

Approved 2-19-86  
Date

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Buntin at  
Chairperson

1:30 ~~am~~/p.m. on Wednesday, February 12, 1986 in room 514-S of the Capitol.

All members were present except: Representatives Rolfs, Wisdom, Fuller and Duncan  
(all excused)

Committee staff present: Gloria Timmer, Legislative Research  
Laura Howard, Legislative Research  
Sharon Schwartz, Administrative Aide  
Nadine Young, Committee Secretary

Conferees appearing before the committee:

(Attachment A)

Chairman Buntin called the meeting to order at 1:30 p.m.

A motion to introduce a bill, at the request of Department of Administration, was made by Representative Teagarden and seconded by Representative Mainey. The bill concerns the renovations of the state-owned Santa Fe office building. The motion carried.

Chairman began consideration of subcommittee reports for fee fund agencies:

STATE BANK COMMISSIONER, HB 2717, Section 4 (Attachment B)  
Representative Apt presented the report. Subcommittee added \$5,321 for reallocation of three financial examiners and \$11,241 for employment of a fulltime paralegal. Representative Chronister moved and Representative Heinemann seconded that the subcommittee report be adopted. Motion carried.

BOARD OF VETERINARY EXAMINERS, HB 2717, Section 21 (Attachment C)  
Subcommittee recommends the addition of \$2,000 to the budget over Governor's recommendations for investigative services. The Board is considering increasing the annual renewal fee for veterinarians from \$20 to \$25 to increase the fund balance in anticipation that in the future, the Board may decide to hire a full time executive director.

Representative Ott moved for adoption of the subcommittee report. Seconded by Representative Chronister. Motion carried.

BOARD OF BARBER EXAMINERS, HB 2717, Section 5 (Attachment "D")  
Representative Baker presented the report. The Subcommittee concurs with the Governor's recommendations.

Representative Dyck moved that the subcommittee report be adopted. Seconded by Representative Hamm. Motion carried.

KANSAS DENTAL BOARD, HB 2717, (Attachment E)  
Representative Baker presented the report. Subcommittee made three adjustments in Governor's recommendations. It was also noted that this agency's balance is somewhat high and that consideration will be given to possibly reducing their fees.

Representative King moved and Representative Louis seconded for adoption of the report. Motion carried.

Behavioral Sciences Regulatory Board (Atch. F)  
Representative Nichols presented the report. Subcommittee added \$8,000 for attorney fees and investigator services to provide for professional enforcement in a more timely manner than what is currently available through AG's office.

Representative Heinemann moved for adoption of the report. Seconded by Representative Louis. Motion carried.

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

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,

room 514-S, Statehouse, at 1:30 ~~xxx~~/p.m. on Wednesday, February 12, 1986

SAVINGS AND LOAN DEPARTMENT, HB 2717, Section 18 (Attachment G)  
Representative Blumenthal presented the report. Subcommittee concurred with Governor's recommendations, but did made several observations.

Representative Chronister moved that the subcommittee report be amended to add \$2,916 for partitions relative to the move to the Santa Fe building. Seconded by Representative Louis. Motion carried.

Representative Duncan offered a motion to increase the Commissioner's salary from \$30,468 to \$40,836. Seconded by Representative Chronister. Motion carried.

Representative Teagarden moved that the subcommittee report, as amended, be adopted. Seconded by Representative Solbach. Motion carried.

BOARD OF TECHNICAL PROFESSIONS, HB 2717, Section 20 (Attachment H)  
Representative Blumenthal presented the subcommittee report and called the committee's attention to an attachment (H-1) which is an analysis of the amounts needed in the agency's fee fund balance in the event of a catastrophe.

Representative Helgerson moved for adoption of the report. Seconded by Representative Louis. Motion carried.

BOARD OF HEALING ARTS, HB 2717, Section 7 (Attachment I)  
Representative Brady presented the subcommittee report. Governor's recommendation includes \$66,026 for the creation of a new position, a full-time physician-administrator to manage the Board office. There was discussion among the committee concerning the effectiveness of the Board. It was agreed that the Board needs to have a stronger position of administration and the chain of authority strengthened.

Representative Louis objected to the subcommittee supporting passage of HB 2881. He said it would be presumptuous for the committee to support a bill that no one has had a chance to even see and offered a motion to delete this portion of the subcommittee report. Representative Chronister seconded. The motion carried.

Representative Chronister moved that the subcommittee report be further amended to include \$11,664 in the agency's budget for purchase of partitions to be used in conjunction with moving into the Santa Fe building. Representative Louis seconded. Motion carried.

Representative Hamm moved that the subcommittee report, as amended, be adopted. Seconded by Representative Chronister. Motion carried.

CONSUMER CREDIT COMMISSIONER, HB 2717, Section 13 (Attachment J)  
Representative Brady presented the report. Subcommittee added \$4,081 for updated computer needs and also agreed with Governor's recommendation of \$6,000 to retain outside legal counsel. It was also noted that this agency intends to reduce license fees in order to lower their ending balance.

Representative Solbach moved for adoption of the subcommittee report and it was seconded by Representative Chronister. Motion carried.

BOARD OF COSMETOLOGY, HB 2717, Section 8 (Attachment K)  
Representative O'Neal presented the subcommittee report. The subcommittee made two adjustments, adding \$547 for travel and subsistence, and \$6,064 for a microcomputer.

Representative Guldner moved the subcommittee report be adopted. Seconded by Representative Dyck. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,

room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Wednesday, February 12, 1986

BOARD OF PHARMACY, HB 2717, Section 16 (Attachment L)

Representative Francisco presented the report. Subcommittee expressed concern over the Board's use of outside legal counsel and strongly recommends that the Board utilize the services of the AG's office.

Representative Chronister moved that \$3,645 be added to the Agency's budget to purchase partitions for the move into the Santa Fe building. Seconded by Representative Louis. Motion carried.

Representative Luzzati moved that the subcommittee report, as amended, be recommended favorable for passage. Seconded by Representative Mainey. Motion carried.

BOARD OF NURSING, HB 2717, Section 14 (Attachment M)

Representative Miller presented the subcommittee report. He advised the committee that considerable discussion has occurred between the Board and Department of Administration regarding the salary for the Director of the Board. They feel it is too low in comparison with some other members of the Board. Subcommittee suggested they go the normal route which is through D of A. However, the Governor did not recommend the requested increase. Subcommittee did not take exception to the Governor's recommendation.

It was also noted that FY 87 receipts are below FY 86, which is attributable to some fees being paid every two years now, rather than on a yearly basis.

Representative Chronister moved that the subcommittee report be amended to add \$14,985 to the budget to allow for partitions in the move to the Santa Fe building. Seconded by Representative Louis. Motion carried.

Representative Miller moved that the subcommittee report, as amended, be adopted. Seconded by Representative Teagarden. Motion carried.

Chairman asked for a motion of the Minutes for February 3, 4 and 5. On a motion by Representative Chronister and seconded by Representative Solbach, the minutes were approved.

Chair recognized Representative Mainey who stated that objections to (HB 2896) Representative Guldner's bill concerning renovation of Lake Scott had been resolved. Fish and Game is now in agreement with the bill and the motion was made by Representative Mainey to recommend it favorable for passage. Representative Guldner seconded. Motion carried.

Being no further business, the meeting adjourned at 3:15 p.m.

P.S.

BOARD OF MORTUARY ARTS, HB 2717, Section 11 (Attachment N)

Subcommittee report was presented by Representative Nichols. Subcommittee made a reduction of \$1,056 in rental expenditures to reflect a change in the office space needs.

Representative Heinemann moved that the subcommittee report be adopted. It was seconded by Representative Louis. Motion carried.



SUBCOMMITTEE REPORT

Agency: State Bank Commissioner      Bill No. 2717      Bill Sec. 4  
Analyst: Howard      Analysis Pg. No. 21      Budget Pg. No. 1-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,218,365	\$ 2,153,588	\$ 16,922
FTE Positions	67.0	67.0	1.0

House Subcommittee Recommendation

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


FY 1987. The Subcommittee concurs with the Governor's recommendation for FY 1987 with the following exceptions:

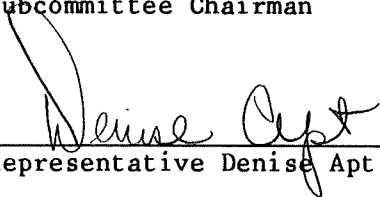
1. Add \$5,321 for the reallocation of three Financial Examiners IV to Financial Examiners V as approved by the Division of Personnel Services. The three examiners to be reallocated serve as review examiners in the Topeka office and supervise positions in the field including Financial Examiners V. It is the Subcommittee's belief that it is appropriate to have review examiners at the same level as those they are supervising in the field.
2. Add \$11,241 and 1.0 FTE position to allow the employment of a full-time paralegal to assist the attorney. Currently, a temporary law clerk is employed. However, the agency believes and the Subcommittee concurs that a full-time position is needed to address the increasing workload precipitated by the precarious banking conditions in the state. The \$11,241 is the differential between the dollars currently budgeted for a law clerk and the cost of a full-time paralegal.
3. The Subcommittee recommends \$360 for a desk and chair for the new paralegal position.
4. The Subcommittee wishes to note the low ending balances of the Bank Commissioner fee fund estimated for FY 1986 and projected for FY 1987. The Subcommittee suggests that the Bank Commissioner take into consideration these balances and the effect of anticipated bank failures on these balances in setting fees for fiscal year 1987.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 271,156	\$ 138,536	\$ 25,170
Net Receipts	<u>1,572,828</u>	<u>1,943,162</u>	<u>2,228,418</u>
Total Funds Available	\$ 1,843,984	\$ 2,081,698	\$ 2,253,588
Less: Expenditures	<u>1,705,448</u>	<u>2,056,528</u>	<u>2,170,510</u>
Ending Balance	\$ <u>138,536</u>	\$ <u>25,170</u>	\$ <u>83,078</u>

  
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Representative J. Santford Duncan  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative Denise Apt

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**SUBCOMMITTEE REPORT**

**Agency:** Board of Veterinary Examiners      **Bill No.** 2717      **Bill Sec.** 21  
**Analyst:** Hunn      **Analysis Pg. No.** 81      **Budget Pg. No.** 1-209

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 51,140	\$ 47,531	\$ 2,000
FTE Positions	0.5	0.8	--

Agency Request/Governor's Recommendations

The Board requests expenditures of \$51,140 in FY 1987, an increase of \$6,106 over the FY 1986 request. The FY 1987 request includes an increase of \$3,700 for increased professional services for investigations. The Governor recommends \$47,531 in FY 1987, a reduction of \$3,609 from the Board's request. The amount requested for additional investigations was reduced by \$2,000.

House Subcommittee Recommendation

FY 1986. The House Subcommittee concurs with the Governor's FY 1986 recommended expenditures.

FY 1987. The House Subcommittee concurs with the Governor's FY 1987 recommendation with the following adjustments:

1. The Subcommittee recommends the addition of \$2,000 for investigative services, to provide the amount requested by the Board. The Subcommittee notes that although the Board Secretary (who is a practicing veterinarian) has handled investigation of complaints in the past, it may be difficult to maintain a full-time veterinary practice and also devote adequate time to investigation of complaints. Complaints received by the Board may involve such areas as allegations of malpractice or increased use of pharmaceuticals and the Subcommittee believes sufficient resources should be available to provide thorough investigations.
2. The Subcommittee notes that K.S.A. 47-821 gives the Board authority to adopt rules and regulations for the training and certification of animal care technicians employed under the supervision of a veterinarian. The Board is currently developing proposed rules and regulations for these technicians. The Subcommittee supports the development of these


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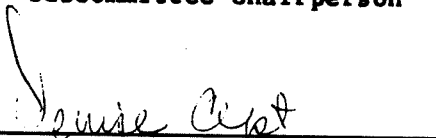


rules and regulations to clarify the requirement for training and certification of animal care technicians.

3. The Subcommittee reviewed the projected balances in the Board's fee fund. The Subcommittee notes there are significant projected ending balances in the fund. The Board is considering increasing the annual renewal fee for veterinarians from \$20 to \$25 to further increase the fund balance in anticipation that at some future date the Board may decide to hire a full-time executive director. The Subcommittee acknowledges the possible need for an executive director but believes that the Board's fund balance is large enough to absorb potential staffing changes in the next few years and that an increase in renewal fees would be premature until the fund balances were drawn down somewhat.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 44,542	\$ 79,057	82,192
Net Receipts	<u>69,796</u>	<u>46,800</u>	<u>53,800</u>
Total Funds Available	\$ 114,338	\$ 125,857	\$ 135,992
Less: Expenditures	<u>35,281</u>	<u>43,665</u>	<u>49,531</u>
Ending Balance	<u>\$ 79,057</u>	<u>\$ 82,192</u>	<u>\$ 86,461</u>

  
\_\_\_\_\_  
Representative Bob Ott,  
Subcommittee Chairperson

  
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Representative Denise Apt



SUBCOMMITTEE REPORT

Agency: Bd. of Barber Examiners      Bill No. 2717      Bill Sec. 5  
 Analyst: Rothe      Analysis Pg. No. 27      Budget Pg. No. 1-185

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 72,994	\$ 70,316	\$ --
FTE Positions	2.5	2.5	--

Agency Request/Governor's Recommendation

The Board's request for FY 1987 would maintain the same staffing level approved for the current fiscal year. The request is an increase of \$2,107 over the agency's revised FY 1986 estimate of \$70,887.

The Governor recommends \$70,316 for FY 1987, a reduction of \$2,678 from the Board's request. The recommendation includes reductions of \$1,755 in salaries and wages, and \$923 in travel and subsistence.

House Subcommittee Recommendation

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

FY 1987. The House Subcommittee concurs with the Governor's recommendations.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 41,083	\$ 44,262	\$ 47,304
Net Receipts	<u>71,060</u>	<u>73,560</u>	<u>72,825</u>
Total Funds Available	\$ 112,143	\$ 117,822	\$ 120,129
Less: Expenditures	<u>67,881</u>	<u>70,518</u>	<u>70,316</u>
Ending Balance	<u>\$ 44,262</u>	<u>\$ 47,304</u>	<u>\$ 49,813</u>

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*Harold S. Dyck*

Representative Harold Dyck  
Subcommittee Chairman

*Elizabeth Baker*

Representative Elizabeth Baker

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SUBCOMMITTEE REPORT

Agency: Kansas Dental Board

Bill No. 2717

Bill Sec.

Analyst: Hunn

Analysis Pg. No. 42

Budget Pg. No. 1-191

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 113,475	\$ 109,556	\$ (4,833)
F.T.E. Positions	1.5	1.5	--

Agency Request/Governor's Recommendation

The Board is requesting expenditures of \$113,475 in FY 1987, an increase of \$3,574 over FY 1986. No major changes from the current year budget are requested.

The Governor's recommendation for FY 1987 is \$109,556, a reduction of \$3,919 from the Board's request.

House Subcommittee Recommendation

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

FY 1987. The Subcommittee concurs with the Governor's recommendation for FY 1987 with the following adjustments:

1. The Subcommittee recommends deletion of \$445 for communications.
2. The Subcommittee recommends deletion of \$218 for travel to provide the same amount as recommended for FY 1986.
3. The Subcommittee recommends the deletion of \$4,170 for investigative services. The Subcommittee notes that expenditures in this area have historically been somewhat cyclical and that the FY 1987 amount may not need to be as great as the amount recommended for FY 1986. The adjustment would provide \$36,000 for professional services in FY 1987, a reduction of \$3,000 from the amount recommended for FY 1986.

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<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 152,627	\$ 158,755	\$ 157,042
Net Receipts	104,647	101,080	101,480
Total Funds Available	\$ 257,274	\$ 259,835	\$ 258,522
Less: Expenditures	98,519	102,793	104,723
Ending Balance	\$ 158,755	\$ 157,042	\$ 153,799

  
Representative Kenneth King  
Subcommittee Chairman

  
Representative Elizabeth Baker

**SUBCOMMITTEE REPORT**

**Agency:** Behavioral Sciences Regulatory Board      **Bill No.** 2717      **Bill Sec.** 6

**Analyst:** West      **Analysis Pg. No.** 29      **Budget Pg. No.** 1-187

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 219,167	\$ 127,773	\$ 8,658
FTE Positions	4.0	3.0	--

House Subcommittee Recommendation

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

FY 1987. The Subcommittee concurs with the Governor's recommendation for FY 1987 with the following adjustments:

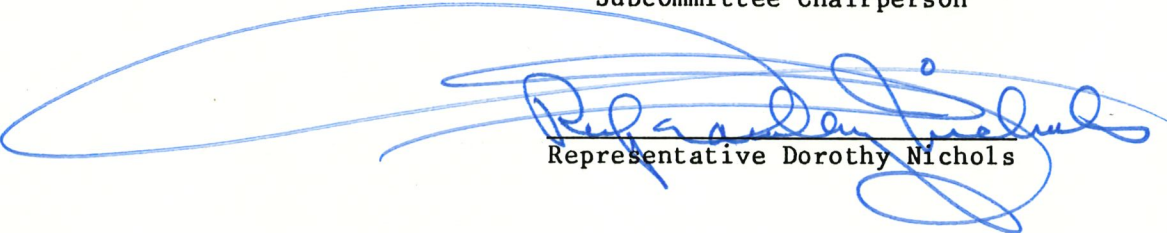
1. The Subcommittee adds \$8,000 for attorney fees and investigator services. The Subcommittee notes that the recommendations of the Special Committee on Financial Institutions and Insurance on Proposal No. 12 -- Mandating Professional Liability Insurance include greater disciplinary activity on the part of the appropriate regulatory agency as a more appropriate means of policing and educating their respective professions. The Subcommittee recommends the additional funding to provide for professional enforcement in a more timely and effective manner than is currently available through the Attorney General's office.
  
2. The Subcommittee adds \$658 (including benefits) to make a technical adjustment in the Executive Secretary's salary. While reviewing the budget, the Subcommittee learned that Executive Secretary is currently making \$23,880 annually instead of the \$23,292 listed in the budget. The Subcommittee recommends that the Board finance the difference in the current year's budget through cost savings in other areas.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 80,584	\$ 43,238	\$ 66,156
Net Receipts	<u>70,509</u>	<u>150,339</u>	<u>102,160</u>
Total Funds Available	\$ 151,092	\$ 193,577	\$ 168,316
Less: Expenditures	<u>107,855</u>	<u>127,421</u>	<u>136,431</u>
Ending Balance	<u>\$ 43,238</u>	<u>\$ 66,156</u>	<u>\$ 31,885</u>

*Wanda Fuller*  
Representative Wanda Fuller,  
Subcommittee Chairperson

  
*Dorothy Nichols*  
Representative Dorothy Nichols

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SUBCOMMITTEE REPORT

Agency: Savings and Loan Dept.      Bill No. 2717      Bill Sec. 18  
 Analyst: Howard      Analysis Pg. No. 67      Budget Pg. No. 1-167

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 194,028	\$ 184,992	\$ --
FTE Positions	5.5	5.5	--

House Subcommittee Recommendation

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

FY 1987. The Subcommittee concurs with the Governor's recommendation with the following observations:

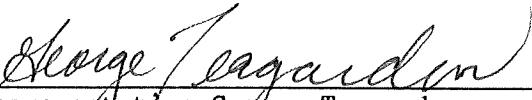
1. The Subcommittee does not consider the subsistence rate for either in-state or out-of-state travel to be adequate. We recommend that per diem rates be evaluated and addressed on a statewide and agencywide basis to insure rates sufficient to cover the costs actually incurred in traveling.
2. The Subcommittee would like to note that the Savings and Loan Department has been cutting its assessments to reduce its ending balance. An increasing ending balance had resulted as expenditures declined due to a reduction in the number of associations at the same time revenues were growing as a result of increased assets. For FY 1987 the Department plans to reduce fees at least 10 percent from the current fiscal year.
3. The Subcommittee would like to note the Department's concern about the Commissioner's salary structure. The Department is concerned about the recruitment of a future Commissioner at the current salary level (\$30,468) and believes it would be difficult to recruit anyone at the current rate of salary when the present Commissioner retires.
4. The Subcommittee notes that a memory electronic typewriter has been recommended for purchase by the Governor. If it is possible to do so within the fiscal range recommended, we suggest that the Department purchase a typewriter which could hook-in to a computer and be accessible as a printer in later fiscal years if computerization takes place.

"G"



Based upon recommendations of the Subcommittee in fiscal years 1986 and 1987, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 103,778	\$ 158,619	\$ 164,776
Net Receipts	<u>199,336</u>	<u>187,769</u>	<u>174,904</u>
Total Funds Available	\$ 303,114	\$ 346,388	\$ 339,680
Less: Expenditures	<u>144,495</u>	<u>181,612</u>	<u>184,992</u>
Ending Balance	<u>\$ 158,619</u>	<u>\$ 164,776</u>	<u>\$ 154,688</u>

  
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Representative George Teagarden  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative Gary Blumenthal

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SUBCOMMITTEE REPORT

Agency: Board of Technical Professions Bill No. 2717 Bill Sec. 20

Analyst: Holt Analysis Pg. No. 77 Budget Pg. No. 1-207

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 246,196	\$ 232,492	\$ (8,759)
State General Fund	--	--	--
FTE Positions	5.0	4.0	--

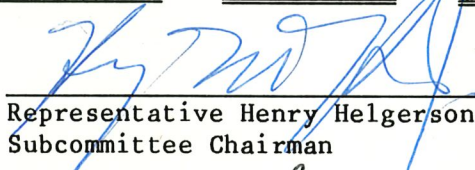
House Subcommittee Recommendations

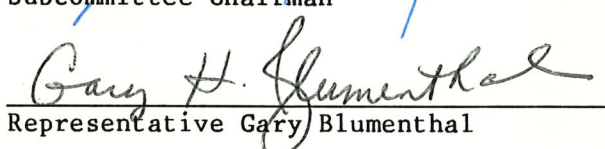
FY 1986. The House Subcommittee concurs with the Governor's recommendation.

FY 1987. The House Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Reduction of \$896 from salaries and wages to adjust for overstated health insurance benefits.
2. Reduction of \$66 in rental expenditures to reflect a revised estimate for office space in the Santa Fe Building.
3. Addition of \$572 for off-premise vault storage, to be shared with the Board of Accountancy. According to the National Council of Registration Boards, arrangements must be made to ensure the security of all examinations.
4. Reduction \$8,369 for the purchase of examinations.

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 267,238	\$ 274,965	\$ 267,654
Net Receipts	188,672	182,313	208,927
Total Funds Available	\$ 455,910	\$ 457,278	\$ 476,581
Less: Expenditures (including refunds)	180,945	189,624	223,733
Ending Balance	<u>\$ 274,965</u>	<u>\$ 267,654</u>	<u>\$ 252,848</u>

  
 Representative Henry Helgerson  
 Subcommittee Chairman

  
 Representative Gary Blumenthal

A REPORT  
PREPARED FOR THE  
HOUSE WAYS AND MEANS COMMITTEE

BY THE

BOARD OF TECHNICAL PROFESSIONS

JANUARY 13, 1986



KANSAS STATE BOARD OF TECHNICAL PROFESSIONS  
214 West Sixth Street (913) 296-3053 Topeka, Kansas 66603

January 9, 1986

Representative Bill Buntin  
Chairperson, House Ways and  
Means Committee  
State Capital  
Topeka, Kansas

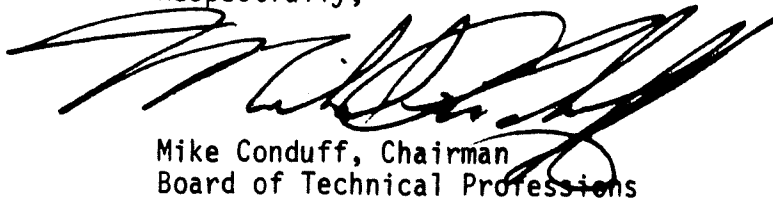
RE: Kansas State Board of Technical Professions  
Fee Fund Balance

Dear Representative Buntin:

The House Ways and Means Subcommittee recommended that the Board of Technical Professions submit a report to the House Ways and Means Committee 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.

Enclosed you will find a report from the Board and the results of the survey that was conducted nationwide of technical professions boards in other states. If there is any other information needed, please don't hesitate to contact our office.

Respectfully,



Mike Conduff, Chairman  
Board of Technical Professions

MAC/br

c. Rep. H. Helgerson  
Lynn Holt, Fiscal Analyst  
Legislative Research

## FEE FUND REPORT

As requested, a survey of technical professions boards was done nationwide. Please see the enclosed comparison survey results. For the purpose of this comparison chart, the states used were the four contiguous states, and the other four states were chosen on the basis of comparable make-up of board, operating budgets, and number of licensees. Figures on the other states surveyed are also available.

- Kansas renewal fees lowest- In a comparison of renewal fees, Kansas ranks as the one of the lowest in the amount of renewal fees charged to licensees.

- One year's carryover normal- Most states retain approximately one year's budget in their carryover balances.

- Hyatt legal expenses exceed \$240,000.00- Last year the Missouri Board increased the annual renewal fees from \$20.00 to \$30.00 due to the expenses involved in litigation expenses incurred from the Hyatt Regency case. In the fiscal year 1985 the Board spent \$244,643 for legal council and expenses directly connected with litigation. Expenses in the fiscal years 1983 and 1984 were approximately \$325,000, not including any appeals, disciplinary hearings by the board, nor any of the Attorney General's fees. The Missouri Board has established that it will be necessary to retain the increased renewal fees for one more year to allow the Board's funds to stabilize.

- Carryover will balance naturally- With justification of increased expenditures, and the leveling off in the amount of agency expenditures in comparison to agency receipts, the carryover balance will be decreased without the necessity of any fee reductions.

### Conclusion:

As a result of the figures from the nationwide survey, and the need for a carryover fund that could support the board in the event of a catastrophe, the Board of Technical Professions voted to retain the renewal fees at the present amount of \$30.00/biennially. The Board feels that the amount of one year's budget should be retained in the agency's fee fund balance.



STATE COMPARISONS ON ANNUAL RENEWAL FEES

	Architect	Landscape Architect	Professional Engineers	Land Surveyors	Corporate
ALABAMA	\$50.00				
ALASKA	\$15.00		\$15.00	\$15.00	
ARIZONA					
ARKANSAS	\$25.00	\$50.00	\$17.50	\$12.50	
CALIFORNIA	\$50.00		\$16.25	\$16.25	
COLORADO			\$10.50	\$10.50	
CONNECTICUT					
DELAWARE			\$24.00		
FLORIDA	\$50.00	\$50.00	\$20.00	\$20.00	
GEORGIA	\$45.00	\$50.00	\$25.00	\$25.00	
HAWAII	\$30.00	\$30.00	\$30.00	\$30.00	
IDAHO	\$20.00	\$25.00	\$28.00	\$28.00	
ILLINOIS	\$20.00		\$20.00	\$20.00	\$20.00
INDIANA			\$15.00	\$15.00	
IOWA	\$45.00		\$20.00	\$20.00	
KANSAS	\$15.00	\$15.00	\$15.00	\$15.00	\$37.50
KENTUCKY	\$30.00	\$35.00	\$20.00	\$20.00	
LOUISIANA	\$50.00	\$25.00	\$20.00	\$20.00	
MAINE			\$16.00		
MARYLAND	\$10.00	\$75.00	\$10.00	\$45.00	\$50.00
MASSACHUSETTS					
MICHIGAN					
MINNESOTA	\$22.50	\$22.50	\$22.50	\$22.50	
MISSISSIPPI	\$75.00	\$75.00	\$30.00	\$30.00	
MISSOURI	\$30.00		\$30.00	\$30.00	
MONTANA	\$45.00	\$90.00	\$20.00	\$20.00	
NEBRASKA	\$25.00		\$25.00		
NEVADA	\$40.00		\$30.00	\$30.00	
NEW HAMPSHIRE			\$15.00	\$25.00	
NEW JERSEY	\$75.00				



**SUBCOMMITTEE REPORT**

**Agency:** Board of Healing Arts      **Bill No.** 2717      **Bill Sec.** 7  
**Analyst:** Rampey      **Analysis Pg. No.**      **Budget Pg. No.** 1-193

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 621,906	\$ 679,098	\$ 2,500
FTE Positions	13.0	15.0	15.0

House Subcommittee Recommendation

FY 1986. The Subcommittee concurs with the Board's estimate and the Governor's recommendation of expenditures of \$519,825, the amount approved by the 1985 Legislature.

FY 1987. The Subcommittee concurs with the Governor's recommendations, with the following change and comments:

1. Add \$2,500 for an additional peer review committee. There are presently three peer review committees charged with reviewing complaints against licensees and making recommendations to the Board (one committee each for medical doctors, osteopathic doctors, and chiropractic doctors). Each committee consists of three doctors who meet once a month. Information presented by the Board indicates a backlog of cases to be reviewed, consisting primarily of complaints against medical doctors. (At the present time, 56 cases concerning medical doctors are pending, 7 against osteopathic doctors, and 13 against chiropractic doctors.) The Subcommittee's recommendation would provide funding for per diem compensation, travel expenses, and other costs associated with the appointment of an additional peer review committee to deal with cases involving medical doctors.

2. In addition to its recommendation concerning peer review committees, the Subcommittee wishes to comment upon a recommendation of the Governor's with which it concurs. The Governor recommends the addition of five new positions to the Board's staff, positions that will enhance the Board's ability to become more active in its review, investigation, and prosecution of complaints against licensees. The Governor's recommendations are specifically aimed at increasing the Board's ability to handle malpractice complaints. A main component of the Governor's recommendation is the creation of a new position, a full-time physician-administrator, who will manage the Board office. The Governor includes \$66,026 (salary and benefits) in his budget for this position.


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The Subcommittee concurs with the Governor's recommendation for additional staff. In particular, it thinks a greatly-strengthened administrative position could provide the medical expertise the Board needs on a full-time basis to review complaints against licensees. In fact, the Subcommittee is concerned that the money allocated for this position might not be enough to attract a person with the medical background required to do the job. The Subcommittee supports H.B. 2881 that would make the statutory changes to implement the Governor's recommendations and urges that it be passed.

The Subcommittee wishes to convey to the Board of Healing Arts its continued concern that greater effort must be made to protect the public against unqualified licensees. The Subcommittee thinks the Governor and the Legislature have done their part to provide the Board with the staff, the statutory changes, and the expenditure authorization necessary for the Board to vigorously fulfill its charge. It is now up to the Board to demonstrate its responsiveness to the public concerns that surround the malpractice issue and to use the tools at its disposal to actively perform its duties.

The status of the Board's fee fund, taking into account the Subcommittee's recommendations, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 414,642	\$ 435,504	\$ 463,998
Net Receipts	407,690	548,319	731,490
Total Funds Available	\$ 822,332	\$ 983,823	\$ 1,195,488
Less: Nonreportable Expenditures	1,678	--	--
Less: Expenditures	385,150	519,825	681,598
Ending Balance	<u>\$ 435,504</u>	<u>\$ 463,998</u>	<u>\$ 513,890</u>

  
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Representative Lee Hamm  
Subcommittee Chairman

  
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Representative Bill Brady

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**SUBCOMMITTEE REPORT**

**Agency: Consumer Credit Commissioner**

**Bill No. 2717**

**Bill Sec. 13**

**Analyst: Rothe**

**Analysis Pg. No. 49**

**Budget Pg. No. 1-87**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 360,021	\$ 279,971	\$ 4,081
FTE Positions	8.0	8.0	--

Agency Request/Governor's Recommendation

The Commissioner's request for FY 1987 would maintain 8.0 FTE positions as approved for the current fiscal year. The request is an increase of \$9,204 over the agency's revised FY 1986 estimate of \$350,817, and includes a \$65,000 transfer (as an expenditure) to the Kansas Council on Economic Education.

The Governor's recommendation for FY 1987 includes reductions of \$8,640 from salaries and wages, and \$6,410 from rents. The recommendation would also change the \$65,000 transfer to the Kansas Council on Economic Education to a revenue transfer (as approved by the 1985 Legislature).

House Subcommittee Recommendation

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

FY 1987. The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Add \$4,081 for a microcomputer, printer, and software. The Consumer Credit Commissioner, reportedly the only remaining state agency to depend on a card reader for computing needs, was informed on December 13, 1985, that DISC would phase out its card sorter and reader as of January 1, 1986. For the remainder of FY 1986 these services will be provided by KDOT and the Capitol Service Bureau. For FY 1987, DISC has recommended the purchase of a microcomputer system at a total cost of \$5,128. The Subcommittee recommends that the agency apply the amount requested for keyplex services (\$1,047) to the purchase of a microcomputer system, in addition to the amount recommended by the Subcommittee (\$4,081). The total amount recommended is

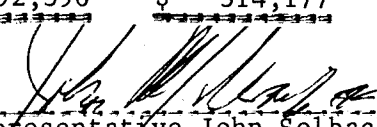
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\$5,128. The Subcommittee understands that consideration is being given to a Governor's Budget Amendment which would include a recommendation in favor of the microcomputer system.

2. The Subcommittee concurs with the Governor's recommendation of \$6,000 to retain outside legal counsel. The Commissioner currently utilizes the Attorney General's office for litigation (approximately five hours per month) and routine questions (approximately 25-30 hours per month). Because of time constraints, the Attorney General's office agrees that the agency should retain outside counsel for routine questions. The Commissioner would continue to use the Attorney General's office for litigation.
3. The Subcommittee discovered that, due to an increase in credit sales (primarily auto sales) in December and January of FY 1986, the Commissioner's fee fund balance will be \$40,000 to \$50,000 higher than estimated at the time of budget submittal. The agency, which reports its optimal fee fund balance should be \$125,000 to \$150,000, intends to reduce license fees from \$150 to \$100 for FY 1987. The Subcommittee concurs with the agency's intent to reduce license fees in order to lower its ending balance.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 256,278	\$ 292,396	\$ 314,177
Net Receipts	329,345	372,598	271,973
Total Funds Available	<u>\$ 585,623</u>	<u>\$ 664,994</u>	<u>\$ 586,150</u>
Less: Expenditures	293,227	350,817	349,052
Ending Balance	<u>\$ 292,396</u>	<u>\$ 314,177</u>	<u>\$ 237,098</u>

  
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Representative John Solbach,  
Subcommittee Chairman

  
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Representative William Brady

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology

Bill No. 2801

Bill Sec. NA

Analyst: Rothe

Analysis Pg. No. 37

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:			
Special Revenue Fund	\$ 246,113	\$ 244,564	\$ 857
FTE Positions	8.0	8.0	--

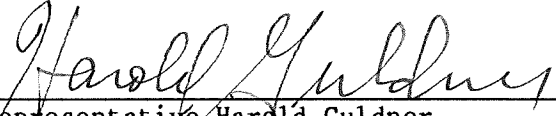
House Subcommittee Recommendation

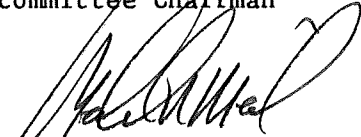
FY 1986. The Subcommittee concurs with the Governor's recommendations with the following exception:

1. Add \$857 for travel and subsistence. The Subcommittee notes that the Governor's recommendation for travel and subsistence is \$200 less than actual FY 1985 expenditures (\$43,315).

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 36,642	\$ 67,510
Net Receipts	<u>277,389</u>	<u>279,302</u>
Total Funds Available	\$ 314,031	\$ 346,812
Less: Expenditures	<u>246,521</u>	<u>245,421</u>
Ending Balance	<u>\$ 67,510</u>	<u>\$ 101,391</u>

  
 Representative Harold Guldner  
 Subcommittee Chairman

  
 Representative Michael O'Neal

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**SUBCOMMITTEE REPORT**

**Agency: Board of Cosmetology**

**Bill No. 2717**

**Bill Sec. 8**

**Analyst: Rothe**

**Analysis Pg. No. 37**

**Budget Pg. No. 1-189**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 261,243	\$ 253,819	\$ 6,611
FTE Positions	8.0	8.0	--

Agency Request/Governor's Recommendation

The agency's request for FY 1987 would maintain the same staffing levels approved for the current fiscal year and includes operating expenditures at a level of \$15,130 more than the amount estimated for FY 1986.

The Governor's recommendation for FY 1987 reduces the agency's request by \$7,424. Reductions include \$4,205 from salaries and wages, \$1,023 from printing, \$979 from travel, and \$1,217 from all other costs.

House Subcommittee Recommendation

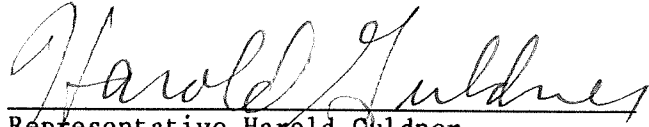
FY 1987. The Subcommittee concurs with the Governor's recommendations except for the following:

1. Add \$547 for travel and subsistence. The Subcommittee recommends that one person rather than two attend the annual convention meeting, a reduction of \$558 for out-of-state travel and subsistence. The Subcommittee also recommends an increase of \$1,105 for travel and subsistence of inspectors. The total recommendation for FY 1987 travel and subsistence is \$44,974.
2. Add \$6,064 for a microcomputer and software. The amount is in addition to the \$1,936 recommended by the Governor for capital outlay. The Subcommittee recommends a total expenditure of up to \$8,000 for the computer system.

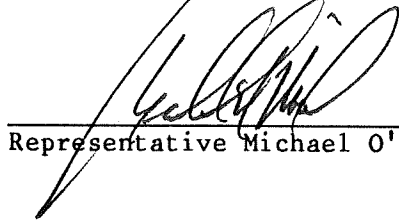
The fee fund analysis, based on the House Subcommittee's adjustments, is as follows:

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<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 36,642	\$ 67,510	\$ 101,391
Net Receipts	<u>277,389</u>	<u>279,302</u>	<u>281,262</u>
Total Funds Available	\$ 314,031	\$ 346,812	\$ 382,653
Less: Expenditures	<u>246,521</u>	<u>245,421</u>	<u>260,430</u>
Ending Balance	<u>\$ 67,510</u>	<u>\$ 101,391</u>	<u>\$ 122,223</u>



Representative Harold Guldner  
Subcommittee Chairman



Representative Michael O'Neal



**SUBCOMMITTEE REPORT**

**Agency: Board of Pharmacy**

**Bill No. 2717**

**Bill Sec. 16**

**Analyst: West**

**Analysis Pg. No. 59**

**Budget Pg. No.1-203**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 266,900	\$ 260,330	\$ 1,458
FTE Positions	6.0	6.0	--

House Subcommittee Recommendations

FY 1986. The House Subcommittee concurs with the Governor's recommendations for FY 1986.

FY 1987. The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Add \$1,458 to provide funding for the reallocation of the existing Clerk-Typist II position to Clerk III. The Subcommittee notes that with the anticipated acquisition of a microcomputer in the current year the duties of this position will be increased and that it is a reasonable investment for the Board to retain the person currently in the position.

In addition, the Subcommittee wishes to express concern over the Board's use of outside legal counsel on even the most minor aspects of the Board's operations. The Subcommittee has been informed that the Board may request a supplemental expenditure limitation increase in the current year for the purpose of paying additional attorney fees. The Subcommittee strongly recommends that the Board utilize the services of the Attorney General's Office to the greatest extent possible.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 89,949	\$ 147,231	\$ 125,741
Net Receipts	<u>271,943</u>	<u>248,101</u>	<u>249,713</u>
Total Funds Available	\$ 361,892	\$ 395,332	\$ 375,454
Less: Expenditures	<u>214,661</u>	<u>269,591</u>	<u>261,788</u>
Ending Balance	<u>\$ 147,231</u>	<u>\$ 125,741</u>	<u>\$ 113,666</u>

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Ruth Luzzati  
Representative Ruth Luzzati,  
Subcommittee Chairperson

Ken Francisco  
Representative Ken Francisco

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SUBCOMMITTEE REPORT

Agency: Board of Nursing

Bill No. 2717

Bill Sec. 14

Analyst: Howard

Analysis Pg. No. 52

Budget Pg. No. 1-199

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 480,562	\$ 445,852	\$ --
F.T.E. Positions	11.0	11.0	--

House Subcommittee Recommendation

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

FY 1987. The Subcommittee concurs with the Governor's recommendation for FY 1987.

Based upon recommendations of the subcommittee in fiscal years 1986 and 1987, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 95,891	\$ 185,562	\$ 224,211
Net Receipts	451,357	489,720	433,884
Total Funds Available	\$ 547,248	\$ 675,282	\$ 658,095
Less: Expenditures	361,686	451,071	445,852
Ending Balance	\$ 185,562	\$ 224,211	\$ 212,243

*David Miller*

Representative David Miller  
Subcommittee Chairman

*Samuel Burr Sifers*

Representative Samuel Burr Sifers

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SUBCOMMITTEE REPORT

Agency: Board of Mortuary Arts      Bill No. 2717      Bill Sec. 11  
 Analyst: Holt      Analysis Pg. No. 45      Budget Pg. No. 1-197

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 108,813	\$ 98,945	\$ (1,056)
State General Fund	--	--	--
FTE Positions	3.0	3.0	--

House Subcommittee Recommendation

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

FY 1987. The Subcommittee concurs with the Governor's recommendation for FY 1987, with the following exception:

1. Reduction of \$1,056 in rental expenditures to reflect a change in the office space area assigned to the Board in the Santa Fe Building. The most recent estimate of office space assignment allots 855 square feet of space, as opposed to 983 square feet assumed in the Governor's recommendation.

The Subcommittee adjusts the Governor's fee fund analysis in FY 1987 as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 31,642	\$ 38,130	\$ 34,773
Net Receipts	96,054	92,066	96,418
Total Funds Available	\$ 127,696	\$ 130,196	\$ 131,191
Less: Expenditures (including refunds)	89,566	95,423	97,889
Ending Balance	<u>\$ 38,130</u>	<u>\$ 34,773</u>	<u>\$ 33,302</u>

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*David Louis*

Representative David Louis  
Subcommittee Chairman

*Rep. Dorothy Nichols*

Representative Dorothy Nichols

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