</b>	<u><u>\$ 26,071,229</u></u>	<u><u>\$ 19,040,965</u></u>	<u><u>\$ (353,561)</u></u>
<b>F.T.E. Positions:</b>			
Uniformed Troopers	448.5	412.0	(4.0)
Capital Area Security	71.5	67.5	—
All Other	127.0	117.0	1.0
<b>TOTAL</b>	<u><u>647.0</u></u>	<u><u>596.5</u></u>	<u><u>(3.0)</u></u>

House Subcommittee Recommendations

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

1. Delete \$87,250 from contractual services to correct a technical miscalculation as per Governor's Budget Amendment No. 1.
2. The Subcommittee concurs with the Governor's recommendation for private designees to assume much of the workload of the Motor Vehicle Inspection Program. The agency indicates this would reduce the drain on the troopers from regular patrol work by an equivalent of about five F.T.E. The Governor is recommending eight troopers and one sergeant for the Motor Carrier Safety Assistance Program (MCSAP). The Subcommittee recommends that four troopers be shifted to the MCSAP that is 80 percent federally funded. Based on hiring only five new troopers this would save \$97,042 SGF expenditures.
3. The Governor recommends the addition of one F.T.E. position for a full time Attorney I for FY 1986 at a cost of \$29,104 including benefits. The Subcommittee recommends that in lieu of this the agency would continue to use the Attorney General's office for litigation and research necessary to answer questions of the public and that 1.0 F.T.E. and \$29,104 be

deleted from the budget. The Subcommittee recognized that there have been problems by the agency from lack of continuity on attorneys assigned by the Attorney General's Office and agrees to direct a letter to the Attorney General on this matter. The Subcommittee further recommends the agency continue to contract for legal assistance as necessary and that \$5,000 be added for this purpose. This recommendation will eliminate the necessity of the agency establishing a new law office and will result in a positive fiscal note of approximately \$24,104.

4. Based on current prices and estimate for FY 1986, a savings in motor vehicle fuel is indicated of \$71,850. The savings in based on a 9.7 cents per gallon reduction in the cost of gasoline. The Subcommittee recommends deletion of the potential savings of \$71,850 from the Patrol's budget.
5. The agency's A level budget request was for 126 new patrol cars. The Governor's recommendation is for 136. The Subcommittee recommends funding for 130 cars at an estimated price of \$11,466 per unit for an expenditure of \$1,490,580, a reduction of \$27,452 from the Governor's recommendation.
6. Review of the estimated communication expenses indicates savings totaling \$10,539 from that recommended by the Governor can be achieved as follows: Patrol, \$7,101; EMS, \$1,357; Data Processing, \$2,004; and Capitol Area Security, \$77. All of the savings are from the State General Fund except for the Capitol Area Security portion.
7. To correct an overstatement in the Governor's recommendation for the Capitol Area Security patrol, the Subcommittee recommends a reduction of \$4,590 in the Intergovernmental Services fund for health insurance.
8. The Governor recommends \$47,000 to finance repairs in operating costs of the EMS Communication System. The agency reports some accumulation of funds from FY 1984 and expenditures of about 36 percent of the funds appropriated during the first six months of FY 1985. Apparently, no detail of past expenditures had been provided. Based on the current annualized expenditure of approximately \$34,000, the Subcommittee recommends that unexpended funds for FY 1985 be carried over and the expenditures for FY 1986 be reduced to \$34,000, a reduction below the Governor's recommendation for FY 1986 of \$13,000.
9. The Governor recommends \$120,000, for purchasing approximately 40 units of training equipment. For FY 1986, the Subcommittee recommends the expenditure for 20 units which will be a reduction from the Governor's recommendation of \$60,000.
10. The Subcommittee recommends the addition of 1.0 F.T.E. and \$22,484 for a Personnel Officer I position to assist in agency operations. Currently the personnel duties are handled by one Personnel Officer III and two clerks. The addition of the Personnel Officer I would allow the current staff to become proactive in dealing with personnel matters as opposed to just reactive.



11. The Subcommittee recommends the addition of 1.0 F.T.E. and \$15,115 for a Storekeeper II position to assist in the work load currently handled by one Procurement Officer I and the Captain of Logistics. Currently the Patrol handles over 700 stock items and approximately 383 vehicles for its 11 divisions and the Emergency Medical Services Bureau.
12. The Subcommittee recommends the deletion of \$184,952 associated with retirement costs and the deletion of \$184,952 from anticipated turnover savings. The net effect of these deletions on the Governor's recommendation is zero. The deletions are to be allocated as follows: Highway Patrol Operations, \$116,115; Turnpike Patrol, \$58,423; and Capitol Area Security, \$10,414.
13. The Subcommittee notes that under the terms of the contract with KTA, the agency reports it receives no reimbursement for training troopers requested by the KTA. The Subcommittee suggests the agency request that expenses of training new troopers for turnpike duty be paid to the agency under the terms of the contract.
14. The Subcommittee recommends that legislation be introduced amending K.S.A. 1984 Supp. 8-116a to provide that any revenue derived from the Vehicle Identification Number inspection program be placed in the Patrol's General Fee Fund instead of the current practice of placing the funds in the State General Fund. This recommendation is based on the Patrol's responsibility of administering and regulating inspections even if actually performed by private designees.
15. The Subcommittee recommends that the appropriation bill (H.B. 2057) be amended to restore separate line items for salaries and OOE.
16. The Subcommittee has been apprised of a disparity in the total compensation provided to KHP Troopers as compared with law enforcement officers in thirteen other states in ten Kansas metropolitan areas. As noted by the Director of the Division of Personnel Services, the disparity is greatest in the benefits provided. Other states averaged 17.9 percent above Kansas, including Missouri.

It is the policy of the Personnel Services Division not to consider the impact of allowances and benefits in order to determine the appropriate salary ranges. The division takes the position that "recognized deficiencies in allowances or other benefits should be addressed by evaluating the possibility of corrective action relating to the specific area rather than attempting to compensate for the difference through a higher salary range adjustment."

The agency and the Trooper's Association are still desirous of a four step increase in ranges. The Division of Personnel Services and the Governor do not recommend the range increase due to several reasons. These include the considerable cost to the state and the fact it would generate a call for similar increases for other law enforcement classes "as other agencies tend to see the Highway Patrol salaries as sort of a benchmark."

The Division recognizes, however, in addition to the disparities in total compensation mentioned above, that the maximum of the range (Step E) is significantly lower than that of other states. The hiring salary and range midpoint compare favorably these studies indicate. The Trooper Association points out other things such as the need for troopers to move frequently, no state compensation for the first move, no overtime, no off-duty work permitted and the problem of "compaction" on the salary schedule. (For example, a six-year trooper makes a little more than the newly hired trainee.)

The Subcommittee endeavored to shift agency funds within the budget to provide for some type of range increase and the Trooper Association and the agency presented a compromise proposal that is estimated to cost \$110,750 above the Governor's budget recommendation. In addition, at the request of the Subcommittee, the agency appeared before the special joint subcommittee studying the Governor's pay plan.

The Subcommittee recommends the following:

1. Due to the complexity of the problem, the shortage of time available to the Subcommittee and the uncertainty of the effect of the new pay plan, the Subcommittee finds it would not be prudent to make a recommendation for the range adjustment and that further study of the basic trooper pay plan is needed. The committee agrees that a problem exists in trooper compensation and that the Division of Personnel Services cooperate with a legislative committee to study the problems, the options available to solve them and develop a recommendation to be incorporated into the agency's FY 1987 budget requests.
2. The Troopers are unique and their pay allowances should be considered separately from other state employees. The Division of Personnel Services should study the concept of creating a "career ladder" for troopers, since relatively few troopers are promoted to sergeant, and should implement these salary levels for the FY 1987 budget. (Example: Trooper I thru IV, etc.)
3. The new allowances for uniform cleaning and meals should be paid as direct compensation with no restrictions.
4. The Subcommittee concurs in an increase of \$100 a year for uniform cleaning. This would provide a total of \$250 a year as direct compensation to 381.5 F.T.E. (\$95,375, as opposed to the current practice of reimbursement from contractual services). In addition, the Governor recommends a new meal allowance of \$1,102 annually for 376.5 F.T.E. (\$414,903 plus fringe benefits of \$86,592).
5. The agency should pay all expenses of trooper transfers above the basic moving expenses and should include those expenses in the FY 1987 budget request.

### House Committee Recommendations

The Committee concurs with the Subcommittee's report with the following adjustments:

1. Do not delete \$184,952 associated with retirement costs or adjust turnover as per Subcommittee recommendation number 12.
2. Amend the appropriations bill (H.B. 2057) to identify retirement costs as a specific line item.

### House Committee of the Whole

The Committee of the Whole concurs with the report as submitted by the Committee.

### Senate Subcommittee Recommendations

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

1. Restore 4.0 F.T.E. positions and \$97,042 from the State General Fund deleted by House Subcommittee recommendation number 2.
2. Add \$20,000 to contract for attorney services as needed.
3. Add \$50,000 for fuel expenditures.
4. Delete \$216,042 associated with annual and sick leave paid upon retirement. The deletions are to be allocated as follows: Patrol Operations — \$135,901; Turnpike Patrol — \$68,378; and Capital Area Security — \$11,763. The Subcommittee recommends that the Patrol request supplement appropriation during the FY 1987 budgeting process for actual retirement costs paid in FY 1986 if this reduction cannot be absorbed within the budget.
5. Add 3.0 F.T.E. and increase the expenditure limitation of the Turnpike Patrol by \$50,820 for three additional Troopers requested by the Kansas Turnpike Authority.
6. Add \$43,033 for uniformed Troopers to replace the Troopers requested by the Kansas Turnpike Authority.
7. Add \$13,000 for aid to local units for communication grants.
8. Delete \$486,602 associated with meal allowances for sworn uniformed Troopers.
9. Add \$448,400 to provide a one-range increase for all sworn uniformed personnel with four years or more of experience. It is the intent of the Subcommittee that the Highway Patrol should be exempted from the provisions of Department of Administration, Division of Personnel Services Regulation 1-5-19c.

10. In addition to the one-range increase, the Subcommittee concurs with the recommendation of payment of \$250 per year for all sworn uniformed personnel as compensation.
11. Delete \$52,218 from the Turnpike Patrol associated with meal allowances and uniform cleaning.
12. Add \$68,740 for the Turnpike Patrol to provide a one-range increase for sworn uniformed personnel with four or more years of experience and \$250 per year for uniform cleaning paid as compensation.
13. The Subcommittee recommends that a study on the trooper pay plan and manpower requirements be performed. The study is to be on a contractual basis with a disinterested third party, preferably one of the state's universities or colleges. The study is to compare all aspects of Trooper pay and manpower needs and develop long-range plans for implementing any recommendations. The Highway Patrol is to develop a cost estimate for the study with funding to be provided through the Omnibus Appropriations Bill.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Recommendation</u>
<b>All Funds:</b>			
State Operations	\$ (285,228)	\$ 21,152,346	\$ 21,783
Aid to Local Units	(73,000)	214,000	13,000
Subtotal Operating	<u>\$ (358,228)</u>	<u>\$ 21,366,346</u>	<u>\$ 34,783</u>
Capital Improvements	\$ —	\$ 31,077	\$ —
TOTAL	<u><u>\$ (358,228)</u></u>	<u><u>\$ 21,397,423</u></u>	<u><u>\$ 34,783</u></u>
<b>State General Fund:</b>			
State Operations	\$ (280,561)	\$ 18,442,327	\$ 35,972
Aid to Local Units	(73,000)	214,000	13,000
Subtotal Operating	<u>\$ (353,561)</u>	<u>\$ 18,656,327</u>	<u>\$ 48,972</u>
Capital Improvements	\$ —	\$ 31,077	\$ —
TOTAL	<u><u>\$ (353,561)</u></u>	<u><u>\$ 18,687,404</u></u>	<u><u>\$ 48,972</u></u>
<b>F.T.E. Positions:</b>			
Uniformed Troopers	(4.0)	408.0	7.0
Capital Area Security	—	67.5	—
All Other	1.0	118.0	—
TOTAL	<u><u>(3.0)</u></u>	<u><u>593.5</u></u>	<u><u>7.0</u></u>

SUBCOMMITTEE REPORT

Agency: Highway Patrol Bill No. NA Bill Sec. NA  
 Analyst: West Analysis Pg. No. 96 Budget Pg. No. 8-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 20,686,491	\$ 20,629,731	\$ (32,464)
Aid to Local Units	167,000	167,000	(13,000)
<b>TOTAL</b>	<u>\$ 20,853,491</u>	<u>\$ 20,796,731</u>	<u>\$ (45,464)</u>
<b>State General Fund:</b>			
State Operations	\$ 17,934,620	\$ 17,877,860	\$ (32,464)
Aid to Local Units	167,000	167,000	(13,000)
<b>TOTAL</b>	<u>\$ 18,101,620</u>	<u>\$ 18,044,860</u>	<u>\$ (45,464)</u>
<b>F.T.E. Positions:</b>			
Uniformed Troopers	409.5	403.0	---
Capital Area Security	59.5	59.5	---
All Other	114.5	114.5	---
<b>TOTAL</b>	<u>583.5</u>	<u>577.0</u>	---

House Subcommittee Recommendations

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

1. Delete \$32,464 from Patrol Operations associated with savings due to lower than anticipated gasoline prices.
2. Delete \$13,000 from aid to local units for communication grants.

House Committee Recommendations

The House concurs with the Subcommittee report as submitted.

Senate Subcommittee Recommendations

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

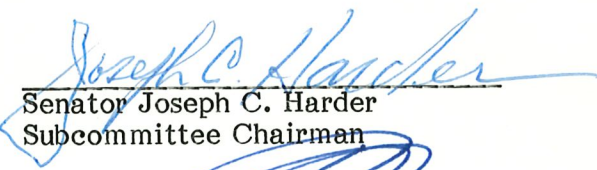
1. Restore \$10,000 to Patrol Operations for fuel costs.
2. Restore \$13,000 for aid to local units -- communication grants.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Recommendations</u>
All Funds:			
State Operations	\$ (32,464)	\$ 20,597,267	\$ 10,000
Aid to Local Units	(13,000)	154,000	13,000
TOTAL	<u>\$ (45,464)</u>	<u>\$ 20,751,267</u>	<u>\$ 23,000</u>
State General Fund:			
State Operations	\$ (32,464)	\$ 17,845,396	\$ 10,000
Aid to Local Units	(13,000)	154,000	13,000
TOTAL	<u>\$ (45,464)</u>	<u>\$ 17,999,396</u>	<u>\$ 23,000</u>
F.T.E. Positions:			
Uniformed Troopers	--	403.0	--
Capital Area Security	--	59.5	--
All Other	--	114.5	--
TOTAL	--	<u>577.0</u>	--

SUBCOMMITTEE REPORT

HOUSE BILL NO. 2088

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

  
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Senator Joseph C. Harder  
Subcommittee Chairman

  
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Senator Michael L. Johnston

SUBCOMMITTEE REPORT

Agency: Adjutant General Bill No. 2088 Bill Sec. 2  
 Analyst: Rothe Analysis Pg. No. 293 Budget Pg. No. 4-1

<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	\$ 7,397,969	\$ 6,900,797	\$ (563,890)
Aid to Local Units	5,161,271	5,161,271	--
Other Assistance	4,519	4,519	--
Subtotal -			
Operating	\$ 12,563,759	\$ 12,066,587	\$ (563,890)
Capital Improvements	249,335	249,335	--
<b>TOTAL</b>	<u>\$ 12,813,094</u>	<u>\$ 12,315,922</u>	<u>\$ (563,890)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,053,940	\$ 2,764,489	\$ (45,920)
Aid to Local Units	349,114	349,114	--
Other Assistance	4,519	4,519	--
Subtotal -			
Operating	\$ 3,407,573	\$ 3,118,122	\$ (45,920)
Capital Improvements	249,335	249,335	--
<b>TOTAL</b>	<u>\$ 3,656,908</u>	<u>\$ 3,367,457</u>	<u>\$ (45,920)</u>
F.T.E. Positions	139.5	135.5	--

Agency Request/Governor's Recommendation

The agency requests total operating expenditures of \$12,563,759 for FY 1986 of which \$3,407,573 is requested from the State General Fund. The agency also requests \$249,335 from the State General Fund for armory roof and structural repairs. The request provides for the termination of five positions and the addition of 15 new positions for a net addition of 10.0 F.T.E. positions of which one position, an Auditor I, would be totally financed from the State General Fund. Four additional positions would be 100 percent federally funded. The agency also requests 5.0 F.T.E. Emergency Communications Operators, funded 50 percent state/50 percent federal, to allow 24-hours a day operation of the Division Communications Center. Of the remaining new positions, 3.0 F.T.E. positions would be funded 25 percent state/75 percent federal, and 2.0 F.T.E. positions would be funded 15 percent state/85 percent federal.

The Governor recommends FY 1986 total operating expenditures of \$12,066,587 of which \$3,118,122 is recommended from the State General Fund. Included in the recommendation is \$249,335 for armory roof and structural repairs as requested by the agency, and \$349,114 of State General Fund match for public property disaster assistance. The Governor recommends a net addition of 6.0 F.T.E. positions.

House Subcommittee Recommendations

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



1. Delete \$13,624 from State General Fund expenditures in the Operational Management program to provide a 17.8 percent increase over estimated FY 1985 costs for KANS-A-N.
2. Delete \$336,154 from the Military Fees Fund (federal) in salary savings in the Operations and Maintenance--Forbes program.
3. Delete \$213,600 (\$32,040 from the State General Fund and \$181,560 from the federal Military Fees Fund) in utilities savings in the Operations and Maintenance -- McConnell program.
4. Delete \$512 (\$256 from the State General Fund and \$256 from the federal Military Fees Fund) in the Emergency Preparedness--Operations program to provide a 17.8 percent increase over estimated FY 1985 costs for KANS-A-N.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (563,890)	\$ 6,336,907	\$ 18,384
Aid to Local Units	--	5,161,271	--
Other Assistance	--	4,519	--
Subtotal - Operating	\$ (563,890)	\$ 11,502,697	\$ 18,384
Capital Improvements	--	249,335	--
<b>TOTAL</b>	<u>\$ (563,890)</u>	<u>\$ 11,752,032</u>	<u>\$ 18,384</u>
<b>State General Fund:</b>			
State Operations	\$ (45,920)	\$ 2,718,569	\$ 9,192
Aid to Local Units	--	349,114	--
Other Assistance	--	4,519	--
Subtotal - Operating	\$ (45,920)	\$ 3,072,202	\$ 9,192
Capital Improvements	--	249,335	--
<b>TOTAL</b>	<u>\$ (45,920)</u>	<u>\$ 3,321,537</u>	<u>\$ 9,192</u>
F.T.E. Positions	--	135.5	1.0

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

1. Add 1.0 F.T.E. Emergency Communication Operator positions for a cost of \$18,384 (\$9,192 from the State General Fund and \$9,192 from the federal Military Fees Fund) in the Emergency Preparedness -- Operations and Administration program.

SUBCOMMITTEE REPORT

Agency: Adjutant General Bill No. NA Bill Sec. NA  
 Analyst: Rothe Analysis Pg. No. 293 Budget Pg. No. 4-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 6,480,368	\$ 6,476,560	\$ (631,918)
Aid to Local Units	3,165,149	3,165,149	—
Other Assistance	317,601	317,601	—
Subtotal -			
Operating	\$ 9,963,118	\$ 9,959,310	\$ (631,918)
Capital Improvements	277,500	277,500	—
TOTAL	<u>\$ 10,240,618</u>	<u>\$ 10,236,810</u>	<u>\$ (631,918)</u>
<u>State General Fund:</u>			
State Operation	\$ 2,579,840	\$ 2,576,032	\$ (38,906)
Aid to Local Units	163,547	163,547	—
Other Assistance	12,941	12,941	—
Subtotal -			
Operating	\$ 2,756,328	\$ 2,752,520	\$ (38,906)
Capital Improvements	277,500	277,500	—
TOTAL	<u>\$ 3,033,828</u>	<u>\$ 3,030,020</u>	<u>\$ (38,906)</u>
F.T.E. Positions	129.5	129.5	—

Agency Request/Governor's Recommendation

The agency requests FY 1985 supplemental appropriations of \$8,422 for "Matching Individual Disaster Assistance Grants" and \$163,547 for "Matching Public Property Disaster Assistance Grants." These State General Fund-supported increases are the state's share of a state/federal emergency preparedness agreement to provide recovery assistance for individuals and public property affected by a series of tornadoes in mid-1984.

The Governor recommends the requested emergency disaster funds for FY 1985. The recommendation includes reductions in operating expenditures of \$1,160 from printing and advertising and \$2,648 from rents. Both reductions are in the Operational Management Program.

House Subcommittee Recommendations

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

1. Reappropriate \$8,906 in State General Funds and delete \$26,719 from the Military Fees Fund (federal) in fuel savings in the Operations and Maintenance—Forbes program.

2. Delete \$336,154 from the Military Fees Fund (federal) in salary savings in the Operations and Maintenance—Forbes program. The federal government has indicated it will not provide funds for 13 F.T.E. Fire Protection Specialists during FY 1985 or FY 1986.
3. Delete \$12,000 from the Military Fees Fund (federal) in rent savings in the Operations and Maintenance—McConnell program. The estimated amount for the rent of temporary buildings will not be expended in FY 1985.
4. Reappropriate \$30,000 in State General Funds and delete \$170,000 from the Military Fees Fund (federal) in utilities savings in the Operations and Maintenance—McConnell program.
5. Delete \$48,139 from the Military Fees Fund (federal) in savings in the Smoky Hill Range program.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House's recommendation.

SUBCOMMITTEE REPORT

Agency: State Fire Marshal Bill No. 2088 Bill Sec. 3  
 Analyst: West Analysis Pg. No. 303 Budget Pg. No. 4-45

<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	\$ 1,420,159	\$ 1,262,452	\$ 9,469
State General Fund	\$ 1,330,084	\$ 1,175,059	\$ 6,409
F.T.E. Positions	36.0	36.0	

House Subcommittee Recommendations

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

1. Delete \$650 associated with additional compensation for the State Fire Marshal. This provides the Fire Marshal with a two range increase from range 29, step 2 to range 31, step 2.
2. Delete \$1,000 associated with memberships and dues for various fire service organizations.
3. Delete \$385 to adjust the increase in costs for KANS-A-N from 20 percent to 17.8 percent.
4. Add \$3,060 to give the Fire Marshal authority to expend federal funds associated with travel for the Social Security Fire Prevention program.
5. Add \$8,444 to allow a fire inspector to attend a certified out-of-state school to be trained in the use of polygraph machines. The Subcommittee recognizes the value of polygraph examinations in investigative work and the need for an investigator to attend a certified training school to maximize the effectiveness of this investigative tool.
6. The Subcommittee examined the agency's request for a toll-free telephone line to enable local fire departments to respond to requests made by the State Fire Marshal's Office but were unable to reach a conclusion due to a lack of time and information. The subcommittee recommends that the Senate review this item if the necessary information becomes available.

House Committee Recommendations

The Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

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

SUBCOMMITTEE REPORT

Agency: State Fire Marshal Bill No. NA Bill Sec. NA  
 Analyst: West Analysis Pg. No. 303 Budget Pg. No. 4-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,271,305	\$ 1,252,571	\$ 5,490
State General Fund	\$ 1,184,214	\$ 1,167,436	\$ (1,000)
F.T.E. Positions	36.0	36.0	

House Subcommittee Recommendations

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

1. Delete \$1,000 associated with memberships and dues for various fire service organizations.
2. Add \$6,490 to give the Fire Marshal authority to expend federal funds associated with travel for the Social Security Fire Prevention program.

House Committee Recommendations

The Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

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

SUBCOMMITTEE REPORT

Agency: Adult Authority Bill No. 2088 Bill Sec. 4  
 Analyst: Conroy Analysis Pg. No. 307 Budget Pg. No. 4-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
All Funds	\$ 359,285	\$ 339,974	\$ (17,674)
State General Fund	359,285	339,974	(17,674)
 F.T.E. Positions	 8.0	 8.0	 —

Agency Request/Governor's Recommendation

The agency's request of \$359,285, while maintaining the current approved level of operations, also provides funds for an increase in the Authority member's salary. The requested increase would place the salary of Authority members at the same level as members of the Board of Tax Appeals.

The Governor's recommendation of \$339,974 while continuing the current operations of the agency, includes funds for the increased Authority member's salary.

House Subcommittee Recommendation

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

Fiscal Year 1985

1. Delete \$6,403 for salaries and wages due to a six week vacancy in one of the Authority member's position.
2. Delete \$1,750 for communication based on lower than anticipated expenditures.
3. Delete \$2,000 for travel and subsistence based on lower than anticipated expenditures.
4. The Subcommittee recommends that all identified savings in the current year be reappropriated for FY 1986.

Fiscal Year 1986

1. Delete \$16,174 for the increase in the Authority member's salary. The Subcommittee recommends that the annual rate of compensation remain at \$44,904, plus any increase for pay plan adjustments.
2. Delete \$1,500 for communications, which is based in part, on the reduction in KANSAN rates.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (17,674)	\$ 322,300	\$ 16,174
State General Fund	(17,674)	322,300	16,174
F.T.E. Positions	—	8.0	—

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

Fiscal Year 1985

1. Add \$3,489 for salaries and wages to reflect the latest estimates for salary needs of the agency.
2. Add \$2,000 for travel and subsistence based on the most recent estimate of expenditures.

Fiscal Year 1986

1. Add \$16,174 to increase the Authority members' salary. The Subcommittee notes that S.B. 174 which has already passed this Committee will require that these funds be restored to the agency's budget.



SUBCOMMITTEE REPORT

Agency: Department of Corrections Bill No. 2088 Bill Sec. 5  
 Analyst: Conroy Analysis Pg. No. 309 Budget Pg. No. 4-27

<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	\$ 15,426,875	\$ 13,425,919	\$ 6,071
Aid to Local Units	5,418,087	5,119,242	(1,492,667)
Subtotal	<u>\$ 20,844,962</u>	<u>\$ 18,545,161</u>	<u>\$ (1,486,596)</u>
Capital Improvements	2,302,586	633,360	—
<b>TOTAL</b>	<u><u>\$ 23,147,548</u></u>	<u><u>\$ 19,178,521</u></u>	<u><u>\$ (1,486,596)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 11,025,393	\$ 9,048,887	\$ 6,071
Aid to Local Units	5,418,087	5,119,242	(1,492,667)
Subtotal	<u>\$ 16,443,480</u>	<u>\$ 14,168,129</u>	<u>\$ (1,486,596)</u>
Capital Improvements	2,302,586	633,360	—
<b>TOTAL</b>	<u><u>\$ 18,746,066</u></u>	<u><u>\$ 14,801,489</u></u>	<u><u>\$ (1,486,596)</u></u>
F.T.E. Positions	363.8	323.8	(1.0)

Agency Request/Governor's Recommendation

The agency's request of \$23,147,548, while maintaining the current level of operations, also provides for 54 new positions, expansion of the community corrections program, and opening of the 32-bed addition at the El Dorado Honor Camp. The agency's request includes \$2,302,586 for various capital improvement projects.

The Governor's recommendation of \$19,178,621 provides for continuation of the current level of operation and includes funds for 14 additional positions. New positions recommended include three for Correctional Industries, two for the Parole Supervision program, and nine for the Honor Camps program. The Governor also recommends the expansion of the community corrections program. The recommendation of the Governor includes \$633,360 for capital improvements.

House Subcommittee Recommendations

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

Fiscal Year 1986

1. Delete \$6,743 for communication, part of which is due to the reduction in the estimated KANS-A-N rates for the budget year.
2. Delete \$21,660 for a contracted medical systems efficiency analysis. The Subcommittee recommends that the Division of Post Audit conduct an audit of the medical services to gather the necessary information.

3. Add \$50,620 in light of the Rolf's policy on the purchase of data processing equipment. The funds would permit the agency to buy-out the remaining years on an existing lease-purchase agreement for an IBM System 36. The action will save an estimated \$12,757 in interest payments over the next four years.
4. Delete \$3,090 for hazardous duty pay for additional selected employees pending a final decision on the state pay plan revision. The Subcommittee urges the special pay plan subcommittee to review this issue of providing hazardous duty pay for certain correctional employees. The Subcommittee also recommends that once a decision is reached the Senate Subcommittee consider restoring the appropriate amount of funds, or if necessary the Subcommittee recommends the consideration of funding in the omnibus appropriation bill for all correctional institutions.
5. The Subcommittee strongly urges all state agencies consider purchasing new furniture or the refinishing of existing furniture by the Correctional Industries program. The Correctional Industries inmates do outstanding work and can provide the product at a substantial savings over other sources.
6. Add \$12,250 for establishment of a crisis intervention program for parolees. The funds will purchase temporary bedspace for technical parole violators in various halfway houses throughout the state. The Subcommittee believes this program will be cost effective rather than the reincarceration of a technical parole violator to a correctional institution.
7. Delete \$12,250 for professional health care services in the Pre-Release program based on lower than anticipated expenditures.
8. The Subcommittee strongly urges the agency to aggressively pursue federal Job Training Partnership Act (JTPA) funds which might be available for vocational/academic training of inmates. The Subcommittee requests that this agency take the lead in working with the Department of Human Resources and the Department of Education to explore the availability of JPTA funds.
9. Delete \$9,701 and one F.T.E. position for a Food Supervisor II position for the El Dorado Honor Camp. The Subcommittee recommends the existing staffing pattern could address the needs of the additional 32 inmates.
10. Delete \$7,280 at the honor camps for contracted college courses with the area community colleges.
11. Add \$5,320 for additional GED and college correspondence courses at the honor camps.
12. Delete \$1,395 for food costs at the honor camps based on lower than anticipated expenditures.
13. Delete \$1,492,667 from the Community corrections program for grants to counties. The reduction will freeze the state's commitment to the community corrections program at the FY 1985 level. The major portions of the reduction would be the deletion of the Johnson County program for

the full year and deletion of one quarter of funding for the new programs in Douglas, Saline, and Crawford/Cherokee/Labette counties to enter the program.

House Committee Recommendations

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

1. Add \$65,000 including moveable equipment to construct a multipurpose workshop at the El Dorado Honor Camp. This adjustment and the next two items reflect the recommendations of the Joint Committee on State Building Construction.
2. Delete \$13,360 in FY 1986 and \$53,140 in FY 1987 from the project to construct an addition to the Main Building at the Toronto Honor Camp.
3. Delete \$100,000 for the major repairs, special maintenance and remodeling for correctional institutions project in FY 1986.
4. The Committee would be willing to consider a supplemental appropriation in FY 1986, if necessary, for additional counties to enter the community corrections program if the counties are ready.

House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,071	\$ 13,431,990	\$ 9,701
Aid to Local Units	(1,492,667)	3,626,575	804,516
Subtotal	<u>\$ (1,486,596)</u>	<u>\$ 17,058,565</u>	<u>\$ 814,217</u>
Capital Improvements	(48,360)	585,000	—
<b>TOTAL</b>	<u><u>\$ (1,534,956)</u></u>	<u><u>\$ 17,643,565</u></u>	<u><u>\$ 814,217</u></u>
<b>State General Fund:</b>			
State Operations	\$ 6,071	\$ 9,054,958	\$ 9,701
Aid to Local Units	(1,492,667)	3,626,575	804,516
Subtotal	<u>\$ (1,486,596)</u>	<u>\$ 12,681,533</u>	<u>\$ 814,217</u>
Capital Improvements	(48,360)	585,000	—
<b>TOTAL</b>	<u><u>\$ (1,534,956)</u></u>	<u><u>\$ 13,266,533</u></u>	<u><u>\$ 814,217</u></u>
<b>F.T.E. Positions</b>	(1.0)	322.8	1.0

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

1. Add \$9,701 and one F.T.E. position for a Food Supervisor II in the Honor Camps programs. The position will not only assist in serving the needs of 32 additional inmates at the El Dorado Honor Camp, but also provide staff supervision for all meal preparation.
2. Add \$804,516 for grants to community corrections counties. The additional funds will permit Johnson County to reenter the program for three quarters in FY 1986 and for Douglas and Saline counties to enter the program for the last quarter of FY 1986. The Subcommittee notes that based on the latest information Johnson County will be ready to reenter the program by October 1, 1985 and the program now has the support of the district court, county commission, and area law enforcement agencies. In addition, it appears that Douglas and Saline counties will have their programs ready to start by April 1, 1986. The Subcommittee believes that valuable inmate bedspace in our correctional institutions could be filled with individuals from Johnson, Douglas and Saline counties, unless these programs are permitted to enter community corrections.
3. The Subcommittee strongly concurs with the House recommendation that all state agencies consider purchasing new furniture or the refinishing of existing furniture by the Correctional Industries program.
4. Add the correct appropriation language to permit the transfer of funds from the Department of Transportation to the Department of Corrections for the highway rest area maintenance program. The change is a technical adjustment.

SUBCOMMITTEE REPORT

Agency: Department of Corrections Bill No. -- Bill Sec. --

Analyst: Conroy Analysis Pg. No. 309 Budget Pg. No. 4-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 12,787,658	\$ 12,653,804	\$ (40,000)
Aid to Local Units	4,386,275	3,626,575	(340,750)
Subtotal	<u>\$ 17,173,933</u>	<u>\$ 16,280,379</u>	<u>\$ (380,750)</u>
Capital Improvements	1,442,637	1,420,706	--
TOTAL	<u>\$ 18,616,570</u>	<u>\$ 17,701,085</u>	<u>\$ (380,750)</u>
<b>State General Fund:</b>			
State Operations	\$ 8,838,585	\$ 8,704,731	\$ (40,000)
Aid to Local Units	4,386,275	3,626,575	(340,750)
Subtotal	<u>\$ 13,224,860</u>	<u>\$ 12,331,306</u>	<u>\$ (380,750)</u>
Capital Improvements	1,442,637	1,321,664	--
TOTAL	<u>\$ 14,667,497</u>	<u>\$ 13,652,970</u>	<u>\$ (380,750)</u>
F.T.E. Positions	309.8	309.8	--

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$17,173,933 is \$342 less than the approved amount. However, the agency has shifted funds within object codes to reflect a more current plan of expenditure.

The Governor's recommendation of \$16,280,379 for the operating budget makes several reductions below the agency's revised estimate. The Governor recommends reductions of \$133,854 for operating expenditures and \$759,700 for aid to local units (community corrections), both below the agency's revised estimate.

House Subcommittee Recommendation

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

1. Delete \$40,000 from the Community Services program based on lower than estimated expenditures.
2. Delete \$340,750 from the Community Corrections program based on lower than estimated expenditures. The savings are a result of another quarter delay in Johnson County reentering the program; a four month delay in Montgomery County entering the program; elimination of the planning funds for Cherokee, Labette and Crawford counties; and additional savings due to increased chargebacks to participating counties.

3. The Subcommittee recommends that all identified savings in the current year be reappropriated for FY 1986.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (40,000)	\$ 12,613,804	\$ ---
Aid to Local Units	(340,750)	3,285,825	---
Subtotal	<u>\$ (380,750)</u>	<u>\$ 15,899,629</u>	<u>\$ ---</u>
Capital Improvements	--	1,420,706	---
TOTAL	<u><u>\$ (380,750)</u></u>	<u><u>\$ 17,320,335</u></u>	<u><u>\$ ---</u></u>
<b>State General Fund:</b>			
State Operations	\$ (40,000)	\$ 8,664,731	\$ ---
Aid to Local Units	(340,750)	3,285,825	---
Subtotal	<u>\$ (380,750)</u>	<u>\$ 11,950,556</u>	<u>\$ ---</u>
Capital Improvements	--	1,321,664	---
TOTAL	<u><u>\$ (380,750)</u></u>	<u><u>\$ 13,272,220</u></u>	<u><u>\$ ---</u></u>
F.T.E. Positions	--	309.8	---

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Correctional-Vocational  
Training Center (KCVTC)

Bill No. 2088

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 317

Budget Pg. No. 4-23

<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	\$ 3,971,958	\$ 3,768,789	\$ (71,455)
Capital Improvements	1,588,000	—	—
TOTAL	<u>\$ 5,559,958</u>	<u>\$ 3,768,789</u>	<u>\$ (71,455)</u>
State General Fund:			
State Operations	\$ 3,958,270	\$ 3,755,101	\$ (71,455)
Capital Improvements	1,588,000	—	—
TOTAL	<u>\$ 5,546,270</u>	<u>\$ 3,755,101</u>	<u>\$ (71,455)</u>
F.T.E. Positions	104.5	104.5	—
Average Inmate Census	220	220	—

Agency Request/Governor's Recommendation

The agency's request of \$5,559,958, while maintaining the current level of operations, also provides for the addition of a Social Worker II position and \$1,588,000 for various capital improvements to expand the program and support facilities for an increased inmate population.

The Governor's recommendation of \$3,768,789 provides for continuation of the current level of operation and includes funds for the additional Social Worker II position. The Governor recommends an average inmate population of 220 for this institution. The Governor does not recommend any funds for capital improvements.

House Subcommittee Recommendations

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

Fiscal Year 1985

1. Delete \$35,000 for contracted education services based on lower than anticipated expenditures and contracted position vacancies.
2. Delete \$25,000 for utilities based on lower than anticipated expenditures.
3. Delete \$25,000 for noninstitutional health care services based on lower than anticipated expenditures.
4. Add \$25,000 for maintenance materials and supplies based on higher than anticipated expenditures.

5. The Subcommittee recommends that all identified savings in the current year be reappropriated to FY 1986.

#### Fiscal Year 1986

1. Delete \$4,530 for salaries and wages in the Security program to bring the turnover rate more in line with historical patterns.
2. Delete \$5,000 for communication, part of which is due to the reduction in the estimated KANS-A-N rates for the budget year.
3. Delete \$50,325 for contracted education services which allows for an 8.3 percent increase over the revised current year estimate.
4. The Subcommittee strongly urges the agency to aggressively pursue federal Job Training Partnership Act funds which might be available for vocational/academic training of inmates.
5. Delete \$2,600 for contracted dental services. The recommended funds will permit five hours per week of dental services at the institution.
6. Add \$950 to purchase ten winter jackets for Security personnel.
7. Delete \$2,100 for food costs based on lower than estimated costs.
8. Delete \$2,100 for three color television sets for the housing units.
9. Delete \$12,750 for a one-half ton 12-passenger van.
10. Add \$7,000 for the agency to acquire a used van. The Subcommittee urges the agency to work with the Central Motor Pool in procuring a used van.
11. The Subcommittee makes no adjustments to the Governor's capital improvement recommendations pending final decisions by the Joint Committee on State Building Construction. The Subcommittee requests that the Senate Subcommittee make any adjustments once the Joint Committee decisions are finalized.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### House Committee of the Whole Recommendations

Concur with the Committee recommendations.



Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (71,455)	\$ 3,697,334	\$ 26,800
Capital Improvements	—	—	—
TOTAL	<u>\$ (71,455)</u>	<u>\$ 3,697,334</u>	<u>\$ 26,800</u>
State General Fund:			
State Operations	\$ (71,455)	\$ 3,683,646	\$ 26,800
Capital Improvements	—	—	—
TOTAL	<u>\$ (71,455)</u>	<u>\$ 3,683,646</u>	<u>\$ 26,800</u>
F.T.E. Positions	—	104.5	—
Average Inmate Census	—	220	—

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

Fiscal Year 1985

1. Add \$20,000 for contracted education services to insure that funds are available to fulfill all contractual obligations. The Subcommittee notes that the additional funds will still be \$15,000 below the Governor's revised estimate.
2. Add \$10,000 for utilities based on the most current expenditure information. The Subcommittee notes that the additional funds will still be \$15,000 below the Governor's revised estimate.

Fiscal Year 1986

1. Add \$20,000 for contracted educational services. The additional funds will insure the continuation of the current level of education services.
2. Add \$2,600 for contracted dental services. The funds would provide for an additional hour per week for dental services. The Subcommittee notes that there is currently a 3-4 month waiting period for inmates to see the dentist.
3. Add \$1,200 to replace television sets in the housing units. The Subcommittee notes that televisions provide the primary leisure activity for inmates in the dormitories.
4. Add \$3,000 to the House recommendation of \$7,000 to buy a used van and instead purchase a new van. The Subcommittee notes that the agency must have reliable vehicles for the transportation of inmates.

Agency: Kansas Correctional Institution at Lansing (KCIL) Bill No. 2088 Bill Sec. 7  
 Analyst: Conroy Analysis Pg. No. 322 Budget Pg. No. 4-19

<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	\$ 3,243,285	\$ 2,851,552	\$ (71,711)
Capital Improvements	2,240,312	—	—
TOTAL	<u>\$ 5,483,597</u>	<u>\$ 2,851,552</u>	<u>\$ (71,711)</u>
State General Fund:			
State Operations	\$ 3,239,785	\$ 2,844,552	\$ (71,711)
Capital Improvements	2,240,312	—	—
TOTAL	<u>\$ 5,480,097</u>	<u>\$ 2,844,552</u>	<u>\$ (71,711)</u>
F.T.E. Positions	98.5	87.0	(4.0)
Average Inmate Census	196	183	—

Agency Request/Governor's Recommendation

The agency's request of \$5,483,597, while maintaining the current level of operations, also provides for 16.5 additional F.T.E. positions, 9 in Security and the balance in various support services. The agency requests an average daily inmate population of 196. The agency also requests several capital improvement projects, including planning funds for construction of an entire new institution.

The Governor's recommendation of \$2,851,552, provides for continuation of the current level of operation and includes funds for five new positions. The new staff would include three security officers and two support staff. The Governor recommends an average inmate population of 183. The Governor recommends no capital improvement projects.

House Subcommittee Recommendations

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

FY 1985

1. The Subcommittee notes that medical costs have already exceeded the budgeted amount for the entire year. The Subcommittee requests the Senate Subcommittee to review this issue based on the most recent expenditures to date.

FY 1986

1. Delete \$13,810 and one F.T.E. position for a Secretary I for the Business Office. The Subcommittee recommends that the agency continue the practice of using inmate clerks.

2. Delete \$53,508 and three F.T.E. positions for three Corrections Officers II. The Subcommittee recommends that staffing in the infirmary/segregation area could be more efficiently met through additional medical staff.
3. Add \$19,244 and one F.T.E. position for a Medical Assistant, Corrections. The additional position would help provide medical and some security supervision in the infirmary/segregation area from 10:00 p.m. to 6:00 a.m.
4. Delete \$24,827 and one F.T.E. position for a Corrections Counselor II. The Subcommittee believes the existing staff can adequately address the inmate's needs.
5. Delete \$8,985 for other supplies in the Laundry and Supply program. The Subcommittee does not recommend the purchase of 30 laundry baskets at \$125 each.
6. The Subcommittee strongly urges the agency to aggressively pursue federal Job Training Partnership Act funds which might be available for vocational/academic training of inmates.
7. Add \$18,175 for food costs based on higher than estimated expenditures.
8. Delete \$14,000 for a walk-in food cooler.
9. Add \$6,000 for refrigeration units in the Food Service program.
10. The Subcommittee makes no adjustments to the Governor's capital improvement recommendations pending final decisions by the Joint Committee on State Building Construction. The Subcommittee requests that the Senate Subcommittee make any adjustments once Joint Committee decisions are finalized.
11. The Subcommittee requests the agency, in conjunction with SRS, explore the possibility of developing an infant bonding program for inmate mothers and their newborn children. This program could be similar to other states that have developed very successful programs that allow for infant bonding to the inmate mother.

#### House Committee Recommendations

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

1. Delete \$12,744 for hazardous duty pay for additional selected employees pending a final decision on the state pay plan revision. The Committee urges the special pay plan subcommittee to review the issue of providing hazardous duty pay for certain correctional employees.

#### House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (84,455)	\$ 2,767,097	\$ 54,499
Capital Improvements	—	—	—
TOTAL	<u>\$ (84,455)</u>	<u>\$ 2,767,097</u>	<u>\$ 54,499</u>
State General Fund:			
State Operations	\$ (84,455)	\$ 2,760,097	\$ 54,499
Capital Improvements	—	—	—
TOTAL	<u>\$ (84,455)</u>	<u>\$ 2,760,097</u>	<u>\$ 54,499</u>
F.T.E. Positions	(4.0)	83.0	3.0
Average Inmate Census	—	183	—

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

Fiscal Year 1986

1. Add \$35,672 and two F.T.E. positions for two Correctional Officers II. The positions in conjunction with the Medical Assistant position recommended by the House will insure staffing at night and on weekends for the infirmary/orientation/segregation area. Presently, this inmate housing area has no direct staff supervision nightly from 10:00 p.m. to 6:00 a.m., which the new positions will provide.
2. Add \$24,827 and one F.T.E. position for a Corrections Counselor II. The Subcommittee notes that in recent years the inmate population at the institution has almost doubled while there has been no increase in counseling staff. The new position will help meet some of the inmate counseling needs.
3. Delete \$6,000 for refrigeration units pending a final decision on the long range capital improvement plans for the institution, which could include a new food service facility.

SUBCOMMITTEE REPORT

Agency: Kansas State Industrial Reformatory  
(KSIR) Bill No. 2154 Bill Sec. 8  
 Analyst: Conroy Analysis Pg. No. 327 Budget Pg. No. 4-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 12,366,877	\$ 12,399,249	\$ (65,000)
Capital Improvements	2,056,817	1,852,353	—
<b>TOTAL</b>	<u>\$ 14,423,694</u>	<u>\$ 14,251,602</u>	<u>\$ (65,000)</u>
<b>State General Fund:</b>			
State Operations	\$ 12,199,109	\$ 12,231,481	\$ (65,000)
Capital Improvements	2,056,817	1,852,353	—
<b>TOTAL</b>	<u>\$ 14,255,926</u>	<u>\$ 14,083,834</u>	<u>\$ (65,000)</u>
F.T.E. Positions	342.0	342.0	—
Average Inmate Census	1,181	1,277	—

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$12,366,877 is \$25,301 less than the original approved amount for the current year. The agency's estimate is based on an average inmate census of 1,181. In addition, several items were adjusted to reflect current expenditure patterns.

The Governor's recommendation for operating expenditures is \$12,399,249 or \$32,372 above the approved amount. The Governor recommends providing the additional funds based on an average inmate census of 1,277 or 177 above the original approved inmate count. To partially offset the increases the Governor identified certain savings due to the delay in the opening of the new 96-bed facility.

House Subcommittee Recommendations

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

1. Delete \$65,000 for an additional two month delay in the opening of the new 96-bed facility. The Subcommittee notes the original approved budget provided for a November 1, 1984 opening date for the facility. Due to various construction delays the Governor recommended funds for a January 1, 1985 opening date. As of March 1, 1985 inmates had not yet moved into the new facility, again due to additional construction delays. The Subcommittee anticipates that the first inmates will move into the facility by March 8, 1985. The Subcommittee recommends that the \$65,000 be lapsed from the current year appropriation to ensure that funds for staffing of the 96-bed facility will not be available to the agency for expenditure in other areas.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (65,000)	\$ 12,334,249	\$ --
Capital Improvements	--	1,852,353	--
TOTAL	<u>\$ (65,000)</u>	<u>\$ 14,186,602</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (65,000)	\$ 12,166,481	\$ --
Capital Improvements	--	1,852,353	--
TOTAL	<u>\$ (65,000)</u>	<u>\$ 14,018,834</u>	<u>\$ --</u>
F.T.E. Positions	--	342.0	--
Average Inmate Census	--	1,277	--

The Senate Subcommittee concurs with the House recommendations.



4. Delete \$16,314 and 1.0 F.T.E. position for a Storekeeper III position in the Laundry and Supply program. The Subcommittee urges the agency to make greater use of inmate labor at the institution's warehouse facility.
5. Delete \$6,033 and a .5 F.T.E. position for a Dental Assistant. The agency had requested converting the existing .5 Dental Assistant to a full-time position. However, the Subcommittee recommends leaving the position at a .5 F.T.E. which will still assist the dentist in reducing the backlog of inmates waiting for dental care.
6. Delete \$15,065 in salaries and wages in the Security program based on a one-month delay in the opening of the renovated "D" cellhouse. The Subcommittee strongly recommends that if additional delays occur in the renovation of the facility that the hiring of staff approved for cellhouse also be delayed accordingly.
7. Delete \$57,272 for hazardous duty pay for additional selected employees pending a final decision on the state pay plan revision. The Subcommittee urges the special pay plan subcommittee to review the issue of providing hazardous duty pay for certain correctional employees.
8. Delete \$26,035 for food costs based on lower than anticipated expenditures.
9. The Subcommittee strongly urges the agency to aggressively pursue federal Job Training Partnership Act funds which might be available for vocational/academic training of inmates.
10. The Subcommittee makes no adjustments to the Governor's capital improvement recommendations pending final decisions by the Joint Committee on State Building Construction. The Subcommittee requests that the Senate Subcommittee make any adjustments once the Joint Committee decisions are finalized.

#### House Committee Recommendations

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

1. Delete the \$47,766 of additional funds for the renovation of "D" cellhouse. This adjustment and the following two adjustments reflect the recommendations of the Joint Committee on State Building Construction.
2. Delete \$17,097 from the project to replace and install standby generators.
3. Delete \$3,591 in FY 1986 and \$9,816 in FY 1987 from the project to replace steam lines.
4. Delete \$64,500 for the replacement of cold water lines in "C" and "D" cellhouses.



House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (198,519)	\$ 12,623,221	\$ 91,753
Capital Improvements	(132,954)	1,355,000	30,000
TOTAL	<u>\$ (331,473)</u>	<u>\$ 13,978,221</u>	<u>\$ 121,753</u>
State General Fund:			
State Operations	\$ (198,519)	\$ 12,432,997	\$ 91,753
Capital Improvements	(132,954)	1,355,000	30,000
TOTAL	<u>\$ (331,473)</u>	<u>\$ 13,787,997</u>	<u>\$ 121,753</u>
F.T.E. Positions	(5.5)	354.0	5.5
Average Inmate Census	—	1,149	—

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

1. Add \$10,478 and one F.T.E. position for a Clerk I for the new 96-bed facility. The Subcommittee notes that for the new facility to operate properly it must be provided adequate clerical staff.
2. Add \$58,928 and 3.0 F.T.E. positions for two Psychologists I and a Clerk-Steno I for the Counseling and Evaluation program. The new positions should help address the general counseling needs of an inmate population of 1,149.
3. Add \$16,314 and 1.0 F.T.E. position for a Storekeeper III. The new position will help at the institutional warehouse with recordkeeping, inventories, receiving, delivery, and supervision of inmate labor.
4. Add \$6,033 and a .5 F.T.E. position for a Dental Assistant, converting the current half-time position to a full-time Dental Assistant. The additional .5 position will assist in meeting the backlog of inmates waiting for basic dental care.
5. Add \$30,000 for the replacement of cold water lines in "D" Cellhouse. The Subcommittee notes that renovation of "D" Cellhouse is currently underway and now would be the most opportune time to replace the cold water lines.

SUBCOMMITTEE REPORT

Agency: Kansas State Penitentiary (KSP) Bill No. 2088 Bill Sec. 9  
 Analyst: Conroy Analysis Pg. No. 337 Budget Pg. No. 4-61

<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	\$ 25,134,010	\$ 19,912,780	\$ (975,385)
Capital Improvements	6,920,729	4,674,522	—
TOTAL	<u>\$ 32,054,739</u>	<u>\$ 24,587,302</u>	<u>\$ (975,385)</u>
State General Fund:			
State Operations	\$ 25,053,198	\$ 19,890,780	\$ (975,385)
Capital Improvements	6,920,729	4,674,522	—
TOTAL	<u>\$ 31,973,927</u>	<u>\$ 24,565,302</u>	<u>\$ (975,385)</u>
F.T.E. Positions	655.0	565.0	(9.0)
Average Inmate Census	2,067	2,067	—

Agency Request/Governor's Recommendation

The agency's request of \$32,054,739, while maintaining the current level of operations, also provides for the first full year of operating costs for the new medium custody facility and for the addition of 117.5 new positions. The agency request reflects an average inmate census of 2,067. The agency is also requesting several capital improvement projects which total \$6,920,729.

The Governor's recommendation of \$24,587,302 provides for continuation of the current level of operation and includes funds for a full year of operation at the new medium custody facility. The Governor recommends 27.5 additional positions (15 directly related to the new medium custody facility) and an average inmate census of 2,067. Finally, the Governor recommends \$4,674,522 for capital improvement projects.

House Subcommittee Recommendation

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

1. Delete \$47,655 to increase turnover savings in the Security program. The adjustment will bring the turnover rate in line with historical experience.
2. Delete \$32,315 and 2.0 F.T.E. positions for a Pharmacy Attendant and a Medical Assistant, Corrections for the new medium custody facility. The Subcommittee notes the existing health care staff with the addition of 2.5 new positions, which are recommended by the Subcommittee, should adequately address the health care needs of the institution.
3. Delete \$62,081 and 3.0 F.T.E. positions for a Construction Supervisor, a Maintenance Supervisor, and a Refrigeration/Air Conditioning Service Technician Supervisor for the new medium custody facility. The Subcommittee notes the existing maintenance staff with the addition of four new

positions recommended by the Subcommittee and utilization of inmate labor, the maintenance needs of the new facility should be adequately addressed.

4. Delete \$99,554 and 4.0 F.T.E. positions for a Psychologist III, two Psychologists II, and a Clerk-Typist II in the Counseling and Evaluation program for the new medium custody facility. The Subcommittee notes the existing counseling and evaluation staff should adequately address the needs of the institution.
5. Delete \$7,416 for a proposed reclassification of a Library Clerk position to a Librarian I position. The Subcommittee recommends the existing Library Clerk position continue in its present classification.
6. Delete \$72,629 for hazardous duty pay for additional selected employees pending a final decision on the state pay plan revision. The Subcommittee urges the special pay plan subcommittee to review the issue of providing hazardous duty pay for certain correctional employees.
7. Delete \$19,407 for food costs based on lower than anticipated expenditures.
8. Delete funding of \$534,328 from the State General Fund for academic and vocational education for the new medium custody facility. However, the Subcommittee also recommends that the agency aggressively pursue the use of federal Job Training Partnership Act (JTPA) funds to finance the education/vocation program at the new facility. The Subcommittee also requests that the Senate Subcommittee review this issue, once additional information is available on the use of JTPA funds.
9. Delete \$100,000 for education/vocation contracted services based on lower than anticipated expenditures.
10. The Subcommittee makes no adjustment to the capital improvement recommendation of the Governor pending a final recommendation of the Joint Committee on State Building Construction. The Subcommittee requests that the Senate Subcommittee review the capital improvement recommendations of the Governor once the Joint Committee report has been finalized.

#### House Committee Recommendations

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

1. Delete \$378,600 from the water systems improvement project in FY 1986 and increase the FY 1987 appropriation by \$378,600. The adjustment reflects the recommendations of the Joint Committee on State Building Construction.

#### House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (975,385)	\$ 18,937,395	\$ 126,175
Capital Improvements	(378,600)	4,295,922	—
TOTAL	<u>\$ (1,353,985)</u>	<u>\$ 23,233,317</u>	<u>\$ 126,175</u>
State General Fund:			
State Operations	\$ (975,385)	\$ 18,915,395	\$ 126,175
Capital Improvements	(378,600)	4,295,922	—
TOTAL	<u>\$ (1,353,985)</u>	<u>\$ 23,211,317</u>	<u>\$ 126,175</u>
F.T.E. Positions	(9.0)	556.0	3.0
Average Inmate Census	—	2,067	—

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

1. Add \$20,107 and one F.T.E. position for a Maintenance Supervisor for the new medium custody facility. The new position will provide supervision of inmate work crews that will perform the necessary maintenance on the new facility.
2. Add \$56,068 and two F.T.E. positions for two Psychologists II for the Counseling and Evaluation program at the new medium custody facility. The new positions will provide mental health staff for the new facility and in particular help with chemical dependency and sex-offender counseling. The Adult Authority has placed a high priority on inmate counseling for these areas.
3. Add \$50,000 for contracted educational services at the maximum custody facility. The additional funds will help continue the current level of services and programs at the institution.
4. The Subcommittee strongly urges the agency to continue to work with the Department of Education and the Department of Human Resources to procure federal funds (JTPA) for the educational program at the new medium custody facility. The Subcommittee notes that even if federal funds do become available, they might not be a permanent funding source for the program and eventually State General Fund support might be required. The Subcommittee agrees with the House that this item be considered for possible inclusion in the omnibus appropriation bill once a final determination is made as to the availability of federal funds.

SUBCOMMITTEE REPORT

Agency: Kansas State Penitentiary (KSP) Bill No. -- Bill Sec. --  
 Analyst: Conroy Analysis Pg. No. 337 Budget Pg. No. 4-61

<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	\$ 17,887,532	\$ 16,741,876	\$ (146,000)
Capital Improvements	6,225,990	6,259,409	--
TOTAL	<u>\$ 24,113,522</u>	<u>\$ 23,001,285</u>	<u>\$ (146,000)</u>
State General Fund:			
State Operations	\$ 17,872,532	\$ 16,726,876	\$ (146,000)
Capital Improvements	6,083,866	6,128,866	--
TOTAL	<u>\$ 23,956,398</u>	<u>\$ 22,855,742</u>	<u>\$ (146,000)</u>
F.T.E. Positions	537.5	537.5	--
Average Inmate Census	1,914	1,900	--

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$17,887,532 is the same amount as originally approved by the 1984 Legislature. However, several items were adjusted to reflect current expenditure patterns.

The Governor's recommendation for the current year of \$16,741,876 is \$1,145,656 less than the approved amount. The reduction is based on a five-month delay in the opening of the new medium custody facility and a reduction in the average daily inmate population.

House Subcommittee Recommendation

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

1. Delete \$6,000 for travel and subsistence in the Support Services program based on lower than estimated expenditures.
2. Delete \$40,000 for professional health care services based on lower than estimated expenditures.
3. Delete \$100,000 for contractual services in the Support Services program based on lower than estimated expenditures.
4. The Subcommittee requests that the Senate Subcommittee closely review the opening date for the new medium custody facility to see if additional savings may be realized. Recent construction difficulties could result in additional delays in the opening of the facility.

- The Subcommittee recommends that all identified savings in the current year be reappropriated to FY 1986.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations, with the following adjustment:

- Delete \$1,200,000 from the project to construct an administration/support services building in FY 1985 and increase the FY 1987 appropriation for the project by \$1,200,000. The action reflects the recommendation of the Joint Committee on State Building Construction.

House Committee of the Whole Recommendations

Concur with the Committee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (146,000)	\$ 16,595,876	\$ 81,000
Capital Improvements	(1,200,000)	5,059,409	--
TOTAL	<u>\$ 1,346,000</u>	<u>\$ 21,655,285</u>	<u>\$ 81,000</u>
State General Fund:			
State Operations	\$ (146,000)	\$ 16,580,876	\$ 81,000
Capital Improvements	(1,200,000)	4,928,866	--
TOTAL	<u>\$ 1,346,000</u>	<u>\$ 21,509,742</u>	<u>\$ 81,000</u>
F.T.E. Positions	--	537.5	--
Average Inmate Census	--	1,900	--

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

Fiscal Year 1985

- Add \$81,000 for contractual services in the Support Services program based on the most recent expenditure information. The Subcommittee notes that this amount is still \$19,000 below the Governor's revised estimate.

## SUBCOMMITTEE REPORT

Agency: State Reception and Diagnostic Center Bill No. 2088 Bill Sec. 10Analyst: Conroy Analysis Pg. No. 348 Budget Pg. No. 4-65

<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	\$ 3,540,515	\$ 3,329,133	\$ (182,187)
Capital Improvements	400,074	52,000	—
TOTAL	<u>\$ 3,940,589</u>	<u>\$ 3,381,133</u>	<u>\$ (182,187)</u>
State General Fund:			
State Operations	\$ 3,533,915	\$ 3,318,695	\$ (182,187)
Capital Improvements	400,074	52,000	—
TOTAL	<u>\$ 3,933,989</u>	<u>\$ 3,370,695</u>	<u>\$ (182,187)</u>
F.T.E. Positions	107.6	107.6	(2.0)
Average Inmate Census	132	132	—

Agency Request/Governor's Recommendation

The agency's request of \$3,940,589, while maintaining the current level of operations, also provides for two additional positions. The agency's request is based on an average inmate census of 132. The agency also requests funds to plan for a new administration and staff services building (\$348,074) and to replace water lines in the Main Building (\$52,000).

The Governor's recommendation provides for continuation of the current level of operation and includes funds for two new positions. The Governor's recommendation is based on an average inmate population of 132. The recommendation also includes funds to replace water lines in the Main Building.

House Subcommittee Recommendation

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

1. Delete \$25,000 for salaries and wages in the Testing and Psychiatric Evaluation Program based on vacancy savings.
2. Delete \$10,000 for health care services based on lower than anticipated expenditures.
3. Delete \$5,000 for utilities based on lower than anticipated expenditures.
4. Delete \$2,000 for food costs based on lower than anticipated expenditures.
5. The Subcommittee recommends that all identified savings in the current year be reappropriated to FY 1986.

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

1. Delete \$73,976 for hazardous duty pay for additional selected employees pending a final decision on the state pay plan revision. The Subcommittee urges the special pay plan subcommittee to review the issue of providing hazardous duty pay for certain correctional employees.
2. Delete \$26,503 and one F.T.E. position for a recommended Personnel Officer III position.
3. Delete \$18,132 and one F.T.E. position for a recommended Corrections Officer II position.
4. Add \$9,033 to expand the correctional officer intern program which is currently functioning in cooperation with Washburn University. The new interns will allow the existing correctional officers to perform additional security duties while allowing the interns to receive valuable on-the-job training.
5. Delete \$4,769 for professional health care services based on lower than estimated expenditures.
6. Delete \$2,840 for food costs based on lower than estimated expenditures.
7. Delete \$65,000 for a new 42 passenger air conditioned bus. The Subcommittee urges the Senate Subcommittee to review the issue of inmate transportation to determine if a smaller bus or vehicle might be more efficiently used by the agency.
8. The Subcommittee makes no adjustment to the capital improvement recommendation of the Governor pending a final recommendation of the Joint Committee on State Building Construction. The Subcommittee requests that the Senate Subcommittee review the capital improvement recommendations once the Joint Committee report has been finalized.

#### House Committee Recommendations

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

1. Delete \$52,000 in State General Fund financing for water pipe replacement in the Main Building and instead recommend \$39,000 for the project and provide financing from the Correctional Institutions Building Fund. The action reflects the recommendation of the Joint Committee on State Building Construction.

#### House Committee of the Whole Recommendations

Concur with the Committee recommendations.



Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (182,187)	\$ 3,146,946	\$ 83,132
Capital Improvements	(13,000)	39,000	--
TOTAL	<u>\$ (195,187)</u>	<u>\$ 3,185,946</u>	<u>\$ 83,132</u>
State General Fund:			
State Operations	\$ (182,187)	\$ 3,136,508	\$ 83,132
Capital Improvements	(52,000)	--	--
TOTAL	<u>\$ (234,187)</u>	<u>\$ 3,136,508</u>	<u>\$ 83,132</u>
F.T.E. Positions	(2.0)	105.6	1.0
Average Inmate Census	--	132	--

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

Fiscal Year 1986

1. Add \$18,132 and one F.T.E. position for a Corrections Officer II position. The new position will be used as a roving patrol around the perimeter of the institution to help provide increased security and cover certain blind spots that cannot be viewed by the guard towers.
2. Add \$65,000 for a 42-passenger bus for inmate transportation. The Subcommittee notes that this agency has assumed the responsibility for transporting most inmates between correctional institutions. The agency should have reliable transportation to insure the public safety when moving as many as 30-40 inmates between correctional facilities.

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman Board Bill No. 2088 Bill Sec. 11  
 Analyst: Conroy Analysis Pg. No. 353 Budget Pg. No. 4-41

<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	\$ 233,209	\$ 151,485	\$ —
State General Fund	233,209	151,485	—
F.T.E. Positions	7.0	5.0	—

Agency Request/Governor's Recommendation

The agency request of \$233,209, while maintaining the current level operations, also provides for two additional professional staff positions to expand the number of correctional institutions that are served by the agency on a regular basis.

The Governor's recommendation of \$151,485 continues the current operations of the agency staff. The Governor makes no provision for any additional staff positions.

House Subcommittee Recommendations

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

Fiscal Year 1985.

1. Delete \$1,000 for communication based on lower than anticipated expenditures.
2. Delete \$2,488 for travel and subsistence based on lower than anticipated expenditures.
3. The Subcommittee recommends that all identified savings in the current year be reappropriated for FY 1986.

Fiscal Year 1986.

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

Concur with the Committee recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ ---	\$ 151,485	\$ ---
State General Fund	---	151,485	---
F.T.E. Positions	---	5.0	---

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

HOUSE BILL NO. 2154

FISCAL YEAR 1985

Appropriations Pertaining to:

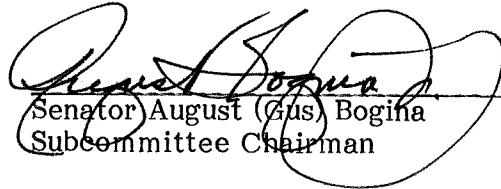
Homestead Property Tax Relief  
Department of Social and Rehabilitation Services  
Department of Health and Environment  
Department on Aging

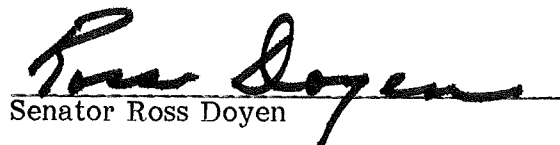
HOUSE BILL NO. 2102

FISCAL YEAR 1986

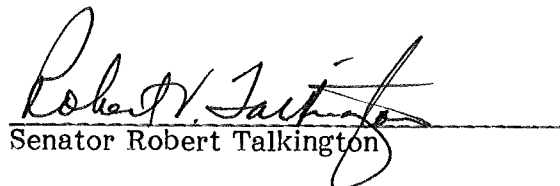
Appropriations Pertaining to:

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

  
\_\_\_\_\_  
Senator August (Gus) Bogina  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Ross Doyen

  
\_\_\_\_\_  
Senator Frank Gaines

  
\_\_\_\_\_  
Senator Robert Talkington

SUBCOMMITTEE REPORT

Agency: Department of Revenue — Homestead  
Property Tax Refunds Bill No. 2154 Bill Sec. 5

Analyst: Efird Analysis Pg. No. 197 Budget Pg. No. 2-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Other Assistance:			
All Funds	\$ 8,000,000	\$ 8,500,000	\$ —
State General Fund	7,000,000	7,500,000	—

Agency Request/Governor's Recommendation

The agency's estimate of \$8,000,000 was prepared prior to the November, 1984 meeting of the consensus estimating group. Because of higher average claims and less of a decline in the number of claims filed in CY 1984 than expected, the consensus group adjusted the agency's estimate to \$8,500,000 in FY 1985. The current approved amount is \$7,100,000 to pay claims in FY 1985. The Governor's recommendation of \$8,500,000 is \$1,400,000 more than the approved amount and would be financed by a supplemental State General Fund appropriation.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1985 estimate of \$8,500,000 as projected by the consensus group, including the \$1,400,000 supplemental appropriation from the State General Fund. The 1984 Legislature appropriated \$6,100,000 from the State General Fund and \$1,000,000 from the Federal Revenue Sharing Fund to pay estimated claims of \$7,100,000 in FY 1985. The revised consensus estimate of \$8,500,000 recommended by the Governor in FY 1985 would be financed by \$1,000,000 from the Federal Revenue Sharing Fund and the remainder from the State General Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation of the \$1,400,000 supplemental State General Fund appropriation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House.

SUBCOMMITTEE REPORT

Agency: Department of Revenue — Homestead  
Property Tax Refunds Bill No. 2102 Bill Sec. 2  
 Analyst: Efird Analysis Pg. No. 197 Budget Pg. No. 2-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Other Assistance:			
State General Fund	\$ 7,800,000	\$ 8,200,000	\$ —

Agency Request/Governor's Recommendation

The agency's estimate of \$7,800,000 was prepared prior to the November, 1984 meeting of the consensus estimating group. Because of higher average claims and less of a decline in the number of claims filed in CY 1984 than expected, the consensus group adjusted the agency's estimate to \$8,200,000 in FY 1986 and the Governor recommends that amount from the State General Fund.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's estimate of \$8,200,000 as projected by the consensus group. No financing is available from the Federal Revenue Sharing Fund in FY 1986 and all claims will be paid from the State General Fund. The Subcommittee wishes to note the increase in claims filed due to net operating losses which lowered household income to eligible levels. In CY 1982, 107 returns showed household incomes of less than \$1. In CY 1984, 1,579 returns showed household incomes of less than \$1. Payments of \$32,450 in CY 1982 have increased to \$471,816 in CY 1984 as a result of household incomes showing losses and thus eligible for the homestead refunds. The Subcommittee also is concerned about the definition of homestead and the administrative procedure which allows outbuildings to be included for tax purposes. The Subcommittee reviewed this entitlement program and notes that it could become more expensive if all eligible claims were filed. The Subcommittee believes that payments should be monitored over the next several years, and if increases occur, then statutory changes may be necessary.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House.

SUBCOMMITTEE REPORT

Agency: Social and Rehabilitation Services Bill No. 2154 Bill Sec. 6

Analyst: Hauke Analysis Pg. No. 198 Budget Pg. No. 2-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$100,038,628	\$ 99,860,499	\$ (744,626)
Other Assistance	<u>404,408,008</u>	<u>388,519,821</u>	<u>(89,043)</u>
Subtotal - Operating	\$504,446,636	\$488,380,320	\$ (833,669)
Capital Improvements	75,000	106,073	—
TOTAL	<u>\$504,521,636</u>	<u>\$488,486,393</u>	<u>\$ (833,669)</u>
State General Fund:			
State Operations	\$ 42,666,362	\$ 42,547,128	\$ (364,843)
Other Assistance	<u>188,639,041</u>	<u>179,434,106</u>	<u>(76,766)</u>
Subtotal - Operating	\$231,305,403	\$221,981,234	\$ (441,609)
Capital Improvements	—	—	—
TOTAL	<u>\$231,305,403</u>	<u>\$221,981,234</u>	<u>\$ (441,609)</u>
F.T.E. Positions	2,744.6	2,744.6	—

House Subcommittee Recommendations

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

1. The Subcommittee reviewed salary and wage expenditures through the first seven months of FY 1985. Based upon those expenditures, the Subcommittee recommends reductions to the Governor's revised FY 1985 salary and wage budgets totaling \$744,626, of which \$364,843 is from the State General Fund. Those reductions are as follows:
  - a. The Subcommittee recommends that the budget for Social Services Field Operations be reduced by \$250,828, of which \$113,374 is from the State General Fund. (Note: The expenditures are divided between Youth Services (75 percent) and Adult Services (25 percent) necessitating adjustments to two line items.) The Subcommittee recommends that the General Fund amounts be reappropriated as an offset to FY 1986 appropriations. The Subcommittee recommends that \$137,454 in Social Service Block Grant savings be used to offset State General Fund expenditures in FY 1986.
  - b. The Subcommittee recommends that the budget for Income Maintenance Field Operations be reduced by \$250,935, of which \$147,926 is from the State General Fund. The Subcommittee recommends that the General Fund portion of this reduction be reappropriated as an offset to FY 1986 appropriations.

- c. The Subcommittee learned that four data processing positions have been held vacant, an item discussed in the FY 1986 Subcommittee report, allowing turnover savings in FY 1985. The Subcommittee recommends that the FY 1985 data processing budget be reduced by \$105,661, of which \$62,382 is from the State General Fund.
  - d. The Subcommittee learned that several new child support enforcement positions were vacant for a portion of the year. The Subcommittee recommends that the FY 1985 budget be reduced by \$137,202, of which \$41,161 is from the State General Fund.
2. The Subcommittee reviewed expenditures in the Emergency Assistance program. The Subcommittee recommends that the FY 1985 Emergency Assistance budget be reduced by \$24,555, of which \$12,278 is from the State General Fund.
  3. The Subcommittee reviewed expenditures for educational services to out-of-state foster care placements. The Subcommittee learned that the Governor's revised FY 1985 budget contains \$451,584 for such services. However, revised estimates from the agency indicate that only \$387,096 will be expended. Consequently, the Subcommittee recommends that the budget for those services be reduced by \$64,488, all of which is from the State General Fund.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### Senate Subcommittee Recommendations

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

1. The Subcommittee recommends addition of \$200,000 from federal alcohol and drug abuse block grant funds for specialized programs to serve women substance abusers. This addition is a requirement of expanded federal funding for substance abuse and was recommended in Governor's Budget Amendment No. 2.



SUBCOMMITTEE REPORT

Agency: Social and Rehabilitation Services Bill No. 2102 Bill Sec. 3

Analyst: Hauke Analysis Pg. No. 198 Budget Pg. No. 2-45

<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	\$113,985,423	\$103,226,067	\$ (361,844)
Other Assistance	443,708,420	399,048,240	2,115,860
Subtotal - Oper- ating	\$557,693,843	\$502,274,307	\$ 1,754,016
Capital Improvements	83,548	149,529	--
<b>TOTAL</b>	<u>\$557,777,391</u>	<u>\$502,423,836</u>	<u>\$ 1,754,016</u>
<b>State General Fund:</b>			
State Operations	\$ 49,496,663	\$ 44,596,009	\$ (406,593)
Other Assistance	218,051,229	184,212,605	87,824
Subtotal - Oper- ating	\$267,547,892	\$228,808,614	\$ (318,769)
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$267,547,892</u>	<u>\$228,808,614</u>	<u>\$ (318,769)</u>
F.T.E. Positions	2,915.4	2,784.4	6.0

House Subcommittee Recommendations

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

1. The Subcommittee reviewed agency staff turnover rates. The Subcommittee learned that in two large subprograms (Social Service Field Services and Income Maintenance - Field Services) projected FY 1986 turnover savings are considerably below actual FY 1984 turnover and projected FY 1985 turnover. Therefore, the Subcommittee makes the following recommendations concerning those two subprograms, which result in a total reduction of \$375,688, and a State General Fund reduction of \$446,799.
  - a. The Subcommittee recommends FY 1986 turnover in Social Service Field operations be increased from 3.0 percent to 4.7 percent, which was the actual turnover level in 1984. This adjustment allows a reduction to the FY 1986 budget of \$214,073, all of which is from the State General Fund. (Note this reduction is divided between Youth Services (75 percent) and Adult Services (25 percent).)
  - b. The Subcommittee recommends that FY 1986 turnover in Income Maintenance - Field operations be increased from 4.2 percent to 5.4 percent, which was the actual turnover level in FY 1984. This adjustment allows a reduction to the FY 1986 budget of \$161,615, of which \$95,272 is from the State General Fund.

- c. The Subcommittee recommends that \$137,454 in Social Services Block Grant (SSBG) savings, due to the FY 1985 turnover adjustment, be utilized as an offset to FY 1986 State General Fund costs of Social Service Field operations. This transaction increases SSBG expenditures with a corresponding decrease in General Fund expenditures.
2. The Subcommittee reviewed federal financial participation in the Medical Assistance and Aid to Dependent Children programs. The Subcommittee learned that the federal participation rate in eligible expenditures will decline from 50.67 percent to 50.0 percent beginning October 1, 1985. The Subcommittee learned that the Governor's Medical Assistance recommendations are based upon 50.0 percent federal financial participation for the entire fiscal year. Adjusting for one-quarter at 50.67 federal financial participation allows a total increase in federal Medicaid funding of \$363,065 with an equal decrease in State General Fund expenditures.
3. The Subcommittee reviewed receipt of federal block grant funds for substance abuse programs. Due to underexpenditures in FY 1984 and FY 1985 grant awards slightly higher than anticipated, \$284,785 is available from this source that is not included in the budget. Therefore, the Subcommittee recommends that FY 1986 block grant expenditures for substance abuse programs be increased by \$284,785, with a corresponding reduction in FY 1986 State General Fund appropriations. The Subcommittee notes that the adjustment it is recommending does not expend block grant funds reserved by Congress for special programs serving women substance abusers (approximately \$200,000 during both FY 1985 and FY 1986).
4. The Subcommittee reviewed projected receipts and balances to the SRS Fee Fund. Based upon its review the Subcommittee is recommending an FY 1986 increase in Fee Fund expenditures of \$2,480,186, which reduces State General Fund expenditures for the Medical Assistance Program by an equal amount. The Subcommittee's recommendations are based upon the considerations and assumptions as follows:
  - a. The Subcommittee reviewed FY 1985 receipts to the Fee Fund. The Subcommittee is of the opinion that receipts from: child support enforcement; medical recoveries; and general recoveries will be approximately \$1,615,811 higher than budgeted. That increase is offset by a decrease of \$1,950,000 in anticipated retrospective settlements with the federal government. The Subcommittee considered this \$334,189 deficit in its FY 1986 computations.
  - b. The Subcommittee projected FY 1986 revenues to continue at FY 1985 levels. This increases estimated revenue by a total of \$1,515,811, of which \$1,275,000 is from child support collections, \$98,981 is from medical recoveries, and \$141,830 is from other collections, principally fraud and abuse recoveries. That revenue increase becomes \$1,181,622, when the FY 1985 deficit is considered.

- c. The Subcommittee notes that the Governor's recommendations allow a Fee Fund balance of \$3,298,564 at the end of FY 1986. The Subcommittee notes that an ending balance of approximately \$2.0 million has typically been budgeted. The Subcommittee recommends the balance be reduced by \$1,298,564.
  - d. When the Subcommittee's projected revenue increase (\$1,181,622) is combined with a reduction in balance (\$1,298,564), a General Fund reduction of \$2,480,186 results.
5. The Subcommittee believes that the most obnoxious component of the social services programs in the eyes of the public is fraud and abuse. The Subcommittee learned that a substantial recovery is made annually by SRS fraud and abuse investigations. The savings are reflected in both Fee Fund recoveries and reduced assistance expenditures. As noted in item 4b above, the Subcommittee is increasing projected Fee Fund receipts from both medical recoveries and general collections. The Subcommittee endorses the concept of placing fraud and abuse investigators in local SRS offices. The Subcommittee notes that the Governor is recommending seven new positions for this effort and endorses that recommendation. The Subcommittee is recommending that the Governor's recommendations be increased by 3.0 F.T.E. Special Investigators. This recommendation involves FY 1986 expenditure of \$68,076 (of which \$47,592 is from the General Fund). The Subcommittee is of the opinion that this is a cost effective program, in both direct collections and fraud deterrence.
  6. The Subcommittee endorses the Governor's recommendations for initiation of an automated eligibility determination system. The Subcommittee concurs with the Governor's FY 1986 recommendation of \$655,816 for contractual services to acquire such a system for use in Kansas. The Subcommittee also notes that such a system could have considerable impact relative to distributed data processing. The Subcommittee notes the Joint DISC Subcommittee is recommending an interagency task force to review issues related to distributed data processing. The Subcommittee directs SRS become actively involved in that task force, that SRS developments on this system be coordinated with the task force, and that a report be presented to the 1986 Legislature on January 13, 1986.
  7. The Subcommittee notes that the 1984 Legislature approved four positions in SRS to begin programming an automated eligibility system. Subsequently, the agency decided to pursue obtaining the system through contractual arrangements and modification of systems used in other states. SRS has not filled the four positions approved by the 1984 Legislature, a factor which allows the turnover adjustment included in the FY 1985 Subcommittee report. The Subcommittee recommends that financing of these four positions be deleted from the FY 1986 budget, for a total reduction of \$114,259, of which \$67,413 is from the State General Fund. The four positions are: two - Computer Systems Analysts III; one - Computer Systems Analyst I; and one - Programmer IV. The Subcommittee learned that the agency is of the opinion that these positions should be used to oversee actual programming and phased implementation of the system. The Subcommittee is of the opinion that such programming and implementation is unlikely to occur in FY 1986. Consequently, the Subcommittee

recommends deletion of the funding for these positions but allows the position authority to remain.

8. The Subcommittee learned that two pending bills (S.B. 302 and H.B. 2077) would reduce agency pharmaceutical expenditures, largely through substitution of generic equivalent drugs. In anticipation of passage of such legislation, the Subcommittee recommends that the FY 1986 Medical Assistance budget be reduced by \$1,000,000, of which \$500,000 would be from the State General Fund. The Subcommittee recognizes that this item may require adjustment in the Omnibus bill, if the abovementioned bills are not passed.
9. The Subcommittee recommends restoration of the Transitional General Assistance (TGA) program. This recommendation increases FY 1986 expenditures by \$4,335,860, all of which is from the State General Fund. The Subcommittee's recommendations are summarized in tabular form in a table accompanying this narrative. They generally make the following assumptions:
  - a. Total caseloads are based upon the Governor's original recommendations. However, the Subcommittee's recommendations presume 55 percent of the caseload in the Unrestricted GA program, rather than 60 percent, as contained in the Governor's recommendations. The Subcommittee's recommendations include \$3,127,865 to finance the cash assistance phase of the program.
  - b. The Governor's recommendations include \$2,007,995 in savings due to eliminating the TGA program. However, the Governor's recommendations also include \$800,000 to finance expanded coverage for mentally ill persons in General Assistance. The Subcommittee recommends restoration of the \$2,007,995 but deletes the \$800,000 expansion. The result is a net restoration of \$1,207,995.
10. The Subcommittee reviewed the agency's work programs, now operating in Sedgwick, Shawnee, Wyandotte, and Saline counties. These include Job Clubs, WIN, and Work Experience Programs. The Subcommittee is of the opinion that such programs are the most important factors in permanently removing public assistance clients from the welfare rolls. Jobs Clubs are particularly relevant toward reducing the number of TGA clients. The Subcommittee recommends that three Social Worker I positions be added to increase Jobs Club programming coverage. These positions involve \$60,027 from the State General Fund.
11. The Subcommittee spent considerable time reviewing the cash assistance eligibility standards and the Governor's recommendations for a 6 percent increase in cash grants. The Subcommittee learned that present eligibility standards are based upon financial considerations and incremental adjustments rather than any particular poverty index. Further, poverty indexes of the federal government were specifically rejected as being unrealistically high. The Subcommittee decided to develop its own monthly index of items essential for livelihood and to compare them to the benefits

offered in the assistance program. The Subcommittee forwards the following display for Committee consideration.

Minimum Monthly Needs for Family of Three

<u>Item</u>	<u>Amount</u>
Rent	\$ 200
Utilities	75
Phone	10
Food	270
Transportation	50
Clothing	20
School Supplies, Toiletries, and Miscellaneous	30
TOTAL NEEDS	<u>\$ 655</u>

Estimated Resources to Meet Needs

ADC Grant (including 6% increase)	\$ 368
Food Stamp Benefit	159
Low Income Energy Benefit	15
TOTAL RESOURCES	<u>\$ 542</u>

Percentage of Need Met 83%

The Subcommittee is of the opinion that Kansas public policy should: (1) assure that only those truly in need are receiving benefits and, (2) strive to meet this minimal level of need for those who are in need. Few could argue that the above items are above minimums necessary for existence. Comparing estimated needs to estimated resources reflects a monthly deficit of \$113, which must be financed from private charity, commodities, or other subsidies.

12. The Subcommittee concurs with computations in the Governor's budget, which finance a 6 percent overall increase in cash grant allowances. The Subcommittee learned that, due to federal law, cash grant and food stamp eligibilities are determined through separate computations. Cash grant increases actually decrease food stamp benefits in most cases. Due to utility costs, federal food stamp policies allow one exclusion to this anomaly. Federal law allows certain grants, that are related to meeting energy costs, to be excluded from food stamp benefit computations. This exclusion contains certain requirements, one of which is legislative enactment. The Subcommittee studied the various cost components for assistance families in depth and came to the strong conclusion that most components of these families budgets have remained fairly constant with

the exception of utilities, which have and will rise dramatically. Therefore, the Subcommittee recommends that all cash grant increase funding, included in the FY 1986 budget, be earmarked for energy assistance. The Subcommittee directs staff to insert a proviso to that effect in H.B. 2102. Further, the Subcommittee recommends that SRS furnish relevant materials to the U.S. Department of Agriculture for purposes of defending the legislative conclusion.

13. The Subcommittee recommends deletion of \$150,000 from the Governor's recommendations for alcohol and drug abuse financing. This deletion is from the State General Fund and was earmarked for development of a program to serve juvenile substance abusers. The Subcommittee is of the opinion that these needs can be met through current programs. The Subcommittee concurs with the Governor's recommendation of \$200,000 to provide an inflationary increase to existing programs.
14. The Subcommittee recommends addition of \$30,000 from the General Fund as seed money to develop programs serving "latch key" children through community social service agencies. Such programs are designed to provide after school care for the children of working parents in low income areas.
15. The Subcommittee reviewed the benefit matrix for low income energy assistance grants. The Subcommittee learned that some states have adopted a benefits plan that considers recipient contributions toward actual utility payments. The Subcommittee recommends that SRS review its benefits program and consider such an approach. The Subcommittee learned that this method may involve additional administrative requirements. Changes in the matrix could be implemented with the automated eligibility program.
16. The Subcommittee reviewed the Governor's recommendations for expenditure of \$1.2 million to increase hospital reimbursements for the first day of hospitalization. The Subcommittee learned that this expenditure would increase first day hospital reimbursements by approximately 10 percent. The Subcommittee recommends reduction of this enhancement by \$300,000, of which \$150,000 would be from the State General Fund. The Subcommittee's recommendations would provide \$900,000 for expanded first day reimbursements, an amount which would allow a 7.5 percent increase.
17. The Subcommittee recommends an increase of \$100,000 from the State General Fund for community-based adult services grants. This amount would supplement \$200,000 recommended by the Governor to expand residential care for the hard to place mentally ill and mentally retarded. The Subcommittee notes that such programs reduce reliance upon institutional programs and complies with legislative direction contained in 1984 S.C.R. 1645 which emphasizes community placements.
18. The Subcommittee reviewed the Governor's \$1.8 million recommendation for providing 24-hour licensed care in adult care facilities. The Subcommittee makes the following recommendations concerning SRS reimbursement for 24-hour care:
  - a. The Subcommittee recommends that 24-hour licensed care be a goal to which the Department would move over a period of time.

The Subcommittee believes strongly that the policy be implemented through financial incentives in the reimbursement system rather than new regulation.

- b. The Subcommittee recommends that SRS reimbursements recognize 24-hour licensed care. The Subcommittee recommends that SRS not mandate 24-hour licensed care.
  - c. The Subcommittee learned that the Governor's recommendations would finance full year costs associated with 24-hour licensed care. Inasmuch as the Subcommittee is recommending a phased approach, the Subcommittee recommends that the Governor's recommendations be reduced by \$900,000, of which \$450,000 is from the State General Fund.
19. The Subcommittee reviewed reimbursements for private psychologists. The Subcommittee learned that psychologists are reimbursed according to a payment schedule that has not been updated for several years. Conversely, psychologist services in community mental health centers are reimbursed according to schedules that have been updated based upon actual costs. Consequently, private psychologists are being paid considerably less. The Subcommittee recommends that SRS prepare a cost estimate for updating psychologist payments, for consideration when this budget is reviewed by the Senate.
  20. The subcommittee wishes to highlight S.B. 2, which would preclude virtually all incarceration of juveniles in adult jails. The Subcommittee notes that the FY 1986 fiscal note associated with S.B. 2 is approximately \$772,000 from the State General Fund. The Subcommittee notes that passage of S.B. 2 may require further consideration of this budget as a part of the Omnibus bill.

#### House Committee Recommendations

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

1. The Committee reviewed the recommendation to supplement the Governor's recommendation of \$200,000 for community based adult services grants with an additional \$100,000. The Committee noted that appropriations for Mental Health and Retardation Services contain \$200,000 for a special purpose grant. The Committee recommends that such grants be utilized to reduce the institutional population. The Committee recommends that the funding contained in this bill have as its goal a reduction of 20 in the average census at SRS institutions and that hospital wards be closed when the census is adequately reduced. Further the Committee recommends that SRS report to the Committee on the uses of the grant funds and upon the reduction in institutional populations that occurred from expenditure of those funds. The Committee recommends that such a report be filed prior to the start of the 1986 Legislature.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments*</u>
<b>All Funds:</b>			
State Operations	\$ (361,844)	\$102,864,223	\$ (473,461)
Other Assistance	2,115,860	401,164,100	2,107,163
Subtotal - Operating	\$ 1,754,016	\$504,028,323	\$ 1,633,702
Capital Improvements	--	149,529	--
<b>TOTAL</b>	<u>\$ 1,754,016</u>	<u>\$504,177,852</u>	<u>\$ 1,633,702</u>
<b>State General Fund:</b>			
State Operations	\$ (406,593)	\$ 44,189,416	\$ 33,707
Other Assistance	87,824	184,300,429	1,092,867
Subtotal - Operating	\$ (318,769)	\$228,489,845	\$ 1,126,574
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$ (318,769)</u>	<u>\$228,489,845</u>	<u>\$ 1,126,574</u>
<b>F.T.E. Positions</b>	<b>6.0</b>	<b>2,790.4</b>	

\* Includes adjustments contained in Governor's Budget Amendment No. 2, which reduce state operations by \$530,591 and increase other assistance by \$200,000.

#### Senate Subcommittee Adjustments

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

1. The Subcommittee recommends addition of \$200,000 from federal alcohol and drug abuse block grant funds. This addition is a requirement of expanded federal financing for alcohol and drug abuse. Additionally it was recommended in Governor's Budget Amendment No. 2.
2. The Subcommittee recommends introduction of legislation to amend distribution of taxes collected from sale of liquor in private clubs, as contained in K.S.A. 79-41a01 et seq. Specifically the Subcommittee recommends the amendments which follow.
  - a. That effective January 1, 1986, expenditures from local special alcohol and drug program funds be approved by the Department of Social and Rehabilitation Services.
  - b. That on January 1, 1986 a two-year phase out begin to eliminate distribution of local Alcoholic Liquor Funds for parks and recreation. The Subcommittee recommends that the funding which is presently distributed to local Special Parks and Recreation Funds be deposited in the State General Fund. The Subcommittee recommends that half of this funding shift be implemented on January 1, 1986 and the remainder on January 1, 1987. Upon completion, half of all beverage tax collections would be deposited in the State General Fund. The remaining half would be transferred to local units and would be equally divided between special substance abuse funds and local general funds.



3. The Subcommittee recommends that the House recommendations for alcohol and drug abuse funding be increased by \$300,000 from the State General Fund. The Subcommittee recommends that this funding be utilized to finance residential treatment programs serving juvenile substance abusers. The Subcommittee is not recommending specific geographic locales for these programs, leaving that decision to the Secretary of SRS. The Subcommittee recommends these funds be appropriated with a proviso mandating that only programs be financed which have taxing authority to sustain their continued existence.
4. The Subcommittee reviewed the House recommendation concerning data processing staffing. The Subcommittee concurs with the House recommendation to allow position authority to remain for four positions currently vacant. The Subcommittee learned that the agency will incur substantial data processing workload during FY 1986 in conjunction with DISC phase out of the E-1 Operating System. Therefore, the Subcommittee recommends restoration of \$57,130 (of which \$33,707 is from the State General Fund) of the \$114,259 deleted from the data processing budget by the House.
5. The Subcommittee reviewed the House deletion of \$1.0 million from the pharmacy budget due to anticipated passage of H.B. 2077 and S.B. 302, concerning substitute of generic equivalents. The Subcommittee observes that passage of those bills is beginning to appear somewhat unlikely. The Subcommittee also learned that SRS estimates savings of \$880,000 could result from administrative adjustments to reimburse for generic equivalents, wherever applicable. The Subcommittee endorses this administrative implementation and restores \$120,000 (of which \$60,000 is from the State General Fund) of the \$1.0 million deleted by the House.
6. The Subcommittee endorses the House recommendation to restore Transitional General Assistance. The Subcommittee learned that SRS has introduced regulations, to become effective on May 1, which will expand General Assistance Unrestricted (GAU) coverage to persons for whom mental illness represents a significant impairment to employment. Presently GAU coverage is extended only to persons for whom mental illness prevents employment. This change in regulations was a part of the original proposal to eliminate TGA. However, the Subcommittee learned that SRS prefers to implement this regulation, as it would finance a slight grant increase for persons with chronic mental illness. The Subcommittee observes that this change in regulations could result in a possible shortfall of \$200,000 in the FY 1986 General Assistance budget, which could require supplementation at a later date.
7. The Subcommittee reviewed the Governor's recommendations for a 6 percent cash grant increase and the House index of minimum monthly needs for a family of three. The Subcommittee recommends FY 1986 cash grant increases of 7.5 percent for recipients of Aid to Dependent Children (ADC) and General Assistance -- Unrestricted. This increases the ADC budget by \$1,176,476 (of which \$587,180 is from the State General Fund) and the GAU budget by \$110,687 (all of which is from the State General Fund). This recommendation increases the total cash assistance budget by \$1,287,163, of which \$697,867 is from the State General Fund.

8. The Subcommittee recommends deletion of \$30,000 from the General Fund, which was added by the House to finance seed grant programs for latch key children.
9. The Subcommittee recommends deletion of \$100,000 from the General Fund, which was added by the House to finance expanded community based service grants to mentally ill and mentally retarded persons.
10. The Subcommittee recommends restoration of \$300,000 (of which \$150,000 is from the State General Fund) deleted by the House to increase hospital reimbursements on the first day of hospitalization.
11. The Subcommittee concurs with the House recommendations concerning financing of 24-hour licensed nursing care in adult care facilities. The Subcommittee recommends that not more than \$900,000 be expended for this expansion during FY 1986. The Subcommittee directs SRS to prepare a report to the 1986 Legislature to include: (1) how this reimbursement expansion was implemented; (2) the number of facilities being reimbursed for such care; and (3) progress concerning the number of facilities that have expanded licensed care.
12. The Subcommittee recommends that SRS increase the maximum hourly reimbursement schedule for psychologist services by \$5.00. The Subcommittee recommends addition of \$30,000, of which \$15,000 is from the State General Fund for this increase in reimbursement.
13. The Subcommittee adopts items in Governor's Budget Amendment No. 2, concerning commodities distribution programs. Specifically this involves the following actions:
  - a. Deletion of \$524,506 and 5.0 F.T.E. positions from the Surplus Food Processing — Federal Fund, which will not be available to finance a surplus commodity processing program.
  - b. Deletion of \$150,807 from the Federal Surplus Food Distribution Fund, which will not be available to support the charitable institutions commodity distribution program.
  - c. Replacement of federal funds for the charitable institutions program, with \$144,722 from the SRS Fee Fund.

FY 1986 GAU AND TGA

Computation Based Upon Total Caseload In Governor's Recommendation  
(Distributed Between TGA and GAU upon December Case Mix)

Cash Assistance Phase - Total 125,389 case months

GAU

a. Projected FY 1986 caseload (55% of total)	68,964
b. Multiply by \$114.20 (Governor's projected grant)	\$ 114.20
c. Regular GAU costs	\$ 7,875,689

TGA

a. Projected FY 1986 caseload (45% of total)	56,425
b. Multiply by \$93.50 (average grant in FY 1985)	\$ 93.50
c. Estimated TGA costs	\$ 5,275,738

TOTAL GAU and TGA	\$ 13,151,427
Governor's FY 1986 Recommendations	10,023,562
Difference - Cash Assistance	\$ 3,127,865

Medical Assistance Phase

a. Estimated cost of restoring all TGA persons	\$ 2,007,995
b. Minus enhancement for increased mental health services	(800,000)
Difference - Medical Assistance	\$ 1,207,995

Combined Cash and Medical Costs	\$ 4,335,860
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SUBCOMMITTEE REPORT

Agency: Department of Health and Environment Bill No. NA Bill Sec. NA  
 Analyst: Timmer Analysis Pg. No. 223 Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 23,050,185	\$ 22,946,517	\$ (42,365)
Aid to Local Units	5,902,796	6,103,718	—
Other Assistance	8,500,000	8,500,000	—
<b>TOTAL</b>	<u>\$ 37,452,981</u>	<u>\$ 37,550,235</u>	<u>\$ (42,365)</u>
<b>State General Fund:</b>			
State Operations	\$ 13,104,850	\$ 13,104,850	\$ (44,765)
Aid to Local Units	1,145,057	1,145,057	—
Other Assistance	—	—	—
<b>TOTAL</b>	<u>\$ 14,249,907</u>	<u>\$ 14,249,907</u>	<u>\$ (44,765)</u>
<b>F.T.E. Positions</b>	<b>582.2</b>	<b>581.2</b>	<b>—</b>

House Subcommittee Recommendations

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

1. Deletion of \$27,500 State General Fund money from the Environmental Toxicology program. The recommendation deletes funding for temporary staff which were to be assigned to the proposed Asbestos Control program. The Subcommittee recommends that the Department hire one special projects position for the remainder of FY 1985 and all of FY 1986 to develop a training manual for asbestos inspections and to be available to provide technical assistance on the identification, encapsulation, and removal of asbestos from the public buildings. The Subcommittee includes no additional funding in FY 1985 and recommends the special projects position be funded in FY 1985 from savings in the existing salary and wage budget.
2. Deletion of \$17,265 from the State General Fund for capital outlay for the Environmental Toxicology program.
3. The Subcommittee recommends that the expenditure limitation on the Federal Occupational Health and Safety Statistics Program Fund be increased from \$22,404 to \$24,804, an increase of \$2,400.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (42,365)	\$ 22,904,152	\$ 17,265
Aid to Local Units	--	6,103,718	--
Other Assistance	--	8,500,000	--
TOTAL	<u>\$ (42,365)</u>	<u>\$ 37,507,870</u>	<u>17,265</u>
State General Fund:			
State Operations	\$ (44,765)	\$ 13,060,085	\$ 17,265
Aid to Local Units	--	1,145,057	--
Other Assistance	--	1,145,057	--
TOTAL	<u>\$ (44,765)</u>	<u>\$ 14,205,142</u>	<u>17,265</u>
F.T.E. Positions	--	581.2	--

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

1. Deletion of item number 2 in the House report. The Subcommittee understands that the capital outlay was not to be funded by State General money but was funded by federal funds. The federal funds are not available for equipment purchases. The Subcommittee does not recommend purchase of the equipment from any source.

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment Bill No. 2102 Bill Sec. 4  
 Analyst: Timmer Analysis Pg. No. 223 Budget Pg. No. 6-1

<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	\$ 30,470,895	\$ 25,637,336	\$ (456,830)
Aid to Local Units	8,710,780	6,422,756	(261,134)
Other Assistance	8,500,000	8,500,000	—
<b>TOTAL</b>	<b><u>\$ 47,681,675</u></b>	<b><u>\$ 40,560,092</u></b>	<b><u>\$ (717,964)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 18,124,006	\$ 13,989,753	\$ (391,830)
Aid to Local Units	3,761,474	1,473,450	(261,134)
Other Assistance	—	—	—
<b>TOTAL</b>	<b><u>\$ 21,885,480</u></b>	<b><u>\$ 15,463,203</u></b>	<b><u>\$ (652,964)</u></b>
F.T.E. Positions	678.7	616.7	(9.5)

House Subcommittee Recommendations

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

1. Deletion of \$92,359 State General Fund money for the proposed Asbestos Control program. The Subcommittee deletes funding for one environmental engineer, one chemist, and associated operating costs. The Subcommittee recommends that funding of \$33,875 be included for one special projects position pursuant to its FY 1985 recommendation.
2. Deletion of \$239,718 from the State General Fund included in the General Health — Aid to Local Units budget. This reduction will leave a total of \$734,506 for the Department to use to provide funding via the formula set out in K.S.A. 65-241 et seq.
3. Deletion of \$21,416 of State General Funds included for contracts with local health departments for the inspection of food and lodging establishments. The Subcommittee recommends that a total of \$110,384 be appropriated for these contracts.
4. The Subcommittee recommends that the Crippled Children's Commission Fund be eliminated as a separate fee fund and that the balance of the fund and all revenue due the fund be transferred to the State General Fund. The Subcommittee recommends that additional expenditures of \$65,000 (the FY 1986 limitation on the fund and the balance) be included in the Crippled and Chronically Ill Children's program. The Subcommittee notes that this recommendation is consistent with those adopted in the previous biennium concerning elimination of various separate fee funds.

5. The Subcommittee notes that the Board of Agriculture proposes to begin milk inspections with agency staff in Northeast Kansas rather than contracting with the local health departments as is done now. The Subcommittee feels that such a change is not cost efficient and does not endorse this proposal.
6. The Subcommittee notes that payments made to retiring employees for accumulated sick and annual leave are usually paid out of turnover savings and are not clearly identified as expenditures in the agency's budget. The Subcommittee recommends that the Department identify retirement expenditures in order to allow for a more accurate accounting of actual turnover savings.
7. The Subcommittee understands that it is likely the Certificate of Need (CON) program will not be renewed by the Legislature and therefore will end as of July 1, 1985. The Subcommittee feels that there is a need for CON, but recommends the deletion of one F.T.E. Health Planning Project Reviewer position which deals exclusively with CON. If the program is continued, the Subcommittee recommends that this position be reinserted.
8. The Subcommittee deletes \$4,785 State General Funds and a .5 F.T.E. law clerk from the Executive Administration budget. The Subcommittee's recommendation would allow a total of \$3,000 to be used for research assistance for the Department's legal staff.
9. The Subcommittee concurs with the Governor's recommendation of three F.T.E. positions and associated funding of \$120,000 for the Federal Early Identification and Intervention program. The Subcommittee recommends that the positions be unclassified under the condition that if the federal funding should end the positions will be eliminated.
10. The Subcommittee concurs with the Governor's recommendation for four F.T.E. federally funded positions, to conduct annual Title XVIII certification inspections but recommends that a proviso be included in the appropriation bill which would prohibit the filling of these positions until annual inspections are mandated by the federal regulations. The Subcommittee recommends the positions be unclassified.
11. The Subcommittee concurs with the Governor's recommendation of 7.0 F.T.E. positions and associated operating and capital outlay expenses for the Surface Water Pollution Control program. The Subcommittee understands that the positions will be funded from federal sources in FY 1986. The Subcommittee also recommends that the positions be unclassified under the condition that they be eliminated if the federal funding ends.
12. The Subcommittee deletes 7.0 F.T.E. positions and \$226,025 from the State General Fund. The funds are for salaries and wages and associated operating costs for the seven positions. The Subcommittee concurs with the Governor's recommendation for an additional 8.0 F.T.E. positions, also to be funded from the State General Fund, but does not specify which positions are approved.

13. The Subcommittee notes that the Secretary proposes to use two of the above-mentioned positions for the monitoring of the area surrounding Wolf Creek. The Subcommittee expresses concern about the monitoring activities and the possible duplication of effort, as such activities are also being conducted by the utility owners. The Subcommittee urges the Department to work closely with the utility owners so no unnecessary duplication of monitoring activities will occur.
14. The Subcommittee recommends the deletion of \$131,310 State General Fund money which was included in the Governor's recommendation for capital outlay. This deletion includes \$10,600 of the \$60,600 which had been recommended for equipment for Wolf Creek monitoring activities. The Subcommittee recommends that no more than \$50,000 be spent for that equipment. The Subcommittee also recommends that the Department match the capital outlay funding recommended with the positions selected to be filled by the Secretary and recommends that the funds not be expended for items for which there will be no new positions allocated.
15. The Subcommittee recommends that a no-limit appropriation be placed on the following federal funds in FY 1986:

- Migrant Health Program Fund
- Veneral Disease Control Project Fund
- National Health Planning Act Fund
- Immunization Grant Fund
- Refugee Health Program Grant
- Tuberculosis Cooperative Agreement
- Genetic Services Grant
- Title X Family Planning Fund
- Early Identification and Intervention
- Occupational Health and Safety Statistics Program Fund

The Subcommittee notes that the grant proposal and federal award dictate how the funds are to be spent and that a no-limit appropriation will allow the agency to expend the funds as they become available.

16. The Subcommittee recommends that the Bequest Fund be given a no-limit appropriation rather than the \$10,000 limitation included in the Governor's recommendation. The Subcommittee also recommends that the Crippled and Chronically Ill Children's Commission which administers the fund use the available funds for services to children within the guidelines of the specific endowments or bequests.
17. The Subcommittee recommends the addition of a proviso to the Maternal and Child Health Services Block Grant Fund and the Preventive Health and Health Services Block Fund which would allow the transfers of money from the funds to other state agencies or local health departments to be in addition to any expenditure limitation placed on the fund. The Subcommittee emphasizes that this proviso is for FY 1986 only and is not to be expected in future years.



18. Addition of \$26,174 from the State General Fund to fully fund a Special Projects position in Surface Water Pollution Control program. The Subcommittee understands that the position was inadvertently funded for only part of FY 1986.
19. The Subcommittee understands that the Department of Administration is studying the possible relocation of several state offices in Wichita, including the Health and Environment district office, into a new building. The Subcommittee endorses the concept of consolidation of state offices and encourages the Department to pursue it further.
20. The Subcommittee deletes \$28,525 from the State General Fund for the communication budget to allow a 17.8 percent increase over FY 1985 estimates for KANS-A-N costs in FY 1986.
21. The Subcommittee recommends that the appropriation bill be reformatted to include a line for State General Fund — operating expenditures, and also separate line items for the individual State General Fund appropriations to programs in aid to local units.

House Committee Recommendations

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

1. The Committee recommends that specific funding of \$104,167 for accrued sick and annual leave pay to retiring employees be removed and that turnover be adjusted accordingly. This action results in no reduction of the recommended budget but does result in an increase of the turnover amount.

House Committee of the Whole

The Committee of the Whole concurs with the Committee actions.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Subcommittee Recommendations</u>
All Funds:			
State Operations	\$ (456,830)	\$ 25,180,506	\$ (84,172)
Aid to Local Units	(261,134)	6,161,622	333,634
Other Assistance	—	8,500,000	—
TOTAL	<u>\$ (717,964)</u>	<u>\$ 39,842,128</u>	<u>\$ 249,462</u>
State General Fund:			
State Operations	\$ (391,830)	\$ 13,597,923	\$ (50,826)
Aid to Local Units	(261,134)	1,212,316	333,634
Other Assistance	—	—	—
TOTAL	<u>\$ (652,964)</u>	<u>\$ 14,810,239</u>	<u>\$ 282,808</u>
F.T.E. Positions	(9.5)	607.2	—

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

1. Restore \$239,718 from the State General Fund to the General Health - Aid to Local Units line item. The Subcommittee recommends a total of \$974,224 which would allow 37.5 cents per capital or 50 percent of the formula set out in K.S.A. 65-241 et seq.
2. Restore \$21,416 from the State General Fund for contracts with local health departments to do inspections of food and lodging establishments. This action returns funding to the Governor's recommendation of \$135,000 which would allow the Department to fund the contracts at 60 percent of state license fee revenues. The Subcommittee also notes that S.B. 297 which is now in the House Committee on Public Health and Welfare would mandate the 60 percent reimbursement to the local departments.
3. Delete \$104,167 for payment of accrued sick and annual leave to retiring employees of which \$70,821 is from the State General Fund and \$33,346 is from other funding sources. The Subcommittee notes that the House deleted specific funding for pay to retiring employees but adjusted turnover so that the agency's total salary and wage budget was unchanged. The Subcommittee's action would totally delete funding for this purpose. The Subcommittee notes that if the agency is unable to absorb the costs through its salary and wage budget, supplemental funding could be requested for actual payments which the agency made to retirants for sick and annual leave.
4. The Subcommittee recommends that the expenditure limitations on the federal funds listed in item 15 of the House Committee report be reinstated. The Subcommittee also recommends that a proviso be added to these funds in the appropriation bill which would allow expenditures or transfers to local health departments or state agencies to be in addition to the expenditure limitation placed on the fund.
5. The Subcommittee recommends that a \$25,000 expenditure limitation be placed on the Bequest Fund of the Crippled and Chronically Ill Children's Program rather than no limit as was included in the House recommendation.
6. Addition of \$92,495 State General Fund money for the state's tuberculosis programs. This recommendation adds \$72,500 for the three regional tuberculosis clinics and \$19,995 for contractual services with doctors and clinics to provide tuberculosis outpatient services in locations in Coffeyville, Iola, Garden City, Salina, and Hays. The Subcommittee notes that this additional funding will allow these tuberculosis programs to continue at the FY 1985 level.

7. The Subcommittee concurs with the House action which placed all additional positions funded by federal sources in the unclassified service. The Subcommittee recommends that the provisos now in the appropriations bill be revised to eliminate the specific positions as listed but retain the positions' unclassified status.
8. The Subcommittee concurs with the House's recommendation item 13 which addresses monitoring activities in the Wolf Creek area and also expresses its concern about these monitoring activities and possible duplication of the activities. The Subcommittee therefore requests that the Department issue a report to the Committee at the beginning of the 1986 Session detailing the jurisdictions of the monitoring activities, staffing levels, and staffing activities.
9. The Subcommittee concurs with the House recommendation regarding the possible consolidation of the state offices in Wichita and reaffirms its support for the consolidation of state offices.

SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 2154 Bill Sec. —

Analyst: Holt Analysis Pg. No. 236 Budget Pg. No. 2-1

<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	\$ 952,906	\$ 952,906	\$ 3,680
Other Assistance	10,619,201	10,567,972	—
<b>TOTAL</b>	<u>\$ 11,572,107</u>	<u>\$ 11,520,878</u>	<u>\$ 3,680</u>
<b>State General Fund:</b>			
State Operations	\$ 453,627	\$ 453,627	—
Other Assistance	1,324,841	1,324,841	—
<b>TOTAL</b>	<u>\$ 1,778,468</u>	<u>\$ 1,778,468</u>	<u>\$ —</u>

House Subcommittee Recommendations

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

1. Addition of \$3,680 to the expenditure limitation of the federal Advocacy Grant. The agency's expenditures of \$30,939 from this grant as of February 22, 1985 suggest that such an increase is warranted. The FY 1985 expenditure limitation is \$49,956.
2. The Subcommittee expresses concern over the present method of deducting administrative costs from the federal grants. Currently, area agencies may deduct a disproportionate share of administrative overhead from either the OAA Nutrition Program or general grants. While the Subcommittee makes no adjustments to FY 1985, a change in policy in FY 1986 is recommended.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation to increase by \$3,680 the expenditure limitation of the federal Advocacy Grant.

## SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 2102 Bill Sec. 5Analyst: Holt Analysis Pg. No. 236 Budget Pg. No. 2-1

<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	\$ 1,273,080	\$ 1,082,248	\$ (81,956)
Other Assistance	12,969,196	10,836,812	(55,188)
TOTAL	<u>\$ 14,242,276</u>	<u>\$ 11,919,060</u>	<u>\$ (137,144)</u>
State General Fund:			
State Operations	\$ 746,718	\$ 578,329	\$ (81,956)
Other Assistance	3,528,735	1,397,475	(55,188)
TOTAL	<u>\$ 4,275,453</u>	<u>\$ 1,975,804</u>	<u>\$ (137,144)</u>
F.T.E. Positions	36.3	30.8	(2.5)

House Subcommittee Adjustments

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

1. Programmatic Recommendations

The In-Home Nutrition Program, financed entirely from the State General Fund, provides home-delivered meals to Kansans age 60 and over in Kansas City, Wichita, Topeka, Eureka, McPherson, Great Bend, Ottawa, Barton County, Dodge City, and areas in southeast Kansas. Administration of the program was transferred to the Department on Aging from the Department of Social and Rehabilitation Services in FY 1983. The Department on Aging has continued to fund the ten service providers that were operative under this program prior to the transfer. The Subcommittee believes that the quality and effectiveness of this program would be enhanced if competition among grantees and subgrantees were promoted. To that end, the Subcommittee recommends that the Department on Aging develop rules and regulations to be effective for FY 1986. These regulations shall specify the criteria for proposals and the bidding procedures to which applicants for in-home services contracts must adhere. Multiyear contracts between the grant recipient and the agency should be permissible.

2. The Older Americans Act of 1981 stipulates that any service provider which had received funds for the nutrition program governed by the Older Americans Act of 1965, as effective on September 29, 1978, be given preference over other bidders in offering OAA nutrition services, so long as there is no evidence of improved quality of service and cost effectiveness on the part of other providers. The Subcommittee recommends that the agency develop rules and regulations that would define how providers affected by that stipulation could lose their authorization to offer such services. The Subcommittee is further concerned that meals are not

always provided under the OAA Program in the most efficient, cost-effective manner to benefit the most Kansans. Therefore, the Subcommittee recommends that the agency develop rules and regulations to be effective for FY 1986. These rules and regulations shall specify the criteria for proposals and the bidding procedures to which applicants for OAA nutrition services contracts must adhere. Multiyear contracts between the grant recipient and the agency should be permissible.

3. The Subcommittee concurs with the Governor's recommendation for funding the Older Kansans Employment Program (OKEP) (\$100,000 from the State General Fund) and the federally-funded Job Training Partnership Act (JTPA) 3 percent Older Workers Program (\$338,125). However, the Subcommittee recommends six changes with respect to the administration of the programs:

- a. that the agency adopt rules and regulations governing the operations of both programs;
- b. that the designated project sites for each program use program funds to place those individuals seeking permanent employment prior to those seeking temporary employment;
- c. that the administration of the employment programs at the Community Action Program in Girard (Older Kansans Employment Program) and at the Area Agency on Aging in Chanute (JTPA) be consolidated, as the programs are offered in close proximity to each other;
- d. that the agency consider expanding OKEP so that it serves a broader geographic area. Currently, the only project sites are in Manhattan, Girard, and Wichita;
- e. that the agency implement a plan to reduce the costs of placing an individual in a position through the JTPA Program to approximate the cost of placement through the state-funded employment program. It cost an average of \$2,500 during the first three months of FY 1985 to find employment for an enrollee in the JTPA Program, whereas it cost only \$111 to place a participant in OKEP;
- f. that the agency be required to report only the number of persons placed by employment projects under OKEP and the JTPA Program. The agency has in the past reported the number of placements, as opposed to or in addition to the number of individuals placed. The Subcommittee considers the placement reporting procedure to be very misleading.

4. Funding Recommendations

- a. The Subcommittee recommends that administrative expenditures incurred in FY 1986 by area agencies on aging be budgeted for the General Grants and Nutrition Programs proportionate to total federal OAA expenditures recommended for those programs. Therefore, the Subcommittee recommends that of the

total of \$580,451 set aside for FY 1986 for that purpose, \$223,473 be deducted from General Grants and \$356,978 be deducted from the OAA Nutrition Program.

- b. Reduction of \$61,968 from the State General Fund including fringe benefits for 2.5 F.T.E. positions. The Subcommittee concurs with the Governor on the addition of the Accountant II position.
- c. For FY 1986, the Subcommittee recommends a 4.3 percent increase from the State General Fund above current year authorized expenditures for the In-Home Nutrition Program and transportation services. This would, however, constitute a reduction from the State General Fund of \$76,680 for the In-Home Nutrition Program and \$10,466 for transportation below the amounts recommended for FY 1986 by the Governor. The Subcommittee proposes that the support from the State General Fund for the OAA Nutrition Program be increased by \$31,958 above the recommended amount of \$441,124 for the following reasons:
  - 1) Pursuant to a memorandum (February 20, 1985) sent to the agency, the Subcommittee was informed that USDA reimbursement rates have been reduced below the amounts used by the agency in its FY 1985 and FY 1986 projections. This means that the agency has overstated its federal funding estimate by \$167,836 in FY 1986.
  - 2) In accordance with the Subcommittee's recommendation of assigning administrative expenditures to each program proportionate to total OAA expenditures recommended for each program, \$356,978 has been reduced from the OAA expenditures requested and recommended for nutrition services. The Subcommittee recommends that 3,520,398 meals be served at \$2.76 per meal, the same service level and cost per meal as estimated for FY 1985.
- d. In accordance with the Subcommittee's policy to increase by 4.3 percent from FY 1985 to FY 1986 State General Fund expenditures for certain state operations, a total reduction of \$16,721 from the State General Fund is recommended: \$5,160 for travel and subsistence (Administration); \$3,094 from fees-professional services (Administration); \$840 for postage designated for an increase in the number of copies of the agency's newsletter The Advocate, which was recommended by the Governor but not endorsed by the Subcommittee (Technical Assistance); \$2,322 for travel and subsistence (Technical Assistance); and \$5,305 for printing (Technical Assistance).
- e. A total reduction of \$3,267 from the State General Fund (\$2,259 - Administration and \$1,008 - Technical Assistance) for KANS-A-N

expenditures to reflect an increase of 17.8 percent in KANS-A-N costs, instead of the increase of 31.0 percent, originally projected by the Division of the Budget.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments Gov. Rec.</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (81,956)	\$ 1,000,292	\$ 23,084
Other Assistance	(55,188)	10,781,624	124,548
TOTAL	<u>\$ (137,144)</u>	<u>\$ 11,781,916</u>	<u>\$ 147,632</u>
State General Fund:			
State Operations	\$ (81,956)	\$ 1,000,292	\$ 20,473
Other Assistance	(55,188)	10,781,624	124,548
TOTAL	<u>\$ (137,144)</u>	<u>\$ 11,781,916</u>	<u>\$ 145,021</u>
F.T.E. Positions	(2.5)	28.3	.5

The Senate Subcommittee concurs with the House recommendations with the following adjustments, reflecting an addition of \$145,021 to the State General Fund, and \$2,611 to federal expenditures:

1. Reject Recommendation 4(a) of the House Subcommittee Report on H.B. 2102, Sec. 5, which requires that administrative expenditures incurred in FY 1986 by area agencies on aging be budgeted for the General Grants and Nutrition Programs proportionate to total federal OAA expenditures recommended for those programs. The effect of the Senate Subcommittee's recommendation would be to shift \$356,978 in federal Older Americans Act funds from General Grants to the OAA Nutrition Program. Consequently, the total OAA expenditures for the OAA Nutrition Program would be \$4,505,625, the same amount as recommended by the Governor.
2. Addition of \$47,868 from the State General Fund for the OAA Nutrition Program. The Subcommittee recommends that 3,530,221 meals be served at \$2.867 per meal. The effect of this recommendation would be to provide 9,823 more meals than recommended by the Governor at a cost of \$.033 per meal less than recommended by the Governor. However, \$2.867 per meal, as recommended by the Senate Subcommittee, represents an increase of 4.0 percent above the estimated cost of \$2.757 per meal estimated for the current fiscal year and recommended by the House.



3. Restoration of \$76,680 from the State General Fund for the In-Home Nutrition Program. The effect of this recommendation is to provide the same level of support for the program as is recommended by the Governor.
4. Addition of \$5,500 from the State General Fund for postage and printing of the agency's newsletter, The Advocate, provided that the agency be exempt from using the state printer for that purpose. The Senate Subcommittee recommends that 5 issues of The Advocate be printed in FY 1986 at 5,000 copies per issue.
5. Addition of \$12,885 from the State General Fund (including fringe benefits but excluding the proposed salary increase) for a .5 F.T.E. position and an adjustment of \$2,088 for an undesignated full-time position. It should be noted that the Governor recommended an addition above the current year staffing level of 3.5 F.T.E. positions: .5 F.T.E. Accountant I, 1.0 F.T.E. Accountant II, 1.0 F.T.E. Social Services Administrator I, and 1.0 F.T.E. Administrative Officer II. The House recommended that, with the exception of the Accountant II position, the remaining 2.5 F.T.E. positions be deleted. The Senate Subcommittee recommends that the agency be afforded flexibility in determining the positions that are recommended by the House (1.0 F.T.E. position) and Senate Subcommittee (.5 F.T.E. position).
6. Addition of \$2,611 in federal funds to increase the expenditure limitation of the federal Advocacy Grant from \$49,810 to \$52,421.

HOUSE BILL NO. 2154 -- SUPPLEMENTAL APPROPRIATIONS BILL

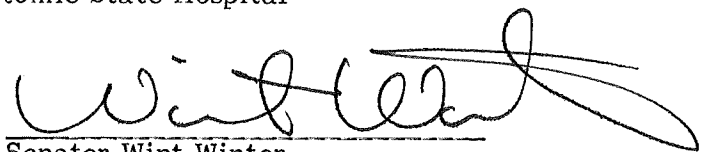
Section 11 -- Norton State Hospital  
Section 12 -- Winfield State Hospital  
Section 13 -- Rainbow Mental Health Facility  
New Section -- Youth Center at Atchison  
New Section -- Division of Mental Health and Retardation Services  
New Section -- Topeka State Hospital

HOUSE BILL NO. 2128 -- FY 1986 APPROPRIATIONS BILL

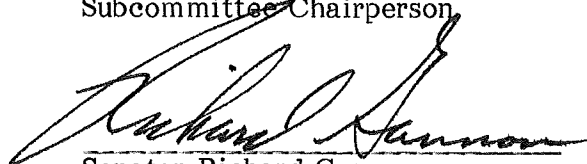
Section 2 -- Youth Center at Topeka  
Section 3 -- Youth Center at Beloit  
Section 4 -- Youth Center at Atchison  
Section 5 -- Kansas Neurological Institute  
Section 6 -- Larned State Hospital  
Section 7 -- Osawatomie State Hospital  
Section 8 -- Rainbow Mental Health Facility  
Section 9 -- Parsons State Hospital and Training Center  
Section 10 -- Norton State Hospital  
Section 11 -- Mental Health and Retardation Services  
Section 12 -- Topeka State Hospital  
Section 13 -- Winfield State Hospital and Training Center

HOUSE BILL NO. 2566 -- MULTIYEAR APPROPRIATIONS BILL

Section 5 -- Osawatomie State Hospital



Senator Wint Winter  
Subcommittee Chairperson



Senator Richard Gannon

Agency: Youth Center at Topeka Bill No. 2128 Bill Sec. 2  
 Analyst: Rothe Analysis Pg. No. 357 Budget Pg. No. 4-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 5,706,784	\$ 5,397,133	\$ (48,585)
General Fee Fund	51,839	51,839	
Other Funds	124,775	124,775	
Subtotal	<u>\$ 5,883,398</u>	<u>\$ 5,573,747</u>	<u>\$ (48,585)</u>
<b>Capital Improvements:</b>			
Other Funds	\$ 1,051,700	\$ 193,000	\$
TOTAL	<u>\$ 6,935,098</u>	<u>\$ 5,766,747</u>	<u>\$ (48,585)</u>
F.T.E. Positions	204	199.75	.75

Agency Request/Governor's Recommendation

For FY 1986 total operating expenditures of \$5,883,398 are requested. This is an increase of \$348,043, or 6.3 percent, over estimated FY 1985 expenditures of \$5,535,355. FY 1986 funding would support an average daily census (ADC) of 200 students compared with an estimated ADC of 195 in FY 1985, and an actual ADC of 190 in FY 1984. The agency is requesting an additional \$222,972 over FY 1985 for salaries and wages which would support an additional 2.0 F.T.E. positions, several reclassifications and a 5.5 percent salary adjustment. Contractual services would increase by \$67,524 including a \$25,967 increase in education costs, a \$21,147 increase in utilities, and an \$11,706, or 17.7 percent increase in communication costs. Total commodities would increase by \$26,540. The agency is also requesting a total of \$46,104 for capital outlay.

The Governor recommends total operating expenditures of \$5,573,747 for FY 1986, a reduction of \$309,651 from the agency's request. The Governor recommends \$5,397,133 of financing from the State General Fund. The recommendation includes \$4,021,150 for salaries and wages, a reduction of \$292,357, and would support 2.25 fewer F.T.E. positions than approved for FY 1985. The recommendation reduces contractual services by \$617, total commodities by \$8,482, and capital outlay by \$8,195.

House Subcommittee Recommendations

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

1. Add \$12,456 in State General Funds for a .75 F.T.E. General Maintenance and Repair Technician to begin work in October, 1985. The Technician would fulfill some of the maintenance duties performed by the three power plant operators whose positions will terminate in October, 1985.
2. Delete \$23,031 in State General Funds in turnover savings. The Subcommittee recommends a turnover rate of 2.5 percent (\$102,835) rather than the 2.1 percent rate (\$79,804) recommended by the Governor.

3. Delete \$10,000 in State General Funds from food costs.
4. Delete \$8,010 in State General Funds for charges on the KIPPS system.
5. Delete \$15,000 in State General Funds from communication costs.
6. Delete \$5,000 in State General Funds from capital outlay for a word processing system.
7. The Subcommittee makes no adjustment to utility expenditures for FY 1986. However, the Subcommittee expresses its intention to review the effectiveness of the agency's new power plant during the 1986 Legislative Session. The new power plant is scheduled to begin operation in October, 1985.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Total Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (48,585)	\$ 5,348,548	\$ 9,010
General Fee Fund	—	51,839	—
Other Funds	—	124,775	—
Subtotal	<u>\$ (48,585)</u>	<u>\$ 5,525,162</u>	<u>\$ 9,010</u>
Capital Improvements:			
Other Funds	\$ —	\$ 193,000	\$ —
TOTAL	<u>\$ (48,585)</u>	<u>\$ 5,718,162</u>	<u>\$ 9,010</u>
F.T.E. Positions	.75	200.5	—

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

1. Addition of \$8,010 in State General Funds for charges on the KIPPS system. The Subcommittee notes that it would be inappropriate to not take advantage of the state's large investment in central hardware and software. The Subcommittee also notes that the Special Joint Subcommittee on Data Processing and Telecommunications recommended continued support for and additional investment in a centralized personnel record-keeping system.
2. Addition of \$1,000 in State General Funds for the purchase of an electronic typewriter with memory capability.

SUBCOMMITTEE REPORT

Agency: Youth Center at Topeka Bill No. NA Bill Sec. NA  
 Analyst: Rothe Analysis Pg. No. 357 Budget Pg. No. 4-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 5,372,450	\$ 5,361,949	\$ (32,807)
General Fee Fund	38,130	38,130	
Other Funds	124,775	124,775	
Subtotal	<u>\$ 5,535,355</u>	<u>\$ 5,524,854</u>	<u>\$ (32,807)</u>
Capital Improvements:			
Other Funds	\$ 470,398	\$ 495,099	\$
TOTAL	<u>\$ 6,005,753</u>	<u>\$ 6,019,953</u>	<u>\$ (32,807)</u>
F.T.E. Positions	202	202	—

Agency Request/Governor's Recommendation

The agency is estimating total operating expenditures for FY 1985 at the approved level of \$5,535,355. The estimate reflects an increase of \$15,561 in total commodity purchases with a corresponding decrease in total contractual services and capital outlay.

The Governor recommends total operating expenditures of \$5,524,854 for FY 1985, a decrease of \$10,501 from the agency's estimate of education expenditures.

House Subcommittee Recommendations

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

1. Reappropriate \$20,000 in State General Funds in salary savings.
2. Reappropriate \$15,000 in State General Funds in food savings.
3. Reappropriate \$12,807 in State General Funds in communication savings.
4. Add \$15,000 in State General Funds for fuel expenditures.

These net reductions by the Subcommittee of \$32,807 would be added to the Governor's reduction of \$10,501 and the limited reappropriation of \$186,282 for a total reappropriation to FY 1986 of \$229,590.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendation.

SUBCOMMITTEE REPORT

Agency: Youth Center at Beloit Bill No. 2128 Bill Sec. 3  
 Analyst: Rothe Analysis Pg. No. 362 Budget Pg. No. 4-73

<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	\$ 2,931,184	\$ 2,677,281	\$ (11,232)
General Fee Fund	20,000	20,000	10,000
Other Funds	66,670	66,670	—
Subtotal	<u>\$ 3,017,854</u>	<u>\$ 2,763,951</u>	<u>\$ (1,232)</u>
Capital Improvements:			
Other Funds	\$ 235,900	\$ 32,000	\$ —
TOTAL	<u>\$ 3,253,754</u>	<u>\$ 2,795,951</u>	<u>\$ (1,232)</u>
F.T.E. Positions	100	98	—

Agency Request/Governor's Recommendation

For FY 1986 total operating expenditures of \$3,017,854 are requested. This is an increase of \$330,783, or 12.3 percent over estimated FY 1985 expenditures of \$2,687,071. FY 1986 funding would support an average daily census (ADC) of 89 students compared with an ADC of 89 in FY 1985 and 80 in FY 1984. The agency is requesting an additional \$157,559 over FY 1985 for salaries and wages which would support an additional 4.0 F.T.E. positions and a 5.5 percent salary adjustment. Contractual services would increase by \$118,867 including a \$99,551 increase in education contract costs and a \$15,372 increase in medical contract costs. The agency is also requesting a total of \$60,404 for capital outlay.

The Governor recommends total operating expenditures of \$2,763,951 for FY 1986, a reduction of \$253,903 from the agency's request. The Governor recommends \$2,677,281 of financing from the State General Fund, a reduction of \$253,903 from the requested amount. The recommendation includes \$1,921,371 for salaries and wages, a reduction of \$141,291, and would fund 2.0 of the requested 4.0 additional F.T.E. positions. The recommendation reduces the request for contractual services of \$705,647 by \$76,242 and reduces the capital outlay request by \$36,170.

House Subcommittee Recommendations

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

1. Add \$9,193 in teacher contract costs.
2. Delete \$1,500 in repair savings.
3. Delete \$8,010 for charges on the KIPPS system.
4. Delete \$5,000 in fees for other services.



5. Delete \$5,000 in food savings.
6. Delete \$915 in communication savings.
7. Add \$10,000 from the agency's fee fund for the purchase of a tractor, provided that the purchase be exempted from state purchasing bidding requirements.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Total Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (11,232)	\$ 2,666,049	\$ 8,010
General Fee Fund	10,000	30,000	—
Other Funds	—	66,670	—
Subtotal	<u>\$ (1,232)</u>	<u>\$ 2,762,719</u>	<u>\$ 8,010</u>
Capital Improvements:			
Other Funds	\$ —	\$ 32,000	\$ —
TOTAL	<u>\$ (1,232)</u>	<u>\$ 2,794,719</u>	<u>\$ 8,010</u>
F.T.E. Positions	—	98	—

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

1. Addition of \$8,010 in State General Funds for charges on the KIPPS system. The Subcommittee notes that it would be inappropriate to not take advantage of the state's large investment in central hardware and software. The Subcommittee also notes that the Special Joint Subcommittee on Data Processing and Telecommunications recommended continued support for and additional investment in a centralized personnel record-keeping system.

Agency: Youth Center at Beloit Bill No. NA Bill Sec. NAAnalyst: Rothe Analysis Pg. No. 362 Budget Pg. No. 4-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustment</u>
<b>State Operations:</b>			
State General Fund	\$ 2,600,401	\$ 2,584,881	\$ (2,425)
General Fee Fund	20,000	20,000	
Other Funds	66,670	66,670	
Subtotal	<u>\$ 2,687,071</u>	<u>\$ 2,671,551</u>	<u>\$ (2,425)</u>
<b>Capital Improvements:</b>			
Other Funds	\$ 280,078	\$ 281,437	\$
TOTAL	<u>\$ 2,967,149</u>	<u>\$ 2,952,988</u>	<u>\$ (2,425)</u>
F.T.E. Positions	96	96	—

Agency Request/Governor's Recommendation

The agency is estimating FY 1985 operating expenditures of \$2,687,071, the amount approved by the 1984 Legislature and Finance Council. The agency plans to shift \$27,000 from contractual services to contracted teacher and medical service costs.

The Governor recommends total operating expenditures of \$2,671,551 for FY 1985, reflecting a reduction of \$15,520 in education expenditures.

House Subcommittee Recommendations

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

1. Add \$10,075 for teacher contract costs.
2. Add \$1,500 for repair costs.
3. Reappropriate \$5,000 in fees for other services savings.
4. Reappropriate \$10,000 in utility savings.
5. Reappropriate \$5,000 in food savings.
6. Reappropriate \$4,000 in vehicle parts and supplies savings.
7. Add \$10,000 for maintenance supply costs.

These net reductions by the Subcommittee of \$2,425 would be added to the Governor's reduction of \$15,520 and the limited reappropriation of \$129,913 for a total reappropriation to FY 1986 of \$147,858.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendation.

Agency: Youth Center at Atchison Bill No. 2128 Bill Sec. 4  
 Analyst: Rothe Analysis Pg. No. 367 Budget Pg. No. 4-69

<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	\$ 3,421,143	\$ 3,163,895	\$ (13,285)
General Fee Fund	20,000	20,000	—
Other Funds	58,405	57,229	—
Subtotal	<u>\$ 3,499,548</u>	<u>\$ 3,241,124</u>	<u>\$ (13,285)</u>
Capital Improvements:			
Other Funds	\$ 146,300	\$ 20,500	\$ (17,438)
TOTAL	<u>\$ 3,645,848</u>	<u>\$ 3,261,624</u>	<u>\$ (30,723)</u>
F.T.E. Positions	120.5	119.5	—

#### Agency Request/Governor's Recommendation

The FY 1986 total operating expenditure request of \$3,499,548 is an increase of \$321,297, or 10.1 percent over estimated FY 1985 expenditures of \$3,178,251. FY 1986 funding would support an average daily census (ADC) of 96 students compared with an estimated ADC of 93 in FY 1985, and an actual ADC of 91 in FY 1984. The agency is requesting an additional \$145,366 over FY 1985 for salaries and wages which would support an additional 1.0 F.T.E. position and a 5.5 percent salary adjustment. Education contracts would increase by \$51,786. The agency is requesting an additional \$8,140 for the lease of a KIPPS terminal and printer from DISC. Utilities would increase by \$13,458, and total commodities by \$16,118. The agency is also requesting a total of \$87,358 for capital outlay.

The Governor recommends operating expenditures of \$3,241,124 for FY 1986, a reduction of \$258,424 from the agency's request. The Governor recommends \$3,163,895 of financing from the State General Fund, a reduction of \$257,248 from the requested amount. The recommendation includes \$2,310,239 for salaries and wages, a reduction of \$149,308. The requested additional F.T.E. position is not recommended. The recommendation reduces requested education expenditures by \$34,347, contractual services by \$37,236, total commodities by \$3,597, and capital outlay by \$68,283. The Governor concurs with requested expenditures for utilities, and a KIPPS terminal and printer.

#### House Subcommittee Recommendations

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

1. Deletion of \$9,703 in State General Funds in turnover savings. The Subcommittee recommends a turnover rate of 2.5 percent (\$58,988) rather than the 2.1 percent rate (\$49,285) recommended by the Governor.
2. Deletion of \$8,140 in State General Funds from the amount budgeted for the installation and monthly DISC-related charges on the KIPPS system.

3. Deletion of \$1,442 in State General Funds from the amount budgeted for KANS-A-N.
4. Addition of \$10,000 in State General Funds for the purchase of a new vehicle. The Subcommittee further recommends that it be the number one priority of the agency that automobiles assigned to the agency be used for student transportation to and from campus and that all automobiles be made available for that purpose.
5. Deletion of \$4,000 in State General Funds from capital outlay for a word processing system.
6. Adoption of the Joint Committee on State Building Construction's tentative recommendation to replace beds in Cottonwood Cottage for \$1,862 and to install bathroom exhaust fans in Sequoia Cottage for \$1,200.
7. The Subcommittee encourages the Legislative Post Audit Committee to authorize the Legislative Post Audit Division to conduct a study concerning the contracted educational programs at the Youth Centers at Atchison, Beloit, and Topeka.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Total Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (13,285)	\$ 3,150,610	\$ 19,140
General Fee Fund	—	20,000	—
Other Funds	—	57,229	—
Subtotal	<u>\$ (13,285)</u>	<u>\$ 3,227,839</u>	<u>\$ 19,140</u>
Capital Improvements:			
Other Funds	\$ (17,438)	\$ 3,062	\$ 4,650
TOTAL	<u>\$ (30,723)</u>	<u>\$ 3,230,901</u>	<u>\$ 23,790</u>
F.T.E. Positions	—	119.5	—

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

1. Addition of \$8,140 in State General Funds for the installation of monthly DISC-related charges on the KIPPS system. The Subcommittee notes that it would be inappropriate to not take advantage of the state's large investment in central hardware and software. The Subcommittee also notes that the Special Joint Subcommittee on Data Processing and Telecommunications recommended continued support for and additional investment in a centralized personnel record-keeping system.
2. Addition of \$10,000 in State General Funds for the purchase of a new vehicle.
3. Addition of \$1,000 in State General Funds for the purchase of an electronic typewriter with memory capability.
4. Addition of \$4,650 in State Institution Building Funds for the purchase of the following Ranch Oak furniture for Cottonwood Cottage: two sofas and 12 matching chairs, two multipurpose tables, two lamp tables, one end table, two floor lamps, and two table lamps.

SUBCOMMITTEE REPORT

Agency: Youth Center at Atchison Bill No. 2154 Bill Sec. NA  
 Analyst: Rothe Analysis Pg. No. 367 Budget Pg. No. 4-69

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,099,846	\$ 3,105,280	\$ —
General Fee Fund	20,000	20,000	—
Other Funds	58,405	59,709	—
Subtotal	<u>\$ 3,178,251</u>	<u>\$ 3,184,989</u>	<u>\$ —</u>
<b>Capital Improvements:</b>			
Other Funds	\$ 139,465	\$ 190,852	\$ —
TOTAL	<u>\$ 3,317,716</u>	<u>\$ 3,375,841</u>	<u>\$ —</u>
F.T.E. Positions	119.5	119.5	—

Agency Request/Governor's Recommendation

The agency is estimating FY 1985 expenditures at the amount approved by the 1984 Legislature and Finance Council. The estimate reflects an increase in contracted teacher costs of \$32,157 with a corresponding decrease in total commodities and other contractual services.

The Governor recommends total operating expenditures of \$3,184,989 for FY 1985. The recommendation reflects an increase of \$6,738 in education expenditures, which requires a supplemental appropriation.

House Subcommittee Recommendations

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

The Subcommittee anticipates a Governor's Budget Amendment which would reduce salaries and wages by \$5,434 in order to offset the Governor's recommended increase of \$5,434 in contracted teacher costs. The Subcommittee has also been informed that the Governor will request an expenditure limitation increase of \$1,304 in the Elementary and Secondary Education Fund resulting in total federal expenditures of \$59,709 for education costs.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

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

1. In concurrence with Governor's Budget Amendment No. 2, the Subcommittee recommends the deletion of \$5,434 in salaries and wages in order to offset the Governor's recommended increase of \$5,434 in contracted teacher costs.
2. The Subcommittee recommends that H.B. 2154 be amended to include an expenditure limitation increase of \$1,304 in the Elementary and Secondary Education Fund - Federal, as requested by the Governor.



## SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute Bill No. 2128 Bill Sec. 5  
 Analyst: Hunn Analysis Pg. No. 372 Budget Pg. No. 6-45

<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	\$ 9,607,802	\$ 7,500,659	\$ (124,895)
General Fees Fund	442,336	442,336	—
Title XIX	5,933,527	5,947,986	—
Other Funds	266,621	266,621	—
Subtotal - Operating	<u>\$ 16,250,286</u>	<u>\$ 14,157,602</u>	<u>\$ (124,895)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	632,275	84,500	(54,500)
Subtotal - Capital Improvements	<u>\$ 632,275</u>	<u>\$ 84,500</u>	<u>\$ (54,500)</u>
TOTAL	<u>\$ 16,882,561</u>	<u>\$ 14,242,102</u>	<u>\$ (179,395)</u>
F.T.E. Positions	694	628	(3.0)

House Subcommittee Recommendations

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

1. Deletion of \$40,998 of State General Fund expenditures for three of the five additional direct care positions recommended by the Governor. The Subcommittee notes that KNI is already budgeted sufficient direct care staff to meet a 1:8 ratio. The Subcommittee also acknowledges that a 1:8 staffing ratio may not be sufficient on certain wards at KNI, and therefore recommends a total of two new direct care positions. The Subcommittee requests that KNI study reorganization of its staffing and programs, incorporating aspects of the Parsons reorganization plan, and report to the 1986 Legislature by January 13, 1986 on their progress in implementing such a plan and any corresponding fiscal impact, pursuant to systemwide recommendation number 2.
2. Addition of \$4,613 in State General Fund expenditures for the reclassification of two Food Service Workers II to Food Service Supervisors I, as requested by the agency. The Subcommittee notes that KNI's dietary department has significant responsibilities in supplying meals to KNI, TSH, and the Topeka Pre-release Center.
3. The Subcommittee disagrees with the Joint Building Committee's tentative recommendations for capital improvements financed by the State Institutional Building Fund. The Subcommittee notes that KNI has requested \$20,000 to complete Phase II of replacing their dietary trays and carts.

KNI purchased approximately two-thirds of the needed items in FY 1985, and \$20,000 in FY 1986 would allow completion of this project. The Subcommittee notes that the new trays and carts will provide a more efficient and effective food serving system, and recommends \$20,000 for this purpose. The Subcommittee also recommends \$10,000 to replace resident living area furnishings. The Subcommittee notes that the latest state ICF/MR survey identified the existing furnishings in some wards as severely deficient and inappropriate. The Subcommittee's total recommendation for these two capital improvement projects is \$30,000, or a reduction of \$54,500 from the Governor's recommendation.

4. Pursuant to the Subcommittee's systemwide budget recommendations, the following adjustments to other operating expenditures are recommended:

	<u>Increase</u>	<u>Decrease</u>
Communications		\$ 17,986
Utilities		37,072
Food		55,427
Other Operating Expenditures	\$ 21,975	

The above adjustments result in a net reduction of \$88,510. The Subcommittee recommends State General Fund expenditures be reduced by this amount.

House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (124,895)	\$ 7,375,764	\$ 25,623
General Fees Fund	—	442,336	—
Title XIX	—	5,947,986	—
Other Funds	—	266,621	—
Subtotal - Operating	<u>\$ (124,895)</u>	<u>\$ 14,032,707</u>	<u>\$ 25,623</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Other Funds	(54,500)	30,000	—
Subtotal - Capital Improvements	<u>(54,500)</u>	<u>\$ 30,000</u>	<u>\$ —</u>
TOTAL	<u>\$ 179,395</u>	<u>\$ 14,062,707</u>	<u>\$ 25,623</u>
F.T.E. Positions	(3.0)	625	—

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

1. Addition of \$15,909 in State General Fund expenditures for food, pursuant to the systemwide recommendations.
2. Addition of \$9,714 for other operating expenditures, pursuant to the systemwide recommendations which provides for a 5.5 percent increase over FY 1985 estimated expenditures.
3. The Subcommittee notes that the exterior windows of Sunflower Lodge are in very poor condition and in some spots are simply held in place with tape. These deteriorated windows allow excessive heat loss and result in high utility costs. The Subcommittee notes that the Division proposes funding replacement of these windows from the central major maintenance account in FY 1986 at a cost of \$44,300. The Subcommittee recommends that this project be given high priority to ensure that it will be completed before the start of the next heating season.

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute Bill No. NA Bill Sec. NA  
 Analyst: Hunn Analysis Pg. No. 372 Budget Pg. No. 6-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 7,534,769	\$ 7,534,769	\$ (195,146)
General Fees Fund	436,348	436,348	—
Title XIX	5,843,577	5,843,577	—
Other Funds	<u>266,621</u>	<u>266,621</u>	<u>—</u>
Subtotal - Operating	<u>\$ 14,081,315</u>	<u>\$ 14,081,315</u>	<u>\$ (195,146)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>39,100</u>	<u>49,068</u>	<u>—</u>
Subtotal - Capital Improvements	<u>\$ 39,100</u>	<u>\$ 49,068</u>	<u>\$ —</u>
<b>TOTAL</b>	<u>\$ 14,120,415</u>	<u>\$ 14,130,383</u>	<u>\$ (195,146)</u>
 F.T.E. Positions	 623	 623	 —

House Subcommittee Recommendations

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

1. Reduction of \$130,665 in State General Fund expenditures for salaries and wages. The Subcommittee notes that KNI has had salary and wage savings because several new positions authorized for FY 1985 were not filled until November. The Subcommittee recommends that \$130,665 be reappropriated to reduce State General Fund expenditures in FY 1986.
2. Adjust the following areas of expenditures based upon revised projections:

	<u>Increase</u>	<u>Decrease</u>
Communications		\$ 14,140
Utilities		34,051
Food		47,501
Motor Vehicle Materials		2,564
Pharmaceuticals	\$ 33,805	—

The above adjustments result in a net decrease of \$64,451 from the Governor's recommendation. The Subcommittee recommends that \$64,451 be reappropriated to reduce State General Fund expenditures in FY 1986.

House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

The Subcommittee concurs with the House recommendations for FY 1985.

SUBCOMMITTEE REPORT

Agency: Larned State Hospital Bill No. 2128 Bill Sec. 6

Analyst: Timmer Analysis Pg. No. 379 Budget Pg. No. 6-61

<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	\$ 24,300,169	\$ 20,975,436	\$ (227,305)
Capital Improvements	837,302	363,100	(250,200)
<b>TOTAL</b>	<u>\$ 25,137,471</u>	<u>\$ 21,338,536</u>	<u>\$ (477,505)</u>
<b>State General Fund:</b>			
State Operations	\$ 21,765,828	\$ 18,408,978	\$ (227,305)
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 21,765,828</u>	<u>\$ 18,408,978</u>	<u>\$ (227,305)</u>
F.T.E. Positions	879	879	—

House Subcommittee Recommendations

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

1. Pursuant to systemwide recommendation number 4, reduction of \$4,563 from the State General Fund for communication expenditures.
2. Reduction of \$11,417 State General Fund money from the professional contractual services budget.
3. Pursuant to systemwide recommendation Number 1, a reduction of \$48,936 is made in the dietary budget.
4. Pursuant to systemwide recommendation Number 5, a reduction of \$65,858 from various areas of the operating budget.
5. Reduction of \$4,577 for capital outlay purchases. The Subcommittee recommends a total of \$60,000 for capital outlay and makes no specific recommendations as to the items to be purchased.
6. Reduction of \$91,954 from the State General Fund, pursuant to systemwide recommendation Number 2 on utilities.
7. The Subcommittee notes that the FY 1986 budget for Larned includes full funding of staff and other operating expenditures associated with the 80 beds added to the Security Hospital by the 1984 Legislature. The Subcommittee understands that the FY 1985 budget included funding for 30 beds for the entire fiscal year and for 50 beds for seven months of the year.

House Committee Recommendations

The Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

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

<u>Expenditure Summary</u>	<u>House Rec.</u>	<u>Total Rec.</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (227,305)	\$ 20,748,131	\$ 18,546
Capital Improvements	(250,200)	112,900	--
TOTAL	<u>\$ (477,505)</u>	<u>\$ 20,861,031</u>	<u>\$ 18,546</u>
State General Fund:			
State Operations	\$ (227,305)	\$ 18,181,673	\$ 18,546
Capital Improvements	--	--	--
TOTAL	<u>\$ (227,305)</u>	<u>\$ 18,181,673</u>	<u>\$ 18,546</u>
F.T.E. Positions	--	879	--

Senate Subcommittee Recommendations

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

1. Addition of \$3,496 to the dietary budget based on historical information on food costs. This adjustment allows for full funding for the additional Security Hospital staff added in FY 1985 and provides a 2 percent increase over revised FY 1985 projected expenditures.
2. Addition of \$9,050 to various areas of the operating budget based upon a 5.5 percent increase over revised FY 1985 expenditure projections.
3. Addition of \$6,000 to the hospital's utility budget for sewage services.
4. The Subcommittee notes that Larned is located in the area served by Sunflower Electric Cooperative. The Subcommittee also notes that a major increase in Sunflower electricity rates has been requested and is under consideration by the Kansas Cooperation Commission. The Subcommittee urges hospital administrators to review any other options for electrical service which may be available to hospital.

SUBCOMMITTEE REPORT

Agency: Larned State Hospital Bill No. NA Bill Sec. NA  
 Analyst: Timmer Analysis Pg. No. 379 Budget Pg. No. 6-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,555,603	\$ 20,555,603	\$ (56,806)
Capital Improvements	471,548	583,079	—
TOTAL	<u>\$ 21,027,151</u>	<u>\$ 21,138,682</u>	<u>\$ (56,806)</u>
State General Fund:			
State Operations	\$ 17,860,945	\$ 17,860,945	\$ (56,806)
Capital Improvements	—	—	—
TOTAL	<u>\$ 17,860,945</u>	<u>\$ 17,860,945</u>	<u>\$ (56,806)</u>
F.T.E. Positions	877.0	877.0	

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustments to the State General Fund expenditures:

1. Reappropriation of \$25,806 to FY 1986 due to projected savings in the hospital's salary and wage budget.
2. Addition of \$5,000 for communication expenditures. This area is under-budgeted due in part to the expenses associated with the installation of phones for the 80 beds added to the hospital this fiscal year.
3. Addition of \$52,000 for professional contractual expenditures. The Subcommittee understands that the area is underbudgeted in FY 1985 because of the off-grounds hospitalization and surgery of one of Larned's patients.
4. Reappropriation of \$40,000 to FY 1986 due to savings in the utility budget.
5. Reappropriation of \$18,000 to FY 1986 due to identified savings in food expenditures.
6. Reappropriation of \$30,000 to FY 1986 due to lower than projected expenditures for drugs and pharmaceutical supplies.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.



House Committee of the Whole Recommendations

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

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Osawatomie State Hospital Bill No. 2128 Bill Sec. 7  
 Analyst: Timmer Analysis Pg. No. 384 Budget Pg. No. 6-65

<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	\$ 17,602,653	\$ 14,822,978	\$ (174,357)
Capital Improvements	2,986,205	2,598,305	(198,305)
<b>TOTAL</b>	<u>\$ 20,588,858</u>	<u>\$ 17,421,283</u>	<u>\$ (372,662)</u>
<b>State General Fund:</b>			
State Operations	\$ 13,307,937	\$ 10,869,468	\$ (174,357)
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 13,307,937</u>	<u>\$ 10,869,468</u>	<u>\$ (174,357)</u>
F.T.E. Positions	604.0	604.0	1.0

House Subcommittee Recommendations

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

1. Addition of 1.0 F.T.E. Psychiatric Aide position for the Pro-Ad program. The Subcommittee understands that the position was deleted through an agency oversight. No additional funding for the position is included.
2. Deletion of \$10,380 from the State General Fund for the reclassification of employees. The Subcommittee takes no stand on the appropriateness of the proposed reclassifications but instructs the hospital to fund them from the existing salary and wage budget.
3. Reduction of \$16,206 from the State General Fund for seasonal and temporary staff. The Subcommittee recommends \$44,000 be used for seasonal and temporary staff in FY 1986.
4. Pursuant to systemwide recommendations Number 2, the Subcommittee recommends deletion of \$94,579 from the utility budget. The Subcommittee notes that Osawatomie State Hospital is located in an area which will be served by the Wolf Creek Nuclear Power Plant and rate increases are expected when the plant comes on line. The Subcommittee recognizes that the utility expenditures at Osawatomie will need to be monitored carefully as the rate increases may be higher than included in these projections.
5. Reduction of \$7,622 from the State General Fund for professional contractual services. The Subcommittee's recommendation would fund professional services in FY 1986 at \$112,091, the FY 1985 level.

6. Addition of \$23,394 from the State General Fund for Professional Liability Insurance. The Subcommittee's recommendation would fund the insurance at a total of \$125,000.
7. Addition of \$4,549 from the State General Fund for drug expenditures in FY 1986. This recommendation would fund drug and pharmaceutical supply purchases at the FY 1985 level of \$189,793.
8. Reduction of \$8,969 from the State General Fund for capital outlay purchases. The Subcommittee's total recommendation of \$65,000 would allow the purchase of one used pick-up truck, a computer system for the hospital's pharmacy, a microcomputer for medical records, one compact sedan, an insulated food tray system, and other miscellaneous items. The Subcommittee notes that the computer system for the pharmacy (\$10,000) will allow the deletion a pharmacy attendant for the last half of FY 1986. The agency informed the Subcommittee that the entire position will be deleted in FY 1987.
9. Reduction of \$30,855 from the State General Fund pursuant to systemwide recommendation Number 5.
10. Pursuant to systemwide recommendation number 1, a reduction of \$33,689 is made in the dietary budget.

#### House Committee Recommendations

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

1. The Committee notes that the hospital's fee fund ending balance is projected to be \$199,067 in FY 1986. The Committee recommends that the Senate Subcommittee pursue the possibility of using part of the balance to purchase replacement furniture as requested by the agency in their capital improvement request.

#### House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adjust.</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (174,357)	\$ 14,648,621	\$ 49,495
Capital Improvements	(198,305)	2,400,000	--
TOTAL	<u>\$ (372,662)</u>	<u>\$ 17,048,621</u>	<u>\$ 49,495</u>
State General Fund:			
State Operations	\$ (174,357)	\$ 10,695,111	\$ 49,495
Capital Improvements	--	--	--
TOTAL	<u>\$ (174,357)</u>	<u>\$ 10,695,111</u>	<u>\$ 49,495</u>
F.T.E. Positions	1.0	605.0	--

Senate Subcommittee Recommendations

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

1. Addition of \$2,590 for dietary expenditures to allow a 5 percent increase over revised FY 1985 projected expenditures that than 4.3 percent as was recommended by the House.
2. Addition of \$41,855 State General Fund money to the hospital's education budget. The Subcommittee understands that this recommendation will allow the hospital to continue the existing school program in FY 1986 and that this funding was inadvertently omitted during the agency's budget preparation.

The Subcommittee also notes that the federal Title I funds for the Osawatomie school have decreased from \$51,980 in FY 1985 to \$36,000 in the Governor's FY 1986 recommendation. The Subcommittee also received information from the Division of Mental Health and Retardation Services that \$36,000 might not be available to Osawatomie from the Title I funds. The Subcommittee believes that \$36,000 should be made available to the hospital and urges the Division to provide that amount to Osawatomie.

The Subcommittee also learned that not all of the teachers and para-professionals at Osawatomie's school are categorical aid certified a situation which decreases the total categorical aid reimbursement to the hospital and increases total funding necessary from the State General Fund. The Subcommittee strongly urges the hospital and the Division to negotiate a school contract with the local district which will require that all teachers and paraprofessionals at the hospital school be categorical aid certified.

3. Addition of \$5,050 for various areas of the operating budget. This recommendation allows a 5.5 percent increase to the revised FY 1985 projected expenditures.

4. The Subcommittee recommends a technical adjustment to the appropriation bill which will allow the hospital to complete the previously approved purchase of wall lockers for Adair complex.

SUBCOMMITTEE REPORT

Agency: Osawatomie State Hospital Bill No. NA Bill Sec. NA  
 Analyst: Timmer Analysis Pg. No. 384 Budget Pg. No. 6-65

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operatoins	\$ 14,940,706	\$ 14,940,706	\$ (103,583)
Capital Improvements	1,339,043	1,367,368	—
TOTAL	<u>\$ 16,279,749</u>	<u>\$ 16,308,074</u>	<u>\$ (103,583)</u>
State General Fund:			
State Operations	\$ 12,020,149	\$ 12,020,149	\$ (103,583)
Capital Improvements	—	—	—
TOTAL	<u>\$ 12,020,149</u>	<u>\$ 12,020,149</u>	<u>\$ (103,583)</u>
F.T.E. Positions	605	605	—

House Subcommittee Recommendations

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

1. Reappropriation of \$82,000 State General Fund money to FY 1986 in response to revised projections of utility expenditures.
2. Addition of \$8,417 from the State General Fund to the communication budget. Based on expenditures to date, this area is underbudgeted.
3. Reappropriation of \$30,000 State General Fund money to FY 1986 due to savings in the dietary budget. The Subcommittee understands that the average daily census at the hospital has been lower than projected. This is due in part to the closure of the Youth Center in September and the November opening of the Psychosocial Rehabilitation program for adolescents.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health Facility Bill No. 2128 Bill Sec. 8

Analyst: Timmer Analysis Pg. No. 389 Budget Pg. No. 6-69

<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	\$ 3,981,113	\$ 3,420,776	\$ (69,854)
Capital Improvements	387,500	249,200	(17,300)
<b>TOTAL</b>	<u>\$ 4,368,613</u>	<u>\$ 3,669,976</u>	<u>\$ (87,154)</u>
<b>State General Fund:</b>			
State Operations	\$ 2,556,389	\$ 1,995,146	\$ (69,854)
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 2,556,389</u>	<u>\$ 1,995,146</u>	<u>\$ (69,854)</u>
F.T.E. Positions	133.0	115.0	—

House Subcommittee Recommendations

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

1. Reduction of \$11,564 from the State General Fund pursuant to systemwide recommendation Number 1 on dietary expenditures.
2. Deletion of \$4,500 State General Fund money for capital outlay purchases. The Subcommittee recommends a total of \$7,834 for capital outlay and also recommends that a microcomputer be purchased for medical records at the hospital. The Subcommittee makes no other specific recommendations on capital outlay purchases.
3. Reduction of \$42,672 from the State General Fund for the education contract with the local school district. The Subcommittee understands that the categorical aid reimbursement of \$192,000 included in the Governor's recommendations is based upon a nine-month school year. Since Rainbow's school is run 11 months each year, the categorical aid reimbursement is projected to be \$234,672. This allows an offset of \$42,672 in the State General Fund portion of education funding.
4. Pursuant to systemwide recommendation Number 4, the Subcommittee recommends a reduction of \$475 from the communication budget.
5. Pursuant to systemwide recommendation Number 5, the Subcommittee recommends the deletion of \$7,146 from the State General Fund. This recommendation would allow a 4.3 percent increase to areas of the operating budget not specifically mentioned in the other items of the Subcommittee report.

6. The Subcommittee makes no adjustments to the projected FY 1986 fee fund receipts and expenditures included in the Governor's recommendations. The Subcommittee does note, however, that the collection difficulties being experienced in FY 1985 may have an effect on FY 1986 revenue and recommends that the fund be carefully examined during the 1986 Session.
7. Reduction of \$3,497 from the utilities budget, as discussed in systemwide recommendation Number 2.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

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

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (69,854)	\$ 3,350,922	\$ 42,475
Capital Improvements	(17,300)	231,900	—
TOTAL	<u>\$ (87,154)</u>	<u>\$ 3,582,822</u>	<u>\$ 42,475</u>
State General Fund:			
State Operations	\$ (69,854)	\$ 1,925,292	\$ 42,475
Capital Improvements	—	—	—
TOTAL	<u>\$ (69,854)</u>	<u>\$ 1,925,292</u>	<u>\$ 42,475</u>
F.T.E. Positions	—	—	—

Senate Subcommittee Recommendations

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

1. Addition of \$37,816 State General Fund money to the salary and wage budget as is included in Governor's Budget Amendment No. 2. The Subcommittee understands that this increase will allow a 3.6% turnover rate at Rainbow, a rate which is based on historical data.
2. Addition of \$3,195 from the State General Fund to various areas of the operating budget. This recommendation will allow a 5.5 percent increase to the revised FY 1985 expenditure projections.



3. Addition of \$1,464 to the dietary budget to allow a 5 percent increase to the revised FY 1985 food projections. This recommendation is based on historical increases in food costs.
4. Addition of a proviso to allow the agency to negotiate and enter into contracts in the construction of the preengineered maintenance building. The Subcommittee notes that this recommendation concurs with the action taken by the Joint Committee on State Building Construction.

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health Facility Bill No. 2154 Bill Sec. 13

Analyst: Timmer Analysis Pg. No. 389 Budget Pg. No. 6-69

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,286,571	\$ 3,286,571	\$ —
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 2,186,571</u>	<u>\$ 3,286,571</u>	<u>\$ —</u>
<b>State General Fund:</b>			
State Operations	\$ 2,203,906	\$ 2,203,906	\$ —
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 2,203,906</u>	<u>\$ 2,203,906</u>	<u>\$ —</u>
F.T.E. Positions	115.0	115.0	—

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations for Rainbow's FY 1985 operating budget including the supplemental appropriation of \$274,569 from the State General Fund. The Subcommittee understands that the supplemental is requested for the following reasons:

1. A shortfall of \$178,413 has been identified in the salary and wage budget. The hospital has identified savings of \$13,000 in other areas of the operating budget, leaving a shortfall of \$164,873 as is included in the Governor's supplemental recommendation.
2. A shortage of \$50,562 is projected in fee fund collections. The hospital's reimbursement officer was ill much of the first half of FY 1985 and for that reason billings and collections did not proceed normally. The hospital also indicates that fewer patients have entered the hospital with insurance than in previous years. The hospital has corrected the staffing problems and billings are up to date although collections have been sporadic. Hospital business office staff estimate a total of \$480,000 will be collected in FY 1985. The State General Fund supplemental appropriation of \$50,562 will cover the shortfall.
3. The shortage of \$59,134 is identified in the education contract funding. The hospital has a contractual agreement with the local school district which provides teachers and paraprofessionals for the hospital's school program. The salary increases granted by the district to its teachers have been higher than the increases included in the hospital's budget resulting in a shortage in the education budget. The supplemental appropriation addresses the shortage.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

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

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital and Training Center Bill No. 2128 Bill Sec. 9  
 Analyst: Hunn Analysis Pg. No. 394 Budget Pg. No. 6-49

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 6,515,983	\$ 5,329,650	\$ (174,745)
General Fees Fund	470,994	485,967	88,522
Title XIX	4,317,875	4,326,000	—
Other Funds	119,319	119,319	—
Subtotal-Operating	<u>\$ 11,424,171</u>	<u>\$ 10,260,936</u>	<u>\$ (86,223)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>1,645,200</u>	<u>840,200</u>	<u>27,800</u>
Subtotal-Capital Improvements	<u>\$ 1,645,200</u>	<u>\$ 840,200</u>	<u>\$ 27,800</u>
<b>TOTAL</b>	<u><u>\$ 13,069,371</u></u>	<u><u>\$ 11,101,136</u></u>	<u><u>\$ (58,423)</u></u>
F.T.E. Positions	424.5	405.5	(1.0)

House Subcommittee Recommendations

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

1. Deletion of \$12,703 from State General Fund expenditures for one of the four additional Psychiatric Aide positions recommended by the Governor. The Subcommittee notes that only three additional direct care positions are necessary to provide a 1:8 staffing ratio. The Subcommittee commends Parsons for its initiative in developing a reorganization plan which should result in decreased absenteeism, increased staffing ratios and improved direct care and programming for the residents. The Subcommittee recommends Parsons continue its implementation of this reorganization and that information on the plan be provided to the other mental retardation institutions.
2. Deletion of \$37,574 in State General Fund expenditures for salaries and wages, pursuant to systemwide recommendation number 7. This amount represents the student stipend program, which the Subcommittee proposes be administered through the budget of the Division of Mental Health and Retardation Services.
3. Addition of \$2,727 in State General Fund expenditures for resident labor. The Subcommittee notes that work programs are an integral part of the programs for many of the Parsons residents and that additional funding is necessary as more residents fall into the adult age category.

4. Addition of \$4,000 in State General Fund expenditures for clothing. The Subcommittee feels that residents should be allowed to select and purchase their own clothing to the extent possible.
5. Addition of \$1,481 in State General Fund expenditures to allow the reclassification of a laundry worker to a laundry supervisor. This position would be responsible for supervising the laundry operation and employees in the absence of the laundry manager.
6. Pursuant to the Subcommittee's systemwide budget recommendations, the following adjustments are recommended:

	<u>Increase</u>	<u>Decrease</u>
Communications	\$	\$ 12,535
Utilities		27,986
Food		21,810
Other Operating Expenditures	18,177	

These adjustments total to a net reduction of \$44,154. The Subcommittee recommends that State General Fund expenditures be reduced by this amount.

7. The Subcommittee projects the Parsons Fee Fund will have a carry forward balance from FY 1986 of \$138,522, equal to over three months of estimated receipts. The Subcommittee recommends that expenditures from the Parsons Fee Fund in FY 1986 be increased by \$88,522 and that expenditures from the State General Fund be reduced by an equal amount. This adjustment would provide for a \$50,000 ending balance for the Parsons Fee Fund in FY 1986.
8. The Subcommittee concurs with the tentative recommendations of the Joint Building Committee which, in addition to the projects recommended by the Governor, includes \$27,800 to construct a multipurpose asphalt area.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (174,745)	\$ 5,154,905	\$ 11,283
General Fees Fund	88,522	574,489	--
Title XIX	--	4,326,000	--
Other Funds	--	119,319	--
Subtotal-Operating	<u>\$ (86,223)</u>	<u>\$ 10,174,713</u>	<u>\$ 11,283</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Other Funds	<u>27,800</u>	<u>868,000</u>	<u>--</u>
Subtotal-Capital Improvements	<u>\$ 27,800</u>	<u>\$ 868,000</u>	<u>\$ --</u>
TOTAL	<u>\$ (58,423)</u>	<u>\$ 11,042,713</u>	<u>\$ 11,283</u>
F.T.E. Positions	(1.0)	404.5	--

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

1. Addition of \$1,784 in State General Fund expenditures for food, pursuant to the systemwide recommendations.
2. Addition of \$9,499 from the State General Fund for other operating expenditures, pursuant to the systemwide recommendations.

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital and Training Center Bill No. — Bill Sec. —

Analyst: Hunn Analysis Pg. No. 394 Budget Pg. No. 6-49

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 5,153,122	\$ 5,153,122	\$ (162,086)
General Fees Fund	497,649	497,649	—
Title XIX	4,379,563	4,379,563	—
Other Funds	119,319	119,319	—
Subtotal-Operating	<u>\$ 10,149,653</u>	<u>\$ 10,149,653</u>	<u>\$ (162,086)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>1,444,238</u>	<u>1,602,874</u>	<u>—</u>
Subtotal-Capital Improvements	<u>\$ 1,444,238</u>	<u>\$ 1,602,874</u>	<u>\$ —</u>
<b>TOTAL</b>	<u>\$ 11,593,891</u>	<u>\$ 11,752,527</u>	<u>\$ (162,086)</u>
<b>F.T.E. Positions</b>	401.5	401.5	—

House Subcommittee Recommendations

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

1. Adjust the following areas of expenditures based upon revised projections for FY 1985:

	<u>Increase</u>	<u>Decrease</u>
Salaries and Wages	\$	\$102,515
Communications		5,036
Fees - Professional Services		15,000
Utilities		82,117
Food		19,415
Maintenance Materials	18,792	
Professional Supplies	21,905	
Other Supplies	21,300	

The above adjustments result in a net decrease of \$162,086 from the Governor's recommendation in FY 1985. The Subcommittee recommends \$162,419 (including \$333 carried forward from a FY 1984 limited reappropriation) be reappropriated to reduce FY 1986 State General Fund appropriations.

House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House.



SUBCOMMITTEE REPORT

Agency: Norton State Hospital Bill No. 2128 Bill Sec. 10

Analyst: Hunn Analysis Pg. No. 401 Budget Pg. No. 6-53

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,510,072	\$ 2,744,559	\$ (102,647)
General Fees Fund	404,980	404,980	—
Title XIX	2,542,057	2,559,417	—
Other Funds	—	—	—
Subtotal-Operating	<u>\$ 6,457,109</u>	<u>\$ 5,708,956</u>	<u>\$ (102,647)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	428,590	17,500	12,740
Subtotal-Capital Improvements	<u>\$ 428,590</u>	<u>\$ 17,500</u>	<u>\$ 12,740</u>
<b>TOTAL</b>	<u><u>\$ 6,885,699</u></u>	<u><u>\$ 5,726,456</u></u>	<u><u>\$ (89,907)</u></u>
F.T.E. Positions	269	262	(7.7)

House Subcommittee Recommendations

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

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

1. Deletion of \$92,330 in salary and wage expenditures from the State General Fund. The Subcommittee found that Norton is currently budgeted sufficient staff to meet a 1:8 staffing ratio. The Subcommittee therefore recommends deletion of the eight new direct care positions recommended by the Governor. The Subcommittee notes that Norton is currently studying reorganization of its staffing and had requested four reclassifications in conjunction with this reorganization. These reclassifications would provide for an LMHT IV to supervise each floor of the Kenney Building. (This supervision is currently the responsibility of the nursing staff.) The Governor's recommendation deletes one RN position because the nursing staff's duties should decrease upon implementation of this reorganization. The Subcommittee recommends reclassification of four LMHTs I to LMHTs IV to implement this reorganization. However, the Subcommittee acknowledges this reorganization will not be complete by the start of FY 1986 and therefore recommends a three month reinstatement of the RN position deleted by the Governor. The Subcommittee further recommends an additional LMHT I position be reclassified to an LMHT IV and be assigned to manage the Community Living Skills Program. The Subcommittee acknowledges the need for a higher level of programming for residents of

the Community Living Skills Program and supports additional staff resources for this purpose.

The Subcommittee commends Norton for its initiative in studying reorganization of staffing and recommends that Norton use the Parsons reorganization plan as a model for its study. The Subcommittee requests that Norton report on the implementation of this reorganization and any corresponding fiscal impact to the 1986 Legislature pursuant to systemwide recommendation number 2, by January 13, 1986.

2. The Subcommittee notes that the Governor's recommendation provides for a budgeted turnover level in FY 1986 of 5.7 percent, or \$281,897. This level of turnover would require the institution to leave positions vacant for extended periods and could possibly require layoffs of existing staff. The Subcommittee understands that DMHRS has requested a Governor's Budget Amendment to address this turnover level. The DMHRS request would reduce budgeted turnover by \$206,917, to a rate of 1.6 percent.
3. The Subcommittee commends NSH on the development of the Community Living Skills Program and believes this program is crucial to the continued deinstitutionalization of residents in the mental retardation hospitals. The Subcommittee notes that funding was appropriated in FY 1985 (\$167,000) to remodel an existing building for this program and that the remodeling should be completed this summer. The agency would like to implement this program and move residents to this building in FY 1986, but the Governor recommended none of the requested operating expenses for this program.

The Subcommittee recommends the following additional State General Fund expenditures to finance the implementation of this program in FY 1986:

Food	\$10,000
Utilities	3,000
Training Materials	2,000
Household Supplies	3,500
Travel	1,000
Phone	500
Gasoline	500

The total amount recommended of \$20,500 will allow a capacity of 15 residents to cook their own meals, go to town to do their own shopping, and essentially allow a more normal, home-like environment comparable to a community residential setting.

4. Pursuant to systemwide recommendation number 7, the Subcommittee recommends transfer of \$10,000 from the Norton budget to the DMHRS budget to allow the student stipend program to be centrally administered.
5. The Subcommittee concurs with the tentative recommendations of the Joint Building Committee to provide replacement of the public address system (\$17,500) and covering of the Kenney Building windows with margard (\$12,740).

6. Pursuant to the Subcommittee's systemwide recommendations, the following adjustments to other operating expenditures are recommended:

	<u>Increase</u>	<u>Decrease</u>
Communications		\$ 5,798
Utilities		2,908
Food	\$3,497	
Other Operating Expenditures	4,892	

These adjustments result in a net reduction of \$317. (The additions for the Community Living Skills Program are reflected in this net figure.) The Subcommittee recommends that State General Fund expenditures be reduced by this amount.

7. Pursuant to the Subcommittee's systemwide recommendation number 4, Norton State Hospital should reduce its population by 15 residents, to a total capacity of 145 by the beginning of FY 1987. Two factors will facilitate and allow this reduction in population: (1) the Community Living Skills Program will help insure that residents are ready for and can handle community placement; and (2) the Subcommittee's recommendation to provide grants of \$200,000 to community MR centers, with the stipulation that the grants must be utilized to serve residents from state institutions, will insure that there will be at least 15 beds in the community for these residents to go to. Thus, the recommendations will help eliminate the two major barriers currently existing to community placements of these residents. The residents will be better trained to handle a community setting, and community bedspace will be available through a contractual requirement.

The Subcommittee feels that this type of planned approach is necessary to seriously effect a reduction in institutional populations. The Subcommittee acknowledges that significant declines in institutional populations will not occur in one or two years, but that over a five year period, significant savings could be realized.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ (102,647)	\$ 2,641,912	\$ 167,172
General Fees Fund	—	404,980	—
Title XIX	—	2,559,417	—
Other Funds	—	—	—
Subtotal-Operating	<u>\$ (102,647)</u>	<u>\$ 5,606,309</u>	<u>\$ 167,172</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>12,740</u>	<u>30,240</u>	<u>—</u>
Subtotal-Capital Improvements	<u>\$ 12,740</u>	<u>\$ 30,240</u>	<u>\$ —</u>
<b>TOTAL</b>	<u><u>\$ 89,907</u></u>	<u><u>\$ 5,636,549</u></u>	<u><u>\$ 167,172</u></u>
F.T.E. Positions	(7.7)	254.3	—

FY 1985. The Subcommittee concurs with the House recommendations.

FY 1986. The Subcommittee concurs with the House recommendations with the following adjustments:

1. Addition of \$158,783 in State General Fund expenditures to implement the Governor's Budget Amendment No. 2. This would lower the budgeted turnover rate from 5.7 percent to 2.5 percent, which is more consistent with the agency's historical experience.
2. Addition of \$8,389 in State General Fund expenditures for other operating expenditures, in accordance with the systemwide recommendation.

Agency: Division of Mental Health  
and Retardation Services

Bill No. 2128

Bill Sec. 11

Analyst: Hunn

Analysis Pg. No. 407

Budget Pg. No. 6-31

<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	\$ 2,122,429	\$ 2,009,087	\$ (33,664)
Aid to Local Units	20,381,781	18,395,755	(2,891,493)
Other Assistance	317,241	315,816	—
Subtotal - Oper- ating	\$ 22,821,451	\$ 20,720,658	\$ (2,925,157)
Capital Improvements	6,738,500	1,780,800	—
TOTAL	<u>\$ 29,559,951</u>	<u>\$ 22,501,458</u>	<u>\$ (2,925,157)</u>
State General Fund:			
State Operations	\$ 1,311,159	\$ 1,211,864	\$ (127,211)
Aid to Local Units	17,386,975	15,417,971	(2,797,946)
Other Assistance	315,816	315,816	—
Subtotal - Oper- ating	\$ 19,013,950	\$ 16,945,651	\$ (2,925,157)
Capital Improvements	—	—	—
TOTAL	<u>\$ 19,013,950</u>	<u>\$ 16,945,651</u>	<u>\$ (2,925,157)</u>
F.T.E. Positions:			
Central Office	31.0	31.0	(3.5)
Special Projects	20.5	20.5	3.5

#### House Subcommittee Recommendations

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

1. Reduction of \$2,997,946 from State General Fund expenditures for 649 funds (state aid to community mental health and mental retardation centers). The Subcommittee's recommendation provides for an increase in 649 funds of 4.3 percent, or \$501,460 above the amount appropriated in FY 1985. The Subcommittee's recommendation provides a funding level of 40.1 percent of actual audited 1983 income under the proposed new formula, rather than the 50 percent level recommended by the Governor.
2. Reduction of \$93,547 in salary and wage expenditures from the State General Fund. The Subcommittee recommends that two Social Service Administrator IV positions and one secretarial position be funded by the Mental Health Block Grant rather than the State General Fund. (The Subcommittee notes that aid to local units from the Block Grant will be reduced by a corresponding amount.) These three positions currently are funded from federal grants in the Division's Special Projects Fund. The Governor's recommendation would have shifted these positions to the central office's authorized F.T.E. count and shifted the financing to the

State General Fund. The Subcommittee feels that since federal funds are available for these positions that they should be financed through the Special Projects Fund and that they should not be included in the central office authorized F.T.E. limitation. The Subcommittee further recommends that an existing 0.5 F.T.E. position funded from the Mental Health Block Grant also be deleted from the central office authorized F.T.E. limitation and be shown in the Special Projects Fund.

The Subcommittee acknowledges that the Division may, in the future, again request that these positions be financed from the State General Fund, if federal funding options are eliminated. If this should occur, the Subcommittee recommends complete re-evaluation of the necessity of these positions in fulfilling the Division's responsibilities. If a need is found to continue these positions, should federal funding be eliminated, it is hoped that the positions could be financed from savings in other areas of the Central office's salary and wage budget.

3. Reduction of \$2,152 in State General Fund expenditures for communications, based upon recommendations of the Joint Subcommittee on Telecommunications, projecting a 17.8 percent increase in KANS-A-N costs.
4. Reduction of \$7,512 in State General Fund expenditures for other operating costs of the central office. This recommendation reflects an inflation rate of 4.3 percent applied to the adjusted FY 1985 base. (Certain areas of expenditure increase by more than 4.3 percent because of the transfer of the fiscal section from the SRS budget to the Division's budget.)
5. Reduction of \$24,000 in State General Fund expenditures for court-ordered evaluations at the community mental health centers. The Subcommittee notes that, based on costs of this program to date, the FY 1985 funding level of \$60,000 may also be adequate in FY 1986. The Subcommittee acknowledges the cost effectiveness of this program and recommends the 1986 Legislature review this area to ensure this funding level is adequate.
6. The Subcommittee notes that the Guardianship Assistance Program may require additional funding from the State General Fund in FY 1986. The Division is currently studying the costs of providing required guardianship services to the residents of the state mental retardation institutions. The Subcommittee recommends that the 1986 Legislature re-examine this program once the Division's study is complete to determine what additional funding may be necessary for FY 1986. The Subcommittee does not feel the existing Guardianship Program should be diminished in order to absorb costs of these new requirements.
7. The Subcommittee notes that there have been several adjustments to Title XIX receipts from the federal government during FY 1985 because of audit exceptions. The Division's staff is still attempting to determine the net effect of these adjustments and the effect on the amount of funds available to transfer to the state hospitals. The Subcommittee notes that if there is a shortfall of Title XIX funds, additional State General Funds would be necessary in FY 1985 to fund the state hospitals at the recommended levels.

8. The Subcommittee recommends a special purpose grant of \$200,000 from the State General Fund be used to provide community residential services to individuals who are currently residents of the state mental retardation institutions. This grant is to be financed from State General Fund savings identified in the FY 1986 operating budgets of the four mental retardation institutions, and is in accordance with the systemwide subcommittee recommendations for those institutions. This grant would provide financial incentive and contractually require a community center(s) to offer services to currently institutionalized clients. In conjunction with this grant, the Subcommittee's recommend that the budgeted population at Norton State Hospital be reduced by 15 residents by the end of FY 1986, and that Norton State Hospital submit an FY 1987 budget request reflecting an average daily census of 145, rather than 160 residents. The Subcommittees note that 649 funds (state aid to community centers) are completely discretionary and the state has no guarantee those funds will be used to assist in deinstitutionalization of state hospital residents.

The Subcommittee recommends that, should this program prove successful for the mental retardation institutions, a similar grant program should be developed in ensuing fiscal years to reduce populations and corresponding costs at the mental health hospitals.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee with the following amendment:

1. The Committee recommends a bill be introduced which would combine the Department of Social and Rehabilitation Services and the Division of Mental Health and Retardation into one agency for budgetary purposes.
2. The Committee recommends addition of \$47,574 in State General Fund expenditures for student stipend programs at the mental retardation institutions. This amount was deleted from the FY 1986 budgets of the mental retardation institutions and will allow the Division to centrally administer this program for the four mental retardation institutions.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 13,910	\$ 2,022,997	\$ (4,432)
Aid to Local Units	(2,891,493)	15,504,262	1,252,356
Other Assistance	—	315,816	—
Subtotal -			
Operating	\$ (2,877,583)	\$ 17,843,075	\$ 1,247,924
Capital Improvements	—	1,780,800	\$ —
<b>TOTAL</b>	<b>\$ (2,877,583)</b>	<b>\$ 19,628,875</b>	<b>\$ 1,247,924</b>
<b>State General Fund:</b>			
State Operations	\$ (79,637)	\$ 1,132,227	\$ (4,432)
Aid to Local Units	(2,797,946)	12,620,025	\$ 1,178,595
Other Assistance	—	315,816	—
Subtotal -			
Operating	\$ (2,877,583)	\$ 14,068,068	\$ 1,174,163
Capital Improvements	—	—	—
<b>TOTAL</b>	<b>\$ (2,877,583)</b>	<b>\$ 14,068,068</b>	<b>\$ 1,174,163</b>
<b>F.T.E. Positions:</b>			
Central Office	(3.5)	27.5	—
Special Projects	3.5	24.0	—

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

1. Addition of \$73,761 in expenditure authority for the Developmental Disabilities program as recommended by the Governor's Budget Amendment No. 2. This would allow the Division to spend additional federal funds anticipated for this program.
2. Deletion of \$4,432 in State General Fund expenditures for accumulated sick leave payments for retirements in accordance with Committee policy. The Committee recommends these costs be addressed in a supplemental request should the agency be unable to absorb these costs through turnover savings.
3. Addition of \$1,178,595 in State General Fund expenditures for 649 funds (state aid to community mental health and retardation centers.) This addition would allow the center's eligible income to be matched at a rate of 44 percent, compared to 40.1 percent recommended by the House and 50 percent recommended by the Governor.

The Subcommittee notes the centers have full discretion in their use of 649 funds. The state has no guarantee that 649 funds will be used to assist in deinstitutionalization or for other programs of high priority in serving the



mentally ill and mentally retarded individuals of the state. The Subcommittee commends the centers for their success in developing a community-level system in Kansas, but notes that there must be an integrated comprehensive system of community and institutional services to meet the total goals of the state. The Subcommittee feels that centers should be receptive to the concept of special purpose grants which would carry specific requirements to assist in the deinstitutionalization goals as an alternative to totally discretionary 649 funds. The Subcommittee heard testimony from representatives of some community centers who suggested that they may not be willing to accept State General Fund grants with restrictions to target the grants for special purposes of high state priority unless the centers also received full 50 percent 649 funding. The Subcommittee feels that as certification problems at the State hospitals continue to threaten federal funding sources, that increased cooperation by the centers in addressing this problem will become imperative.

As stated in the systemwide recommendations, the Subcommittee feels that the state's system for financing community centers should be re-evaluated based on a comprehensive plan for serving the needs of the state's mentally ill and mentally retarded population which maximizes cost-effectiveness and quality of care.

4. The Subcommittee recommends that the format of the FY 1985 appropriations bill for the Division be retained for FY 1986, in lieu of the "program" line items proposed in H.B. 2128. The Subcommittee was not informed of any advantage to using the program format and further notes that the proposed format has generated confusion in the interpretation of the bill and appears to be unnecessarily complicated. The Division also support the format utilized in FY 1985.

SUBCOMMITTEE REPORT

Agency: Division of Mental Health  
and Retardation Services

Bill No. —

Bill Sec. —

Analyst: Hunn

Analysis Pg. No. 407

Budget Pg. No. 6-31

<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	\$ 1,742,325	\$ 1,742,325	\$ (12,076)
Aid to Local Units	14,470,283	14,471,708	—
Other Assistance	<u>302,916</u>	<u>301,491</u>	<u>—</u>
Subtotal - Operating	\$ 16,515,524	\$ 16,515,524	\$ (12,076)
Capital Improvements	3,483,053	2,861,944	—
<b>TOTAL</b>	<u><u>\$ 19,998,577</u></u>	<u><u>\$ 19,377,468</u></u>	<u><u>\$ (12,076)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 841,630	\$ 841,630	\$ (12,076)
Aid to Local Units	11,918,565	11,918,565	—
Other Assistance	<u>301,491</u>	<u>301,491</u>	<u>—</u>
Subtotal - Operating	\$ 13,061,686	\$ 13,061,686	\$ (12,076)
Capital Improvements	—	—	—
<b>TOTAL</b>	<u><u>\$ 13,061,686</u></u>	<u><u>\$ 13,061,686</u></u>	<u><u>\$ (12,076)</u></u>
<b>F.T.E. Positions:</b>			
Central Office	20.5	20.5	—
Special Projects	23.5	23.5	—

House Subcommittee Recommendations

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

1. Reduction of \$7,206 from State General Fund expenditures for communications expense for the central office, based on revised projections of these costs.
2. Reduction of \$4,870 in State General Fund expenditures for printing expense, based on revised projections of these costs.

The Subcommittee recommends that the total of these reductions, \$12,076, be reappropriated to reduce FY 1986 appropriations from the State General Fund.

House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

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

1. Addition of \$110,348 in expenditure authority for the Developmental Disabilities program, as recommended by the Governor's Budget Amendment No. 2. This would allow the Division to spend additional federal funds received for this program.

SENATE SUBCOMMITTEE  
SYSTEMWIDE FINDINGS AND RECOMMENDATIONS  
MENTAL HEALTH AND MENTAL RETARDATION

As part of their review, the Senate Subcommittee studied several serious problems facing the delivery of mental health and retardation services in the state. The following findings and recommendations address two major areas: (1) the possibility of decertification of the state mental retardation institutions, including the potential for loss of \$19 million annually in federal aid; and (2) the shortage of residential services at the community level to adequately address deinstitutionalization and to serve waiting lists in communities. The Subcommittee wishes to stress the seriousness of the problems and feels the state must take immediate steps to avoid large cutbacks in federal funds necessary to operate the institutions.

Findings

1. Federal investigations have recently taken place at Winfield State Hospital and have alleged major deficiencies in providing adequate treatment for the residents. Federal auditors plan to return this spring to conduct a follow-up review and have suggested that federal Medicaid funding will be immediately cut off and the institution decertified if problems identified have not been corrected. If decertification does take place, the state would immediately lose approximately \$7.5 million annually.
2. The Subcommittee notes that this is the first time federal auditors have investigated a state mental retardation hospital in Kansas. Other states have also recently been investigated. This appears to be a significant change in federal policy which may have a serious impact on the state's continued ability to receive federal Medicaid funding for these institutions. Recent investigations in other states have resulted in decertification of some facilities and loss of federal Medicaid funding. The National Association of State Mental Retardation Program Directors anticipate additional decertifications may take place as follow-up investigations are conducted.
3. The Subcommittee notes that the House also studied this problem, but since the House review additional information has become available. A March 1, 1985 letter from the regional federal office of Health Care Financing Administration states that if problem areas at Winfield have not been corrected, "it may become necessary to initiate some form of adverse action."
4. The Subcommittee found that federal auditors appear to be rigid in their enforcement of regulations governing these facilities. Federal standards do not specifically state what constitutes acceptable levels of staffing and adequate treatment, and the states basically appear to be placed in a very difficult position in attempting to determine what level of care and treatment will be required to receive continued certification. For example, federal regulations do require a 1:8

staffing ratio for severely retarded residents, but this ratio was met at Winfield and the federal regulators still cited Winfield for inadequate staffing. At this point, the Division of Mental Health and Retardation Services (DMHRS) cannot ascertain what staffing level would be adequate.

5. Federal auditors plan to visit all state ICF/MR facilities across the country with populations over 300 to conduct similar investigations on an annual basis. They also plan to audit 40 percent of the facilities with 16-299 residents. Based on these plans, it is certain that KNI and Winfield will be audited and it is possible Parsons and Norton will also be audited. According to state auditors from the Department of Health and Environment, problems similar to those found at Winfield also exist at KNI. If both these facilities were decertified, the state would lose approximately \$13 million annually.
6. Some problems at the institutions can be solved through management improvements and more efficient staff scheduling. The Subcommittee notes, however, that it appears some deficiencies cannot be solved without significant additional funding and staffing.
7. Furthermore, it appears that for some residents at KNI and Winfield, who have severe medical problems in addition to being mentally retarded, that no amount of additional staff and funding could provide a level of training adequate to meet the federal standards. In fact, the Subcommittee was told by the staff at one institution that attempting to provide required training to some clients interferes with the ability to provide needed health care services and that some residents cannot physically tolerate certain training activities. The DMHRS and the Secretary of Social and Rehabilitation Services stated to the Subcommittee that a significant portion of the population at both Winfield and KNI may be more effectively served in a facility licensed as a skilled nursing facility, and that it is possible a portion of each of the facilities could be relicensed as a skilled nursing facility.
8. The Subcommittee notes that reduction of institutional populations is a desirable method of addressing certification problems. The DMHRS developed for the Subcommittee a very preliminary outline of a five-year plan to significantly reduce the populations of both the mental health and mental retardation hospitals. The Subcommittee spent a significant amount of time reviewing this plan and the two summary pages are included with this report. The Subcommittee notes that DMHRS currently has no tactical strategic plan for developing a comprehensive system for community-based services and to move residents out of state facilities who could be better served at the community level.
9. The Subcommittee notes that the 649 formula funding for state aid to community centers does not allow the state to prioritize certain services at the community level and may restrict the state's ability to develop a long-range strategic plan.
10. The Subcommittee notes that there is a shortage of community residential facilities for the mentally ill and mentally retarded in

Kansas and that the magnitude of this problem is growing. The DMHRS estimates there are over 548 individuals in the state institutions which could be served more effectively in the community. There are also large waiting lists for residential services at the community level, for example for adult mentally retarded individuals whose parents are too old to care for them.

### Recommendations

1. The Subcommittee recommends that a Ways and Means interim study be requested to analyze the total financing system for care of the mentally ill and mentally retarded in Kansas at both the institutional and community level. The Subcommittee feels that serious problems and needs exist in this area and that the entire system must be studied and a multi-year plan implemented to minimize adverse effects of probable future actions by the federal government.

The Subcommittee notes that the type of plan that was quickly drafted by the DMHRS in the past week may be representative of the type of comprehensive approach desired, but feels that the plan should be more extensively developed and that additional legislative study and input is necessary to allow the DMHRS to proceed in implementation of any plan. The goal of the interim study should be development of a plan which maximizes cost effectiveness of treatment alternatives and quality of care for these populations. The Subcommittee feels it is imperative that the study be conducted at this time to allow the state to respond to federal regulatory actions in a timely manner. The Subcommittee also notes that the state requires individuals to be served in the least restrictive environment, and feels that the fact that there are over 548 individuals in the state institutions which could be more effectively served at the community level contradicts this policy, and that a plan must be developed to resolve this conflict.

Given recent federal policy directions towards requiring smaller community level facilities and more active treatment, the Subcommittee feels that there is a likelihood that major restructuring of the state mental health and retardation system may be necessary.

2. Although there is a potential for decertification and loss of federal funding at Winfield in the near future, the Subcommittee does not feel there are legislative actions which could be taken at this point to minimize this possibility. Adding more staff at Winfield at this time would not guarantee that federal reviewers would find treatment programs adequate. The Subcommittee notes that should Winfield be decertified prior to the start of the 1986 Legislature, the agency would possibly experience a funding shortfall in the first half of FY 1986. The Subcommittee notes that should this occur it might become necessary for the 1986 Legislature to take immediate action to ensure the uninterrupted funding of the hospital.

3. The Subcommittee recommends that the DMHRS seriously study the possibility of recertifying a portion of Winfield and/or KNI as a skilled nursing facility. This alternative should be analyzed with the objective of increasing the quality of care for all residents at these facilities. Analysis of this option should be incorporated as part of the recommended interim study.
4. The Subcommittee recommends that the DMHRS become more actively involved in assisting the state institutions in improving identification of deficient areas and implementing improved management procedures to minimize the possibility of decertification and to improve treatment programs.

#### Technical Recommendations

The Subcommittee makes two systemwide technical recommendations for the mental health and mental retardation institutions:

1. The Subcommittee notes the House systemwide recommendations provided a 4.3 percent increase in food expenditures for FY 1986 over the adjusted FY 1985 estimate. The Senate Subcommittee recommends that increases in food budgets for FY 1986 be based on the actual increase experienced in the previous year which varies by facility. These adjustments are reflected in the individual agency subcommittee reports.
2. The Subcommittee notes that the House systemwide recommendations provide for a 4.3 percent increase over the adjusted FY 1985 estimates in other operating expenditures for FY 1986. The Senate Subcommittee recommends instead that a 5.5 percent increase be applied for other operating expenditures for FY 1986.
3. The Subcommittee notes that the Joint Building Committee's tentative recommendations for the SIBF do not provide funding of requested furniture replacement at the state institutions. The Subcommittee feels that furniture replacement is a serious need at these institutions and that consideration should be given to funding furniture replacement during the omnibus session.

Agency: Topeka State Hospital Bill No. 2128 Bill Sec. 12  
 Analyst: Timmer Analysis Pg. No. 414 Budget Pg. No. 6-73

<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	\$ 19,729,786	\$ 16,757,111	\$ (441,252)
Capital Improvements	958,654	132,854	(132,854)
TOTAL	<u>\$ 20,688,440</u>	<u>\$ 16,889,965</u>	<u>\$ (574,106)</u>
State General Fund:			
State Operations	\$ 13,466,387	\$ 10,514,334	\$ (441,252)
Capital Improvements	—	—	—
TOTAL	<u>\$ 13,466,387</u>	<u>\$ 10,514,334</u>	<u>\$ (441,252)</u>
F.T.E. Positions	714	669	—

#### House Subcommittee Recommendations

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

1. Deletion of \$244,923 for the Registered Nurses Training Program. The Subcommittee understands that the program has been in existence for over two years and that it would allow Licensed Mental Health Technicians currently on staff at Topeka State to become Registered Nurses at the hospital's expense in return for three years of service to the hospital after completing the training. The Subcommittee notes, however, that there will not be enough students ready to form a class until late in FY 1986, if then, and therefore eliminates the funding for the program.
2. Reduction of \$5,030 from the Psychiatric Residents program. The Subcommittee's recommendation is for \$425,000 for the program which includes eight psychiatric residents for adults and two for children. Expenditures for the program are based upon a negotiated contract with the Menninger School of Psychiatry.
3. Reduction of \$8,112 from the State General Fund for contractual services for medical consultants. The Subcommittee recommends a total of \$228,678 for medical consultants, a 4.3 percent increase over the FY 1985 estimated expenditures.
4. Reduction of \$16,120 from the State General Fund for Professional Liability Insurance. The Subcommittee recommends a total of \$125,000 for this insurance in FY 1986.
5. Reduction of \$6,154 from the State General Fund for capital outlay purchases. The Subcommittee recommends the purchase of a micro-computer for the medical records at the hospital and makes no other specific capital outlay recommendations. The total recommended for capital outlay is \$59,000.



6. Reduction of \$11,108 from the State General Fund for salary and wage expenditures. The Subcommittee recommends that a total of \$60,000 be used to fund 2.7 temporary and intermittent nursing positions in FY 1986 and also a new Speech Pathologist I position recommended by the Governor. The recommendation deletes the Governor's recommendations of \$51,536 for overtime payments and provides \$8,464 for the Speech Pathologist I. The hospital is to fund the rest of the salary for the speech pathologist from the regular salary and wage budget.
7. Pursuant to systemwide recommendation number 2, the Subcommittee recommends a reduction of \$48,209 from the utilities budget.
8. Pursuant to systemwide recommendation number 4, a total of \$33,873 is deleted from the communication budget.
9. Pursuant to systemwide recommendation number 5, a total of \$67,723 is deleted from the operating budget.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (441,252)	\$ 16,315,859	\$ 297,080*
Capital Improvements	(132,854)	—	—
TOTAL	<u>\$ (574,106)</u>	<u>\$ 16,315,859</u>	<u>\$ 297,080</u>
State General Fund:			
State Operations	\$ (441,252)	\$ 10,073,082	\$ 297,080
Capital Improvements	—	—	—
TOTAL	<u>\$ (441,252)</u>	<u>\$ 10,073,082</u>	<u>\$ 297,080</u>
F.T.E. Positions	—	—	—

\* Recommendation includes \$292,315 included in GBA No. 2.

### Senate Subcommittee Recommendations

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

1. The Subcommittee reviewed Governor's Budget Amendment No. 2 and notes that the amendment deletes the Registered Nurse's Training Program as was included in the House recommendations. The GBA also addresses the hospital's need for 2.7 F.T.E. temporary and intermittent registered nurses's positions and includes additional funding of \$67,296 for that purpose. The House recommended \$51,536 for the same positions. The Subcommittee concurs with the House recommendations in both cases.

The Subcommittee also notes that GBA No. 2 includes additional salary and wage funding of \$317,083 which would allow a turnover rate of 5 percent for the hospital in FY 1986. This recommendation is partially offset by a deletion of \$24,768 from funding for Direct Care Trainees. The Subcommittee concurs with these two items as included in GBA No. 2.

2. Addition of \$4,765 to various areas of the operating budget to allow a 5.5 percent increase over revised FY 1985 expenditure projections rather than the 4.3 percent increase recommended by the House.

SUBCOMMITTEE REPORT

Agency: Topeka State Hospital Bill No. NA Bill Sec. NA  
 Analyst: Timmer Analysis Pg. No. 414 Budget Pg. No. 6-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 16,415,752	\$ 16,415,752	—
Capital Improvements	245,344	426,110	—
<b>TOTAL</b>	<u>\$ 16,661,096</u>	<u>\$ 16,841,862</u>	<u>—</u>
<b>State General Fund:</b>			
State Operations	\$ 10,013,474	\$ 10,013,474	—
Capital Improvements	—	—	—
<b>TOTAL</b>	<u>\$ 10,013,474</u>	<u>\$ 10,013,474</u>	<u>—</u>
F.T.E. Positions	668.0	668.0	—

House Subcommittee Recommendations

The House Subcommittee makes the following observations about the Topeka State Hospital FY 1985 budget:

1. The Subcommittee learned that a fee fund shortage of approximately \$214,000 is projected for FY 1985 based on receipts to date. The Subcommittee notes that the projected balance of the fee fund included in the Governor's recommendations is \$308,641 and the shortfall can be adequately covered by the ending balance. The Subcommittee recommends no change in the fee fund expenditure limitation and expects that the hospital will decrease the projected ending balance.
  
2. Early in February, the hospital identified over expenditures of approximately \$300,000 in the salary and wage budget and requested a supplemental appropriation from the Governor. The Subcommittee recognizes that the over expenditure has occurred and observes that the following steps may be taken to offset the shortfall:
  - a. Request release of \$100,500 from the Registered Nurses Training Program Fund. These funds are currently unused and are also restricted by the appropriation bill. An Executive Directive from the Governor would be necessary to allow their usage.
  
  - b. Savings have been identified in the following areas of the operating budget and may be used to offset the shortfall:

Utilities	\$ 63,216
Communication	35,793
Professional Supplies	47,450
Other	35,060
<b>TOTAL</b>	<u>\$181,519</u>

- c. The Subcommittee recommends that the Hospital take every possible step to further reduce operating expenditures as well as hold vacant positions open wherever possible.
- d. The Subcommittee recognizes that the salary and wage shortfall occurred in part because of less turnover than projected and in part because the hospital was required to hire additional registered nurses in response to an accreditation study which cited staffing deficiencies. The Subcommittee does believe, however, that the problem could have been detected earlier if the hospital's fiscal management procedures were more timely and adequate. The Subcommittee also believes that communication and oversight on expenditures between the hospital and the business office of the Division of Mental Health and Retardation Services was not adequate and as a result, corrective actions were not taken as early as possible. For example, the Subcommittee learned that Topeka State paid \$93,618 in holiday pay in the January and February paychecks while Rainbow, which is experiencing similar budget shortfalls, did not pay for the holidays in order to save funds. The Subcommittee also understands that restricted funds appropriated for salaries and wages for the Bridge program were included in the total salary and wage budget thereby overstating the monthly salary and wage allocation. The Subcommittee feels strongly that these management procedures and errors must be corrected immediately.
- e. If a Governor's Budget Amendment addressing the shortfall is received, the Subcommittee encourages the Senate to consider the identified savings and abovementioned factors before approving a supplemental. The House Subcommittee is not of the opinion at this time that supplemental funding is in order.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### House Committee of the Whole Recommendations

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ —	\$ 16,415,752	(40,500)*
Capital Improvements	—	426,110	—
TOTAL	<u>\$ —</u>	<u>\$ 16,841,862</u>	<u>(40,500)</u>
State General Fund:			
State Operations	\$ —	\$ 10,013,474	(40,500)
Capital Improvements	—	—	—
TOTAL	<u>\$ —</u>	<u>\$ 10,013,474</u>	<u>(40,500)</u>
F.T.E. Positions	—	668.0	—

\*Recommendation includes acceptance of G.B.A. No. 2

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

1. The Subcommittee accepts Governor's Budget Amendment No. 2. The Subcommittee notes the amendment does the following:
  - a. Eliminates the Registered Nurses Training Program thereby reducing State General Fund expenditures by \$100,500.
  - b. Identifies a shortfall in salary and wage funding of \$296,600.
  - c. Identifies savings of \$236,600 in the hospital's operating budget.

The Governor's budget amendment therefore would allow \$60,000 of the Registered Nurses Training Program funding to be used to cover some of the shortfall and would use the identified savings to cover the remainder of the shortfall.

The Subcommittee notes that the House Committee had previously identified the items included in Governor's Budget Amendment No. 2 and had also recommended that the Hospital hold positions vacant in order to achieve more savings. The Subcommittee feels that direct care staff positions should not be held open in order to achieve salary and wage savings but does concur with the House recommendation as it relates to clerical or other support staff.

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital and Training Center Bill No. 2128 Bill Sec. 13

Analyst: Hunn Analysis Pg. No. 419 Budget Pg. No. 6-57

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 10,205,945	\$ 7,813,305	\$ (336,341)
General Fees Fund	1,131,058	1,161,554	—
Title XIX	7,395,308	7,455,377	—
Other Funds	261,682	259,834	—
Subtotal-Operating	<u>\$ 18,993,993</u>	<u>\$ 16,690,070</u>	<u>\$ (336,341)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>169,650</u>	<u>169,200</u>	<u>(43,950)</u>
Subtotal-Capital Improvements	<u>\$ 169,650</u>	<u>\$ 169,200</u>	<u>\$ (43,950)</u>
<b>TOTAL</b>	<u><b>\$ 19,163,643</b></u>	<u><b>\$ 16,859,270</b></u>	<u><b>\$ (380,291)</b></u>
F.T.E. Positions	787.0	742.0	(6.0)

House Subcommittee Recommendations

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

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

1. Deletion of \$78,101 in salary and wage expenditures from the State General Fund. The Subcommittee recommends that five of the eleven new direct care positions recommended by the Governor be funded. The Subcommittee recommends that the five additional direct care staff recommended for FY 1986 be targeted to areas cited as program deficiencies by the recent federal regulatory review of Winfield. The Subcommittee notes that Winfield is already budgeted sufficient direct care staff to meet a 1:8 ratio, but notes that a 1:8 staffing ratio may not be considered sufficient for certain residents at Winfield who are severely retarded and multiply handicapped. The Subcommittee also notes that Winfield State Hospital is currently bound by a union agreement which hampers the institution's ability to schedule staffing to always provide a 1:8 ratio. Pursuant to its systemwide recommendation, and noting the employee satisfaction with the experimental organization plan at PSH, the Subcommittee urges WSH, DMHRS, and the employees to work together to allow the flexibility necessary to try a similar reorganization at WSH.

The Subcommittee further requests that Winfield and the Division of Mental Health and Retardation Services jointly analyze and report to the 1986 Legislature by January 13, 1986 on the feasibility and desirability of

transforming part of Winfield State Hospital into a skilled nursing facility, pursuant to systemwide recommendation number 5.

2. The Subcommittee notes that the Governor's recommendation provides a budgeted turnover level of 7.6 percent or \$1,069,378. This level of budgeted turnover would require the institution to leave positions vacant for extended periods and could possibly require layoffs of existing staff. This turnover rate is significantly higher than the rate budgeted for the other mental retardation hospitals. The Subcommittee understands that DMHRS has requested a Governor's Budget Amendment to address this turnover level. The DMHRS request would reduce budgeted turnover by \$615,902, to a rate of 3.2 percent.
3. The Subcommittee concurs with the Joint Building Committee's tentative recommendations for Winfield with the exception of \$1,500 for the tree program. The Subcommittee recommends deleting \$1,500 for trees and requests that Winfield work with the Kansas State University Extension Service in obtaining trees for the Winfield grounds. The Subcommittee also recommends that DMHRS explore the possibility of utilizing the greenhouse at NSH as a facility for raising trees and shrubs to be used at institutions under the control of DMHRS.
4. Pursuant to the Subcommittee's systemwide budget recommendations, the following adjustments to other operating expenditures are recommended:

	<u>Increase</u>	<u>Decrease</u>
Communications	\$	\$ 8,190
Utilities		115,513
Food		31,612
Other Operating Expenditures		102,925

The above adjustments result in a net reduction of \$258,240. The Subcommittee recommends State General Fund expenditures be reduced by this amount.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee report.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ (336,341)	\$ 7,476,964	\$ 261,098
General Fees Fund	—	1,161,554	—
Title XIX	—	7,455,377	—
Other Funds	—	259,834	—
Subtotal-Operating	<u>\$ (336,341)</u>	<u>\$ 16,353,729</u>	<u>\$ 261,098</u>
<b>Capital Improvements:</b>			
State General Fund	\$ —	\$ —	\$ —
Other Funds	<u>(43,950)</u>	<u>125,250</u>	<u>1,500</u>
Subtotal-Capital Improvements	<u>\$ (43,950)</u>	<u>\$ 125,250</u>	<u>\$ 1,500</u>
<b>TOTAL</b>	<u><u>\$ (380,291)</u></u>	<u><u>\$ 16,478,979</u></u>	<u><u>\$ 262,598</u></u>
F.T.E. Positions	(6.0)	747.0	—

FY 1985. The Subcommittee concurs with the House recommendations for FY 1985.

FY 1986. The Subcommittee concurs with the House recommendations with the following adjustments:

1. Addition of \$242,209 in State General Fund expenditures to implement the Governor's Budget Amendment No. 2. This adjustment would reduce the budgeted turnover rate from 7.6 percent to 5.0 percent which is more consistent with the agency's historical experience. The Subcommittee notes that the Governor's Budget Amendment also has the effect of eliminating funding for 10 temporary Health Service Worker positions.
2. Addition of \$7,500 in State General Fund expenditures for maintenance of the Hepatitis B vaccination program for new employees.
3. Addition of \$35,596 in State General Fund expenditures for food, pursuant to the systemwide recommendations.
4. Addition of \$13,360 in State General Fund expenditures for other operating expenditures, pursuant to the systemwide recommendations.
5. Addition of \$1,500 from the SIBF for the purchase of trees for the Winfield campus. The Subcommittee concurs with the House recommendation that Winfield investigate the possibility of obtaining trees from the Kansas State University Extension Service, but feels that an amount of \$1,500 should be appropriated to ensure that trees of the appropriate size and quality are obtained.



6. Deletion of \$37,567 in State General Fund expenditures for accumulated sick leave pay in accordance with Committee policy that additional amounts for this purpose be sought as a supplemental after the payments are made, should the agency be unable to fund these costs through turnover savings.

## House Mental Health Hospitals Systemwide Recommendations

1. The Subcommittee reviewed dietary budgets based upon FY 1985 consumption and expenditures to date and learned that most of the FY 1985 institutional food budgets, as approved by the 1984 Legislature, presumed 7.5 percent inflation to food costs. Inflation in food costs has been less than budgeted and the Subcommittee found that FY 1985 dietary expenditures will be less than budgeted at several of the institutions. Recommended adjustments in FY 1985 food expenditures are reflected in each agency's Subcommittee report. The Subcommittee recommended that FY 1986 dietary budgets be based on the revised FY 1985 base with a 4.3 percent inflation factor. Adjustments in dietary budgets result in estimated systemwide savings of \$48,000 in FY 1985 and \$94,189 in FY 1986.
2. The Subcommittee recommends that utility budgets for FY 1986 be based on the revised FY 1985 base adjusted by the percentage increases included in the instructions of the Division of the Budget. The Subcommittee notes that utility costs at certain institutions may be particularly difficult to project in FY 1986 given potential utility rate increases such as those which may result from the Wolf Creek Nuclear Power Plant and the requested increase for Sunflower Electric Cooperative.
3. The Subcommittee notes that in the Governor's budget certain salary and wage items such as retirement severance pay, overtime compensation, and temporary and seasonal help are handled in a variety of ways. Agencies which have not received specific funding for these items absorb these costs through turnover savings. The Subcommittee recommends that the hospitals account for expenditures in each of these areas in FY 1985 and FY 1986 in order to provide a more precise accounting of the agency's actual turnover and also to allow for better monitoring of these salary and wage expenditures. The Subcommittee also recommends that these items be specifically included in future budget requests.
4. In accordance with recommendations of the Special Joint Subcommittee on Telecommunications, the Subcommittee recommends that the FY 1986 communications budgets reflect a 17.8 percent increase in KANS-A-N costs rather than the 31.0 percent increase originally projected by the Division of Budget.
5. The Subcommittee notes that each of the agencies have savings in FY 1985 in various areas of their operating expenditures (OOE). The Subcommittee recommends that the revised FY 1985 base be inflated by a factor of 4.3 to project FY 1986 expenditures. Utilities, communications, and one-time expenditures are excluded from this method of projection.
6. The Subcommittee is concerned about the collections process implemented by the hospitals. While the Subcommittee is aware that many state hospital patients do not have insurance or have used all of their insurance benefits, it also believes that every effort must be made to

identify and collect every possible third-party payment. The Subcommittee directs the Division of Mental Health and Retardation Services to monitor collections at all eight state hospitals and to present a written report to the 1986 Legislature on the status of the collections. The Subcommittee also notes that the Division has very recently contracted with a professional collection agency in an attempt to increase collections from difficult accounts and commends the Division for that effort.

7. The Subcommittee understands that all requests for funding for furniture replacement at the hospitals were included in the capital improvement requests to be funded by the State Institutions Building Fund (SIBF), and were submitted to the Joint Committee on Building Construction. The Subcommittee also understands that the Building Committee has removed all of these requests from consideration and has recommended that they be funded from sources other than the SIBF. Because the Subcommittee was advised that furniture replacement is a high priority at the hospitals it encourages the Building Committee to reconsider their actions.
8. The Subcommittee concurs with tentative FY 86 recommendations on capital improvements made by the Joint Committee on Building Construction. The individual hospital subcommittee reports reflect the appropriate adjustments.

STATE MENTAL RETARDATION INSTITUTIONS  
SYSTEMWIDE RECOMMENDATIONS

February 27, 1985

The Subcommittee notes that the state mental retardation institutions are experiencing a substantial increase in the level of regulatory investigation by both the state and federal governments. Recent regulatory surveys by both state and federal auditors have revealed deficiencies in staffing and programming at each of the four MR institutions, which, if not addressed, could result in decertification of these institutions and loss of Title XIX (medicaid) funding. In FY 1985, Title XIX finances approximately 41 percent of these budgets, or about \$19 million. The Subcommittee acknowledges the seriousness of this problem and supports the strong surveillance of compliance with regulatory requirements at these institutions. The Subcommittee recommends the following actions to address this problem:

1. The Subcommittee notes that ICF/MR regulations require a 1:8 staffing ratio. The Subcommittee reviewed the number of direct care positions budgeted at each institution to ensure an adequate number of positions are budgeted to meet a 1:8 ratio (including sufficient relief staff). As a result of this review, three additional direct care positions are recommended for PSH to meet a 1:8 ratio. In addition, the Subcommittee notes that a 1:8 staffing ratio may not be considered adequate for certain residents at KNI and WSH who are severely retarded and multiply-handicapped. The Subcommittee therefore recommends five additional direct care positions for WSH and two additional direct care positions for KNI. The Subcommittee's recommendation provides a total of ten new direct care positions in FY 1986, a decrease of 18 positions from the Governor's recommendations.
2. In addition to increasing the level of direct care staffing at these institutions, the Subcommittee also recommends steps be taken to improve the management and effectiveness of staffing and programming at each institution. The Subcommittee commends PSH for its efforts in reorganizing its staffing to better meet the needs of residents and ensure that proper staffing ratios are met. The Subcommittee notes that the PSH plan, which incorporates such innovative practices as flextime and job sharing, has resulted in decreased absenteeism, improved staff morale, and may eventually reduce the number of relief staff necessary to provide a 1:8 staffing ratio. The Subcommittee recommends that each of the other MR institutions also develop a reorganization plan, incorporating aspects of the PSH plan to maximize the effectiveness of direct care staffing. The Subcommittee requests a status report on these reorganization plans from the Division of Mental Health and Retardation Services (DMHRS) by not later than January 13, 1986. The Subcommittee notes that the DMHRS has just started a study of staffing needs for all the MR institutions, to allow improved identification of areas of deficiency. The Subcommittee requests that the results of this study also be

provided to the 1986 Legislature and that the FY 1987 budget requests for these institutions reflect findings of the systemwide study.

3. The Subcommittee notes that of 39 admissions to PSH in 1984, 32 were only borderline, mildly, or moderately retarded individuals. The Subcommittee also notes that 28 of these borderline, mildly, or moderately retarded individuals are under age 21 and might be more appropriately served by the public school system rather than an institutional setting. The Subcommittee requests that the DMHRS review its admission policy to determine whether these residents are appropriately placed in a state institution or if they could be served in a less-restrictive environment.
4. The Subcommittee strongly supports the Community Living Skills program being developed by NSH as a means of readying institutional residents for placement in a community setting. The Subcommittee recommends that, in conjunction with this program, the authorized census at NSH be reduced by 15 beds by the end of FY 1986, from 160 to 145 beds. The Subcommittee believes that reducing institutional populations is the optimal solution to the problems of under-staffing and cost-containment and is in accordance with the statutory mandate of placing mentally retarded individuals in the least-restrictive environment. The Subcommittee acknowledges that there is currently a shortage of community facilities for the mentally retarded, particularly for those who are more difficult to serve. To address this problem and ensure that institutional populations will be reduced, the Subcommittee recommends that \$200,000 in identified savings from the four institutional budgets in FY 1986 be transferred to the DMHRS budget to provide for special purpose grants to community facilities. These grants would require that the community facilities provide residential services to a specified number of difficult-to-serve residents from the institutions. The Subcommittee notes that this recommendation is in accordance with SCR 1645, which calls for plans to increase the availability of community-based services for mentally retarded persons who are considered difficult to serve.
5. The Subcommittee recommends that the DMHRS conduct a system-wide study of the programming needs of residents of the MR institutions to determine whether some residents might be more appropriately served in a skilled nursing facility (SNF), rather than an Intermediate Care Facility (ICF/MR). The Subcommittee requests that the DMHRS report the results of such a study, including the fiscal impact of any recommendations, to the Legislature no later than January 13, 1986.
6. The Subcommittee recommends that the DMHRS continue to study computerization needs of the state MR institutions. The Subcommittee commends PSH for its initiative in analyzing its automation needs and recommends that DMHRS work with PSH to develop a pilot project to test automation implementation. The Subcommittee believes that computerization of certain record-keeping procedures at the MR institutions could significantly decrease paperwork and would free additional staff time for direct care for residents. However, the Subcommittee feels that computerization of records should be tested

at PSH before major capital outlay expenditures are authorized for all four institutions.

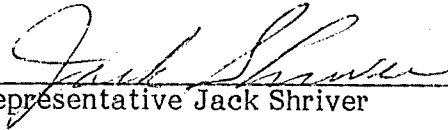
7. The Subcommittee notes that PSH and NSH currently have student intern programs in which college students studying the area of mental retardation are hired for a semester to work directly on units, providing direct care and gaining valuable experience. The Subcommittee commends PSH and NSH on these programs and recommends WSH and KNI also begin similar programs and that all institutions become more aggressive in actively recruiting students. The Subcommittee recommends that the amounts budgeted in FY 1986 in the PSH and NSH budgets for this program be transferred to the central DMHRS budget and that the central office allocate this funding to each of all four institutions as needed. The total amount to be transferred in FY 1986 is \$47,574. The Subcommittee recommends that this be a line item appropriation in the DMHRS budget.
8. The Subcommittee reviewed dietary budgets based upon FY 1985 consumption and expenditures to date and learned that most of the FY 1985 institutional food budgets, as approved by the 1984 Legislature, presumed 7.5 percent inflation to food costs. Inflation in food costs has been less than budgeted and the Subcommittee found that FY 1985 dietary expenditures will be less than budgeted at several of the institutions. Recommended adjustments in FY 1985 food expenditures are reflected in each agency's Subcommittee report. The Subcommittee recommended that FY 1986 dietary budgets be based on the revised FY 1985 base with a 4.3 percent inflation factor. Adjustments in dietary budgets result in estimated systemwide savings of \$98,500 in FY 1985 and \$105,352 in FY 1986.
9. The Subcommittee recommends that utility budgets for FY 1986 be based on the revised FY 1985 base adjusted by the percentage increases included in the instructions of the Division of the Budget. The Subcommittee notes that utility costs at certain institutions may be particularly difficult to project for FY 1986 given potential utility rate increases such as those which may result from the Wolf Creek Nuclear Power Plant.
10. The Subcommittee notes that the Governor's budget inconsistently provides for certain salary and wage items such as retirement severance pay, overtime compensation, and temporary and seasonal help. Agencies which have not received specific funding for these items absorb these costs through turnover savings. The Subcommittee recommends that the hospitals account for expenditures in each of these areas in order to provide a more precise accounting of the agency's actual turnover and also to allow for better monitoring of these salary and wage expenditures by the Legislature.
11. In accordance with recommendations of the Special Joint Subcommittee on Telecommunications, the Subcommittee recommends that the FY 1986 communications budgets reflect a 17.8 percent increase in KANS-A-N costs rather than the 31.0 percent increase originally projected by the Division of Budget.

12. The Subcommittee notes that each of the agencies have savings in FY 1985 in various areas of their operating expenditures (OOE). The Subcommittee recommends that the revised FY 1985 base be inflated by a factor of 4.3 to project FY 1986 expenditures. Utilities, communications, and one-time expenditures such as Hepatitis B vaccine are excluded from this method of projection.
13. The Subcommittee notes that the Joint Building Committee has made tentative recommendations on capital projects at the MR institutions. The Subcommittee found the Joint Building Committee tentatively adopted a policy to remove capital outlay items from consideration of financing from the State Institutional Building Fund. The Subcommittee notes, however, that the Joint Building Committee did not uniformly follow this policy, for example, capital outlay for kitchen equipment is recommended at KNI. The Subcommittee, in some cases, did not concur with the Joint Building Committees recommendations. The Subcommittee's recommendations on capital projects are noted in each individual agency's report.



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Representative J. Sanford Duncan,  
Subcommittee Chairperson



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Representative Jack Shriver

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Representative Bob Ott

HOUSE BILL NO. 2154

Supplemental Appropriations

- Sec. 2 — Department of Administration
- Sec. 3 — State Finance Council
- Sec. 4 — State Corporation Commission
- Sec. 5 — State Parks and Resources

HOUSE BILL NO. 2134

FY 1986 Appropriations Bill

- Sec. 2 — Department of Administration
- Sec. 3 — State Finance Council
- Sec. 4 — State Parks and Resources Authority
- Sec. 5 — Kansas Fish and Game Commission
- Sec. 6 — State Corporation Commission
- Sec. 7 — State Historical Society

  
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Senator Merrill Werts  
Subcommittee Chairman

  
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Senator Paul Feleciano



SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2134 Bill Sec. 2  
 Analyst: Hauke Analysis Pg. No. 427 Budget Pg. No. 1-55

<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	\$ 22,061,974	\$ 20,263,674	\$ (198,857)
Aid to Local Units	525,000	525,000	--
Other Assistance	30,000	30,000	--
Subtotal-Operating	<u>\$ 22,616,974</u>	<u>\$ 20,818,674</u>	<u>\$ (198,857)</u>
Capital Improvements	3,520,945	2,011,359	(138,993)
<b>TOTAL</b>	<u><u>\$ 26,137,919</u></u>	<u><u>\$ 22,830,033</u></u>	<u><u>\$ (337,850)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 20,843,515	\$ 19,072,325	\$ (198,857)
Other Assistance	--	--	--
Subtotal-Operating	<u>\$ 20,843,515</u>	<u>\$ 19,072,325</u>	<u>\$ (198,857)</u>
Capital Improvements	3,208,191	1,098,605	(165,494)
<b>TOTAL</b>	<u><u>\$ 24,051,706</u></u>	<u><u>\$ 20,170,930</u></u>	<u><u>\$ (364,351)</u></u>
F.T.E. Positions	954.1	910.0	(5.0)

House Subcommittee Recommendations

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

1. The Subcommittee concurs with the recommendations of the Joint Subcommittee on Computing and Telecommunications concerning the FY 1985 and FY 1986 budget for DISC. While the recommendations of that Subcommittee will not be repeated in this report, those recommendations involve two budgetary adjustments for incorporation into FY 1986 appropriations:
  - a. Addition of \$35,000 in FY 1986 to the General Fund (Central Management Information Systems and Computing Operations line item) for inclusion of Regents' institutions in a backup "cold site" computer center. (Note: See item 5 of DISC Subcommittee report.)
  - b. Deletion of financing and position authority for filling three vacant positions. This deletion has the following impact upon the Department's budget: (1) reduction of \$84,557 in the FY 1986 nonreportable operating budget; (2) reduction of \$84,557 in the General Fund (Central Management Information Systems and Computing Operations line item); and (3) reduction of 3.0 F.T.E. in the position authority. (Note: See item 9 of DISC Subcommittee report.)

2. The Subcommittee learned that KPERS contributions were inadvertently included in the FY 1986 budget for Governor's fellows. Since those employees are new to the state system, KPERS contributions can be reduced for a General Fund savings of \$1,787 (General Administration line item).
3. The Subcommittee recommends that funding be deleted from this budget for retirement payouts. The Subcommittee is of the opinion that such payouts can be absorbed within turnover savings and should not be separately budgeted. This \$90,125 deletion allows a \$66,725 General Fund reduction in the reportable budget and a \$23,400 reduction to the non-reportable State Buildings Operating Fund. Specific General Fund line items involved in this deletion are:

Accounting and Reporting	\$22,989
Personnel Services	27,818
Purchasing	6,436
Buildings and Grounds	9,482

4. The Subcommittee reviewed the FY 1986 budget of \$143,427 for stationery and office supplies in Accounts and Reports. The Subcommittee learned that it is an 18.4 percent increase to the FY 1985 budget. The Subcommittee recommends an FY 1986 budget of \$124,720, which is a \$18,707 reduction to the Governor's recommendation. The Subcommittee recommendation is a 3 percent increase to the approved FY 1985 budget.
5. The Subcommittee reviewed the Governor's FY 1986 recommendation to establish a central records center for storage of inactive records. The Subcommittee is of the opinion that this is a low priority item. The Subcommittee recommends deletion of \$62,081, which the Governor recommended from the General Fund, to finance this center. This deletion also involves reduction of 2.0 F.T.E. to the FY 1986 position authority.
6. The Subcommittee reviewed the Governor's recommendations concerning occupancy of the Santa Fe Building. The Subcommittee learned that the Governor's recommendations, including moving and renovations, involve several special revenue funds as well as the State General Fund. The Subcommittee is aware that discussions are presently underway concerning possible sale of the Santa Fe Building to a private developer, with the state becoming occupant through a lease arrangement. The Subcommittee highlights this issue as one that must be resolved during the 1985 Session. If the building is leased, adjustments are necessary to the Property Contingency Fund, the State Buildings Depreciation Fund, and the State General Fund capital improvements budget. Additionally, revisions are necessary to the assumptions concerning disposition of the Santa Fe escrow account.
7. The Subcommittee reviewed proposed expenditures from the Health Care Benefits Program Fund, which receives its revenue from a portion of collections for the state employee health insurance program. During FY 1985, the fund receives the difference between \$85 and the state's monthly payments to the insurer for each covered employee. (Note: \$1.58 is deposited in the fund monthly for the typical employee in the Blue Cross-

Blue Shield plan.) The Subcommittee submits the following observations and recommendations concerning the fund:

- a. The Governor's recommendations project receipts to the fund of \$1,480,000 in both FY 1985 and FY 1986.
  - b. The Governor's recommended expenditures from the fund are \$109,719 in FY 1985 and \$154,997 in FY 1986, allowing fund balances of \$1,370,379 in FY 1985 and \$2,695,382 in FY 1986.
  - c. The Subcommittee learned that such fund balances are justified if the state self-insures some portion of its health insurance plan. The Subcommittee is of the opinion that such balances are not justified if the state does not self-insure the health plan.
  - d. The Subcommittee is generally not supportive of the self-insurance concept. Further, the Subcommittee learned of no immediate plan to pursue self-insurance by the State Employee Health Care Commission. The Subcommittee also notes that another option, to this sizeable balance for self insurance purposes, would be a statutory change allowing the state's idle funds to serve as a self insurance backup.
  - e. The Subcommittee concurs with the Governor's FY 1985 and FY 1986 recommendations for administrative expenditures from the fund.
  - f. The Subcommittee recommends that of the \$1,370,379 projected FY 1985 ending balance \$1,350,000 be appropriated to offset expenditures associated with the FY 1986 civil service salary plan adjustment. The Subcommittee recommends that of this amount 67 percent (\$904,500) be an offset to State General Fund expenditures and 33 percent (\$445,500) be an offset to special revenue fund expenditures. The Subcommittee is of the opinion that by allocating these savings between state and special revenue fund expenditures, the likelihood of a federal audit exception should be minimized. This recommendation will leave an ending balance of approximately 1.5 months expenditures from the fund.
  - g. The Subcommittee recommends that the rate of collections to the fund in FY 1986 be set at a level which will produce revenue to the fund of approximately \$160,302, resulting in a FY 1986 ending balance of approximately \$20,000 when expenditures are considered. This recommendation results in \$1,319,698 among the FY 1986 health insurance budgets of state agencies which can be used as an offset to costs associated with the civil service salary plan. Of these savings \$884,198 would be to the State General Fund and \$435,500 would be to special revenue funds.
8. The Subcommittee reviewed the Unemployment Claims Audit Fund, which was created by the 1984 Legislature for the purpose of improving auditing of unemployment claims against the state's account. The fund receives its

revenue from a percentage (.04 percent in FY 1985 and FY 1986) of the unemployment insurance collections on covered payrolls. The Subcommittee learned that expenditures for auditing contracts have been substantially less than anticipated. The Subcommittee submits the following observations and recommendations concerning the fund.

- a. The Subcommittee reduces the approved FY 1985 expenditures for audits by \$200,000, an amount which is reflected in the nonreportable operating budget, a reduction which will result in a FY 1985 ending balance of \$230,914 in the Unemployment Claims Audit Fund.
  - b. The Subcommittee recommends that the FY 1986 budget for auditing of claims be reduced by \$20,000 (from \$232,000 to \$212,000).
  - c. The Subcommittee recommends that collections on covered payrolls be reduced by \$220,000 during FY 1986, a reduction that would amend the assessment rate from .04 percent to approximately .01 percent.
  - d. As agency budgets are predicated upon collections of .04 percent, approximately \$220,000 is available in agency budgets that the Subcommittee recommends be used to offset expenditures associated with the civil service salary plan adjustment. This will reduce the General Fund share of the adjustment by \$147,400 and the special revenue fund share by \$72,600.
9. The Subcommittee reviewed policies and related expenditures associated with the central motor pool. The Subcommittee submits the following observations and recommendations concerning the central motor pool.
- a. The 1984 Legislature recommended increasing the retirement mileage on vehicles from 60,000 to 80,000. The agency's budget is based upon returning to the 60,000 mile policy. The Subcommittee is of the opinion that the 80,000 mile policy has not been in existence for a sufficient time frame to determine whether it is a cost effective policy. The Subcommittee recommends that the 80,000 mile policy continue throughout FY 1986.
  - b. Based upon an 80,000 mile policy, the Subcommittee recommends that the budget for vehicle replacement be reduced by \$945,000, from the Motor Pool Depreciation Reserve Fund. The Subcommittee's recommendations are based upon replacement of 80 passenger cars, rather than 180 contained in the agency request.
  - c. The Subcommittee reviewed FY 1985 expenditure trends through the first seven months for gasoline, vehicle supplies, and contractual repairs. The Subcommittee recommends that the FY 1985 budget for fuels and supplies be reduced by \$262,103 from \$1,267,500 to \$1,005,397. The Subcommittee recommends that the budget for contractual repair be increased by \$12,103, from

\$225,000 to \$237,103. This adjustment results in a net FY 1985 decrease of \$250,000 to the Motor Pool Service Fund.

- d. The Subcommittee recommends that the FY 1986 budget for fuels, supplies, and repairs be adjusted, based upon the revised FY 1985 estimates detailed in item c above. The Subcommittee's estimates are based upon 4.2 percent inflation for fuels and 5 percent inflation for parts and repairs. The Subcommittee recommends an FY 1986 budget of \$1,048,688 for vehicle fuels and supplies, a reduction of \$401,312 to the Governor's recommendation. The Subcommittee recommends a budget of \$248,984 for contractual repairs, a \$11,834 increase to the Governor's recommendations. The Subcommittee's recommendations result in a total reduction of \$389,478 to the Governor's recommended FY 1986 expenditures from the Motor Pool Service Fund.
  - e. The Subcommittee reviewed balances in the Motor Pool Service Fund and the Motor Pool Depreciation Reserve Fund. Legislative policies concerning vehicle replacement and moderation in fuels prices have combined to reduce motor pool expenditures in FY 1984 and FY 1985. Consequently, sizeable balances have developed in both motor pool funds. The Governor's recommendations would result in FY 1985 ending balances of \$1,138,450 in the Motor Pool Service Fund and \$2,692,518 in the Motor Pool Depreciation Reserve Fund. Reductions in FY 1985 operating expenditures recommended by this Subcommittee, would only increase the FY 1985 ending balances. Therefore, the Subcommittee recommends that on July 1, 1985, \$1,000,000 be transferred from the Motor Pool Service Fund to the State General Fund and that \$1,500,000 be transferred from the Motor Pool Depreciation Reserve Fund to the State General Fund. The Subcommittee's Motor Pool recommendations would result in balances at the end of FY 1986 of \$676,947 in the Services Fund and \$1,654,768 in the Depreciation Fund. The Subcommittee is of the opinion that such balances are sufficient for cash flow and are sufficient to finance vehicle acquisitions at a later date should the motor pool retirement policy be returned to 60,000 miles.
  - f. The Subcommittee could not review FY 1985 expenditures for vehicle insurance, as bids for insurance will not be opened until early March. The Subcommittee wishes to highlight this as an item which the Legislature may review at a later date.
10. The Subcommittee concurs with the capital improvements recommendations of the Joint Committee on State Building Construction. The Joint Committee makes no recommendation at this time concerning Santa Fe projects. As a technical matter, the Subcommittee is not adjusting the Governor's recommendations concerning Santa Fe, pending resolution of this issue. The following table highlights appropriations recommended by the Governor and the Joint Committee's recommendations concerning them.

Project	Gov. Rec.		Com. Rec.	
	Amount	Fund	Amount	Fund
Special Maintenance -- Statehouse and Judicial Center	\$ 175,000	SGF	\$ 150,000	SGF
Special Maintenance -- S.O.B., 503 Kansas, and Forbes Property	175,000	SBD	175,000	SBD
Special Maintenance -- Cedar Crest	35,000	SGF	25,000	SGF
Renovation of Santa Fe Prepare Santa Fe Computer Areas	726,250	PCF	726,250*	
480,600	SGF	480,600*		
Redevelop Printing Plant Site	213,005	SGF	213,005	BG
Relocate Cooling Towers -- S.O.B.	100,000	SBD	100,000	SBD
Roof Repairs -- S.O.B.	150,000	SBD	150,000	SBD
Capitol Complex Parking -- Planning	100,000	BG	--	--
Transformer Replacement	26,400	SBD	26,400	SBD
Resurface Parking Lot No. 2	86,504	BG		
Cedar Crest Capital Improve- ments	45,000	SGF	--	--
Interior Repairs and Renova- tions -- Statehouse	--	--	127,511	SGF
TOTAL	<u>\$2,312,759</u>		<u>\$2,173,766</u>	
<u>Funding</u>				
(SGF) State General Fund	\$ 948,605		\$ 783,111	
(PCF) Property Contingency Fund	726,250		726,250*	
(BG) Buildings and Grounds Fund	186,504		213,005	
(SBD) State Buildings Depreciation Fund	451,400		451,400	

\* Pending.

11. As a technical matter the Subcommittee notes that several of its FY 1985 recommendations have impact upon reappropriations to FY 1986. These reappropriations will appear in H.B. 2134.
12. In summary the FY 1986 operating budget recommended by the Subcommittee would be a 4.5 percent increase above the revised FY 1985 recommendation. The comparable State General Fund increase is 3.4 percent. The Subcommittee's recommendations decrease State General Fund expenditures by \$148,838 in FY 1985 and \$364,351 in FY 1986. Additionally, the Subcommittee's recommendations concerning the non-reportable budget increase FY 1986 General Fund revenue by \$2,500,000, reduce General Fund obligations by \$1,936,098, for a combined total of

\$4,436,098. The combined FY 1986 revenue and expenditure reduction measures recommended by the Subcommittee enhance the General Fund by \$4,800,449.

House Committee Recommendations

The House Committee concurs with the Subcommittee adjustments with the following adjustment:

1. The Committee recommends deletion of additional position authority for four new F.T.E. positions in DISC. The DISC Subcommittee recommended filling those positions for only six months, which reduced the nonreportable operating budget by \$36,541. Adoption of the Committee's recommendations reduce the nonreportable budget by an additional \$36,541 and the position limitation by 4.0 F.T.E.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (198,857)	\$ 20,064,817	\$ (249,084)
Aid to Local Units	--	525,000	--
Other Assistance	--	30,000	--
Subtotal - Op.	\$ (198,857)	\$ 20,619,817	\$ (249,084)
Capital Improvements	(138,993)	1,872,366	122,250
<b>TOTAL</b>	<b>\$ (337,850)</b>	<b>22,492,183</b>	<b>\$ (126,834)</b>
<b>State General Fund:</b>			
State Operations	\$ (198,857)	\$ 18,873,468	\$ (249,084)
Capital Improvements	(165,494)	922,111	--
<b>TOTAL</b>	<b>\$ (364,351)</b>	<b>\$ 19,806,579</b>	<b>\$ (249,084)</b>
<b>F.T.E. Positions</b>	<b>(9.0)</b>	<b>901.0</b>	<b>2.0</b>

Senate Subcommittee Recommendations

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

1. The Subcommittee recommends that the motor pool budget for other contractual services be reduced by \$42,725, from the Motor Pool Service Fund. This reduction is based upon revised estimates of motor vehicle liability insurance. The Subcommittee's FY 1986 recommendations would allow \$85,000 for liability insurance and \$3,500 for vanpool property taxes. This reduction is a part of the agency's nonreportable operating budget.
2. The Subcommittee reviewed the issue of a position to coordinate all federal grants. The Subcommittee recommends that this position be financed in the Department of Administration, rather than in the Department of Human Resources. The Subcommittee recommends that the State

General Fund budget be increased by \$54,049 to finance this position during FY 1986. The Subcommittee recommends that in preparing its FY 1987 budget request the Department of Administration review the continued need for this position and that it be requested only if it fulfills a necessary role in securing and coordinating federal grants.

3. The Subcommittee learned that the Department has now received a consultant report on parking issues, which resulted in House deferral of certain parking related capital improvements. The Subcommittee recommends two FY 1986 projects be financed from the Buildings and Grounds Fund.
  - a. Resurface and Restripe Parking Lot No. 2 \$82,250
  - b. Planning Facility to House Central Motor Pool  
and Buildings and Grounds \$40,000
4. The Subcommittee recommends partial restoration of amounts deleted by the House to establish a central records storage center. The Subcommittee recommends a total of \$46,867 from the General Fund for this center, including one additional position. The Subcommittee is of the opinion that creation of a central records storage center can reduce use of prime office space for storage of inactive records. Due to FY 1986 creation of this storage center concept, the Subcommittee is recommending deletion of financing included in the Corporation Commission's budget for records storage rental.
5. The Subcommittee reviewed the House recommendations concerning use of the Health Care Benefits Program Fund. The House had recommended that the state not pursue self insurance and had deleted financing that could potentially be used to finance self insurance (see item 7 of House report). The Senate Subcommittee does not concur with the House position and concurs with the Governor's recommendations concerning the Health Care Benefits Program Fund. In making its recommendation, the Senate Subcommittee submits the following observations and conclusions:
  - a. The Subcommittee believes that the self insurance potential is a bargaining tool for the State Employee Health Care Commission. Even if the Commission does not pursue self insurance, its ability to do so is an effective bargaining tool to be used in negotiations with insurers. Deletion of this funding precludes self insurance and denies a bargaining tool for the Commission.
  - b. The Subcommittee is of the opinion that this fund balance could also facilitate the Commission's experimentation with flexible benefit programs or employee incentive programs, which ultimately reduce costs associated with the employee benefit program.
6. The Subcommittee reviewed the House deletion of financing for retirement payouts. The Subcommittee concurs with the deletion of that funding at the present time. However, the Subcommittee recommends that the



agency include the cost of such payouts in their revised FY 1986 request and that supplemental financing be requested, if necessary, of the 1986 Legislature.

7. The Subcommittee directed the majority of its deliberations to issues related to the state computer system. The Subcommittee believes that a variety of issues remain unresolved and questions remain unanswered, related to the computer system. The Subcommittee recognizes that ultimately actions are necessary related to upgrade of the state computer system and to provide an orderly transition to the Santa Fe Building. The Subcommittee recalls that the 1984 Legislature deferred action on computers, partially due to several unresolved questions. Therefore, the Subcommittee finds it to be deplorable that it is in a position of recommending delay and deferral of this issue. Nevertheless, the Subcommittee submits the following recommendation concerning the state computer system.
  - a. The Subcommittee observes a variety of unresolved issues concerning systems compatibility and the costs associated with various options. The Subcommittee has prepared an outline of those unresolved issues, which it believes should be resolved and answered by interim study. That outline is attached to this Subcommittee report.
  - b. The Subcommittee recognizes that obtaining answers to those questions may require expertise beyond that normally available to legislative committees. Therefore, the Subcommittee recommends that \$150,000 be appropriated to the Legislative Coordinating Council (LCC) to finance consultant services for the interim committee which reviews these issues. The actual funds could only be expended upon approval of the LCC, in accordance with provisions of K.S.A. 46-1204.
  - c. The Subcommittee concurs with the Governor's FY 1985 recommendation of \$300,000 to purchase a commercially available personnel software package. However, the Subcommittee recommends that this package be run without modification, to allow payroll processing of certain agencies still paid from the old paymaster system. This would provide some relief to the Sperry system and would provide some testing of the new personnel package.
  - d. The Subcommittee recommends deletion of the \$350,000, included in the Governor's FY 1986 recommendations, for modification of the purchased personnel software. The Subcommittee observes that supplemental FY 1986 appropriations for this purpose could be made by the 1986 Legislature, depending upon recommendations of the above cited interim study.

## ISSUES TO BE RESOLVED BY INTERIM STUDY

### A. Issues of Compatibility

1. What are levels of systems compatibility that are relevant to the decisions facing computer acquisition in Kansas?
2. What advantages exist for compatibility between large mainframes among users having more than one mainframe?
  - a. Does sufficient interaction exist between information stored in the Kansas Sperry system and the IBM/NAS system that interaction between the two would be advantageous?
  - b. Can information stored in files contained in the IBM/NAS system be addressed by the Sperry Univac system or the existing Sperry terminals? If not what costs are associated with such a feature and what data manipulations are required to allow such interaction?
  - c. Can information stored in files contained in the Sperry system be addressed by the IBM/NAS system or existing IBM compatible terminals. If not what costs are associated with such a feature and what data manipulations are required to allow such interaction?
  - d. Can files written in the Mapper language be addressed by the IBM/NAS system. Would such interaction be advantageous for Kansas based upon estimated utilization?
  - e. Can programs written in IBM COBOL be run on the Sperry (and vice versa) without modification? If not is such interaction advantageous and likely to be possible in the near future?
  - f. Can programs written to run in the IBM operating system MVS-XA be run on an NAS 7000 without modification?

### B. Issues of Cost Containment

1. Which would be less costly in the long term, continued upgrade of both systems or migration to a system in which all hardware is compatible?
  - a. What are reasonable cost estimates for both approaches over the next ten years?
  - b. What methods of cost comparison are most appropriate?
2. What value should be given to the existing software of the Kansas Integrated Personnel and Payroll System (KIPPS) and the Central Accounting System for Kansas (CASK) in the decision outlined above?

3. Which is considered more desirable and cost effective for large users, purchase of commercially available personnel and accounting software or custom designed software?
  - a. Do commercially available packages typically meet user needs?
  - b. What costs are typically associated with modification of software packages?
  - c. What implementation problems are typically associated with installation of commercially available software?
4. Among generally available personnel software packages, what modifications would be necessary to include all features presently available to KIPPS?
  - a. Are those features of sufficient merit to warrant the cost of programming?
5. Is the issue of hardware backup, in the event of a long-term computer service disruption, of sufficient import to warrant consideration in the hardware acquisition decision?

C. Issues of Distributed Data Processing

1. Which is considered preferable for a large user, such as the state of Kansas, a centralized computer site or a decentralized/distributed system in which several smaller computers partially process information and interact with a larger site?
2. Is mini-computing equipment available which is capable of addressing both the Sperry Univac and the IBM systems?
3. Is a distributed system likely to reduce the need for future mainframe upgrades?
4. Does a distributed system provide improved backup against service disruptions?
5. What control is desirable over decentralized systems and access of the distributed systems to central sites?

D. Issues of Timing

1. How rapidly must a decision be reached concerning hardware upgrade?
  - a. Are both systems operating at a utilization level that requires immediate decisions on upgrade or can upgrade be delayed until FY 1987?

- b. Do the decisions made at this time exclude certain options at a later date?
- c. If some upgrade is made to the Sperry does that make later decisions to eliminate it more difficult?
- d. Is this a "prime time" to make a decision concerning phase out of Sperry or can that decision be made at any time, with no significant difference in cost?

E. Issues of Contracting

- 1. Is contracting for all data processing services an option that is considered feasible for large users?
- 2. What has been the experience of other states in contracting for data processing services?
- 3. What are considered the advantages and disadvantages of contracting for all data processing services?

SPECIAL JOINT SUBCOMMITTEE REPORT  
ON DATA PROCESSING AND TELECOMMUNICATIONS

February 12, 1985

The members of the Special Joint Subcommittee began meeting on January 24, 1985 to review data processing and telecommunications issues related to the Department of Administration during FY 1986. This Subcommittee received input from the Division of Information Systems and Communications (DISC); Sperry Univac Corporation; American Telephone and Telegraph — Information Systems; and the Legislative Research Department. The Subcommittee respectfully submits the following recommendations to the House and Senate Committees on Ways and Means.

Telecommunications

1. The Subcommittee concurs with the DISC recommendation for telecommunications services in six core areas, the University of Kansas, KU Medical Center, Kansas State University, Wichita State University, Ft. Hays State University, and the Topeka Capitol Complex. The Subcommittee concurs with the DISC recommendation that in this core project the state should become owner of all building wiring, terminal equipment (principally telephone handsets), and cabling between buildings. The Subcommittee learned that this core project will feature installation of digital switching services at each of the abovementioned locations. The Subcommittee is of the opinion that, due to maintenance requirements and potential technological obsolescence of equipment, the state should lease switching services and should not assume ownership of switching equipment.
2. The Subcommittee learned that, due to elimination of Telpak tariffs, KANS-A-N long distance costs will increase by approximately \$1.4 million during FY 1986, an increase of 17.8 percent above the approved FY 1985 KANS-A-N budget. Original FY 1986 instructions from the Division of the Budget directed agencies to include 31 percent inflation to regular KANS-A-N costs and 83 percent inflation to costs attributable to dedicated data lines. Although uncertainty exists concerning exact increases, particularly as applied to dedicated data circuits, it now appears that inflation will be significantly less than budget instructions originally predicted. Therefore, this Subcommittee recommends that the various appropriations subcommittees review communications budgets included in the Governor's recommendations. The Subcommittee learned that in many cases they are based upon the original budget instructions and can therefore be reduced.
3. The Subcommittee learned that several methods are available to finance the telecommunications purchases envisioned in the six core areas. The Subcommittee is of the opinion that Certificates of Participation or similar commercial financing may offer a less costly option to the lease-purchase arrangements typically offered by equipment vendors. Therefore, the Subcommittee recommends that the Department of Administration pursue this financing option, for acquisition of both telecommunications and computing equipment, if cost savings can be achieved from it. The Subcommittee notes that expenditures for repayment of such certificates are divided among the operating budgets of the user agencies. They are not reflected in the budget of DISC.

## Information Systems

1. The Subcommittee endorses the proposals of DISC to phase out the Sperry Univac computing center and secure computing equipment that is IBM compatible. Accordingly the Subcommittee also endorses the DISC recommendation to phase out the KIPPS personnel system and replace it with a purchased software package that would operate in the IBM compatible environment.
2. Concurrent with its recommendations enumerated in item 1, the Subcommittee endorses the Governor's FY 1986 DISC budget recommendations for upgrade of the IBM compatible computing center; purchase of a commercially available personnel system; and modification of the personnel package to Kansas computing environment.
3. The Subcommittee expresses its confidence in the technical expertise of the DISC staff. The Subcommittee recommends that DISC carefully review all available options and that in their planning process DISC consider each option for its potential costs and benefits. On its last day of hearings, the Subcommittee learned that DISC was reviewing another option which involves limited upgrade of the Sperry system and retention of it. Due to the expense involved, the Subcommittee recommends that DISC consider all such options prior to finalizing its recommendation.
4. The Subcommittee concurs with the Governor's recommendation for General Fund financing of a high-speed data link between the Santa Fe Building and the State Office Building.
5. The Subcommittee endorses the concept of a cold site for emergency computer backup. The Subcommittee learned that sufficient subscriptions exist to allow construction of such a facility in this area. The Subcommittee recommends that the state's participation in this site be sufficient to include disaster recovery backup for the Regents' institutions, as well as DISC. The Subcommittee learned that \$30,000 is included in the FY 1986 DISC budget to finance the cold site. The Subcommittee recommends that this be supplemented by \$35,000, from the General Fund, to finance participation by the Regents' institutions.
6. The Subcommittee learned that the FY 1985 DISC budget was revised downward, due to revised estimates of operating costs. This reduction will reduce expenditures among the user agencies. The Subcommittee learned that in most cases these savings have been incorporated in the Governor's revised FY 1985 recommendations. The Subcommittee recommends that appropriations subcommittees consider these savings if they have not been adjusted in the Governor's recommendations.
7. The Subcommittee observes that considerable efficiencies exist if agencies submit accounting data to Accounts and Reports on magnetic tape, rather than on paper records. The Subcommittee recommends that all agencies having the equipment to do so submit data to Accounts and Reports using magnetic tape. Further, the Subcommittee expresses its displeasure that further action on this matter has not occurred.
8. The Subcommittee learned that several computer applications exist which are likely to be in a distributed environment. The applications potentially involve statewide operations, when proposals by SRS and the Department of Revenue are included. The Subcommittee recommends that DISC convene a task force to

review distributed data processing needs and make a recommendation concerning distributed data processing by the first day of the 1986 Legislative Session. The Subcommittee recommends that this task force include participation by all agencies potentially involved in distributed data processing.

9. The Subcommittee reviewed the staffing of DISC, including the Governor's recommendation to add seven new positions during FY 1986. The Subcommittee concurs with the Governor's recommendations with the following adjustments:
  - a. The Subcommittee learned that four of the new positions are computer operators. Those positions are largely justified based upon operational changes which will occur when the state moves to the Santa Fe Building. Since the state will not occupy the Santa Fe Building during all of FY 1986, the Subcommittee recommends that these positions be filled during only half of FY 1986. This recommendation will reduce the FY 1986 nonreportable budget by \$36,541.
  - b. The Subcommittee learned that the FY 1986 DISC budget presumes filling four vacant positions. As new positions are being recommended, the Subcommittee assumes that existing vacancies are nonessential if they have not been filled. Therefore, the Subcommittee recommends deletion of three positions, allowing a reduction of \$84,557 in the nonreportable budget. Since these positions are directly attributable to projects within the Department of Administration, this recommendation also allows a reduction of \$84,557 to the reportable State General Fund operating budget.

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Senator Merrill Werts,  
Subcommittee Vice-Chairman

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Representative Rochelle Chronister,  
Subcommittee Chairman

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Senator Joseph Harder

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Representative Bill Bunten

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Senator Mike Johnston

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Representative Jack Shriver

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Senator Wint Winter, Jr.

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Representative George Teagarden

## MINORITY REPORT

I concur with the majority with the following exceptions:

1. The report agrees with the Governor in increasing the staff of DISC by seven positions and deletes three unfilled positions for a net increase of four. These new positions are utilized to increase the security of the tape library and to implement a reorganization of DISC. While the increased security for the tape drives would be nice, you should know that those who have access to these tapes have been cleared through the KBI. With the substantial needs in education, agriculture, and social services this expenditure simply does not rate the priority necessary to expand the bureaucracy.

When we reorganized DISC last year, we created a new high level position assuming that person would serve the purpose for which we now apparently need a couple of new positions. Again, the priority for these new positions simply does not rate.

2. I concur with the proposal to cable our buildings, I strongly disagree with the way in which the majority proposes to finance this expenditure. We have long abided by the "pay as you go" philosophy in Kansas. The majority and the Governor suggest that we should go out and borrow \$7.0 million to install this system. I would propose instead, to pay for the system with current dollars and not saddle future legislatures with this expenditure for ten years to come.

Few would argue that a business the size of Kansas government should not borrow money. However, government is in a unique situation. There is absolutely no incentive for those in government not to borrow to the limit. We started with deficit financing several years ago with lease-purchase agreements that were made for Xerox machines and computers. Indebtedness has grown as follows:

1982	\$11	million
1983	16	million
1984	25	million

Now you are voting on a proposal that escalates deficit financing to an even greater extent. How long will it be before Kansas, the bastion of fiscal responsibility, finds itself in the same boat as New York, California, Minnesota, and the other states we used to scoff at.

The proposal you are considering today punches a hole in the dike of government deficits where we had a small crack before. It might be possible to bring fiscal sanity back now, however, the day is fast approaching when we can no longer plug the leaks in our financial dike.

3. The majority proposes to let our experts make the decision on dumping the Sperry system and KIPPS. My response to that thinking is, "fooled once maybe, but never twice."

In 1979, the Department appeared before this Committee with a proposal to acquire a Sperry system. Many of us stated strenuous reservations but adopted the



position the majority proposes today. As a result, we have spent millions in hardware and software in the acquisition of the Sperry system and the development of KIPPS.

By anyone's estimation, we have appropriated millions of dollars due to poor planning and inefficient operation.

Now, the Department is back asking us to take off on a new tangent that raises even more questions than the Sperry acquisition six years ago. While it is impossible to get into the minutae of the issue, suffice it to say that they propose to dump the KIPPS system for which we spent millions developing, buy a commercial payroll package for \$350,000, and spend an additional \$300,000 to modify that package for state needs. If their dollar estimates are right, the proposal is the best thing since sliced bread.

It is hard for me to see how they can seriously suggest that we can get by with a \$650,000 expenditure in developing a payroll system today when our own programmers have spent millions developing KIPPS over the period of the last six years, which would simply be junked under their proposal.

Additionally, the IBM upgrade would be under a deficit financing program to the tune of \$5 million, a proposition to which I have already outlined my objections.

I would recommend essentially what the House and this Committee recommended last year. In the proposal adopted last year, we directed the department to redesign KIPPS, acquire a new Sperry CPU, purchase some additional gear to implement a distributed processing system, and attempt to bring everyone into the system. That proposal was eventually dropped in favor of more study.

Ironically, the department presented this as an additional proposal on the final day this Subcommittee held hearings.

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Representative Ed Rolfs

SUBCOMMITTEE REPORT

Agency: Department of Administration      Bill No. 2154      Bill Sec. 2  
 Analyst: Hauke      Analysis Pg. No. 427      Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 19,044,875	\$ 19,022,301	\$ (148,838)
Aid to Local Units	525,000	525,000	--
Other Assistance	330,000	330,000	--
Subtotal-Operating	<u>\$ 19,899,875</u>	<u>\$ 19,877,301</u>	<u>\$ (148,838)</u>
Capital Improvements	1,180,228	1,097,594	--
<b>TOTAL</b>	<u><u>\$ 21,080,103</u></u>	<u><u>\$ 20,974,895</u></u>	<u><u>\$ (148,838)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 18,089,081	\$ 18,094,135	\$ (148,838)
Other Assistance	300,000	300,000	--
Subtotal-Operating	<u>\$ 18,389,081</u>	<u>\$ 18,394,135</u>	<u>\$ (148,838)</u>
Capital Improvements	1,002,844	1,002,844	--
<b>TOTAL</b>	<u><u>\$ 19,391,925</u></u>	<u><u>\$ 19,396,979</u></u>	<u><u>\$ (148,838)</u></u>
F.T.E. Positions	896.9	899.0	--

House Subcommittee Recommendations

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

1. Deletion of a \$65,000 supplemental appropriation from the State General Fund for the Division of Architectural Services. Subcommittee review of salary and wage expenditures to date indicates that this appropriation will not be necessary.
2. Based upon review of salary and wage expenditures during the first seven months of FY 1985, the Subcommittee recommends a reduction of \$83,838 to the approved State General Fund salary and wage budget. The Subcommittee recommends that these savings be reappropriated as an offset to FY 1986 appropriations. The specific line items of reduction are:

Budget Analysis	\$20,000
Division of Purchases	20,456
Architectural Services	23,060
Buildings and Grounds	20,322

3. The Subcommittee reduces projected FY 1985 expenditures from the Unemployment Claims Audit Fund by \$200,000. This is a nonreportable budget item and is discussed in detail in item 8 of the FY 1986 report.
4. The Subcommittee reduces FY 1985 expenditures from the Motor Pool Service Fund by \$250,000, a nonreportable budget item, which is discussed in detail in item 9 of the FY 1986 report.

House Committee Recommendation

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

1. The Committee notes that in 1985, the Internal Revenue Service is allowing 20.5 cents per mile, as the rate of reimbursement for private care mileage. Employers paying above this amount must report the total payment to IRS as income to the individuals being paid. Further, the employees must file Form 2106 to reflect mileage related expenses or pay income tax on the entire amount of mileage reimbursement. Therefore, the Committee recommends that the Department of Administration revise its regulations, retroactive to January 1, 1985, to reimburse private car mileage at 20.5 cents per mile.

Senate Subcommittee Recommendation

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

1. Based upon the low bid received on state vehicle liability insurance, the Subcommittee recommends that the budget for other contractual services be reduced from \$125,000 to \$78,495, a reduction of \$46,505. This recommendation allows \$75,495 for insurance and \$3,000 for taxes on vans in the vanpooling program.

SUBCOMMITTEE REPORT

Agency: State Finance Council Bill No. 2134 Bill Sec. 3  
 Analyst: Hauke Analysis Pg. No. 445 Budget Pg. No. 1-127

<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 Funds	\$ 1,500	\$ 1,500	\$ (100)

House Subcommittee Recommendations

FY 1985. The House Subcommittee recommends that the approved FY 1985 budget of \$1,500 be reduced by \$100.

FY 1986. The House Subcommittee recommends that the Governor's FY 1986 recommendations of \$1,500 be reduced by \$100.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendation

The Senate Subcommittee restores the amounts deleted by the House during both FY 1985 and FY 1986.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the budget as submitted by the House.

SUBCOMMITTEE REPORT

Agency: Park and Resources Authority Bill No. 2134 Bill Sec. 4  
 Analyst: West Analysis Pg. No. 446 Budget Pg. No. 7-15

<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	\$ 3,643,954	\$ 2,448,668	\$ (27,208)
General Fees Fund	2,066,184	1,885,364	13,733
Other Funds	925,900	910,900	--
Subtotal	<u>\$ 6,636,038</u>	<u>\$ 5,244,932</u>	<u>\$ (13,475)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,351,250	\$ 200,000	\$ (72,500)
General Fees Fund	--	--	20,000
Other Funds	534,250	147,000	(53,500)
Subtotal	<u>\$ 1,885,500</u>	<u>\$ 347,000</u>	<u>\$ (106,000)</u>
<b>TOTAL</b>	<u>\$ 8,521,538</u>	<u>\$ 5,591,932</u>	<u>\$ (119,475)</u>
<b>F.T.E. Positions</b>	134.1	116.0	--

House Subcommittee Recommendations

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

1. Delete \$42,448 (\$6,219 administration and \$36,229 park operations) to provide a 1.5 percent turnover factor.
2. Delete \$10,000 associated with retirement costs as a separate line item. The Subcommittee notes that the Governor's budget provides for retirement severance pay. Agencies which have not received specific funding for this item, absorb the cost through turnover savings. The Subcommittee recommends that the agency account for this expenditure in the future in order to provide a more precise accounting of the actual turnover.
3. Add \$3,733 from the General Fees Fund to provide for one summer intern to assist in public relations and promotion of State Park facilities and services.
4. Add \$5,000 from the General Fees Fund for the agency's maintenance contingency fund.
5. Add \$30,240 from the State General Fund for capital outlay at the El Dorado Honor Camp. Funding at this level provides 2 additional 1 ton trucks and a 15 foot mower.
6. Shift the State's matching fund portion of an economic impact study from State General Fund to General Fees Fund.

7. Amend the appropriations bill (H.B. 2134) to make a technical adjustment providing for the expenditure of \$5,000 from the Land and Water Conservation Fund for an economic impact study as recommended by the Governor.
8. The Subcommittee urges the agency to keep up to date with the latest research on the control and eradication of musk (nodding) thistles; to continue and increase their efforts in the control of all noxious weeds on lands under Park Authority control so as to prevent such weeds from going to seed and contaminating adjacent private, state, and federal lands. The Subcommittee commends the agency's past efforts in this area and urges that the efforts continue.
9. The Subcommittee recommends the introduction and adoption of a bill which would raise the penalty for failure to purchase a vehicle permit for park use from \$2 to \$5.
10. The Subcommittee concurs with the tentative recommendations of the Joint Committee on State Building Construction.

Fee Fund Analysis

<u>Resource Estimate</u>	<u>Actual FY 1984</u>	<u>Estimated FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 339,402	\$ 334,425	\$ 249,324
Net Receipts	1,652,387	1,699,200	1,755,200
Total Funds Available	\$ 1,991,789	\$ 2,033,625	\$ 2,004,524
Less: Expenditures	1,657,364	1,784,301	1,921,337
Ending Balance	<u>\$ 334,425</u>	<u>\$ 249,324</u>	<u>\$ 83,187</u>

House Committee Recommendation

The Committee concurs with the recommendations as submitted by the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (27,208)	\$ 2,421,460	\$ 10,000
General Fees Fund	13,733	1,899,097	—
Other Funds	—	910,900	10,000
Subtotal	<u>\$ (13,475)</u>	<u>\$ 5,231,457</u>	<u>\$ 20,000</u>
<b>Capital Improvements:</b>			
State General Fund	\$ (72,500)	\$ 127,500	\$ —*
General Fees Fund	20,000	20,000	—
Other Funds	(53,500)	93,500	—
Subtotal	<u>\$ (106,000)</u>	<u>\$ 241,000</u>	<u>\$ —</u>
<b>TOTAL</b>	<u><u>\$ (119,475)</u></u>	<u><u>\$ 5,472,457</u></u>	<u><u>\$ 20,000</u></u>
F.T.E. Positions	—	116.0	—

\* No recommendation.

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

1. Add \$20,000 (\$10,000 State General Fund, \$10,000 Land and Water Conservation Fund) to purchase 200 picnic tables for the Otoe area of Wilson State Park.
2. The Subcommittee defers making a recommendation regarding capital improvement projects until the Joint Committee on State Building Construction has made its final recommendations and urges that the Conference Committee examine these recommendations and make any necessary adjustments.
3. Amend the appropriations bill (H.B. 2134) to provide the Authority permission to complete the irrigation well project at Lake Meade (H.B. 2529) in FY 1986 if any delays prevent its completion in FY 1985.
4. The Subcommittee recommends that the supplemental bill (H.B. 2154) be amended to increase the Land and Water Conservation Fund portion of the irrigation well project at Lake Meade from \$19,000 to \$23,000. This action was requested by the agency due to a concern that the bids on the Lake Meade project may exceed the current \$38,000 expenditure limitation. Any required matching funds would be drawn from the Meade State Park — Gifts and Donations Fund.
5. The Subcommittee notes that, based on the House recommendation the carryover balance for the General Fees Fund at the end of FY 1986 is much lower than historic levels. While the Subcommittee concurs with the recommended expenditures, it urges that the Authority review its fees



structure with a view towards increasing the available revenues. The Subcommittee would also note that all of the increase in State General Fund expenditures for state operations are related to the expansion of the honor camp at El Dorado. Based on the budget as recommended by the House, State General Fund operating expenditures increase \$159,205 from FY 1985 to FY 1986. Expenditures related to the expansion of the honor camp are \$189,728 with most of that in capital outlay. Therefore the Subcommittee is of the belief that, with a lower demand on the State General Fund portion, the carryover balances of the Authority's General Fees Fund should recover in future fiscal years.

SUBCOMMITTEE REPORT

Agency: Park and Resources Authority Bill No. NA Bill Sec. NA

Analyst: West Analysis Pg. No. 446 Budget Pg. No. 7-15

<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	\$ 2,266,155	\$ 2,256,755	\$ 5,500
General Fees Fund	1,681,101	1,668,101	50,700
Other Funds	1,230,500	1,218,000	7,500
Subtotal	<u>\$ 5,177,756</u>	<u>\$ 5,143,356</u>	<u>\$ 63,700</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 376,954	\$ 376,954	\$ 19,000
General Fees Fund	50,000	50,000	10,000
Other Funds	1,364,096	1,364,096	19,000
Subtotal	<u>\$ 1,791,050</u>	<u>\$ 1,791,050</u>	<u>\$ 48,000</u>
<b>TOTAL</b>	<u><u>\$ 6,968,806</u></u>	<u><u>\$ 6,934,406</u></u>	<u><u>\$ 111,700</u></u>
F.T.E. Positions	111.0	111.0	—

House Subcommittee Recommendations

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

1. Add \$15,000 (\$7,500 General Fees Fund and \$7,500 Land and Water Conservation Fund (L&W)) for production of the State Comprehensive Outdoor Recreation Plan.
2. Restore \$5,500 from the State General Fund associated with the agency's maintenance contingency fund.
3. The Subcommittee concurs with the expenditure of \$38,000 (\$19,000 State General Fund and \$19,000 Land and Water Conservation Fund) for capital improvements at Lake Meade as per H.B. 2529.
4. Amend H.B. 2154 to reflect item #1.
5. Amend H.B. 2154 to provide \$18,200 from the General Fees Fund for operations in Wilson State Park.
6. Amend H.B. 2154 to add \$25,000 from the General Fees Fund for utilities.
7. Subject to the approval of the Joint Committee on State Building Construction, amend H.B. 2154 to add \$10,000 from the General Fees Fund for the dredging of the lake at Cheney State Park, and provide for the exemption of this project from Division of Purchases competitive bid requirements.

House Committee Recommendations

The Committee concurs with the recommendations as submitted by the Subcommittee.

SUBCOMMITTEE REPORT

Agency: Fish and Game Commission Bill No. 2134 Bill Sec. 5  
 Analyst: West Analysis Pg. No. 452 Budget Pg. No. 7-1

<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>			
Fish and Game Fee			
Fund	\$ 10,994,945	\$ 10,278,188	\$ 5,524
Boat Account	474,356	379,945	—
Nongame Wildlife			
Fund	151,300	151,300	—
Federal Wildlife			
Area Fund	—	400,000	—
Other Funds	—	54,000	—
Subtotal -			
Operating	<u>\$ 11,620,601</u>	<u>\$ 11,263,513</u>	<u>\$ 5,524</u>
<b>Capital Improvements:</b>			
Fish and Game Fee			
Fund	\$ 490,755	\$ 467,166	\$ (131,312)
TOTAL	<u>\$ 12,111,356</u>	<u>\$ 11,730,679</u>	<u>\$ (125,788)</u>
F.T.E. Positions	272.0	272.0	—

House Subcommittee Recommendations

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

1. Add \$5,784 for reclassifications in the game division.
2. Add \$18,105 for the new fish hatchery assistant position at the Milford Hatchery.
3. Delete \$3,500 associated with the purchase of dominators. The Subcommittee recommends that the agency purchase 10 dominators in FY 1986 and the remaining 10 dominators in FY 1987.
4. Delete \$4,850 associated with the purchase of leather equipment for the agency's law enforcement officers. The Subcommittee recommends that the agency replace 1/2 of the leather equipment in FY 1986 and 1/2 in FY 1987.
5. The Subcommittee recommends that a portion of the feasibility study for Cheyenne Bottoms Wildlife Area (H.B. 2359) be funded by the Fish and Game Fee Fund and the Non-Game Wildlife Fund.
6. Add \$12,500 to replace the furnaces in the west half of the headquarters building.
7. Add \$5,000 for the purchase of a Loran C Radio Receiver for the agency's aircraft.

8. Delete \$27,515 associated with retirement costs as a separate line item. The Subcommittee notes that the Governor's recommendation provides for retirement severance pay. Agencies which have not received specific funding for this item are to absorb the cost through turnover savings. The Subcommittee recommends that the agency account for this expenditure in the future in order to provide a more precise accounting of actual turnover.
9. The Subcommittee concurs with the tentative recommendations of the Joint Committee on State Building Construction.

House Committee Recommendations

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

1. The Committee urges the agency to keep up to date with the latest research on the control and eradication of musk (nodding) thistles; to continue and increase their effort in the control of all noxious weeds on lands under Fish and Game Commission control so as to prevent such weeds from going to seed and contaminating adjacent private, state, and federal lands. The Committee commends the agency's past efforts in this area and urges that the efforts continue.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
Fish and Game Fee			
Fund	\$ 5,524	\$ 10,283,712	\$ 8,350
Boat Account	--	379,945	--
Nongame Wildlife			
Fund	--	151,300	--
Federal Wildlife			
Area Fund	--	400,000	--
Other Funds	--	54,000	--
Subtotal -	<u>          </u>	<u>          </u>	<u>          </u>
Operating	<u>\$ 5,524</u>	<u>\$ 11,268,957</u>	<u>\$ 8,350</u>
<b>Capital Improvements:</b>			
Fish and Game Fee			
Fund	\$ (131,312)	\$ 335,854	\$ --*
TOTAL	<u>\$ (125,788)</u>	<u>\$ 11,604,811</u>	<u>\$ 8,350</u>
F.T.E. Positions	--	272.0	--

\*No recommendation

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

1. Restore \$3,500 associated with the purchase of dominators (a form of bullhorn).
2. Restore \$4,850 associated with the purchase of leather equipment for the agency's law enforcement personnel.
3. The Subcommittee urges that the Commission examine the possibility of purchasing the dominators and leather equipment in conjunction with another agency such as the Highway Patrol or Department of Transportation in order to achieve greater efficiency through bulk purchasing.
4. The Subcommittee defers making a recommendation regarding capital improvements until the Joint Committee on State Building Construction has made its final recommendations and urges that the Conference Committee examine these recommendations and make any necessary adjustments.
5. To make a technical adjustment, H.B. 2134 should be amended by striking out, on line 542, "\$11,130,823" and inserting in lieu thereof "\$10,672,007." The action is needed because the bill, as introduced, included in the expenditure limitation the amounts budgeted for other funds within the agency.

SUBCOMMITTEE REPORT

Agency: Fish and Game Commission Bill No. NA Bill Sec. NA  
 Analyst: West Analysis Pg. No. 452 Budget Pg. No. 7-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
Fish and Game Fee			
Fund	\$ 10,074,825	\$ 9,955,583	\$ —
Boat Account	458,734	458,734	—
Nongame Wildlife			
Fund	149,100	149,100	—
Federal Wildlife Area			
Fund	—	500,000	—
Other Funds	—	145,000	—
Subtotal -			
Operating	<u>\$ 10,682,659</u>	<u>\$ 11,208,417</u>	<u>\$ —</u>
<b>Capital Improvements:</b>			
Fish and Game Fee			
Fund	\$ 591,953*	\$ 591,953	\$ (2,000)
<b>TOTAL</b>	<u>\$ 11,274,612</u>	<u>\$ 11,800,370</u>	<u>\$ (2,000)</u>
 F.T.E. Positions	 270.0	 270.0	 —

\* Includes Finance Council action of September 7, 1984.

House Subcommittee Recommendations

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

1. Delete \$2,000 associated with channel repair and modification at Nemaha State Fishing Lake.

House Committee Recommendations

The Committee concurs with the recommendations as submitted by the Subcommittee.

Senate Subcommittee Recommendations

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

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission Bill No. 2134 Bill Sec. 6  
 Analyst: Timmer Analysis Pg. No. 458 Budget Pg. No. 1-91

<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	\$ 11,640,777	\$ 10,421,228	\$ (93,057)
Aid to Local Units	200,000	200,000	—
Other Assistance	250,000	250,000	—
<b>TOTAL</b>	<b><u>\$ 12,090,777</u></b>	<b><u>\$ 10,871,228</u></b>	<b><u>\$ (93,057)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 45,888	\$ 42,159	—
F.T.E. Positions	260.5	255.0	—

House Subcommittee Recommendations

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

1. Delete \$90,577 for reclassification of 32 employees of the Commission. The funding is to be deleted as follows:

Administrative Services (6 positions)	\$17,749
Conservation (13 positions)	37,924
Mined Lands (5 positions)	7,040
Research and Energy Analysis (8 positions)	27,864

The Subcommittee would concur with the proposed reclassifications only if they could be achieved without additional funding.

2. Delete \$90,204 salary and wage funding from the Conservation Division. The Governor's recommendation includes funding for all of FY 1986 of the 38 position reclassifications included in the agency's FY 1985 supplemental request. The Subcommittee's recommendation deletes that funding.
3. The Subcommittee expresses its serious concern about the history of reclassifications in this and other state agencies and notes that reclassifications often appear to be a method of granting employees a pay raise rather than the reflection of a change in position duties or responsibilities. The Subcommittee is aware that many of the large state agencies have been given authority by the state personnel department to approve most reclassifications internally. Because the Subcommittee is of the opinion that the handling of reclassifications in the state personnel system is a major problem area, the Subcommittee requests an interim study on the reclassification issue. The Subcommittee also notes that this area might be appropriate for a study by Post Audit.

4. Addition of \$7,500 to Administration Services to be used for off-site storage for Commission records.
5. Addition of \$6,920 to Administration Services for the purchase of a subscription to the Congressional Information Service. The Subcommittee notes that the agency also requested \$6,600 for a subscription for Westlaw but notes that this service is already being purchased by both the Supreme Court Law Library and the Attorney General's office. The Subcommittee urges the Corporation Commission to look into the possibility of obtaining access to Westlaw through one of those agencies.
6. Deletion of \$10,000 from the Utilities Division for out-of-state travel. The Subcommittee notes that the Utilities Division has a significant amount of out-of-state travel included in its budget and understands that much of this travel is to Washington, D.C. The Subcommittee also notes that the Division has a contract for \$45,000 for legal counsel in Washington, D.C. The Subcommittee questions the need for both of these expenditures of these levels and recommends that the Senate Subcommittee pursue the matter further.
7. The Subcommittee recommends that all funding for payment of accrued annual and sick leave for retiring employees be limited by proviso to the amount recommended by the Governor. The Subcommittee notes that if more funding is required than is provided by the appropriations language, Finance Council action can be requested to approve those expenditures.
8. Addition of \$36,150 for purchase of nine mobile telephone units for the Conservation Division. The Subcommittee understands the purchase of the system is still in the planning stages but is of the opinion that mobile phones would aid the Division in the performance of its duties. The Subcommittee also notes that some savings in travel expenditures might be realized in the future.
9. The Subcommittee recommends a zero limitation be placed on the Energy Grants Management Fund. The Subcommittee understands that this fund receives moneys from the oil overcharge program and that these funds can only be spent on programs developed by the Commission which receive approval of the U.S. Department of Energy. The Subcommittee feels that legislative oversight of these programs is important and therefor recommends that Finance Council approval be received before funds are expended.
10. The Subcommittee recommends that a bill be introduced which would amend K.S.A. 55-143 to allow \$100,000 be spent from the Conservation Fee Fund for water research, specifically for study of the Dakota aquifer as is proposed in the State Water Plan.
11. Delete \$39,067 in salary and wage funding from the Research and Energy Analysis Division. The Subcommittee notes that three positions; a Construction Engineer, a Senior Regulatory Auditor, and an Energy Research Analyst II, were added to the Division's budget during the 1984 Session as staff for the Wolf Creek investigation. The Subcommittee has learned that the majority of the Commission's investigative work on Wolf Creek will end early in FY 1986 and therefore recommends that the construction engineer



and the regulatory auditor be funded for six months and that the positions be deleted after that. The Subcommittee understands that some work regarding Wolf Creek will be ongoing and therefore recommends funding for the energy research analyst for all of FY 1986. The Subcommittee also recommends that the analyst's position be reexamined during the 1986 Session and that the continued need for a position assigned to Wolf Creek be determined at that time.

12. Delete \$13,779 from Communication budgets. This recommendation provides a 17.8 percent increase in KANS-A-N expenses rather than the 31 percent increase included in the budgets. The reductions are made as follows:

Administration	\$ 6,270
Transportation	2,274
Conservation	876
Mined Lands	461
Utilities	3,898

House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (93,057)	\$ 10,328,171	\$ 127,348
Aid to Local Units	—	200,000	—
Other Assistance	—	250,000	—
TOTAL	<u>\$ (93,057)</u>	<u>\$ 10,871,228</u>	<u>\$ 127,348</u>
State General Fund:			
State Operations	\$ —	\$ 42,159	—
F.T.E. Positions	—	255.0	—

Senate Subcommittee Recommendations

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

1. Restoration of \$90,204 salary and wage funding for the Conservation Division. This recommendation will providing funding from the Conservation Fee Fund for FY 1986 for the reclassifications approved by the Subcommittee in the FY 1985 report.
2. Restore \$44,964 for reclassifications in the Mined Land Division (\$7,040 for five positions) and the Conservation Division (\$37,924 for 13 positions).

Although the Subcommittee has restored some of the requested reclassification funds, the Subcommittee concurs with the House's concern about the reclassification approval process and the request for an interim study on the topic.

3. Delete \$320 from Administration Services. The House Committee included \$6,920 for the purchase of a subscription to the Congressional Information Service (CIS), and did not fund a request of \$6,600 for Westlaw. The Senate Subcommittee was informed by the agency that they would prefer the Westlaw service at a total cost of \$6,600. The Subcommittee adjustment reflects the deletion of funding for CIS and inclusion of funding for Westlaw.
4. Delete \$7,500 from Administration Services for offsite storage of Commission records. The Subcommittee understands that a Central Records Center will be developed by the Department of Administration and that the Commission will be able to use that storage service when it is available.
5. The Subcommittee concurs with the addition of \$36,150 to the Conservation Division for a mobile phone/radio system. The Subcommittee recommends that the Division investigate the possibility of purchasing this equipment through the Department of Transportation's contract for the purchase of mobile phone/radios.
6. The Subcommittee concurs with the House recommendation to delete \$39,067 in salary and wage funding for two positions associated with the Wolf Creek investigation. The Subcommittee notes that these positions are only a part of the Wolf Creek investigation team and that expertise on the Wolf Creek plant will continue to be on the Commission's staff even when these positions are deleted. The Subcommittee understands that some continuing investigations of the plant are possible and that studies of issues such as excess capacity as it relates to Wolf Creek may be necessary; however, the Subcommittee also believes that some phase down of the Commission's Wolf Creek investigation is in order and that the deletion of the two positions for the last half of FY 1986 is appropriate.
7. The Subcommittee concurs with the House recommendation for funding of \$100,000 from the Conservation Fee Fund for a study of the Dakota Aquifer. The Subcommittee notes that H.B. 2581 has been introduced which amends K.S.A. 55-143 to clarify that Conservation Fee Funds may be used to fund groundwater pollution problems which relate to the oil and gas industry. The Subcommittee also wishes to make it clear that \$100,000 is to be transferred to and administered by the Kansas Water Office.

## SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission Bill No. 2154 Bill Sec. 4Analyst: Timmer Analysis Pg. No. 458 Budget Pg. No. 1-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 10,101,071	\$ 10,182,971	\$ (50,218)
Aid to Local Units	417,000	417,000	—
Other Assistance	1,039,518	1,039,518	—
TOTAL	<u>\$ 11,557,589</u>	<u>\$ 11,639,489</u>	<u>\$ (50,218)</u>
State General Fund:			
State Operations	\$ 45,888	\$ 45,888	—
F.T.E. Positions	254.0	254.0	—

House Subcommittee Recommendations

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

1. Deletion of \$41,743 in salary and wage funding from the Conservation Division. This action removes supplemental funding of \$12,322 for reclassifications of 38 staff positions and \$29,421 for temporary and seasonal staff for gas testing in prorated fields as had been included in the Governor's recommendation. The Subcommittee's recommendation would allow the reclassification of the positions only if they could be achieved within existing salary and wage resources. The Subcommittee concurs with the Governor's recommendation for supplemental funding of \$12,242 for payment of accrued sick and annual leave to two retiring employees and \$60,000 for professional services to study proposed in-fill drilling in the Hugoton gas fields.
2. The Subcommittee recommends that the salary and wage expenditure limitation on the Mined Land Conservation Reclamation Fund be increased by \$5,421 and on the National Surface Mining and Reclamation Fund by \$5,422. The Subcommittee recommends a corresponding decrease of \$10,843 in the salary and wage expenditures of the Abandoned Mined Land Reclamation Fund. The Subcommittee notes that this action does not change total approved expenditure authority but does more accurately reflect salary and wage expenditures in the Mined Land Division.
3. The Subcommittee recommends the creation of a fund to allow the agency to receive federal Motor Carrier Safety Assistance Funds. The Subcommittee understands that the Commission expects to receive approximately \$93,000 in FY 1985 from this federal source.
4. Deletion of \$8,475 from the Mined Land Division due to savings of \$5,475 in salaries and wages and \$3,000 in other operating expenditures.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 85</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (50,218)	\$ 10,132,753	\$ 12,322
Aid to Local Units	--	--	--
Other Assistance	--	--	--
TOTAL	<u>\$ (50,218)</u>	<u>\$ 11,507,371</u>	<u>\$ 12,322</u>
State General Fund:			
State Operations	\$ --	\$ 45,888	\$ --
F.T.E. Positions	--	254.0	--

Senate Subcommittee Recommendations

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

1. Restore \$12,322 in salary and wage funding to the Conservation Division to allow for the reclassification of 38 staff positions. The Subcommittee understands that these reclassifications would allow the KCC staff assigned to the joint KCC/KDHE offices to achieve comparability with similar positions assigned to the Kansas Department of Health and Environment. The Subcommittee also notes that the reclassification requests have been approved by the Division of Personnel Services.

SUBCOMMITTEE REPORT

Agency: State Historical Society Bill No. 2134 Bill Sec. 7

Analyst: Howard Analysis Pg. No. 466 Budget Pg. No. 7-25

<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	\$ 6,164,423	\$ 5,027,625	\$ 91,153
Other Assistance	25,000	91,570	—
Subtotal	<u>\$ 6,189,423</u>	<u>\$ 5,119,195</u>	<u>\$ 91,153</u>
Capital Improvements	1,188,600	60,200	(16,400)
TOTAL	<u><u>\$ 7,378,023</u></u>	<u><u>\$ 5,179,395</u></u>	<u><u>\$ 74,753</u></u>
<b>State General Fund:</b>			
State Operations	\$ 5,728,699	\$ 4,681,805	\$ 91,153
Other Assistance	25,000	25,000	—
Subtotal	<u>\$ 5,753,699</u>	<u>\$ 4,706,805</u>	<u>\$ 91,153</u>
Capital Improvements	1,188,600	60,000	(16,400)
TOTAL	<u><u>\$ 6,942,299</u></u>	<u><u>\$ 4,767,005</u></u>	<u><u>\$ 74,753</u></u>
F.T.E. Positions	164.6	143.1	—

Agency Request/Governor's Recommendation

The agency requests \$6,189,423 in operating expenditures in FY 1986, an increase of \$1,096,092 (21.5 percent) over FY 1985 estimated operating expenditures of \$5,093,331. Of the requested operating expenditures, \$5,753,699 is from the State General Fund, an increase of \$1,126,772 over the FY 1985 State General Fund expenditures of \$4,626,927. The agency requests \$3,651,445 for salaries and wages in FY 1986, an increase of \$702,774 over current year expenditures. This would provide funding for 24.0 F.T.E. additional positions for a total of 164.6 F.T.E. positions.

The Governor recommends \$5,027,625 in operating expenditures in FY 1986, a reduction of \$1,161,798 from the agency request. Of the recommended expenditures, \$4,706,805 is from the State General Fund. The Governor recommends \$3,026,061 for salaries and wages in FY 1986, a reduction of \$625,384 from the agency request. The Governor's recommendation would provide funding for 143.1 F.T.E. positions, an increase of 2.5 F.T.E. positions over the current year.

House Subcommittee Recommendation

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

1. Administration Department

- a. The Subcommittee recommends that a surcharge be added to tickets for athletic events at the Regents' institutions and community colleges. This revenue would be used to fund the All

Sports Hall of Fame which has been funded from a trust and gift fund which will be depleted at the end of FY 1986. The Subcommittee recommends that the Committee introduce a bill which would include a \$.25 surcharge on tickets for a one or two year time period. It is estimated that approximately \$250,000 could be raised in one year and the interest could then be used to fund ongoing activities of the Hall of Fame at the requested level of \$26,000. The Subcommittee wishes to note that without additional funding the scope of activities will be reduced in FY 1986 as only \$9,000 is available from the trust and gift fund, a reduction from \$13,918 estimated expenditures in FY 1985. The Subcommittee recommends that the \$9,000 recommended by the Governor be transferred from the trust and gift fund to the operating fund. \$4,657 would be transferred from the gift fund and \$4,343 from the trust fund leaving a balance of \$2,417 in the gift fund and \$0 in the trust fund.

- b. The Subcommittee wishes to point out H.B. 2074 which would mandate the teaching of Kansas history in accredited schools. This bill could have some fiscal impact on the Historical Society if it becomes law.

2. Collections

- a. Add \$3,064 to the manuscripts subprogram for the purchase of two additional map cases.

3. Historic Preservation

- a. Delete \$1,911 for reclassification of a Secretary I erroneously included in the Governor's budget recommendations.

4. Historic Properties

- a. Addition of \$90,000 to purchase the Indian burial grounds in Salina. The Subcommittee has held hearings on the Indian burial grounds and recommend that \$90,000 be appropriated to the Society for purchase and other immediate costs. The Subcommittee recommends a line item proviso in the appropriations bill providing for acquisition.
- b. The Subcommittee has held hearings on the Curtis House. While the Subcommittee believes it is a worthwhile acquisition for the state to make it is recommended that acquisition be postponed for the future. Unlike the burial grounds the house is currently being maintained by private owners and faces no danger of deterioration.
- c. The Subcommittee wishes to note that the Committee on Joint Building Construction is studying the long-range restoration and preservation of the 18 state historic properties. We believe

there is considerable merit in establishing an ongoing fund to provide stable funding for restoration and preservation.

5. Museum

- a. The Subcommittee recommends that any unencumbered balances for exhibit construction be reappropriated for FY 1987. It is expected that the Society account for expenditures during FY 1986 in anticipation of this reappropriation.

6. Capital Improvements

- a. Delete \$16,400 from the Governor's recommendation of \$60,200 for Historic Properties Maintenance and Repair. This adjustment brings expenditures to \$43,800, the amount recommended by the Joint Committee on Building Construction.

House Committee Recommendation

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

1. Amend Section 1.a. of the Subcommittee report to provide for a one year time limitation on the recommended ticket surcharge. The Committee intends to look at alternative means of financing the All Sports Hall of Fame after the bill is introduced.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

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

1. Administration Department

- a. The Senate Subcommittee does not concur with the House recommendation that a bill be introduced to provide for a 25-cent ticket surcharge at university and community college athletic events to fund the All-Sports Hall of Fame. The Subcommittee believes the funds remaining in the trust and gift funds are sufficient to maintain operations in FY 1986. We recommend that the Board of Trustees of the Hall of Fame explore alternative methods of financing the Hall of Fame and other fund raising possibilities and report back to the next session of the Legislature with their findings and suggestions.

2. Collections

- a. Add \$23,155 to the Archives subprogram for the addition of an Archivist I position (\$21,865) and the office equipment necessary for the position (\$1,290) to assist in eliminating a long-term processing backlog.
- b. Add \$17,993 to the manuscripts subprogram for the addition of a Library Assistant I (\$16,311) and the office equipment necessary for the position (\$1,682) to assist in cataloging photographs to eliminate the large backlog.

3. Historic Preservation

- a. Adjust the House recommendation to add \$956 to the State General Fund and delete a corresponding amount from the National Historic Preservation Fund as a technical adjustment to the deletion of the Secretary I reclassification erroneously included in the Governor's budget. This adjustment would provide for half the funds to be deducted from the State General Fund (\$957), and half from the National Historic Preservation Fund (\$956).

4. Historic Properties

- a. Delete \$90,000 recommended by the House for purchase of the Indian Burial Grounds in Salina. The Subcommittee believes the purchase should not be authorized until long-term plans and estimated expenditures to develop the property are completed. The Subcommittee also does not believe the acquisition of another historic property is feasible at this time given the Society's difficulties in securing the funds to maintain their existing sites.

5. Museum

- a. Add \$19,081 to the museum program for the addition of an Education Coordinator (\$18,381) and a workstation (\$700) for that position.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 91,153	\$ 5,118,778	\$ (29,771)
Other Assistance	--	91,570	--
Subtotal	<u>\$ 91,153</u>	<u>\$ 5,210,348</u>	<u>\$ --</u>
Capital Improvements	(16,400)	43,800	--
TOTAL	<u><u>\$ 74,753</u></u>	<u><u>\$ 5,254,148</u></u>	<u><u>\$ (29,771)</u></u>
F.T.E. Positions	--	14.31	3.0



## SUBCOMMITTEE REPORT

Agency: State Historical Society Bill No. — Bill Sec. —Analyst: Howard Analysis Pg. No. 466 Budget Pg. No. 7-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 4,970,466	\$ 4,970,466	\$ —
Other Assistance	122,865	122,865	—
Subtotal	\$ 5,093,331	\$ 5,093,331	\$ —
Capital Improvements	738,425	978,696	—
<b>TOTAL</b>	<b>\$ 5,831,756</b>	<b>\$ 6,072,027</b>	<b>\$ —</b>
<b>State General Fund:</b>			
State Operations	\$ 4,601,927	\$ 4,601,927	\$ —
Other Assistance	25,000	25,000	—
Subtotal	\$ 4,626,927	\$ 4,626,927	\$ —
Capital Improvements	738,425	927,210	—
<b>TOTAL</b>	<b>\$ 5,365,352</b>	<b>\$ 5,554,137</b>	<b>\$ —</b>
<b>Percentage Change:</b>			
All Funds	43.6%	43.6%	—
State General Fund	40.7	40.7	—
<b>F.T.E. Positions</b>	<b>140.6</b>	<b>140.6</b>	<b>—</b>

Agency Request/Governor's Recommendation

The revised FY 1985 agency request includes \$5,093,331 in operating expenditures and \$738,425 in capital improvements for a total of \$5,831,756. The estimated operating expenditures include \$37,797 in unspent funds reappropriated to the museum account for exhibit construction from FY 1984 to FY 1985. The agency requests a supplemental appropriation of \$78,600 above the \$250,000 appropriated for repair and restoration of the Memorial Building cornice. The agency has selected a concealed support option at a cost of \$328,600, one of several alternative methods presented by an engineering firm which has studied the building. The additional \$78,600 was not included in the agency's budget request as submitted.

The Governor recommends \$5,093,331 in operating expenditures, an amount equal to the agency estimate. The Governor recommends \$978,696 in capital improvements, or \$240,127 above the agency estimate. The Governor recommends \$78,600 as a supplemental appropriation for repair of the Memorial Building cornice. Other increases of expenditures are reappropriations from FY 1984 which the agency erroneously omitted from its expenditure estimates.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations including \$78,600 in supplemental appropriation for repair of the Memorial Building cornice.

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.