

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator August "Gus" Bogina at  
Chairperson4:00 P.M./p.m./ on March 21, 1985 in room 123-S of the Capitol.All members were present except:  
Senators Harder and TalkingtonCommittee staff present:  
Research Department: Ed Ahrens, Mary Galligan, Robin Hunn, Gloria Timmer  
Revisor's Office: Norman Furse  
Committee Office: Doris Fager, Judy BromichConferees appearing before the committee:  
Harley Duncan, Secretary, Department of Revenue  
Don Stumbo, Crime Victims' Reparations Board  
Art Griggs, Attorney, Department of Administration  
Dr. Russell Getter, Director, Division of Information Systems and  
Communications  
Representative David Miller  
Alden Shields, Director, Division of Budget  
Chuck Simmons, Department of Corrections  
Elizabeth Carlson, Executive Secretary, Board of Healing ArtsINTRODUCTION OF BILL

The Chairman explained that Senator Thiessen had requested the committee to introduce a bill relative to workers' compensation.

Motion was made by Senator Feleciano and seconded by Senator Kerr to introduce the bill requested by Senator Thiessen. The motion carried by voice vote.SB 340 - Appointment of attorneys for Department of Revenue

Secretary Duncan noted that all attorneys in the Department must be in unclassified service under present law. He explained that there are three attorneys now working for the Department of Revenue who are authorized to be in classified service; and that this situation is not in concert with the law. The bill before the committee would authorize the Department to appoint not more than three attorneys in classified service.

Senator Werts called the committee's attention to the fact that this bill could authorize the Chief Attorney for the Department of Revenue to be classified. Mr. Duncan stated this was not the intention when the bill was drafted.

Motion was made by Senator Werts and seconded by Senator Feleciano to amend SB 340 to clarify the language so that the Chief Attorney could not be in classified service; and to further amend the bill to provide that unclassified salaries should be approved by the Governor instead of the State Finance Council. The motion carried by voice vote.Motion was made by Senator Feleciano and seconded by Senator Kerr to report SB 340 as amended favorably for passage. The motion carried by roll call vote.SB 344 - Crime victims reparations board authorized to prorate payment of claims

Mr. Stumbo stated that he has been asked by the Board to voice opposition to SB 344. He said the Board feels the bill could unfairly treat the victims whose claims have been heard in the latter part of the fiscal year. He added that awards have been made and carried over to the next fiscal year.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSroom 123-S, Statehouse, at 4:00 a.m./p.m. on March 21, 1985SB 344 - Continued

Senator Bogina asked if it is proper to incur debts for which there are no funds available. Mr. Stumbo answered that the Board is relying on additional appropriations. Senator Werts explained that the subcommittee which had requested this measure felt this should not be an entitlement program, and that was the reason for the request.

During subsequent discussion, Mr. Stumbo noted that earlier in this week, claims were awarded in the amount of \$25,000 and the balance in the account to pay those claims is only \$8,100. He said the request for a supplemental appropriation for FY 1985 was denied by the Governor.

There was discussion concerning SB 108, which would raise docket fees charged in criminal, traffic, boating and fish and game violations--such fees to be deposited in the Crime Victims Reparations Fund. Mr. Stumbo said it would take at least one month at the beginning of the next fiscal year to get enough money from fees to pay claims. Members of the committee indicated they felt the victims should be notified that there may not be funds to pay their claims. This would eliminate the possibility of trouble from people who are expecting awards.

Senator Werts indicated that the subcommittee felt that the additional income generated from the added two dollar docket fee should build a little reserve. He reiterated that it is important to clarify that this is not an entitlement program, and funds cannot be awarded if there are none available.

Motion was made by Senator Werts and seconded by Senator Winter to report SB 344 favorably. The motion carried by roll call vote.

HB 2126 - Insurance for state data processing and telecommunications property

Mr. Griggs distributed Attachment A, and proceeded to explain its contents. During subsequent discussion, he explained that the state has an emergency fund which has a balance of approximately \$1 million, and this could be utilized for emergencies. He indicated that this probably would not be sufficient to pay for the amount of damage in case of a natural disaster.

Dr. Getter explained that the state currently has no backup for critical money-in, money-out functions. Part of that is due to incompatibility of equipment, plus a variety of factors. He indicated that if there were a disaster, telecommunications would be disrupted, as well as other computer functions.

Dr. Getter continued by stating that a "cold site" noted in Item 1 of Attachment A is located at Olathe, one at Wichita and one is being planned for the Topeka area. He said that computer companies do not provide automatic backup for what they sell. Dr. Getter said the state's position at the present time is very difficult, because if, for instance, a tornado takes the eleventh floor of the State Office Building, no money can be processed in or out of this state in any recognizable pattern.

There were questions from committee members concerning the action which could be taken if there were a disaster. Dr. Getter said computer companies would replace equipment as soon as practicable, but in the meantime it is necessary to provide other options.

In answer to a question from Senator Bogina, Dr. Getter said that, if HB 2126 becomes law, there are funds in the budget to provide for buying the insurance.

It was decided to hold HB 2126 in committee until the subcommittee working on the appropriations measure for the Department of Administration is finished with their work.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

room 123-S, Statehouse, at 4:00 /a.m./p.m. on March 21, 1985

HB 2175 - Governor's Budget report, consensus revenue estimates, etc.

Representative Miller indicated that HB 2175 seeks to put into statute the balanced budget philosophy. He reminded the committee that state expenditures have exceeded receipts in several years in the recent past.

There followed an extended discussion, during which committee members questioned Representative Miller concerning various aspects of the bill. He indicated during the discussion that his primary concern is that the Legislature ask "What can we do with what we have?" and then ask "What could we do if we had more?"

Mr. Shields stated that the Department of Administration is opposed to HB 2175. He suggested that the Legislative staff has a level A budget that is similar to what is proposed in this bill, and it is posted in the same amount of detail that other requests are posted.

Mr. Shields continued by reminding the committee that when the new budget system was initiated in 1982, an Attorney General's opinion was sought, and he said agencies had the right to submit a budget request to the Legislature unfettered by any expenditure and resource limitation. He suggested that, under a strict construction of the bill, there is opportunity for the Legislature to review an unrestricted request by agencies, but the hand of the executive is bound. He further stated that the bill provides an opportunity for a Governor to walk away from a consensus revenue estimating system, and he reminded the committee that this system has served the state well.

During continued discussion, Mr. Shields said he is considering having agencies do A level budgets in the future, because he agrees the funds-available issue needs to be faced. He indicated he feels the budget process should focus on A level budgets and build upward. Members of the committee agreed. Mr. Shields said he stands ready to work with the Legislature with a format of the budget that is more meaningful, and he feels it can be done without passage of HB 2175. Senator Kerr stressed that the discussion focuses on a point that has potential of saving the state money.

Representative Miller reminded the committee that the preparation of Level A and B budgets are not part of the statute.

No action was taken on HB 2175.

HB 2429 - Powers and duties of Secretary of Corrections

Mr. Simmons indicated that there are certain services, such as food and medical care which would be contracted from private sources, and the amendment in HB 2429 provides the authority for such contracts if this should become necessary.

Motion was made by Senator Feleciano and seconded by Senator Gaines to report HB 2429 favorably for passage. The motion carried by roll call vote.

HB 2447 - Increasing license renewal fee maximum, Board of Healing Arts

Ms. Carlson distributed her testimony (Attachment B) and outlined her presentation before the committee.

Following a brief discussion with Ms. Carlson concerning the matter, Senator Kerr made a motion to amend HB 2447 in line 35 to delete "\$150" and insert "\$100" and to delete the reference to "not less than \$15" in the same subsection The motion was seconded by Senator Gannon and carried by voice vote.

Motion was made by Senator Gaines and seconded by Senator Kerr to report HB 2447 as amended favorably for passage. The motion carried by roll call vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 4:00 AM/p.m. on March 21, 1985.

APPROVAL OF MINUTES

Motion was made by Senator Doyen and seconded by Senator Gaines to approve committee minutes for March 13 and March 14. The motion carried by voice vote.

The meeting was adjourned by the Chairman.



STATE OF KANSAS



JOHN CARLIN  
Governor

DEPARTMENT OF ADMINISTRATION

Division of Information Systems  
and Communications

DIRECTOR

124-South, State Office Building  
Topeka, Kansas 66612-1503  
(913) 296-3463

March 18, 1985

Deputy Director  
Information Systems  
1152-W, State Office Building  
Topeka, KS 66612-1503  
(913) 296-3343

Deputy Director  
Telecommunications  
503 Kansas Avenue, Room 240  
Topeka, Kansas 66603-3494  
(913) 296-4124

TO: Senator August Bogina, Chairman  
Senate Ways and Means Committee

HB 2126 (authorizes the purchase of insurance on computer equipment) is one part of a four part initiative by DISC for adequate disaster recovery planning. The other parts are (a.) procurement of cold site facilities (i.e. a building with raised flooring, air conditioning, emergency electrical power, telecommunications facilities, and other features necessary to install computers), (b.) off-site storage of software, and (c.) commitments from vendors for timely replacement of equipment.

In the event of a disaster, particularly one affecting our critical money-in and money-out functions, we need the following items:

1. a cold site which is ready to receive computers
2. money with which to guarantee payment for replacement computers
3. software back-up copies stored in secure facilities, such as the Defense Building
4. commitments from vendors for timely replacement of computers

The current replacement cost of non-leased equipment in DISC, plus expenses, is about \$5.5 million. The current annual premiums on a \$10,000 deductible policy covering fire and wind damage are about \$9,000. A policy covering all risks is estimated by U.S. Insurance Group to cost \$15,000 to \$20,000 annually, with a \$10,000 deductible provision. Such risks would include theft, fire, wind, vandalism, breakage, hail, smoke, riot and civil disturbance, explosion, aircraft, and vehicle disruptions.

I recommend a \$10,000 deductible policy for fire and wind damage at an estimated cost of \$10,000 annually.

Sincerely,

A handwritten signature in cursive script, appearing to read "Russell Getter".

Russell Getter, Director  
Division of Information  
Systems and Communications

RG:rg1:BV3:ee  
Attachment

A 3-21

## INSURANCE COVERAGE FOR DISC EQUIPMENT

Replacement Cost of Equipment	\$5,448,750
Cost of Operation in Cold Site	\$ 22,530
In excess of normal operation costs.	
Assumed 180 days in the cold site.	
Other Costs such as Freight	\$ 27,470

After consultation with the State Insurance Department we obtained cost estimates for insurance coverage from the US Insurance Group in Kansas City, which specializes in this type of Insurance.

US Insurance Group estimated the premiums required for fire and wind storm with three different deductible levels. Insurance is not available without a deductible.

\$ 1,000 deductible has premium of \$9,788  
\$ 5,000 deductible has premium of \$9,293  
\$10,000 deductible has premium of \$8,963

US Insurance Group estimated the premium required would be \$15,000 - \$20,000 with a \$10,000 deductible for all risk coverage. The risks covered would be theft, fire, vandalism, mechanical breakage, wind, hail, smoke, riot and civil disturbance, explosion, aircraft and vehicle.

v12/VB2

## BOARD OF HEALING ARTS

## OFFICE OF

RICHARD A. UHLIG, SECRETARY  
 ELIZABETH W. CARLSON, EXECUTIVE SECRETARY  
 DONALD G. STROLE, GENERAL COUNSEL  
 503 KANSAS AVENUE, SUITE 500  
 TOPEKA, KANSAS 66603-3449  
 PHONE (913) 296-7413



BETTY JO MCNETT, PRESIDENT, WICHITA  
 JAMES R. CROY, D.C., VICE-PRESIDENT, JUNCTION CITY  
 RICHARD A. UHLIG, D.O., SECRETARY, HERINGTON  
 JAMES W. BRUNO, M.D., GARDEN CITY  
 F.J. FARMER, D.O., STAFFORD  
 HELEN GILLES, M.D., LAWRENCE  
 FREDERICK J. GOOD, D.C., BENTON  
 CAMERON D. KNACKSTEDT, D.O., PHILLIPSBURG  
 GORDON E. MAXWELL, M.D., SALINA  
 FORREST A. POMMERENKE, M.D., DE SOTO  
 HAROLD J. SAUDER, D.P.M., INDEPENDENCE  
 DAVID WAXMAN, M.D., KANSAS CITY  
 REX A. WRIGHT, D.C., TOPEKA

TO: Senate Committee Ways and Means

RE: HB-2447

DATE: March 21, 1985

I am Elizabeth Carlson, Executive Secretary of the Board of Healing Arts.

The Board in HB-2447 is requesting a raise in the statutory maximum for the annual renewal of a license from \$50.00 to \$150.00. This is to conform with a recommendation from the Budget Division that in FY-87 the Board would be operating on a deficit if expenditures and revenues keep on as scheduled. The Board, although requesting the maximum be set at \$150.00 have voted to raise the renewal fee to only \$75.00. This raise would generate approximately \$175,000 in additional revenue. Because the large amount of revenues are received in May or June of each year, the Board ends the fiscal year with a large balance. However, this balance must support the Board during the ensuing fiscal year until the renewal period again in May and June.

Besides the increased legal costs of the past two years, there are additional expenditures needed in the office staff. Three additional professional staff have been added to the staff with only one secretarial position added. The clerical staff are at the top of their work level. Anytime any additional work is needed, temporary help is required to complete these jobs. We have also added an additional phone line which requires clerical personnel to take time to answer the phone. At the present time I am concerned about how all the additional phone calls during the renewal period of May, June and July are going to be answered. We do use two people for the temporary help just to assist with mail during this time.

The review committees also take not only additional expense but also take additional time and accounting for the clerical staff.

The Division of Information System and Communications (DISC) is discussing with the staff a proposed combination of computerization



among the Board of Healing Arts, the Board of Nursing and the Board of Pharmacy. The cost has not been determined nor how it is to be paid for -- if DISC will buy equipment and lease to Boards or if it will be an outright purchase. Computerization of the office is vitally needed to bring the methods used up-to-date. When this will come about and the cost of it, however, is still unknown.

The problems of accredited schools for foreign medical graduates will bring on an increased work load. HB-2338 amends several Healing Arts statutes and directs the Board to establish criteria which schools of medicine must meet. The amendments specify the areas in which standards are to be established. An ad-hoc committee of the Board has held many meetings to draft these changes and if the bill passes the Board will need to draft a questionnaire to send to many foreign medical schools. The work load of the staff will increase a great deal in this project.

An interim study will be made concerning the request for occupational therapists (HB-2498) and respiratory therapists (HB-2533) concerning their request for licensure under the Board. If these two professions are approved for licensure this will increase the expenditures of the Board. A fiscal note has been drafted for these two bills, but in the ensuing years the expenditures, and of course revenue, will increase. However, it is difficult to project if the increased revenues will cover increased expenditures.

Thank you for the opportunity to present these statements on HB-2447 to the Senate Ways and Means Committee.

Respectfully,

Elizabeth W. Carlson  
Executive Secretary

EWC/s1