

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at
Chairperson

1:30 ~~am~~/p.m. on Thursday, March 20, 1986 in room 514-S of the Capitol.

All members were present except: Representative Helgerson (excused)

Committee staff present: Jim Wilson, Revisors Office
Gloria Timmer, Legislative Research
Laura Howard, Legislative Research
Russ Mills, Legislative Research
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Mark Matese, Department of Corrections
Jim Maag, KBA
Ron Wilson, Executive Director of Wichita District
Farm Credit Council
Nancy Kantola, Committee of Kansas Farm Organization
Others present (see Attachment A)

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

SB 628 -- Computation of supplementary grants under community corrections program.

Mark Matese of Department of Corrections gave a brief explanation of the bill and provided a memo (Attachment B) which states the purpose, background and fiscal data relating to the bill. The purpose is to change the formula for computing supplemental grants by making the supplemental 70% of the regular grant. It requires the county to justify the need for the supplemental grant. He stated there would be a savings to the state.

HB 2635 -- an act relating to state moneys; concerning the investment thereof; amending K.S.A. 75-4201 and repealing the existing section.

Jim Maag, KBA, testified in support of the bill and provided a handout (Attachment C). HB 2635 would allow the pledging of securities of federal sponsored corporations as security for state or national banks or trust companies.

Ron Wilson, representing Wichita District Farm Credit Council testified in support of the legislation (see Attachment D). The Council represents cooperatively organized agricultural lenders. The Farm Credit Council acquires funds for lending by selling consolidated systemwide bonds in private financial markets. And it's those farm credit securities that are the real issue here today. He said HB 2635 essentially clarifies the statute.

Nancy Kantola, also appeared in support of HB 2635, speaking for the Committee on Kansas Farm Organizations (a group of 21 agricultural organizations working together). (see Attachment E)

Representative Louis moved that HB 2635 be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

Chairman turned to consideration of subcommittee reports that will complete all budgets under SB 444.

KANSAS STATE FAIR

Representative Lowther presented the subcommittee report for FY 1986 (see Attachment F). House subcommittee concurred with Senate with some adjustments. After brief discussion, Rep. Lowther moved and Representative Hoy seconded for adoption of the report. 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 ~~am~~/p.m. on Thursday, March 20, 1986

Representative Hoy reported for FY 1987. House subcommittee concurred with Senate, but did make several observations (see Attachment G). Representative Hoy moved and Representative Lowther seconded for adoption of the report. Motion carried.

ANIMAL HEALTH DEPARTMENT

Representative Guldner presented the report for FY 1986/87 and being no discussion, moved for adoption of the report. (see Attachment H) Representative Lowther seconded. Motion carried.

On the bill, Representative Chronister moved that SB 444, as amended, be recommended favorably for passage. Seconded by Representative Fuller. Motion carried.

JUDICIAL COUNCIL (Attachment I)

Representative Teagarden reported for FY 1986 and also presented the subcommittee report for FY 1987. To be uniform with the other budgets, he then moved that Item #1, relating to KPERS, be removed from the subcommittee report. Representative Mainey seconded. Motion carried.

On a motion by Representative Teagarden and a second by Representative Miller, the subcommittee report was adopted.

BOARD OF INDIGENTS DEFENSE SERVICES (Attachment J)

Representative Luzzati presented the subcommittee report for FY 1986. There was discussion regarding Item #3 of House recommendations which is a reduction of \$25,000 in fees for assigned counsel. Representative Solbach moved that the \$25,000 be reinstated to the budget. Seconded by Representative Heinemann. The motion failed.

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

Representative Luzzati presented the report for FY 1987. House subcommittee made several exceptions to the Senate report. To remain uniform with other budgets, Representative Luzzati moved that Item #1, relating to KPERS, be deleted from the subcommittee report. Representative Chronister seconded and the motion carried. On a motion by Representative Luzzati and a second by Representative Teagarden, the subcommittee report, as amended, was adopted.

JUDICIAL BRANCH (Attachment K)

Representative Miller presented the FY 1986 report, and being no discussion, moved for adoption. Seconded by Representative Teagarden. Motion carried.

Representative Miller presented the FY 1987 subcommittee report. To begin, he called the committee's attention to Item #5 of the Senate recommendation regarding Governor's recommendation that there be no funding for salary step movement for nonjudicial personnel in the Judicial Branch's pay plan. Senate recommended the House look at this, and accordingly, this subcommittee has added \$375,983 to provide for a 2.5% step movement salary increase for these employees.

There was considerable discussion regarding Item #12 of the House Subcommittee recommendations concerning a district court and judge in each county. Some of the committee members said this issue was dealt with in 1983. Along these lines, Representative Chronister moved that Item #12 be removed from the subcommittee report. Representative Guldner seconded.

Representative Miller reminded the committee that this is only a recommendation to introduce a bill and have the issue looked in to for the purpose of cutting expenses, and he urged defeat of the motion. Representatives Shriver and Rolfs supported the subcommittee's action in the matter. Representative Chronister closed on her motion, saying that cutting back would create complications for law enforcement personnel, adding that it would take more time to locate a judge for signing warrants, etc. On a show of hands vote, the motion failed.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 1:30 ~~am~~ p.m. on Thursday, March 20, 1986

Representative Teagarden moved that Item #9 which deals with KPERS, be deleted from the report. Representative Luzzati seconded. Motion carried.

Representative Teagarden noted for the committee with respect to Item 13 of the report, that subcommittee is also requesting that legislation be introduced to permit magistrate judges to come under the Judges Retirement System. Speaking for the subcommittee, the general feeling was that magistrate judges had been somewhat discriminated against and felt that this would be a better retirement plan for them and is worthy of consideration.

Representative Wisdom offered a motion to include \$20,000 in this budget to pay for parking for jurors that are utilized in the Wyandotte County court system. Representative Luzzati seconded. The motion failed.

Representative Solbach moved that \$103,408 be included for pay raises for nonjudicial personnel. Representative Wisdom seconded. Motion failed.

Representative Hamm moved to add \$33,125 to the budget to provide the changing of a district magistrate judge to district judge in Pratt county. (refer to HB 2825). He said this is needed to handle the increase in number of cases in the area. Representative Shriver seconded. Representative Fuller commented that she would like to have the case loads looked into, adding that one judge had been ill and unable to perform his duties and perhaps it's a matter of one or two judges not doing their share. Representative Duncan told the committee that one judge who had been ill cannot be replaced until he retires, which is expected. Representative Miller opposed the motion, saying that if HB 2825 becomes law, then it could be included in the omnibus bill. The motion failed.

It was decided that HB 2825 should be scheduled for hearing and deal with the matter through that process.

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

Crime Victims Reparations Board (Attachment L)

Representative Miller presented the subcommittee report, for both FY 1986 and 1987 and moved that the report be amended by deleting Item #1 (page 2) from the report. Representative Teagarden seconded. Motion carried.

Representative Miller then moved for adoption of the report, as amended. It was seconded by Representative Teagarden. Motion carried.

On the bill, Representative Miller moved that SB 443, as amended, be recommended favorably for passage. Seconded by Representative Louis. Motion carried.

Meeting adjourned at 3:35 p.m.

Date 3-20-86

Name

Address

Representing

Larry Cowger

Topeka

KDOC

Jan Johnson

Topeka

Budget Division

Mr & Mrs Laine & Laine Wendke

Scott City KS

visitor

Anna Kantola

Topeka

Comm. of Ks Fair Dist.

RON WILSON

Wichita

Farm Credit Council

Matt Lynch

Topeka

Judicial Council

Randy Newell

Topeka

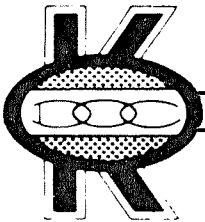
Judicial Council

Arvid Heiberger

Overland Park

Ks. Corr. Assoc.

A



KANSAS DEPARTMENT OF CORRECTIONS

JOHN CARLIN — GOVERNOR

RICHARD A. MILLS — SECRETARY

JAYHAWK TOWERS • 700 JACKSON • TOPEKA, KANSAS • 66603-3798
913-296-3317

TO: HOUSE ~~WAYS~~ AND MEANS COMMITTEE
FROM: RICHARD A. MILLS, SECRETARY OF CORRECTIONS
RE: SENATE BILL 628
DATE: March 20, 1986

PURPOSE:

The purpose of the amendment proposed by S.B. 628 is to change the formula for computing community corrections supplemental grants by making the supplemental grant 70% of the regular grant.

The proposed amendment also provides that any county receiving a supplemental grant prior to the change in the formula continue to have the supplemental grant computed based on the current formula.

Finally, the proposed amendment requires the county to justify the need for the supplemental grant and authorizes the Secretary of Corrections to withhold all or part of it if sufficient justification is not presented.

BACKGROUND:

The supplemental grant formula was created in 1984. It was designed to provide mid-size counties with high prison commitment rates with sufficient operating funds to make their participation in the community corrections program feasible. Without the supplemental formula, these counties would not have sufficient operating funds to participate in community corrections unless prison commitments were reduced by 80-90%. Without such a reduction, the chargebacks assessed against the county for the commitment of Class D and E offenders would use up the grant funds, thus bankrupting the program.

The supplemental formula developed in 1984, after review, has been determined by the department to be in need of revision. The existing formula, when projected for eligible counties, results in supplemental grants higher than necessary to provide the needed operating funds. The 70% level proposed by this amendment

Atch. B
H. W. M. 3/20/86 *B*

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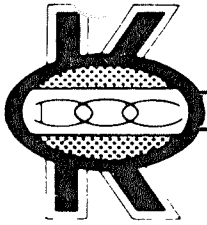
provides lower and more realistic supplemental grant figures. Also, this amendment would bring the supplemental grant under the 70% and 90% limitations established by statute for the 1st and 2nd year of operation of the program.

One county, Montgomery, currently receives a supplemental grant computed under the current formula. The amount of the supplemental grant for this county appears to be appropriate, hence our recommendation is that future grants for this county be computed pursuant to this formula.

If they had community corrections programs, the following counties would be eligible for supplemental grants (based on FY 1983 data); Allen, Atchison Butler, Cowley, Dickinson, Finney, Ford, Geary, Lyon, McPherson, Montgomery, Neosho, Osage, Saline, and Sumner.

As an example of how the new formula for supplemental grants would impact, Saline County would receive \$88,647.00 less during its first three years of operation. We do not believe this would adversely impact the incentive for Saline County to participate in the community corrections program.

RAM:CES/pa



KANSAS DEPARTMENT OF CORRECTIONS

JOHN CARLIN — GOVERNOR

RICHARD A. MILLS — SECRETARY

JAYHAWK TOWERS • 700 JACKSON • TOPEKA, KANSAS • 66603-3798
913-296-3317

TO: HOUSE WAYS AND MEANS COMMITTEE
FROM: RICHARD A. MILLS, SECRETARY OF CORRECTIONS
RE: Addendum to the 2-26-86 Testimony - S.B. 628
DATE: March 20, 1986

In response to the committee's request for additional fiscal data, the following information is provided.

As indicated in the 2-26-86 written testimony, the \$88,647.00 figure (reference Pg. 2, final paragraph) reflects the amount of decrease in the supplemental for which the Saline County program would be eligible during its first three years of operation. This difference is based on utilizing the proposed supplemental formula as compared to the current formula. This figure does not have the average chargeback rate of 40% deducted. This figure reflects only the difference in the total amount for which Saline would be eligible during the 3 year time frame. The \$88,647.00 figure outlined above does not reflect the amount which the Community Corrections Governor's budget could be reduced in FY 1987.

Attempts to project possible future savings would be highly speculative and essentially unreliable. This is for several reasons: 1) As there are no FY86 or FY87 planning funds, there are no additional counties which could be considered for entering until at least 1989. 2) As eligibility for the supplemental can only be accurately calculated 6 months prior to the opening date, it is unknown which, if any counties would be eligible in the future. Currently, there are 15 counties eligible if a January 1, 1986, opening date was used.

Although the actual fiscal savings of this bill as compared to the current 1987 Governor's budget is not high, it is important for the reasons provided in the testimony (Pg. 1, Purpose).

RAM:SAC/sa



The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

TO: House Committee on Ways and Means

FROM: James Maag
Director of Research, KBA

RE: House Bill 2635

Mr. Chairman and members of the Committee:

Thank you for the opportunity to appear before the committee on the provisions of HB 2635. In light of the issuance of Attorney-General Opinions 86-13 and 86-20 earlier this year we believe it is very important for the Legislature to enact this proposal.

The bill, as amended, would bring the pledging statutes for state monies into closer conformity with the pledging statutes for local public funds. The statute for local funds (KSA 9-1402) was amended in 1982 to include "obligations and securities of United States sponsored corporations" as eligible securities for pledging and as a result securities such as those of the Farm Credit System and the Federal National Mortgage Association could be used for local public funds pledging. Unfortunately, KSA 75-4201 which addresses the eligible securities for pledging on state funds was not also amended thus creating the current problem mentioned in the two Attorney-General Opinions.

Many banks hold securities of federally-sponsored corporations and have been using them for pledging on state funds until the recent Attorney-General Opinions. Thus it is important that they have the opportunity to continue to use these securities in the same manner just as they are able to do with local public funds. In addition, the current actions by the United State Congress on the taxation of municipal bonds may well reduce dramatically the amount of such bonds held by banks and that will necessitate a shift in what securities the banks will use. Therefore, it may become more important than ever that federally-sponsored securities be eligible for pledging on state monies.

I appreciate your consideration of this important issue and strongly urge you to recommend HB 2635 favorably for passage.

C

TESTIMONY OF RON WILSON

EXECUTIVE DIRECTOR

WICHITA DISTRICT FARM CREDIT COUNCIL

FOR

HOUSE WAYS AND MEANS COMMITTEE

TOPEKA, KANSAS

MARCH 20, 1986

*Attch. D
H.W.M. 3/20/86*

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM RON WILSON OF WICHITA, KANSAS, THE EXECUTIVE DIRECTOR OF THE WICHITA DISTRICT FARM CREDIT COUNCIL. THE COUNCIL IS THE TRADE ORGANIZATION WHICH REPRESENTS COOPERATIVELY ORGANIZED FARM LENDERS THROUGHOUT KANSAS, OKLAHOMA, COLORADO AND NEW MEXICO. I AM ALSO VICE PRESIDENT OF LEGISLATIVE SERVICES FOR FARM CREDIT SERVICES IN WICHITA.

FARM CREDIT SERVICES IS THE NAME OF OUR CREDIT DELIVERY SYSTEM, WHICH INCLUDES THREE BANKS IN WICHITA AND NUMEROUS FARMER-OWNED ASSOCIATIONS. THE FARM CREDIT BANKS OF WICHITA INCLUDE THE FEDERAL LAND BANK, WHICH PROVIDES LONG-TERM REAL ESTATE LOANS THROUGH FEDERAL LAND BANK ASSOCIATIONS; FEDERAL INTERMEDIATE CREDIT BANK, WHICH PROVIDES FUNDS TO PRODUCTION CREDIT ASSOCIATIONS FOR SHORT- AND INTERMEDIATE-TERM FARM OPERATING LOANS; AND THE BANK FOR COOPERATIVES, WHICH OFFERS LOANS TO AGRICULTURAL AND RURAL UTILITY COOPERATIVES. SIMILAR BANKS AND ASSOCIATIONS ARE FOUND IN 11 OTHER DISTRICTS ACROSS THE COUNTRY, WHICH MAKE UP THE NATIONAL FARM CREDIT SYSTEM.

IN THE WICHITA DISTRICT, WE SERVE MORE THAN 70,000 FARMERS AND RANCHERS AND 450 COOPERATIVES WITH MORE THAN SIX BILLION DOLLARS IN LOANS. AT PRESENT, NO GOVERNMENT FUNDS ARE INVOLVED. THE BANKS AND ASSOCIATIONS ARE CAPITALIZED BY STOCK PURCHASED BY BORROWERS. WE OBTAIN LOAN FUNDS THROUGH THE SALE OF FARM CREDIT BONDS AND DISCOUNT NOTES TO THE INVESTING PUBLIC.

WE STRONGLY SUPPORT H.B. 2635, WHICH WILL CLARIFY THAT THE FINANCIAL INSTRUMENTS OF CERTAIN UNITED STATES SPONSORED CORPORATIONS -- THOSE WHICH UNDER FEDERAL LAW MAY BE ACCEPTED AS SECURITY FOR PUBLIC FUNDS -- CAN BE USED AS COLLATERAL FOR STATE DEPOSITS AS WELL. THIS LEGISLATION WILL HAVE THE EFFECT OF MAINTAINING WHAT HAS BEEN THE CURRENT PRACTICE OF THE STATE REGARDING SUCH STATE DEPOSITS.

FOR YEARS, A NUMBER OF FINANCIAL SECURITIES -- INCLUDING FEDERAL FARM CREDIT BANKS CONSOLIDATED SYSTEMWIDE SECURITIES, CALLED "FARM CREDIT SECURITIES" -- HAVE BEEN CONSIDERED ELIGIBLE IN KANSAS FOR PLEDGING AS COLLATERAL FOR EXCESS OR IDLE FUNDS DEPOSITED IN KANSAS BANKS.

HOWEVER, AT THE REQUEST OF THE STATE TREASURER, THE ATTORNEY GENERAL HAS REVIEWED THE LEGAL QUESTION OF THE ELIGIBILITY OF SUCH SECURITIES. IN EARLY 1986, HE RULED THAT CURRENT KANSAS LAW WAS NOT SUFFICIENTLY BROAD TO ALLOW SEVERAL SUCH SECURITIES TO BE USED. HOWEVER, THE ATTORNEY GENERAL'S RULING ACKNOWLEDGES SUCH SECURITIES ARE ELIGIBLE AT THE MUNICIPAL LEVEL UNDER EXISTING KANSAS LAW.

IT IS TIME TO CLARIFY THIS ISSUE ONCE AND FOR ALL, IN A WAY THAT IS CONSISTENT FOR THE FEDERAL, STATE AND LOCAL LEVEL. H.B. 2635 WILL ACCOMPLISH THIS PURPOSE, AND IN SO DOING WILL BENEFIT KANSAS BANKS AND KANSAS FARMERS.

FARM CREDIT SECURITIES ARE AN EXAMPLE OF THE SECURITIES WHICH WOULD BE AFFECTED. FARM CREDIT SECURITIES ARE LEGAL INVESTMENTS FOR MANY PUBLIC BODIES, INCLUDING MUNICIPALITIES IN KANSAS. THEY ARE ACCEPTED FOR FIDUCIARY, TRUST AND PUBLIC FUNDS UNDER THE CONTROL OF THE U.S. GOVERNMENT AND ARE ELIGIBLE AS COLLATERAL FOR TREASURY TAX AND LOAN ACCOUNTS FOR ADVANCES BY FEDERAL RESERVE BANKS TO MEMBER COMMERCIAL BANKS.

IF OUR SECURITIES ARE ACCEPTABLE AT THE FEDERAL LEVEL AND AT THE MUNICIPAL LEVEL, THEN THEY SHOULD BE ACCEPTED AT THE STATE LEVEL AS WELL.

FARM CREDIT SECURITIES MEET THE NEEDS OF A WIDE VARIETY OF INVESTORS, SUCH AS COMMERCIAL BANKS, INSURANCE COMPANIES, STATE AND LOCAL GOVERNMENTS, FIDUCIARY ACCOUNTS, THRIFT INSTITUTIONS, AND INDIVIDUALS.

COMMERCIAL BANKS ARE A LARGE INVESTOR IN FARM CREDIT SECURITIES. COMMERCIAL BANK PORTFOLIO MANAGERS GENERALLY CONSIDER THE SAFETY, LIQUIDITY AND YIELD OF ANY INVESTMENT. IT HAS BEEN REPORTED THAT IN 1985 OVER 100 KANSAS BANKS USED FARM CREDIT SECURITIES IN THEIR PORTFOLIOS.

IF FARM CREDIT SECURITIES ARE ULTIMATELY DENIED ELIGIBILITY, IT WOULD ADVERSELY AFFECT BOTH BANKS AND BORROWERS. THERE WOULD BE A NEGATIVE INFLUENCE ON THE DEMAND FOR THE FARM CREDIT SECURITIES IN THOSE MARKETS IN WHICH FARM CREDIT SECURITIES ARE TRADED.

WITH REDUCED DEMAND, THE FARM CREDIT SYSTEM WOULD HAVE TO OFFER HIGHER INTEREST RATES TO ATTRACT INVESTORS -- WHICH TRANSLATES INTO HIGHER INTEREST RATES FOR KANSAS FARMERS AND RANCHERS.

THIS ADDED UPWARD PRESSURE CAN BE AVOIDED, WITH YOUR SWIFT ACTION ON H.B. 2635. H.B. 2635 WILL SIMPLY ALLOW FARM CREDIT AND OTHER SECURITIES TO BE USED IN THE FUTURE, AS THEY HAVE BEEN USED IN KANSAS FOR MANY YEARS.

WE COMMEND THE SPONSOR OF THE BILL, REPRESENTATIVE RON FOX, WE COMMEND THE PENSIONS, INVESTMENTS AND BENEFITS COMMITTEE, AND WE COMMEND YOU FOR CONDUCTING TODAY'S HEARING. YOUR POSITIVE ACTION WILL HELP TO BENEFIT KANSAS BANKS AND KANSAS FARM BORROWERS.

STATEMENT OF
COMMITTEE OF KANSAS FARM ORGANIZATIONS
MARCH 20, 1986
to the
HOUSE WAYS & MEANS COMMITTEE

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you today in support of HB 2635, clarifying the use of Farm Credit System securities as collateral for state investments in commercial banks. I am Nancy Kantola, president of the Committee of Kansas Farm Organizations. We are a group of 21 agricultural organizations working together for the betterment of agriculture in Kansas. The members of our committee are the Associated Milk Producers, Kansas Agri-Women, Kansas Association of Soil Conservation Districts, Kansas Association of Wheat Growers, Kansas Corn Growers Association, Kansas Cooperative Council, Kansas Electric Cooperatives, Kansas Ethanol Association, Kansas Farm Bureau, Kansas Fertilizer and Chemical Association, Kansas Grain and Feed Dealers Association, Kansas Livestock Association, Kansas Livestock Marketing Association, Kansas Meat Processors Association, Kansas Seed Dealers Association, Kansas Sheep Association, Kansas Soybean Association, Kansas State Grange, Kansas Veterinary Medical Association and Mid-America Dairyman.

Because the Committee of Kansas Farm Organizations strives to form consensus opinions on farm issues, before we take a position on any issue, it must first have the unanimous support of the organization. In short, we work to provide agriculture with a united voice for you the legislators and the public.

*Alex. E.
H. W. M. 3/20/86*

This legislation is basically a technical clarification to current law, but we believe it is an important measure to the state. If we fail to allow FCS securities to be used as collateral it is the farmer who will suffer. The result would be higher interest rates for Kansas farm borrowers, who are already facing severe economic conditions. A change in interest rates could spell the difference between keeping a farm in operation and not being able to.

That added pressure on interest rates can be avoided by passage of this measure. Kansas banks have long been using FCS securities as collateral for state investments. Clarifying this matter in the statutes would serve a valuable service to Kansas agriculture, therefore we urge your favorable consideration of this bill.

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 584

Bill Sec. 16

Analyst: Howard

Analysis Pg. No. 279

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>
All Funds:			
State Operations	\$ 2,328,451	\$ 2,301,142	\$ --
Capital Improvements	650,000	885,000	40,000
TOTAL	<u>\$ 2,978,451</u>	<u>\$ 3,186,142</u>	<u>\$ 40,000</u>
State General Fund:			
Capital Improvements	\$ 650,000	\$ 650,000	\$ --
FTE Positions	16.0	16.0	--

Agency Request/Governor's Recommendations

The 1985 Kansas State Fair generated substantially less revenue than originally anticipated. This decrease was due largely to lower attendance attributed by the Fair Manager to inclement weather and a depressed farm and aircraft manufacturing economy. Gate attendance fell by 44,784 persons from the 1984 Fair with attendance at grandstand events down by 30,000. The decreased attendance caused a resulting decrease in other revenue sources such as parking, camping, carnival, and concession fees. As a result of this reduction in revenues the Fair made major adjustments in the FY 1986 spending level. The Fair adjusted revenue estimates downward by \$368,000 and expenditure estimates downward by \$173,911 for a total of \$2,328,451 in operating expenditures.

The Governor recommends \$2,301,142 of operating expenditures in FY 1986, a reduction of \$27,309 from the agency estimate. The reduction reflects savings from vacancies in two laborer positions.

Senate Subcommittee Recommendation

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

1. Restore \$40,000 from the State Emergency Fund recommended for lapsing by the Governor. In October, the State Finance Council authorized the expenditure of \$275,000 from the State Emergency Fund to repair damage to roofs caused by a hailstorm in May. Based upon a lower than anticipated contract for repair of the grandstand roof the Governor's budget recommends lapsing \$40,000

*Atch. F
H.W.M. 3/20/86*

of this amount. The Subcommittee recommends that those funds be restored noting that estimates on all roofs have not yet been received. The Subcommittee believes the lapse of \$40,000 would risk deterioration of state assets.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>
<u>State Fair Fee Fund:</u>		
Beginning Balance	\$ 196,579	\$ 172,319
Net Receipts	<u>2,204,564</u>	<u>1,968,125</u>
Funds Available	\$2,401,143	\$2,140,444
Less: Expenditures	<u>2,228,824</u>	<u>2,105,781</u>
Ending Balance	<u>\$ 172,319</u>	<u>\$ 34,663</u>
<u>Non-Fair Days Activities Fund:</u>		
Beginning Balance	\$ 106,197	\$ 126,736
Net Receipts	<u>162,092</u>	<u>155,080</u>
Funds Available	\$ 268,289	\$ 281,816
Less: Expenditures	<u>141,553</u>	<u>195,361</u>
Ending Balance	<u>\$ 126,736</u>	<u>\$ 86,455</u>

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

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

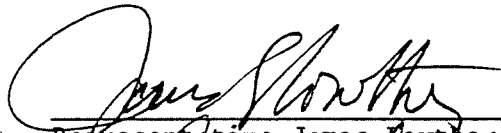
<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ --	\$ 2,301,142	\$ (3,700)
Capital Improvements	<u>40,000</u>	<u>925,000</u>	<u>(40,000)</u>
TOTAL	<u>\$ 40,000</u>	<u>\$ 3,226,142</u>	<u>\$ (43,700)</u>
<u>State General Fund:</u>			
Capital Improvements	\$ --	\$ 650,000	\$ --
FTE Positions	--	16.0	--

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

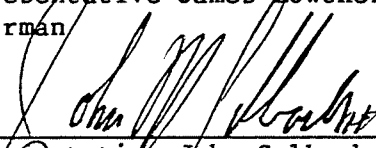
1. Delete \$3,700 from the State Fair Fee Fund to reflect anticipated savings in travel based on estimated expenditures as well as actual travel related to the 1985 Fair.
2. Delete \$40,000 from the State Emergency Fund restored by the Senate that was lapsed by the Governor. The Subcommittee understands that the Fair is not certain of the entire cost of repairing roofs damaged by the hailstorm in May. However, the lapse leaves the Fair with \$235,000 from the State Emergency Fund for use in repairing the roofs in FY 1986. If additional funds are necessary to repair specified damage, we recommend that the Fair make a request to the Finance Council for additional funds which would be expended in FY 1987. It appears that all repairs will not be completed during the current fiscal year. Thus, we concur with the Governor's recommendation that \$40,000 of the State Emergency Funds appropriated for roof repairs be lapsed.

The fee fund analysis, based upon recommendations of the House Subcommittee in fiscal year 1986, is as follows:

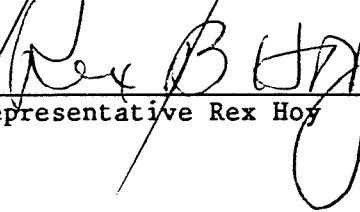
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Funds Available	\$2,401,143	\$2,140,444
Less: Expenditures	<u>2,228,824</u>	<u>2,102,081</u>
Ending Balance	<u>\$ 172,319</u>	<u>\$ 38,363</u>
<u>Non-Fair Days Activities Fund:</u>		
Beginning Balance	\$ 106,197	\$ 126,736
Net Receipts	<u>162,092</u>	<u>155,080</u>
Funds Available	\$ 268,289	\$ 281,816
Less: Expenditures	<u>141,553</u>	<u>195,361</u>
Ending Balance	<u>\$ 126,736</u>	<u>\$ 86,455</u>



Representative James Dowther,
Chairman



Representative John Solbach



Representative Rex Hoy

373.86

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 444

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 279

Budget Pg. No. 5-29

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,557,081	\$ 2,450,421	\$ 862
Capital Improvements	1,771,000	--	--
TOTAL	<u>\$ 4,328,081</u>	<u>\$ 2,450,421</u>	<u>\$ 862</u>
State General Fund:			
Capital Improvements	\$ 1,771,000	\$ --	\$ --
FTE Positions	17.0	16.0	--

Agency Request/Governor's Recommendation

For FY 1987, the Fair requests operating expenditures of \$2,557,081, an increase of \$228,630 over the FY 1986 revised estimate. The request includes one new position, a 1.0 FTE Special Events Coordinator to be funded 30 percent from the State Fair Fee Fund and 70 percent from the Non-Fair Days Fee Fund. The Fair also requests State General Funds of \$200,000 for special maintenance and \$1,571,000 for grandstand renovation.

The Governor recommends \$2,450,421 of operating expenditures in FY 1987, a reduction of \$106,660 from the agency request. The Governor's recommendation would fund 16.0 FTE positions, the same number as in the current year. The Governor recommends the position of Special Events Coordinator. The recommendation eliminates two laborer positions in the maintenance program replacing one position with a Maintenance Plumber I. In his basic budget the Governor recommends no funds for special maintenance or grandstand renovation; however, in his revenue enhanced budget he recommends \$150,000 for special maintenance and \$520,000 for grandstand renovation from the State General Fund.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor with the following exceptions:

1. Add \$862 to salaries and wages to reflect a 4.3 percent rate for KPERS rather than the 4.0 percent included in the Governor's recommendation pending passage of legislation to reduce the rates.

*Atch. G
H. W. W. M. 3/20/86*

2. The Subcommittee recommends that funding for the Special Events Coordinator recommended by the Governor be 80 percent from the Non-Fair Days Fee Fund and 20 percent from the State Fair Fee Fund. The Governor's recommendation would fund the entire position from the Non-Fair Days Fee Fund. The Fair plans to use the position for some activities during Fair week rather than exclusively in non-Fair activities promotion. The recommendation results in a shifting of \$4,615 in salaries and wages from the Non-Fair Days Fee Fund to the State Fair Fee Fund.

In addition, the Subcommittee makes the following observations:

1. The Subcommittee believes the Special Maintenance Funds are very important to the maintenance of fairground facilities. The Subcommittee suggests, contingent on approval by the Joint Committee on State Building Construction, that \$75,000 be appropriated for special maintenance if no additional revenue is received. However, if additional revenue is approved the Subcommittee would concur with the Governor's recommendation of \$150,000. The Subcommittee recommends that the House Subcommittee include funds for special maintenance after the Joint Committee on State Building Construction has made its recommendations.
2. The Subcommittee concurs with the Governor's recommendation of \$7,500 for a survey to be conducted to determine the expectations of the public for a State Fair. The Subcommittee recommends that county fairs be contacted to determine if the scope of the survey could be expanded to include questions concerning county fairs.
3. The Subcommittee recommends that the Fair expand its thinking concerning the use of inmate labor. The Subcommittee suggests that the Fair use inmates for more extensive projects including some construction and remodeling. The Fair could contract with a person of expertise in the specific endeavor to supervise the inmates.

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>
<u>State Fair Fee Fund:</u>			
Beginning Balance	\$ 196,579	\$ 172,319	\$ 34,663
Net Receipts	<u>2,204,564</u>	<u>1,968,125</u>	<u>2,293,100</u>
Funds Available	\$ 2,401,143	\$ 2,140,444	\$ 2,327,763
Less: Expenditures	<u>2,228,824</u>	<u>2,105,781</u>	<u>2,245,080</u>
Ending Balance	<u>\$ 172,319</u>	<u>\$ 34,663</u>	<u>\$ 82,683</u>
<u>Non-Fair Days Activities Fund:</u>			
Beginning Balance	\$ 106,197	\$ 126,736	\$ 86,455
Net Receipts	<u>162,092</u>	<u>155,080</u>	<u>171,900</u>
Funds Available	\$ 268,289	\$ 281,816	\$ 258,355
Less: Expenditures	<u>141,553</u>	<u>195,361</u>	<u>206,203</u>
Ending Balance	<u>\$ 126,736</u>	<u>\$ 86,455</u>	<u>\$ 52,152</u>

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 862	\$ 2,451,283	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ 862</u>	<u>\$ 2,451,283</u>	<u>\$ --</u>
<u>State General Fund:</u>			
Capital Improvements	\$ --	\$ --	\$ --
FTE Positions	--	16.0	--

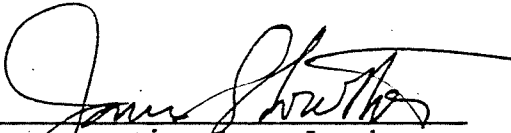
The House Subcommittee concurs with the recommendations of the Senate with the following observations:

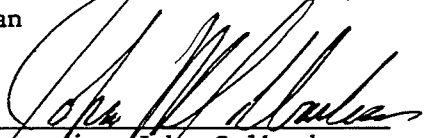
1. The Subcommittee concurs with the Governor's recommendation for a 1.0 FTE Special Events Coordinator. The Subcommittee recommends that the new position be filled as soon as possible in order that the Special Events Coordinator is able to observe and participate in the 1986 Fair. The Subcommittee believes that having the position filled prior to the 1986 Fair is very important if the Special Events Coordinator is to be effective in FY 1987.

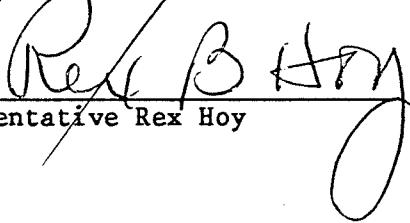
2. The Subcommittee concurs with the Governor's recommendation of funds for a survey to determine what the public desires in a state fair. However the Subcommittee would recommend that the Special Events Coordinator direct the survey and work closely with those actually conducting the survey. In addition the Subcommittee would urge that persons not attending the Fair be included in the survey as well as those in attendance in order to insure that the survey does in fact reflect the desires of the entire public rather than only those choosing to attend the Fair.
3. The Subcommittee makes no recommendations for capital improvements expenditures in FY 1987 pending action by the Joint Committee on State Building Construction. The Subcommittee would recommend that the recommendations of the Joint Committee on State Building Construction be adopted and included during Conference Committee or the Omnibus Bill.
4. The Subcommittee would note its concurrence with the Governor's recommendation to lapse \$40,000 from a \$275,000 appropriation from the State Emergency Fund for roof repairs in FY 1986. We would recommend that if necessary repairs can not be completed with the remaining \$235,000 appropriation that the Fair seek additional funds from the Finance Council for repairs which remain in FY 1987.

The fee fund analysis, based on recommendations of the House Subcommittee in fiscal years 1986 and 1987 is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
<u>State Fair Fee Fund:</u>			
Beginning Balance	\$ 196,579	\$ 172,319	\$ 38,363
Net Receipts	<u>2,204,564</u>	<u>1,968,125</u>	<u>2,293,100</u>
Funds Available	\$ 2,401,143	\$ 2,140,444	\$ 2,331,463
Less: Expenditures	<u>2,228,824</u>	<u>2,102,081</u>	<u>2,245,080</u>
Ending Balance	<u>\$ 172,319</u>	<u>\$ 38,363</u>	<u>\$ 86,383</u>
<u>Non-Fair Days Activities Fund:</u>			
Beginning Balance	\$ 106,197	\$ 126,736	\$ 86,455
Net Receipts	<u>162,092</u>	<u>155,080</u>	<u>171,900</u>
Funds Available	\$ 268,289	\$ 281,816	\$ 258,355
Less: Expenditures	<u>141,553</u>	<u>195,361</u>	<u>206,203</u>
Ending Balance	<u>\$ 126,736</u>	<u>\$ 86,455</u>	<u>\$ 52,152</u>


Representative James Lowther,
Chairman


Representative John Solbach


Representative Rex Hoy

373.87

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 444

Bill Sec. 3

Analyst: Rothe

Analysis Pg. No. 264

Budget Pg. No. 5-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 386,000	\$ 268,075	\$ 413
Special Revenue Funds	<u>1,192,715</u>	<u>1,180,671</u>	<u>(5,715)</u>
TOTAL	<u>\$ 1,578,715</u>	<u>\$ 1,448,746</u>	<u>\$ (5,302)</u>
 FTE Positions	 40.0	 40.0	 --

Agency Request/Governor's Recommendation

The agency's FY 1987 request is \$1,578,715, of which \$386,000 (24.5 percent) is from the State General Fund. The request includes a proposal to eliminate the Animal Scabies Fee Fund and to consolidate three fee funds (the Animal Health Department Fee Fund, the Livestock Market Fee Fund, and the Dealers Registration Fee Fund) into one fund -- the Animal Disease Control Fund. The request also includes a financing shift of \$37,104 from special revenue funds to State General Funds.

The Governor recommends \$1,448,746 for FY 1987, a reduction of \$129,969 (\$117,925 from the State General Fund and \$12,044 from special revenue funds) from the agency's request. The recommendation includes \$268,075 (18.5 percent) from the State General Fund. The Governor concurs with the agency's request to consolidate three funds and eliminate the Animal Scabies Fee Fund.

Senate Subcommittee Recommendations

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

1. Delete \$500 from special revenue funds in printing expenditures in the Brand Regulation program.

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

1. Delete \$7,500 from special revenue funds in printing expenditures in the Brand Regulation program. The Subcommittee recommends that the agency print brand book supplements for fiscal years 1986 and 1987 rather than a new brand book.

*Atch. H
H. W. Smith 3/20/86*

2. Add \$2,198 to restore the employer contribution rate for KPERS to 4.3 percent.
3. The Subcommittee recommends that the agency review the possibility of contracting the eight inspectors in the Brand Regulation Program. Inspector payments are currently budgeted as a salary and wage item. The Subcommittee recommends that the issue be reviewed during the 1987 Legislative Session.
4. The Subcommittee concurs with the Governor's recommendation to merge three funds and eliminate the Animal Scabies Fee Fund. The Subcommittee notes that S.B. 684 has been introduced to allow these changes.

Senate Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

Senate Recommendation

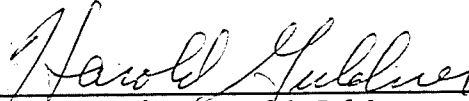
The Senate concurs with the Committee's recommendation.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adj. FY 87</u>	<u>Senate Rec. FY 87</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 413	\$ 268,488	\$ --
Special Revenue Funds	(5,715)	1,174,956	--
TOTAL	<u>\$ (5,302)</u>	<u>\$ 1,443,444</u>	<u>\$ --</u>
FTE Positions	--	40.0	--

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

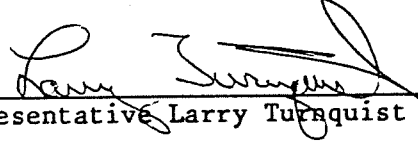
1. The Subcommittee reviewed the Senate's recommendation that the agency review the possibility of contracting the eight inspectors in the Brand Regulation program. The Subcommittee concludes that it would be fiscally impractical to convert to contractual inspections.



Representative Harold Guldner
Subcommittee Chairman



Representative Harold Dyck



Representative Larry Turnquist

055.87

SUBCOMMITTEE REPORT

Agency: Judicial Council

Bill No. 443

Bill Sec. 2

Analyst: Mills

Analysis Pg. No. 193

Budget Pg. No. 1-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All State General Fund	\$ 231,529	\$ 212,306	\$ 8,829
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The FY 1987 request would continue the current 3.0 FTE positions and provide for approximately 55 Council and study committee meetings. The request includes funds for the printing of one regular Bulletin, supplements to the PIK-Criminal 2d, and the Municipal Court Manual, and a special Probate Form Bulletin.

The Governor's recommendation would maintain the current level of staff, provide funding for 54 meetings, and allow printing and distribution of the requested publications.

Senate Subcommittee Recommendations

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

1. Addition of \$1,022 to provide total funding of \$2,222 for temporary help as requested by the agency.
2. Addition of \$7,525 for the increased subsistence rate of \$63 per day for Council and Committee members which was not included in the budget request.
3. Addition of \$282 to restore the employer contribution rate for KPERS to 4.3 percent.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendations.

*Atch. I
H. 7117 3/20/86*

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All State General Fund	\$ 8,829	\$ 221,135	\$ (14,682)
FTE Positions	--	3.0	--

House Subcommittee Recommendation

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

1. Deletion of \$282 to set the employer contribution rate for KPERS at 4.0 percent.
2. Reduction of \$1,400 in Communication for a total expenditure of \$5,600.
3. Reduction of \$13,000 in Printing for a total expenditure of \$23,000.

David Miller
 Representative David Miller
 Subcommittee Chairperson

Ruth Luzzati
 Representative Ruth Luzzati

George Teagarden
 Representative George Teagarden

H. Subetta

SUBCOMMITTEE REPORT

Agency: Judicial Council

Bill No. —

Bill Sec. —

Analyst: Mills

Analysis Pg. No. 193

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 State General Fund	\$ 202,476	\$ 187,121	\$ (14,000)
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The Legislature approved an operating budget of \$202,476 for the Judicial Council for FY 1986. The budget, financed completely from the State General Fund, includes funding for 3.0 FTE positions plus a 5.5 percent average salary adjustment; per diem, travel, and subsistence for Council and Committee meetings; and printing and mailing costs for two Kansas Judicial Council Bulletins and supplements to PIK-Criminal 2d and the Kansas Benchbook.

The Governor's recommendation for FY 1986 totals \$187,121, a reduction of \$15,355 from the approved budget. The reductions occur in salaries and wages (\$1,188), contractual services (\$13,831), and commodities (\$336).

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation.

House Subcommittee Recommendations

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

1. Deletion of \$2,000 for Communication for a total expenditure of \$5,000.
2. Deletion of \$5,000 in Salaries and Wages for a total expenditure of \$115,071.
3. Deletion of \$7,000 in Printing for a total expenditure of \$7,000.
4. Reappropriation of the \$14,000 in savings noted above to FY 1987.

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David A Miller

Representative David Miller,
Subcommittee Chairperson

Ruth Lusati

Representative Ruth Lusati

George Teagarden

Representative George Teagarden

349.86

SUBCOMMITTEE REPORT

**Agency: Board of Indigents'
Defense Services**

Bill No. —

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 196

Budget Pg. No. 1-125

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 3,174,151	\$ 3,071,286	\$ --
Other Assistance	223,468	223,468	--
TOTAL	<u>\$ 3,397,619</u>	<u>\$ 3,294,754</u>	<u>\$ --</u>
 FTE Positions	 46.0	 46.0	 --

Agency Request/Governor's Recommendation

The Legislature approved expenditure of \$3,427,619 from the State General Fund during FY 1986 to provide legal services to indigent criminal defendants by public defenders, assigned counsel, and Legal Services for Prisoners, Inc. The Board's FY 1986 revised estimate is \$3,397,619, an amount which is \$30,000 less than the approved expenditure level. Most of the savings reflected in the revised estimate are spread through various object codes.

The Governor recommends \$3,294,754 for FY 1986, which is \$102,865 less than the agency estimate. The reductions are in salaries and wages (\$17,491), contractual services (\$81,290), communication (\$2,284), and capital outlay (\$1,800). Most of the reduction reflects a \$70,000 decrease in the Assigned Counsel program.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation.

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ --	\$ 3,071,286	\$ (24,700)
Other Assistance	--	223,468	--
TOTAL	<u>\$ --</u>	<u>\$ 3,294,754</u>	<u>\$ (24,700)</u>
 FTE Positions	 --	 46.0	 --

J

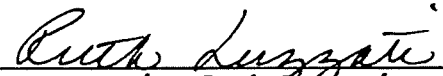
House Subcommittee Recommendations

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

1. Reduction of \$2,000 in Repairing and Servicing.
2. Addition of \$2,300 for Travel.
3. Reduction of \$25,000 in Fees -- Professional (Assigned Counsel) with reappropriation to FY 1987.



Representative David Miller,
Subcommittee Chairman



Representative Ruth Luzzati



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Board of Indigents'
Defense Services

Bill No. 443

Bill Sec. 3

Analyst: Mills

Analysis Pg. No. 196

Budget Pg. No. 1-125

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 3,268,341	\$ 3,049,201	\$ 3,150
Other Assistance	271,824	225,000	--
TOTAL	<u>\$ 3,540,165</u>	<u>\$ 3,274,201</u>	<u>\$ 3,150</u>
FTE Positions	48.25	46.0	--

Agency Request/Governor's Recommendation

Major items in the FY 1987 request include \$1,650,000 for the Assigned Counsel subprogram; funding for 2.25 FTE new positions (\$45,235); a total of \$238,835 for the new Appellate Defender Office; and \$271,824 for Legal Services for Prisoners, Inc.

The Governor's recommendation includes \$1,620,000 for Assigned Counsel, \$220,576 for the Appellate Defender Office, and \$225,000 for Legal Services for Prisoners, Inc. No funding was recommended for the requested new positions.

Senate Subcommittee Recommendations

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

1. A technical adjustment to S.B. 443 to correctly reflect the limited reappropriation of \$285,779 forward to FY 1987.
2. Deletion of the position limitation imposed by S.B. 443. The agency currently has no position limitation.
3. Addition of \$3,150 to restore the employer contribution rate for KPERS to 4.3 percent.

Senate Committee Recommendations

The Senate Committee concurs with the Senate Subcommittee recommendations.

Atch. J
H. W. M. 3/20/86

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 3,150	\$ 3,052,351	\$ 9,828
Other Assistance	--	225,000	2,000
TOTAL	<u>\$ 3,150</u>	<u>\$ 3,277,351</u>	<u>\$ 11,828</u>
FTE Positions	--	46.0	--

House Subcommittee Recommendations

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

1. Reduction of \$3,150 to set the employer contribution rate for KPERS at 4.0 percent.
2. Addition of \$2,300 for Communication.
3. Addition of \$2,500 for temporary help in the Sedgwick County Public Defender Office.
4. Addition of \$2,000 for rent for Legal Services for Prisoners, Inc., which must move to other office space.
5. Deletion of \$288 for the 5 percent salary increase in the Junction City office for the reasons noted in item number 6 below.
6. Addition of \$8,466 to provide for a 2.5 percent step movement salary increase for unclassified clerical and investigator positions. Throughout the budget request, the Board had built in step movement salary increases for most of its unclassified employees. The step increases, similar to those for classified employees, ranged from 2.5 to 5.0 percent; funding requested for this purpose totals \$75,648. In general, the Governor's recommendation does not include funding for any step movement. However, funds for salary increases are included in three instances: \$16,689 for promotion of Public Defender I's to Public Defender II's; \$288 to provide a 5 percent increase for a Secretary; and \$3,936 for a salary increase for the Administrative Assistant in the Appellate Defender Office. The Governor's recommendation totals \$20,913.

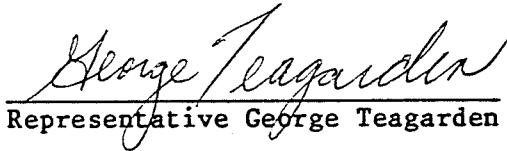
The Subcommittee recommends funding for a 2.5 percent step movement increase for clerical and investigator positions and supports the Board's policy of promoting Public Defender I's to Public Defender II's after one year of service. The amount included in the Governor's recommendation for the promotion of Public Defenders was incorrectly calculated and the Subcommittee understands that a Governor's budget amendment is under consideration to include the correct amount of funding. The Subcommittee supports this amendment. Finally, the Subcommittee notes that no step movement salary increases were included for Public Defenders (except for the promotion policy); the Subcommittee feels that this issue should be addressed in the pay bill.



Representative David Miller
Subcommittee Chairman



Representative Ruth Luzzati



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Judicial Branch

Bill No. —

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 211

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>
State Operations:			
State General Fund	\$ 40,955,679	\$ 40,775,513	\$ --
Special Revenue Funds	<u>1,191,184</u>	<u>695,648</u>	--
TOTAL	<u>\$42,146,863</u>	<u>\$41,471,161</u>	<u>\$ --</u>
FTE Positions:			
Appellate Court Justice and Judges	14.0	14.0	--
District Court Judges	211.0	211.0	--
Nonjudicial Personnel	<u>1,396.0</u>	<u>1,396.0</u>	--
TOTAL	<u>1,621.0</u>	<u>1,621.0</u>	<u>--</u>

Agency Request/Governor's Recommendation

The FY 1986 approved budget was \$41,934,742, which was composed of \$40,955,679 from the State General Fund and \$979,063 from special revenue funds. The revised agency estimate for FY 1986 is \$42,146,863, an amount which is \$212,121 above the approved budget. All of the increase is attributable to special revenue funds: (1) an increase of \$176,654 in the federal Child Support Enforcement Contractual Agreement Fund; (2) a \$25,000 federal grant from the National Institute of Corrections for training of Court Services Officers; (3) a \$2,915 grant under the federal Highway Safety Act; and (4) a requested increase of \$7,552 in the Bar Admission Fee Fund.

The Governor recommends expenditures of \$41,471,161 for FY 1986, a reduction of \$675,702 from the agency estimate. The reductions are contained in the following programs of the Judicial Branch: Supreme Court, \$18,193; Court of Appeals, \$3,911; Office of Judicial Administration, \$45,347; Data Processing, \$276,200; Appellate Clerk, \$2,086; Appellate Reporter, \$5,035; Law Library, \$11,453; District Courts, \$254,166; Judicial Education, \$35,132; and Judicial and Professional Review, \$24,179.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.

*Atch. K
H. W. M. 3/24/86*

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$40,775,513	\$ 67,902
Special Revenue Funds	--	695,648	--
TOTAL	<u>\$ --</u>	<u>\$41,471,161</u>	<u>\$ 67,902</u>
FTE Positions:			
Appellate Court Justice and Judges	--	14.0	--
District Court Judges	--	211.0	--
Nonjudicial Personnel	--	1,396.0	--
TOTAL	<u>--</u>	<u>1,621.0</u>	<u>--</u>

House Subcommittee Recommendation

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

1. Addition of \$10,000 for the Supreme Court for security improvements currently under development.
2. Addition of \$2,000 for the Court of Appeals for Communication.
3. Addition of \$21,217 for the Office of Judicial Administration for Capital Outlay.
4. Reduction of \$3,000 in the Data Processing subprogram.
5. Addition of \$24,916 for Travel and \$500 for Printing in the District Court Judges subprogram.
6. Reduction of \$2,000 for Communication for the Law Library.
7. Addition of \$10,000 for Professional Fees for the Commission on Judicial Qualifications.
8. Addition of \$4,269 (\$906 in Communication, \$617 in Printing, and \$2,746 in Travel) for the Judicial Nominating Commissions.

9. The Subcommittee notes that the Governor's recommendation for FY 1986 is a State General Fund reduction of \$180,166 from the agency request and that the Senate concurred in this reduction. The House Subcommittee recommends restoration of a total of \$67,902 for FY 1986 and the reappropriation of \$112,264 to FY 1987.

David M Miller

Representative David Miller,
Subcommittee Chairperson

Ruth Luccati

Representative Ruth Luccati

George Teagarden

Representative George Teagarden

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M. S. Miller

SUBCOMMITTEE REPORT

Agency: Judicial Branch

Bill No. 443

Bill Sec. 4

Analyst: Mills

Analysis Pg. No. 211

Budget Pg. No. 1-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	45,185,183	40,341,028	88,208
Special Revenue Funds	2,090,876	1,196,464	--
TOTAL	<u>\$47,276,059</u>	<u>\$41,537,492</u>	<u>\$ 88,208</u>
FTE Positions:			
Appellate Court Justices and Judges	17.0	14.0	--
District Court Judges	217.0	211.0	--
Nonjudicial Personnel	1,428.5	1,396.5	--
TOTAL	<u>1,662.5</u>	<u>1,621.5</u>	<u>--</u>

Agency Request/Governor's Recommendation

The FY 1987 request includes funding for an expansion of the Court of Appeals from seven to ten members (\$489,904); a salary increase of \$5,000 for each appellate judge, district judge, and associate district judge (\$842,380); six new judgeships in the district courts (\$213,809); an additional 25.5 new nonjudicial personnel positions (\$535,280); the reclassification of 38 positions (\$35,671); and expenditure of \$1,935,099 from the federal Child Support Enforcement Fund for further implementation of the CSE information system mandated by 1985 S.B. 51.

The Governor's recommendation for FY 1987 totals \$41,537,492. The Governor does not recommend the expansion of the Court of Appeals, the judges' salary increase, the reclassifications, nor the six new judgeships. The Governor's recommendation includes funding for 0.5 new positions.

Senate Subcommittee Recommendations

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

1. Addition of \$88,208 to restore the employer contribution rate for KPERS to 4.3 percent.
2. The appropriation bill currently reflects the "C" level budget request of the Judicial Branch, rather than the Governor's recommendations. The Subcommittee recommends amendment of the bill to reflect the Governor's recommendations and the adjustment noted in item 1 above. The position limitation in

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Section 6 of the bill should also be amended to reflect the Governor's recommendation.

3. A technical correction to the appropriation bill to include the Child Support Enforcement Contractual Agreement Fund, which was inadvertently not included.
4. S.B. 491 proposes to grant each appellate judge, district judge, and associate district judge a \$5,000 salary increase in addition to any COLA increase which might be approved. The Subcommittee held a hearing on the bill but makes no recommendation on the proposed salary increase and suggests that this issue be deferred until later in the session when the state's fiscal situation can be more reliably estimated.
5. The Subcommittee notes that the Governor's recommendation contains no funding for salary step movement for nonjudicial personnel in the Judicial Branch's pay plan. The Subcommittee recommends that the full Committee consider the issue of granting step movement salary increases for Judicial Branch employees.

Senate Committee Recommendations

The Senate Committee concurs with the Senate Subcommittee and recommends that the House Committee review the pay plan structure of the Judicial Branch regarding the issue of salary step increases for nonjudicial personnel.

Senate Committee of the Whole Recommendation

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

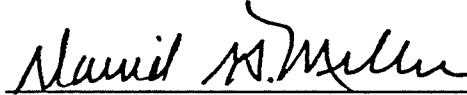
<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 88,208	\$40,429,236	\$ 421,926
Special Revenue Funds	--	1,196,464	(85,000)
TOTAL	<u>\$ 88,208</u>	<u>\$41,625,700</u>	<u>\$ 336,926</u>
FTE Positions:			
Appellate Court Justices and Judges	--	14.0	--
District Court Judges	--	211.0	--
Nonjudicial Personnel	--	1,396.5	--
TOTAL	<u>--</u>	<u>1,621.5</u>	<u>--</u>

House Subcommittee Recommendation

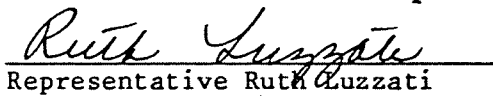
The House Subcommittee concurs with the Senate recommendation with the following exceptions:

1. Addition of \$375,983 to provide for a 2.5 percent step movement salary increase for nonjudicial personnel.
2. Addition of \$1,640 for the Supreme Court for Printing.
3. Addition of \$442 for the Court of Appeals for Printing.
4. Addition of \$15,500 for the Office of Judicial Administration to permit the purchase of two microfilm cameras for the court record microfilm project operated at Kansas Correctional Industries.
5. Addition of \$8,500 for the Appellate Reporter for Printing.
6. Addition of \$24,916 for District Court Judges Travel.
7. Addition of \$10,000 for the Commission on Judicial Qualifications for Professional Fees.
8. Addition of \$2,095 for the Judicial Nominating Commission.
9. Deletion of \$88,208 to set the employer contribution rate for KPERS at 4.0 percent.
10. Addition of \$5,000 from the Bar Admission Fee Fund to permit the purchase of a microcomputer by the Board for Admission of Attorneys.
11. A reduction of \$90,000 from the Library Report Fee Fund and an increase of \$71,058 from the State General Fund for the Law Library; this will result in an approved expenditure for the Law Library of \$465,791.
12. Current law (K.S.A. 20-301) requires that there be a district court and judge in each county of the state. This statute, originally enacted in 1868, greatly limits the ability of the Judicial Branch to place judges in the areas of heaviest workload. The Subcommittee reviewed data on the current staffing patterns of the district courts and notes a wide variation in the workloads and staffing patterns throughout the 31 judicial districts. The Subcommittee believes that elimination of this requirement would grant the Judicial Branch greater flexibility in matching district court judges to those areas with the most need for judicial services. The Subcommittee recommends that legislation be introduced to delete the requirement in K.S.A. 20-301 that there be a judge in each county.

13. The Judicial Branch has requested funding (\$131,899) to permit the transfer of district magistrate judges from KPERS to the Judges' Retirement System. Currently, appellate judges, district judges, and associate district judges are under the Judges' Retirement System; magistrate judges are members of KPERS. While the Subcommittee does not recommend such funding at this time, we do recommend that legislation be introduced to accomplish such a transfer so that the issue may be given legislative consideration.



Representative David Miller
Subcommittee Chairman



Representative Ruth Luzzati



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Crime Victims Reparations
Board

Bill No. —

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 230

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>
All Funds:			
State Operations	\$ 107,738	\$ 105,304	\$ --
Aid to Local Units	4,000	4,000	--
Other Assistance	955,052	693,458	--
TOTAL	<u>\$ 1,066,790</u>	<u>\$ 802,762</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 90,779	\$ 88,345	\$ --
Other Assistance	74,106	74,106	--
TOTAL	<u>\$ 164,885</u>	<u>\$ 162,451</u>	<u>\$ --</u>
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

FY 1986. The FY 1986 approved budget was \$1,163,423, which was composed of \$167,607 from the State General Fund and \$995,816 from special revenue funds. The agency revised estimate for FY 1986 totals \$1,066,790, of which \$164,885 is from the State General Fund and \$901,905 is from special revenue funds.

The Governor recommends an expenditure of \$802,762 for FY 1986, a reduction of \$264,028 from the agency revised estimate. The Governor proposes expenditure of \$162,451 from the State General Fund and \$640,311 from special revenue funds. The major reductions are found in expenditures from the Crime Victims Reparations Fund (\$159,594) and the Federal Victims of Crime Assistance Act (\$102,000).

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.

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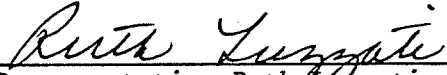
<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 105,304	\$ (3,432)
Aid to Local Units	--	4,000	--
Other Assistance	--	693,458	--
TOTAL	<u>\$ --</u>	<u>\$ 802,762</u>	<u>\$ (3,432)</u>
State General Fund:			
State Operations	\$ --	\$ 88,345	\$ (3,432)
Other Assistance	--	74,106	--
TOTAL	<u>\$ --</u>	<u>\$ 162,451</u>	<u>\$ (3,432)</u>
FTE Positions	--	3.0	--


House Subcommittee Recommendations

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

1. Lapse of \$3,432 of the State General Fund appropriation for FY 1986.


Representative David Miller
Subcommittee Chairman


Representative Ruth Luzzati


Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Crime Victims Reparations Board

Bill No. 443

Bill Sec. 5

Analyst: Mills

Analysis Pg. No. 230

Budget Pg. No. 4-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 129,309	\$ 110,106	\$ 209
Aid to Local Units	4,000	4,000	--
Other Assistance	899,816	846,751	--
TOTAL	<u>\$ 1,033,125</u>	<u>\$ 960,857</u>	<u>\$ 209</u>
State General Fund:			
State Operations	\$ 107,265	\$ 0	\$ --
Other Assistance	--	0	--
TOTAL	<u>\$ 107,265</u>	<u>\$ 0</u>	<u>\$ --</u>
FTE Positions	4.0	3.5	--

Agency Request/Governor's Recommendation

The agency request for FY 1987 proposes expenditures of \$107,265 from the State general Fund, \$260,044 from the Protection from Abuse Fund, \$35,816 from the Federal Preventive Health Services Block Grant, \$450,000 from the Crime Victims Reparations Fund, and \$180,000 from the Federal Victims of Crime Assistance Act. The request also proposes to add one new Account Clerk II position (\$13,788 plus benefits).

The Governor's recommendation for FY 1987 contains a total expenditure of \$960,857, all of which is from special revenue funds. The Governor's recommendation eliminates all State General Fund support for the agency. The Governor recommends expenditures of \$464,997 from the Crime Victims Reparations Fund, \$260,044 from the Protection From Abuse Fund, \$35,816 from the Federal Preventive Health Block Grant, and \$200,000 from the Federal Victims of Crime Assistance Act.

Senate Subcommittee Recommendations

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

1. Addition of \$209 to restore the employer contribution rate for KPERS to 4.3 percent.

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2. Consistent with the Governor's recommendation, the Subcommittee recommends that legislation be introduced to allow the Board to expend funds from the Crime Victims Reparations Fund for state operations.
3. With regard to the Federal Victims of Crime Assistance Act funds, the Subcommittee recognizes that while there will be some carryover into FY 1987, because of federal budget activities, new funds may not be available in the amounts anticipated in the Governor's Budget Report.

Senate Committee Recommendations

The Senate Committee concurs with the Senate Subcommittee recommendations.

Senate Committee of the Whole Recommendation

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

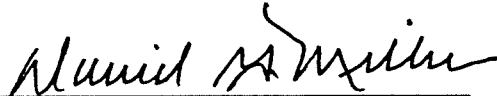
<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Recommend.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 209	\$ 110,315	\$ (11,840)
Aid to Local Units	--	4,000	--
Other Assistance	--	846,751	--
TOTAL	<u>\$ 209</u>	<u>\$ 961,066</u>	<u>\$ (11,840)</u>
State General Fund:			
State Operations	\$ --	\$ 0	\$ --
Other Assistance	--	0	--
TOTAL	<u>\$ --</u>	<u>\$ 0</u>	<u>\$ --</u>
FTE Positions	--	3.5	(.5)

House Subcommittee Recommendations

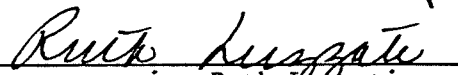
The House Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Deletion of \$209 to set the employer contribution rate for KPERS at 4.0 percent.
2. Deletion of \$8,391 which was recommended to fund the new .5 FTE Account Clerk II position and reduction of the agency's position limitation to 3.0 FTE.

3. Reduction of \$1,923 for travel for a total expenditure of \$3,500.
4. Reduction of \$1,537 for communication for a total expenditure of \$6,963.
5. The Subcommittee notes with displeasure that the agency has entered into a \$5,000 contract to conduct a needs assessment to determine funding priorities for the Protection From Abuse Fund. Funding for this purpose was requested in the FY 1986 and FY 1987 agency budget requests; in both years such funding was deleted by the Governor.



Representative David Miller
Subcommittee Chairman



Representative Ruth Vizzati



Representative George Teagarden

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 444, As Amended by Senate
Committee

"AN ACT making and concerning appropriations for the fiscal year ending June 30, 1987, for the state board of agriculture, Kansas animal health department, Kansas state grain inspection department, board of state fair managers, Kansas wheat commission, state conservation commission and Kansas water office; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing."

Be amended:

On page 1, in line 40, by striking "\$5,299,100" and inserting in lieu thereof "\$5,191,555"; in line 43, by striking "is hereby reappropriated" and inserting in lieu thereof the following: "in the salaries and wages account and any unencumbered balance in excess of \$100 as of June 30, 1986, in the farm assistance counseling and training program account are hereby reappropriated to the salaries and wages account"; in line 45, by striking "\$74,701" and inserting in lieu thereof "\$149,308"; in line 51, by striking "1,363,842" and inserting in lieu thereof "1,498,829"; in line 56, by striking "\$83,165" and inserting in lieu thereof "\$128,178";

On page 2, in line 69, by striking "\$6,662,942" and inserting in lieu thereof "\$6,690,384"; in line 92, by striking "202,844" and inserting in lieu thereof "192,844"; in line 96, by striking "459,121" and inserting in lieu thereof "449,121"; in line 100, by striking "285,491" and inserting in lieu thereof "275,491"; in line 118, by striking "1,190,920" and inserting in lieu thereof "1,157,982";

On page 3, preceding line 161 by inserting the following material to read as follows:

"Annual report fee fund..... 29,436

Provided, That the state board of agriculture is hereby authorized to fix, charge and collect fees for copies of the annual report: Provided further, That such fees shall be fixed by rules and regulations in amounts to recover all or any part of the expenses incurred for publication and distribution of the annual report: And provided further, That such fees shall be deposited in the state treasury to the credit of this fund: And provided further, That expenditures may be made from this fund for publication and distribution of the annual report.";

On page 4, in line 254, by striking "\$1,221,736" and inserting in lieu thereof "\$1,397,336";

On page 5, in line 270, by striking "\$201,773" and inserting in lieu thereof "\$201,975"; in line 309, preceding "That" by inserting the following: "That any unencumbered balance in excess of \$100 as of June 30, 1986, is hereby reappropriated for fiscal year 1987: Provided, however,";

On page 6, in line 325, by striking "\$3,472,728" and inserting in lieu thereof "\$3,472,930"; in line 342, by striking "545,589" and inserting in lieu thereof "409,589"; in line 379, by striking "\$2,622,300" and inserting in lieu thereof "\$2,486,300";

On page 7, in line 399, by striking "317.5" and inserting in lieu thereof "314.5";

And the bill be passed as amended.

Bill Austin Chairperson

REPORTS OF STANDING COMMITTEES

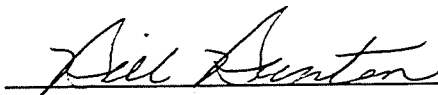
MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 2635, As Amended by House
Committee

"AN ACT relating to state moneys; concerning the investment
thereof; amending K.S.A. 75-4201 and repealing the existing
section."

Be amended by adoption of the amendments recommended by the House
Committee on Pensions, Investments and Benefits and the bill be
passed as amended.



Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 443, As Amended by Senate
Committee

"AN ACT making and concerning appropriations for the fiscal year ending June 30, 1987, for the judicial council, state board of indigents' defense services, judicial branch and crime victims reparations board; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing."

Be amended:

On page 1, in line 39, by striking "\$180,385" and inserting in lieu thereof "\$151,985"; in line 44, by striking "\$40,750" and inserting in lieu thereof "\$54,750";

On page 2, in line 64, by striking "\$2,991,572" and inserting in lieu thereof "\$2,981,550"; in line 69, by striking "\$285,779" and inserting in lieu thereof "\$310,779"; in line 97, by striking "\$4,077,515" and inserting in lieu thereof "\$4,146,937"; in line 99, preceding "That" by inserting the following: "That any unencumbered balance in excess of \$100 as of June 30, 1986, is hereby reappropriated for fiscal year 1987: Provided, however, That expenditures from such reappropriated balance shall not exceed \$57,306 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto: Provided further,"; in line 103, by striking "Provided" and inserting in lieu thereof "And provided"; in line 108, by striking "36,312,633" and inserting in lieu thereof "36,633,282"; following line 108 by inserting the following material to read as follows:

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1986, is hereby reappropriated for fiscal year 1987: Provided, however, That expenditures from such reappropriated

balance shall not exceed \$50,662 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.";

Also on page 2, in line 110, by striking "39,088" and inserting in lieu thereof "46,887"; preceding line 114 by inserting the following material to read as follows:

"Provided, That any unencumbered balance in excess of \$100 as of June 30, 1986, is hereby reappropriated for fiscal year 1987: Provided, however, That expenditures from such reappropriated balance shall not exceed \$4,296 except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.";

Also on page 2, in line 114, by striking "\$40,429,236" and inserting in lieu thereof "\$40,827,106";

On page 3, in line 129, by striking "\$215,000" and inserting in lieu thereof "\$125,000"; in line 131, by striking "40,964" and inserting in lieu thereof "45,964"; in line 143, by striking "\$465,206" and inserting in lieu thereof "\$453,355"; in line 146, by striking "\$89,238" and inserting in lieu thereof "\$77,387";

On page 4, in line 187, by striking "3.5" and inserting in lieu thereof "3.0";

And the bill be passed as amended.

Chairperson