

Approved _____ Date _____

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at _____
Chairperson

10:00 a.m./~~p.m.~~ on Monday, April 21, 1986 in room 514-S of the Capitol.
Tuesday, April 22

All members were present except:

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

Conferees appearing before the committee: See Attachment A for Guest List

Chairman Bunten called the meeting to order at 8:10 a.m.

Chairman brought before the committee a draft bill that would continue fee waivers for students involved in reserve officers training corps at the universities, and would continue the program until 1991. Representative Heinemann requested that the bill be introduced and referred to the Committee of the Whole. Representative Solbach seconded. Motion carried.

Chairman assigned subcommittees (Attachment B) to study the proposals for consideration in the Omnibus Bill. Ray Hauke, of Legislative Research, briefly explained the Memo entitled "Items for Omnibus Consideration" (Attachment C).

Meeting reconvened at 2:50 p.m.

DEPARTMENT OF TRANSPORTATION

GBA No. 2 request \$16,895 from highway fund for transfer of costs relating to central mail activity. Department also requests \$81,799 be appropriated from the highway fund for a firing range. The third request is to allow the Department to transfer \$1.3M from operations to administration to effect the land swap deal relating to property on North Gage and at 3201 Topeka Avenue. Representative Lowther moved and Representative Solbach seconded that these items be included in the Omnibus Bill. Motion carried.

PARSONS STATE HOSPITAL

- A. GBA No. 4 recommends \$134,000 additional funding to address shortfalls in funding. Subcommittee recommends an additional \$10,229.
- B. GBA No. 4 also recommends an increase of \$90,000 in fee fund financing.
- C. SB 523 provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services.

Representative Duncan moved that Items A, B, and C be included in the Omnibus Bill. Representative Ott seconded. Motion carried.

KANSAS NEUROLOGICAL INSTITUTE

- A. GBA No. 4 recommends an increase of \$45,000 in fee fund financing for KNI.
 - B. SB 523 provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services. \$48,403 SGF relating to HB 2759.
- Representative Duncan moved that Items A and B be included in the Omnibus Bill. Representative Ott seconded. Motion carried.

LARNED STATE HOSPITAL

GBA No. 4, Item 9 - recommends \$125,000 from SGF and an increase in hospital fee fund expenditures of the same amount for FY 1986. Subcommittee did not recommend.

OSAWATOMIE STATE HOSPITAL

- A. Deleted 25-bed program.
- B. Added 14 F.T.E. and staffing to allow for a new 20-bed in-patient unit.
- C. Recommended total funding of \$150,000 for placement of adult patients in community settings.

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 _____ a.m./p.m. on Monday, April 21, 19__.

Representative Louis moved and Representative Helgerson seconded that these items be included in the Omnibus Bill. Motion carried.

RAINBOW MENTAL HEALTH FACILITY

- A. GBA No. 4, Item 9 -- Subcommittee concurred.
 - B. Categorical Aid -- Subcommittee concurred.
- Representative Helgerson moved and Representative Louis seconded that A and B be included in the Omnibus Bill. Motion carried.

TOPEKA STATE HOSPITAL

- A. GBA No. 4, Item 9 -- Subcommittee concurred.
 - B. Categorical Aid -- Subcommittee concurred.
- Representative Helgerson moved and Representative King seconded that A and B be included in the Omnibus Bill.

KANSAS CORPORATION COMMISSION

- A. GBA No. 2 recommends increase of \$13,116 -- Subcommittee concurred.
- Representative Chronister moved and Representative Mainey seconded that Item A. be included in the Omnibus Bill. Motion carried.

HEALTH & ENVIRONMENT

- A. HB 3112 concerning off-site facilities operating as polychlorinated disposal and storage facilities. Department requests \$35,000 to implement permit program. Subcommittee recommends \$5,000 for consultant fees and agree to consider this item next year.
 - B. HB 2850 concerning hazardous waste collection program. Subcommittee does not recommend.
 - C. HB 2663 concerns the procedures of credentialing and amends the Kansas Act. Subcommittee concurred.
 - D. HB 2661 concerns medical malpractice insurance. Agency requests \$69,546 to administer and monitor the various programs. Subcommittee recommends \$36,734 for One (1) Health Planning Consultant, \$4,500 for OOE and \$770 for capital outlay.
 - E. HB 3078 is still pending
- Representative Duncan brought before the committee two other items that were requested. 1. \$67,500 needs to be added as expenditure authority relating to SB 672 concerning increase in fees for day care facilities. Subcommittee does concur. 2. Request of \$3,080 relating to certification of equipment used by Highway Patrol to conduct breath tests. Subcommittee does not recommend.
- Representative Duncan moved that the above concurred with items be included in the Omnibus Bill. Representative Ott seconded. Motion carried.

DEPARTMENT OF ADMINISTRATION

- A. SB 581 relating to employee suggestion award program. Department requested appropriation of \$25,000 to make these awards. Subcommittee concurred.
 - B. GBA No. 2 relating to central mail staffing costs. Subcommittee concurred.
 - C. Capital Improvements - recommends including Joint Committee's recommendations in the Omnibus bill. Subcommittee concurred.
 - D. Accounts and Reports requested additional \$15,036 and subcommittee did concur.
- Representative Chronister moved and Representative Mainey seconded that the above items be included in the Omnibus Bill.

SOCIAL AND REHABILITATION SERVICES

- A. Request for additional funding relating to SB 670. Subcommittee does not recommend.
- B. Sub for HB 2874. Subcommittee recommends \$15,000 be taken out of foster care budget.
- C. HB 2714 - Subcommittee recommends \$51,252 for planning grants.
- D. Technical Adjustment - Subcommittee concurred.
- E. Request of \$18,024 relating to HB 2658. Subcommittee concurred.
- F. Subcommittee concurred.
- G. Subcommittee concurred.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 10:00 a.m./p.m. on Monday, April 21 & Tuesday April 22, 1986

Representative Rolfs moved that the above recommended items be included in the Omnibus Bill. Representative Wisdom seconded. Motion carried.

FISH AND GAME COMMISSION

A. SB 496 provides for the Commission to issue a special surety bond covering the vendors that sell licenses. Agency requests \$6,070. Subcommittee does not recommend.

STATE BOARD OF PHARMACY

A. GBA No. 4 recommends an increase of \$7,000 from fee fund for greater than anticipated attorney fees. Subcommittee recommends. Representative Luzzati moved and Representative Chronister seconded that this be included in the Omnibus Bill.

PARKS AND RESOURCES

Agency requested addition of \$57,964 to maintain two new areas at Eldorado State Park. Subcommittee recommends \$22,500 for utilities, \$2,700 for propane fuel and \$10,860 for maintenance materials. Representative Lowther moved and Representative Solbach seconded that these items be included in the Omnibus Bill.

ANIMAL HEALTH

A. GBA No. 2 relating to central mail. Representative Guldner moved and Representative Dyck seconded that this be included in the Omnibus Bill.

ADJUTANT GENERAL

- A. GBA No. 4, Item 7 provides for increase of \$42,600 to provide for renovation of a state-owned armory.
- B. GBA No. 4, Item 7 recommends an increase of \$16,293 in the expenditure limitation and 1 F.T.E. to provide for addition of a 100% federal funded office assistant.
- C. Request for additional \$260,000 for planning fees. Building Construction has approved \$57,000 and subcommittee is recommending this amount in the line item. Staff explained that the \$57,000 would allow for a match in federal funds.

Representative Guldner moved and Representative Dyck seconded for inclusion of the above items in the Omnibus Bill.

KANSAS HIGHWAY PATROL

HB 2752, relating to breath analyzers for use by troopers. Subcommittee recommends purchase of 8 or 9 to be used in a pilot program. They do not see the necessity of full funding at this time.

Subcommittee does recommend the request for purchase of three field storage tanks for \$57,000.

Two other items were discussed and subcommittee recommends interim study.

- They are:
- 1) Make the power modification a 5-year program to increase control coverage for the state.
 - 2) Change in salary schedule. Request for \$170,000 to make step increases.

Chairman suggested that Representative Lowther make the request for the study in writing addressed to the Speaker.

Representative Lowther moved and Representative Hoy seconded that the \$57,000 for the storage tanks be included in the Omnibus Bill. Motion carried.

SECRETARY OF STATE

A. Financing costs to publish the text of constitutional amendments in 105 newspapers three times each. Representative Chronister moved and Representative Heinemann seconded that this item be included in the Omnibus Bill.

BANK COMMISSIONER

A. SB 555 is still pending. Subcommittee makes no recommendation.

B. GBA No. 2 relating to central mail activity. Subcommittee concurred. Representative Duncan moved and Representative Rolfs seconded that Item B be included in the Omnibus Bill.

CONTINUATION SHEET

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room 514-S, Statehouse, at 10:00 a.m./~~p.m.~~ on Monday, April 21, 1986

KANSAS STATE HISTORICAL SOCIETY

- A. HB 2587 relating to Charles Curtis Home. Subcommittee does not recommend.
- B. HB 3047 relating to Constitutionsl Hall. Subcommittee does not recommend.
- C. Request for \$3,476 for A/C repair on Memorial Building. Subcommittee does recommend.

FIRE MARSHAL

- A. Technical Adjustment. Subcommittee does concur. Representative Turnquist moved and Representative Guldner seconded that this item be included in the Omnibus Bill.

PUBLIC BROADCASTING COMMISSION

- A. GBA No. 4, Item 13, Purchase of TV Station in Colby. Subcommittee does not recommend based on policy decision.

REGENTS' SYSTEMWIDE ISSUES

Pass over this until later.

UNIVERSITY OF KANSAS

- A. SB 589 relating to increase in docket fees, with the resulting increase in revenue going to the Law Enforcement Training Center Fund. Subcommittee recommends that turnover rate which is now 8% be set at 2% for unclassified and 5% for classified. They asked for another position, but subcommittee does not recommend.
- B. Concerns asbestos removal of one of the Halls. Subcommittee recommends \$150,000 be transferred from out year appropriation for asbestos removal. Representative Duncan moved and Representative Ott seconded that these items be included in the Omnibus Bill.

BOARD OF REGENTS

- A. HB 2671 relating to tuition grants. Subcommittee does not concur.
 - B. New Item is a technical adjustment which permits zero dollar line item limitation relating to SB 747. Subcommittee does recommend.
 - C. HB-2667 - Include a proviso for JTPA funds to set up program for retraining of farmers.
- Representative Duncan moved and Representative Ott seconded that Items B and C be included in the Omnibus Bill.

UNIVERSITY OF KANSAS MEDICAL CENTER

- A. Asbestos Abatement. Request for \$255,000. Subcommittee does concur and suggests shift in funding to FY 1987/88.
 - B. Capital Improvement - Animal Care Facility Ventilation System. Subcommittee does not recommend.
- Representative Chronister moved and Representative Mainey seconded that Item A be included in the Omnibus Bill. Motion carried.

TUESDAY, APRIL 22, 1986 -- Continuation of Omnibus Bill

BOARD OF NURSING

- A. SB 179 relates to certification of registered nurse anesthetists. Subcommittee is not recommending.
 - B. SB 737 allows the Board to institute an education conference fund and authorization to expend funds is needed. Subcommittee concurs.
 - C. GBA No. relating to central mail complex. Subcommittee concurs.
- Representative Miller moved and Representative Teagarden seconded that Items A and B be included in the Omnibus Bill. Motion carried.

KANSAS BUREAU OF INVESTIGATION

The Bureau requests 67,588 for 2 F.T.E. positions and related equipment. Subcommittee does not recommend.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at _____ a.m./p.m. on Monday, April 23 & Tuesday, April 24 86

JUDICIAL BRANCH

Subcommittee has three recommendations for inclusion in the Omnibus Bill.

- A. Subcommittee recommends no new positions, but do recommend addition of \$45,000 for judges time.
 - B. Subcommittee recommends 3 positions instead of six as requested,
 - C. New item. Request of \$375,983 to fund 2½ percent time-on-step increases for non-judicial personnel. Not recommended.
- Representative Miller moved and Representative Teagarden seconded to include Items A and B in the Omnibus Bill.

JUDICIAL COUNCIL

A. HB 3140 concerns addition of one non-attorney member. Representative Miller moved to add \$980 for subsistence and per diem. Representative Teagarden seconded. Motion carried.

BOARD OF INDIGENTS' DEFENSE SERVICES

A. GBA No. 4, Item 3 - public defender promotion policy. Subcommittee concurred. Representative Miller moved and Representative Teagarden seconded that the \$7,812 be included in the Omnibus Bill. Representative Miller also moved that those two positions originally deleted be reinserted in the budget. Seconded by Representative Teagarden. Motion carried.

WATER OFFICE

A. HB 2705 concerning the water assurance program. Subcommittee recommends that transfer be made in whatever amount is necessary to meet the \$4M escrow act. Representative Chronister moved and Representative Heinemann seconded to include this in the Omnibus Bill. Motion carried.

Representative Duncan brought up for discussion another item concerning the Water Office. Representative Bowden requested a study about the Arkansas River. Representative Duncan moved to include \$32,000 in the Water Office budget to provide matching money for a proposed study on the influence of Kansas River water on Hutchinson and Wichita. Representative Dyck seconded. motion carried.

BOARD OF AGRICULTURE

- A. SB 445 - request for additional expenditures relating to large scale testing. Subcommittee does not recommend.
- B. SB 727 - requests authorization to expend revenue generated by fees assessed under meat and poultry inspection act. Subcommittee concurs.
- C. SB 547 concerning pesticide dealers. Subcommittee does not recommend.
- D. HB 2704 and 2705. Subcommittee recommends one (1) F.T.E. Hydrologist be added to the budget.
- E. HB 2703. Agency requests \$104,836 to implement the bill. Subcommittee does not recommend.
- F. GBA No. 3, Item 10 relating to FACTS. Subcommittee does not recommend.
- G. Technical Adjustment. Subcommittee did not concur.
- H. Additional Item. Building Construction recommends \$998 be appropriated from general fund to build a solvent storage building. Subcommittee does recommend because it is a safety problem.
- I. Additional Item. Grain Commodity people requested their expenditure limitation be raised for the promotion of their products. Subcommittee concurred.

Representative Chronister moved and Representative Heinemann seconded that these items be included in the Omnibus Bill. Motion carried.

DEPARTMENT OF HUMAN RESOURCES

SB 352 concerns wage-payment law and legal representation. Subcommittee concurred.

HB 2761 amends the employment security act. Subcommittee concurred.

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HB 2793 - Subcommittee concurred.

HB 3016 - Subcommittee made no recommendation

HB 2267 - pending

HB 2958 - pending

GBA No. 2-14. Subcommittee concurs

GBA 4-6 - Subcommittee recommends \$6,000

Technical Adjustments - change of fund name from Mexican-American to Hispanic. Subcommittee concurs. Subcommittee recommends shifting \$16,258 for roof repair. Representative Guldner moved and Representative Dyck seconded. Motion carried.

DEPARTMENT OF REVENUE

SB 429 relating to charging a fee for identification cards issued to handicapped persons. Subcommittee concurs.

HB 2752 relates to tests given to determine blood alcohol concentration. Subcommittee recommends the printing portion only of \$5,200.

HB 2767 exempts food purchased with food stamps from sales tax. Subcommittee concurs with the \$6,240 for data processing costs.

HB 2779 allows modifications to federal adjusted gross income in determining Kansas taxable income. Subcommittee concurs on data processing, but does not concur on salaries and wages. Subcommittee recommends 3 F.T.E. positions for 6 months, which is \$26,731 for salaries and wages; \$11,505 00E, and \$2,538 capital outlay.

HB 3069 pertains to reporting requirements for crude oil and natural gas production. Subcommittee does not recommend the salaries and wages, but does approve the data processing for \$3,120 and \$700 for forms.

SB 536 relates to state sales and compensating use taxes. Pursuant to the House's decision, subcommittee does support the funding.

Representative Duncan moved and Representative Ott seconded that funding for the House version of the sales tax be included in the Omnibus bill. Representative Shriver moved to reduce by \$48,569. Representative Helgerson seconded. Motion failed. Back on the original motion, the motion carried.

SB 603 is still pending.

SB 724 concerns tax stamps for cigarettes. Subcommittee does not recommend. Subcommittee makes no recommendation on SB 754, 756, HB 2901 and HB 3121.

Concerning rent for office space (see Harley Duncan's Memo), subcommittee does support the concept and recommends \$45,150 SGF and \$48,700 DOV funds for the rent for office space.

Representative Shriver submitted a proviso that would allow funds for purchase of computers to be taken out of the \$8M reappraisal money.

Representative Duncan moved and Representative Ott seconded that all of the above recommended items be included in the Omnibus Bill for Department of Revenue. Motion carried.

DEPARTMENT OF EDUCATION

SB 500 relates to a formula for distribution of state aid to community colleges. Subcommittee does recommend.

SB 601 - in conference committee

Item C. GBA No. 2 requests increase of expenditure limitation and subcommittee does concur.

Representative Rolfs moved and Representative Wisdom seconded that these recommended items be included in the Omnibus Bill.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at _____ a.m./p.m. on Monday, April 21 & Tuesday, April 22, 1986

DEPARTMENT OF EDUCATION (continued)

New Item. Concerning Job Training Program. Need for technical proviso concerning Job Training grant providing that funds should be made available with a maximum of \$100,000 limit. Representative Rolfs moved and Representative Chronister seconded. Motion carried.

Representative Shriver moved to include 2½% state aid to Washburn. Representative Mainey seconded. Motion failed.

INSURANCE DEPARTMENT

The Department asked for two additional positions to handle the malpractice. Subcommittee recommends one F.T.E. in the area of merit rating surcharge payments, a Clerk III for \$14,272.

HB 2958 - Subcommittee recommends .7 position in the area of weekly benefit payments, subject to legislative approval. This is for an examiner at \$18,832. Representative King moved and Representative Louis seconded. Motion carried.

BOARD OF HEALING ARTS

- A. HB 2498 concerning registration of occupational therapists. Subcommittee concurred.
- B. HB 2533 concerning a new program to register respiratory therapists. Subcommittee concurs.
- C. HB 2661 concerning medical malpractice. Subcommittee does recommend.
- D. SB 753, which would abolish existing position of Secretary and create a new position of Executive Director. Subcommittee does not recommend.
- E. GBA No. 2 concerning central mail. Subcommittee concurs.
- F. New Item - request for \$6,225 for flex programs, additional license fees. Representative Hamm moved for inclusion of these items in the Omnibus Bill. Seconded by Representative Heinemann. Motion carried.

KPERS

- A. GBA No. 2 concerning Central Mail. Subcommittee does recommend.
- B. GBA No. 3 relative to actuary services. Subcommittee does recommend.
- C. Subcommittee approves one accounting clerk at \$16,321.
- D. Agency has been in process of upgrading their computer system. Subcommittee recommends adding statutory language that permits them to encumber any unused computer related expenses and spend as the expenses occur.

Representative Miller moved and Representative Teagarden seconded that the above recommended items be included in the Omnibus Bill. Motion carried.

Also, under Item C. concerning employers contribution for school employees, subcommittee recommends that we adopt the certified rate, both for non school employees at 3.9 and for school employees at 4.1. Subcommittee also recommends adoption of that portion of the Governor's budget recommendation to bring the school up to the appropriate level.

Representative Miller moved and Representative Teagarden seconded that the above recommended items be included in the Omnibus Bill.

KANSAS STATE PENITENTIARY

- A. GBA No. 3, Item 8 recommends \$129,200 to replace the roof. Subcommittee concurred.

KANSAS CORRECTIONAL INSTITUTION AT LANSING

- A. GBA No. 4, Item 8 requests \$55,079 for inmate health care services. Subcommittee concurred.

Representative Miller moved and Representative Teagarden seconded that these items be included in the Omnibus Bill. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at _____ a.m./p.m. on Monday, April 21 & Tuesday, April 22 1986

CAPITAL IMPROVEMENTS

Department of Corrections -- Major Maintenance. Agency requested \$322,842. Subcommittee recommends \$300,000.

Ellsworth

Agency requested 6½ Million, Governor's Investment Budget recommended 1½ Million, and this subcommittee recommends 1½ Million. Representative Miller noted that he does not agree with this, however the majority did.

Kansas Industrial Funds - \$26,000 to construct a pole barn at KSP.

Toronto Honor Camp - remodeling project, agency needs additional \$24,664 for accepting bid. Subcommittee concurs.

Kansas Correctional Institution at Lansing

Agency requested \$2.1M for multi-year appropriation to construct a new 120-bed housing unit at KCIL. Subcommittee recommends \$600,000 in FY 1987.

Also, at KCIL a new food service facility. Agency requested \$1.9M. Subcommittee recommends \$400,000.

Kansas State Industrial Reformatory

Subcommittee recommends \$50,000 for fire hydrant and fire lines.

KSP - Agency requested \$585,000 for movable equipment for the new medium custody facility. Subcommittee recommends no funding in FY 1987 for this purpose.

Representative Miller moved and Representative Teagarden seconded that the above recommended items be included in the Omnibus Bill. (All above except Ellsworth)

On Ellsworth, the 1½ Million in state funds, Representative Teagarden moved that this be included. Representative Ott seconded. There was discussion, and Representative Miller explained his objection. On a voice vote, the motion carried.

DEPARTMENT OF CORRECTION

Technical Adjustments - There were oversights in the amount of money needed as result of various committee reports. Subcommittee recommends \$100,000 for community services; \$50,000 for KSP; and \$50,000 for KSIR. Representative Miller moved and Representative Teagarden seconded. Motion carried.

Agency is concerned about non security turn-over rates. Subcommittee reviewed their expenditure pattern and recommends that \$124,000 be added back in to these five different budgets which would make their turn-over rate 1%.

KSIR Adult Education Program - Subcommittee recommends 3½% increase.

Subcommittee recommends \$187,189 be allocated to DOC to start some pilot programs for alcohol and drug abuse programs and for parole programs for placement of in community programs.

Representative Miller moved that these items be included in the Omnibus Bill. Representative Teagarden seconded. On a show of hands vote, the motion failed.

DEPARTMENT OF REVENUE (additional item)

HB 3012 required Department of Revenue to reappropriate sales tax which raises a policy issue. Agency requests additional \$24,000. On a motion by Representative Duncan and a second by Representative Ott, the motion failed.

School for the Deaf Request for increase of \$1,000 in expenditure limitation. On a motion by Representative Duncan and a second by Representative Ott, the motion carried.

STATE FAIR

Representative Lowther moved that language be added to reappropriate funds to allow for roof repair. Representative Wisdom seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
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Kansas Industrial Training Program

GBA #4 recommends \$500,000. Subcommittee recommends \$100,000 for FY 1986 for the K.I.T. program. Representative Lowther moved and Representative Hoy seconded. Motion carried.

SOLDIERS' HOME

Request for \$15,000 from SIBF to paint and clean up the water tower. Exact bid is \$13,909 and subcommittee recommends this be approved. On a motion by Representative Miller and a second by Representative Teagarden, the motion failed.

On the Omnibus Bill, Representative Duncan moved that the bill be introduced, and that it be reported favorable for passage. Representative Chronister seconded. Motion carried.

Next meeting is scheduled for 8:00 a.m. Wednesday, April 23.

Meeting adjourned.

Additional Attachments: Memorandum from Secretary of Revenue regarding space in State Office Building

Governor's Budget Amendment No. 4

1985
GUESTS

Date 4/22/86

Name	Address	Representing
Howard M. Tice	Lawrence	Ks. Assoc. of Wheat Growers
Steve Taylor	Emporia	ESU
Charles D. Wiley	Topeka	Ellsworth
Tom Whelan	Topeka	Ks. Water Control Comm.
Jerry Sloan	"	ODA
Richard A. Schulz	Dept of Correction	Doc Tolson
Walter Sutton	Ellsworth	Ellsworth
Susan Shuffler	Topeka	United States
Monty Shumoff	Topeka	Boyer
Jim Sherman	Ellsworth	Shawnee
Joe Norton	Wichita	Ellsworth
Dore Beaton	Ellsworth	Ellsworth Prison
Harold L. Swanson	Ellsworth	City of Ellsworth
David Pope	Topeka	Board of Agric
Ken Kern	Topeka	sec
Clark Ruffey	"	Ks. State Office
John E. C. C.	"	UP
Chas. Schuch	"	KOED
Tom Louger	"	KDOC
Paul E. Fleener	Manhattan	Kansas Farm Bureau
Harold E. Riddle	Topeka	Bd of Ag.

STAFF BY SUBCOMMITTEES TO SEE

Robin

KDOT - Lowther
Mental Retardation Hosp. - Duncan

Gloria

Mental Health Hospitals - Louis
Health and Environment - Duncan
KCC - Chronister

Ray

SRS - Rolfs
Dept. of Administration - Chronister

West

Board of Pharmacy - Luzzati
Fish and Game - Guldner
Park and Resources - Lowther
KDED - Lowther

Rothe

Secretary of State - Chronister
Highway Patrol - Lowther
Animal Health - Guldner
Adjutant General - Guldner

Alan

KPERS - Miller
Corrections - Miller

Carolyn

Healing Arts - Hamm
Department of Education - Rolfs
Insurance Department - Louis

Laura

Bank Commissioner - Duncan
Board of Nursing - Miller
KBI - Miller
Fire Marshal - Guldner
Historical Society - Guldner
State Fair - Lowther

Russ

Judicial Branch - Miller
Judicial Council - Miller
Indigent Defense - Miller

Lynne

Public Broadcasting - Rolfs

Mary*

KU - Duncan
Board Office - Duncan

Lyn

Board of Agriculture - Chronister
Water Office - Chronister
KUMC - Chronister

Julian

Department of Revenue - Duncan
Human Resources - Guldner

* Presumes utility adjustment worked before full committee.

Sub.Stf

Attch. B
2/21/86 4/21-22/86

SUBCOMMITTEES BY CHAIRMAN

Chronister (Room 514-S)

Secretary of State - Scott
Board of Agriculture - Lyn
Water Office - Lyn
KUMC - Lyn
Dept. of Administration - Ray
KCC - Gloria

Duncan (West Lounge)

Bank Commissioner - Laura
Mental Retardation Hosp. - Robin
Health and Environment - Gloria
KU - Mary
Regents-Board Office - Mary
Department of Revenue - Julian

Rolfs (Room 521-S)

Dept. of Education - Carolyn
SRS - Ray
Public Broadcasting - Lynne Holt

Miller (Room 527)

Judicial Council - Russ
Indigent Defense - Russ
Judicial Branch - Russ
Board of Nursing - Laura
KBI - Laura
KPERs - Alan
Correctional Agencies - Alan

Guldner (Room 529)

Fish and Game - Paul
Animal Health - Scott
Adjutant General - Scott
Fire Marshal - Laura
Historical Society - Laura
Human Resources - Julian

Lowther (East Lounge)

KDOT - Robin
KDED - Paul
Park and Resources - Paul
Highway Patrol - Scott
State Fair - Laura

Luzzati (Individual Subcommittee
Room 527)

Board of Pharmacy - Paul

Hamm (Individual Subcommittee
Room 514-S)

Board of Healing Arts - Carolyn

Louis (Room 531)

Mental Health Hospitals - Timmer
Insurance Department - Carolyn

(Presumes Regents Utility Adjustment Worked by Full Committee)

Sub.Ch

ITEMS FOR OMNIBUS CONSIDERATION

Department of Transportation

A. Governor's Budget Amendment No. 2. Previous legislative approval of the budget of the Department of Administration transferred costs of the capitol complex central mail activity to the nonreportable budget, where it will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the budget of the Department of Transportation be increased by \$16,895 from the State Highway Fund to accommodate this transfer.

Parsons State Hospital

A. Governor's Budget Amendment No. 4 -- Salaries and Wages Shortfall. GBA No. 4 recommends \$134,000 additional funding from the State General Fund in FY 1986 for Parsons State Hospital to address shortfalls in funding for salaries and wages expenditures. Turnover rates at Parsons have been lower than anticipated and the Governor recommends the additional funding to avoid possible certification problems if direct care positions are held vacant and to avoid layoff of existing staff. Legislative adjustments to Parsons' budget increase funding for salaries and wages in FY 1986 by \$144,229 over the Governor's original recommendation. Thus, the amount authorized in H.B. 2801 for salaries and wages exceeds the amount that would be provided by GBA No. 4 by \$10,229.

B. Governor's Budget Amendment No. 4 -- Fee Fund Adjustment. GBA No. 4 recommends an increase of \$90,000 in fee fund financing for Parsons in FY 1986 and a corresponding decrease in the State General Fund appropriation due to higher than anticipated receipts to Parsons' fee fund. Legislative adjustments to Parsons' budget in FY 1986 increase expenditures from the fee fund by \$85,087. Fee fund financing in FY 1986 could be further increased by \$4,913 and State General Fund appropriations reduced by a corresponding amount to implement GBA No. 4.

C. Senate Bill No. 523 (pending) provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services. The education budgets for the mental health and mental retardation state institutions, as approved in H.B. 2759, are based on a categorical aid rate of \$11,449 per eligible teaching unit. Adjustment of the Parsons' budget, using a rate of \$12,468, would allow a reduction of \$17,701 to the State General Fund appropriation contained in H.B. 2759.

Winfield State Hospital

A. Governor's Budget Amendment No. 4 -- Salaries and Wages Shortfall. GBA No. 4 recommends \$210,000 in additional funding from the State General

Atch. C
D. H. M. 4/21-22/86 C

Fund in FY 1986 for Winfield State Hospital to address shortfalls in funding for salaries and wages expenditures. Turnover rates at Winfield have been lower than anticipated and the Governor recommends the additional funding to avoid possible certification problems if direct care positions are held vacant and to avoid layoff of existing staff. Legislative adjustments to Winfield's budget increase funding for salaries and wages in FY 1986 by \$200,000 over the Governor's original recommendation. Thus, the amount authorized in H.B. 2759 for salaries and wages expenditures is \$10,000 less than the amount that would be provided by GBA No. 4.

B. Governor's Budget Amendment No. 4 -- OOE Shortfall. GBA No. 4 recommends \$126,750 in additional funding from the State General Fund in FY 1986 for Winfield State Hospital to address shortfalls in funding for higher than anticipated other operating expenditures. Winfield has experienced increased expenditures during the last nine months as deficiencies cited in recent Medicaid certification surveys have been corrected. Legislative adjustments to Winfield's budget increase funding for other operating expenditures in FY 1986 by \$30,000 over the Governor's original recommendation. Thus, the amount authorized in H.B. 2759 for other operating expenditures is \$96,750 less than the amount that would be provided by GBA No. 4.

C. Senate Bill No. 523 (pending) provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services. The education budgets for the mental health and mental retardation state institutions, as approved in H.B. 2759, are based on a categorical aid rate of \$11,449 per eligible teaching unit. Adjustment of Winfield's budget, using a rate of \$12,468 would allow a reduction of \$43,945 in the State General Fund appropriation contained in H.B. 2759.

Kansas Neurological Institute

A. Governor's Budget Amendment No. 4 -- Fee Fund Adjustment. GBA No. 4 recommends an increase of \$45,000 in fee fund financing for KNI in FY 1986 and a corresponding decrease in the State General Fund appropriation because of higher than anticipated receipts to KNI's fee fund. Legislative changes to KNI's budget adjusted fee fund expenditures to provide a projected three-week ending balance in the fee fund. Revised projections of fee fund receipts for KNI indicate that GBA No. 4 could be adopted for FY 1986, and fee fund financing in FY 1987 could be further increased by \$43,937 with a corresponding reduction in the State General Fund appropriation and still allow a projected ending balance in the fee fund equivalent to three weeks of receipts.

B. Senate Bill No. 523 (pending) provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services. The education budgets for the mental health and mental retardation state institutions, as approved in H.B. 2759, are based on a categorical aid rate of \$11,449 per eligible teaching unit. Adjustment of the KNI budget, using a rate of \$12,468 would allow a reduction of \$48,403 to the State General Fund appropriation contained in H.B. 2759.

Larned State Hospital

A. Governor's Budget Amendment No. 4, Item 9 -- Fee Fund Adjustment. GBA No. 4 recommends a reduction of \$125,000 from the State General Fund and an increase in hospital fee fund expenditures of the same amount for FY 1986. The recommendation would make greater use of available fee funds and would provide an ending balance for FY 1986 of \$138,356, equivalent to four weeks estimated revenue. However, when previous legislative actions reflected in H.B. 2759 and acceptance of GBA No. 4 are projected for FY 1987 the ending balance would be approximately \$11,354, or approximately three days estimated revenue.

Not Recommended

Osawatomie State Hospital

A. Senate Bill No. 523 will allow a categorical aid rate of \$12,468 per eligible teaching unit for FY 1987. The education budget for Osawatomie as contained in H.B. 2759, includes a categorical aid rate of \$11,449 per eligible teaching unit. Based on the increased categorical aid available to the hospital an offsetting reduction of \$20,235 from the State General Fund may be made. *Must 100,000 added 150,000 20 bed adolescent 563,000 SGF to SRS*

*Don't know
if this is
a
dimmer*

B. Adult Inpatient Program. During Conference Committee, the appropriateness and need for a 20-bed adolescent inpatient unit as recommended by the Senate was discussed. Because of insufficient information and the number of questions raised, the Conference Committee deleted 14.0 FTE positions, and funding of \$518,536 for the adolescent inpatient unit, from the hospital's budget. Instead, the Committee recommended funding of \$301,404 and 14.0 FTE positions to allow the continuation of the existing 25-bed adult inpatient unit and highlighted this area for discussion during the Omnibus Session.

Rainbow Mental Health Facility

A. Governor's Budget Amendment No. 4, Item 9 -- Operating Budget and Fee Fund Revenue Shortfalls. GBA No. 4 recommends the addition of \$116,404 from the State General Fund and reduction of \$67,294 from the hospital fee fund during FY 1986. Expenditures to date have been higher than anticipated by the Governor's recommendations and GBA No. 4 would provide \$49,110 from the State General Fund to address those shortfalls. Also, hospital fee fund revenue has not been at projected levels. GBA No. 4 would provide \$67,294 from the State General Fund and reduce fee fund expenditures by a like amount. H.B. 2759, as recommended by the Conference Committee, reflects a reappropriation of \$62,294, a reduction of \$54,110 from the Governor's original reappropriation of \$116,404. Consequently, the FY 1986 General Fund recommendations contained in GBA No. 4 are \$54,110 above legislative actions on Rainbow's budget, as contained in H.B. 2759.

Belgeron

B. Categorical Aid. S.B. 523 provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services. The FY 1987 education budget for Rainbow, as recommended by the Conference Committee in H.B. 2759, is based on a categorical aid rate of \$11,449 per eligible

teaching unit. Based on the increased categorical aid available to the hospital, an offsetting reduction of \$18,682 from the State General Fund may be made.

Topeka State Hospital

degenera

A. Governor Budget Amendment No. 4, Item 9 -- Operating Budget and Fee Fund Shortfalls. GBA No. 4 recommends for FY 1986 a State General Fund increase of \$118,015 and a reduction of \$60,000 from hospital fee fund expenditures. The State General Fund increase would include \$58,015 to offset shortfalls in the operating budget and \$60,000 to offset fee fund shortfalls. H.B. 2759, as approved by the Conference Committee, includes additional funding of \$76,405 from the State General Fund to offset expenditure shortages and \$80,691 to offset fee fund shortfalls. Consequently, GBA No. 4 contains State General Fund financing that is \$39,081 less than funding previously approved in H.B. 2759.

B. Senate Bill No. 523 provides a categorical aid rate of \$12,468 per eligible teaching unit for special education services. The education budget for Topeka State as recommended by the Conference Committee in H.B. 2759, is based upon a categorical aid rate of \$11,449 per eligible teaching unit. Because of the increased categorical aid funding available to the hospital school, an offsetting reduction of \$53,555 from the State General Fund may be made.

Kansas Corporation Commission

A. Governor's Budget Amendment No. 2. Previous legislative approval of the budget of the Department of Administration transferred costs of the capitol complex central mail activity to the nonreportable budget which will allow the costs to be financed from charges to user agencies. Accordingly, GBA No. 2 recommends that the Corporation Commission's expenditure authority be increased by a total of \$13,116 from the following funds:

Public Service Regulation Fund	\$ 2,837
Conservation Fee Fund	1,435
Motor Carrier License Fees Fund	8,745
Mined Land Conservation and Reclamation Fee Fund	99
TOTAL	<u>\$ 13,116</u>

Department of Health and Environment

A. House Bill No. 3112 requires that all off-site facilities constructed, modified, or operated as polychlorinated biphenyl (PCB) disposal, storage, or treatment facilities acquire a permit from the Secretary of Health and Environment. The bill authorizes the Secretary to adopt rules and regulations establishing the permit section, to adopt standards for the facilities and procedures for implementation of the system. Final approval of the PCB facility must be given by the Hazardous Waste Disposal Facility Approval

Board. The bill allows a permit application fee of not more than \$25,000 and a renewal fee of not more than \$10,000. A penalty section is also included in the bill.

The Department indicates that one Environmental Engineer III position and funding of \$35,000 from the State General Fund will be required to implement the program. The funding request includes \$34,180 for salary and wage costs and \$820 for other operating expenditures.

B. House Bill No. 2850 authorizes the Secretary of Health and Environment to create a hazardous waste collection program for the safe disposal of small quantities of hazardous waste in the possession of homeowners, farmers, schools, state agencies, small businesses, and local units of government. The program will also seek to educate the public about the dangers posed by hazardous wastes and to encourage local units of government to develop local hazardous waste collection programs. The bill directs the Secretary to utilize a contractor to conduct the collection program. Costs arising from the implementation of the program are to be paid from the Hazardous Waste Clean-up Fund. The bill also authorizes the Secretary to receive cash or in-kind donations in order to defray the program costs.

The Department indicates that a Project Specialist will coordinate the program and proposes to hire a coordinator for a six-month time period at a cost of \$22,624 from the State General Fund for salaries and wages and other operating expenditures. The Department also estimates that the cost for contracting with a hazardous waste disposal firm to conduct a pilot project in two cities for a total of nine days would be \$125,000 to be funded from the Hazardous Waste Clean-up Fund.

C. House Bill No. 2663 concerns the procedures of credentialing and amends the Kansas Act on Credentialing. Some of the changes made by the bill are:

1. addition of a definition of certification;
2. addition of an application fee of \$1,000 to be deposited in the State General Fund;
3. establishes a seven-member technical review committee to review the applications and make recommendations to the Statewide Health Coordinating Council (SHCC); and
4. stipulates that the Secretary must make a recommendation within 120 days of receiving the SHCC report.

The fiscal impact of H.B. 2663 as included in the Department's review would be revenue of \$4,000 (four applications per year at \$1,000 each application) and total expenditures of \$68,730. Included in the Department's request are:

1 Health Planner	\$ 31,856
1 Secretary II	16,594
7-Member Committee Reimbursement	15,400
Expert Testimony (Contractual)	3,000
Capital Outlay	1,880
Total	<u>\$ 68,730</u>

D. House Bill No. 2661 amends numerous statutes which deal with Medical Malpractice Insurance, health care providers, and health care facilities. As relates to the Department of Health and Environment, the bill requires each medical care facility to submit a plan concerning its risk management program to the Department.

The agency indicates that in order to administer and monitor the various programs established and to certify their compliance with this act prior to renewing the facilities' license, one professional administrator, and one health facility surveyor position will be needed. The agency's expenditure estimate for implementation of the program is:

Salaries and Wages:		
Health Planning Consultant	\$ 31,464	36,734
Health Facilities Surveyor	27,306	
Subtotal	\$ 58,770	4,500
Other Operating Expenditures	9,230	770
Capital Outlay	1,540	
TOTAL	<u>\$ 69,546</u>	<u>42,004</u>

36,734

All funding is requested from the State General Fund.

E. House Bill No. 3078 (pending) grants to the Kansas Corporation Commission exclusive jurisdiction over regulation of all oil and gas activities including exploration, drilling, production, treatment and abandonment of oil and gas wells on specific or captioned leases. The bill transfers all power, duties and functions of the Department of Health and Environment relating to the protection of surface and groundwater from pollution by oil and gas activities to the KCC. The Department will have authority to protect water from pollution due to oil and gas activities only in the case of off-lease pollution which would not be regulated by the KCC.

Fiscal impact statements were developed separately by Health and Environment and the Corporation Commission. The Commission's request includes 18.0 FTE new positions and additional expenditures of \$740,219, to be funded from the Conservation Fee Fund. Included in the request are:

Salaries and Wages:		
Clerks III	4	\$ 47,664
Data Entry Operator IV	1	13,788
Environmental Geologists II	5	150,480
Environmental Geologist III	1	33,180
PIRT II	6	128,376
Secretary I	<u>1</u>	<u>11,916</u>
	18 FTE	\$385,404
Fringe Benefits		63,348
Subtotal		<u>\$448,752</u>
Contractual Services:		
Communications		\$ 41,830
Postage	\$ 4,176	
Phone	4,206	
KANS-A-N	5,460	
Dedicated Data Lines	27,988	
Rents		67,680
Repairing and Servicing		17,953
Travel		51,630
Other Fees		17,500
Utilities		13,800
Other		<u>1,500</u>
Subtotal		<u>\$211,893</u>
Commodities		\$ 14,436
Capital Outlay		\$ 65,138
(Includes four microcomputers -- \$20,000 and district office phone system -- \$11,274)		
TOTAL		<u>\$740,219</u>

The Department of Health and Environment submitted a fiscal impact statement which would include the transfer of 18.5 FTE positions (14.5 FTE existing positions and four positions recommended by the Governor for FY 1987) and a total reduction in expenditures of \$643,372. The Department's proposal would transfer positions and reduce expenditures as follows:

Salaries and Wages -- Existing Positions:		
Environmental Geologist III	1.0	\$ 33,588
Environmental Geologists II	5.5	193,860
Geologist I	1.0	24,558
Environmental Technician V	1.0	25,578
Environmental Technical IV	2.0	47,482
Administrative Officer I	1.0	21,308
Clerk III	2.0	27,536
Special Project	<u>1.0</u>	<u>20,462</u>
Subtotal	18.5 FTE	<u>\$394,372</u>

New Positions Recommended by Governor:

Environmental Technician III	1	\$ 18,480
Clerks III	2	23,832
Clerk Typist II	1	10,284
Subtotal	4 FTE	<u>\$ 52,596</u>
Fringe Benefits -- All Positions		65,135
Subtotal		<u>\$512,103</u>

Contractual Services	\$ 90,075
Commodities	28,155
Capital Outlay	4,039
TOTAL	<u>\$634,372</u>

Health and Environment indicates that financing for the abovementioned decrease would be reduced as follows:

State General Fund	\$240,536
Conservation Fee Fund	135,776
Underground Injection Control Fund (federal)	258,060
TOTAL	<u>\$634,372</u>

Also, the Department indicates that in order to staff remediation of pollution from oil and gas activities, which will continue to be the Department's responsibility, 3.0 FTE positions and funding of \$90,986 will be necessary. The agency requests funding from the Conservation Fee Fund for the following:

Environmental Geologist III	1	\$ 43,480
Environmental Technician IV	2	41,746
In-State Travel and Subsistence		3,000
Capital Outlay		2,400
TOTAL		<u>\$ 90,626</u>

When the two agency requests are contrasted, the KCC's request is \$105,847 higher than the savings projected by DHE. This difference becomes \$196,473, if the Legislature grants the DHE request of \$90,626 for three positions to staff the remediation program.

In reviewing these requests, the Legislature may also wish to consider that H.B. 3078 reduces State General Fund revenues by approximately \$675,000, as the Secretary of Health and Environment will not longer be collecting oil field fees.

Department of Administration

A. Senate Bill No. 581 establishes an employee suggestion award program and a five-person Employee Award Board. The bill authorizes the Board to make cash awards to state employees and their immediate supervisors for

suggestions. The cash awards may be made from direct appropriations or savings resulting from the suggestion. The Department of Administration is requesting appropriation of \$25,000 for awards.

B. Governor's Budget Amendment No. 2 -- Central Mail. GBA No. 2 recommends shift of central mail staffing costs from the reportable budget to the nonreportable budget, where they would be financed from charges of user agencies. The General Fund reduction and miscellaneous technical changes, pertaining to the Department of Administration, are incorporated into H.B. 2776. However, expenditure limitation increases are necessary to several agencies located in the capitol area, to enact GBA No. 2. Throughout the staff memorandum, expenditure limitation increases are discussed as they impact various agencies. Certain of the special revenue fund increases, contained in GBA No. 2, are relatively small. Therefore, staff has generally excluded from this material any special revenue fund increase of less than \$1,000.

C. Capital Improvements. The Joint Committee on State Building Construction has not made decisions concerning FY 1987 capital improvements for the Department of Administration. As H.B. 2776, containing basic Department of Administration appropriations, has passed both houses, it will be necessary to include the Joint Committee's recommendations in the Omnibus bill.

Department of Social and Rehabilitation Services

A. Senate Bill No. 670 amends composition of the Children and Youth Advisory Committee, to provide inclusion of legislative members appointed by the House and Senate Minority Leaders. Presently, all Committee members are appointed by either the Senate President or the Speaker of the House. S.B. 670 also authorizes the Committee to employ a coordinator, who would be in the unclassified service and would be paid from the Family and Children Trust Fund.

The Department of Social and Rehabilitation Services (SRS) estimates that the coordinator would be paid approximately \$25,000 per year, reducing funds available for grants from the Family and Children's Trust Fund by approximately 17 percent. If the expenditure is authorized, it would be necessary to increase the state operations limitation on the Social Services Clearing Fund by \$25,000. SRS also requests \$7,133 from the General Fund to finance: (1) a .5 FTE Secretary I for the Coordinator (\$6,633); and (2) travel and subsistence for the Coordinator (\$1,500).

B. Substitute for House Bill No. 2874 amends sections of the Code for Care of Children. Those amendments specify that if a child is placed (either in protective custody, temporary custody, or custody upon disposition) with a parent, the court may also issue orders restraining any alleged perpetrator of abuse to the child from visiting or contacting the child. Substitute for H.B. 2874 also requires that any child born as a result of an attempted abortion, who exhibits any sign of live birth, be considered a child in need of care under the Kansas Code for Care of Children.

SRS indicates that the bill could reduce by approximately 50 the number of short-term foster care placements, as the bill allows removal of the

alleged perpetrator from the home, rather than the child. Since each such placement typically involves expenditure of approximately \$300, the bill would allow annual savings of approximately \$15,000. SRS has no data upon which to make a request concerning designating as a child in need of care any child exhibiting a sign of live birth following attempted abortion. The agency indicates that those expenditures would be from the Medical Assistance Program and could be approximately \$250,000 per instance, if such instances occur.

C. House Bill No. 2714 extends the sunset date of the Advisory Commission on Juvenile Offender programs to July 1, 1990. The bill expands the Commission's membership from 13 to 14, the new member being a Court Services Officer, appointed by the Chief Justice of the Supreme Court. The bill expands the Commission's responsibilities to include oversight of a policy of eliminating detention of juveniles in adult jails and requires each county to submit a plan for removal of juveniles from adult jails.

Expanding the size of the Commission would not appreciably increase expenses. Planning for eliminating juvenile detention in jails appears to have no significant impact other than some travel and report preparation expenses by state and local staff. Nevertheless, actual elimination of juvenile detention in jails is estimated to involve first-year expenses of approximately \$650,000 for SRS.

H.B. 2714 is included in this memorandum to determine whether the Legislature desires to appropriate funds at this time to begin discontinuance of placing juveniles in jails.

D. House Bill No. 3127 (Pending) establishes a new mechanism for granting assistance to community mental retardation organizations. The bill also deletes references to mental retardation from K.S.A. 65-4401 et seq., the present statute for granting assistance to both community mental health and community mental retardation. The state aid to community mental retardation appropriation, contained in H.B. 2760, references K.S.A. 65-4401. Therefore, upon passage of H.B. 3127 it would be necessary to lapse the H.B. 2760 appropriation and appropriate a line item referencing the new financing mechanism.

OK
E. House Bill No. 2658 (Pending) includes many recommendations concerning child support enforcement made by the Special Committee on Judiciary, during the 1985 interim. Many of the bill's provision are clarifications or technical amendments to 1985 S.B. 51. H.B. 2658 amends K.S.A. 23-4,108 and 23-4,109, governing child support disbursements for income withholding when two or more order are filed against the same income and applicable income is insufficient to meet the total. Present statute allows top priority to the first filed order. The H.B. 2658 revisions specify that in such cases the employer withhold the allowable maximum income and forward it to SRS. SRS is then to disburse the collections among the various enforcement orders on a pro-rata basis. SRS estimates the new provision would apply to 2,000 cases monthly.

SRS requests \$18,024 (of which \$12,617 would be from federal funds and \$5,407 would be state funds) to implement this provision. The agency's request consists of 1 - Clerk III (\$14,324 (including fringes); 1 microcomputer (\$3,000); and miscellaneous office furniture (\$700).

OK
F. Governor's Budget Amendment No. 2 -- Central Mail. Previous legislative approval of the budget of the Department of Administration transferred FY 1987 costs of the capitol complex central mail activity to the nonreportable budget, where it will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the SRS budget be increased by \$14,101 from the Federal Formula Grants Fund to accommodate this transfer.

OK
G. Governor's Budget Amendment No. 4 -- Child Abuse Federal Funding. GBA No. 4 recommends a \$52,596 increase of the expenditure limitation on the federal Child Abuse and Neglect Fund during FY 1986. Additional funds have become available which SRS proposes to expend as follows: (1) part-time intermittent positions (\$15,214); (2) travel and subsistence (\$3,650); (3) development of a child abuse registry (\$19,713); and (4) equipment (\$14,019).

Fish and Game Commission

A. Senate Bill No. 496 amends K.S.A. 19-328 to provide for the Commission to issue a special surety bond covering the vendors appointed to sell hunting, fishing, and other agency licenses. The agency estimates FY 1987 costs of implementing this bill will total \$6,070, as follows: (1) temporary salaries (\$4,885); (2) communications (\$1,000); and (3) equipment (\$185).

State Board of Pharmacy

A. Governor's Budget Amendment No. 4, Item 4 -- Attorney Fees. GBA No. 4 recommends an increase of \$7,000 in expenditures from the Board of Pharmacy Fee Fund for greater than anticipated attorney fees in FY 1986. It should be noted that previous legislative action has provided for \$3,500 of the requested \$7,000 increase.

Department of Economic Development

A. House Bill No. 2951 (Pending) reorganizes the existing Department of Economic Development into a new Department of Commerce. Key provisions of the bill include the creation of new divisions for existing industry development, trade development, and industrial recruitment; and transfer of the Office of Advanced Technology to the newly-created Kansas Technology Enterprise Corporation (see S.B. 755). In conjunction with the reorganization and proposed program improvements, the agency requests an increase of \$3,526,376 and 28.0 FTE positions above the budget as approved by the Senate. It should be noted that the agency's request is based on a full fiscal year of operation, while H.B. 2951 in its current form would become effective on January 1, 1987. A list of the proposed program increases and the amount requested follows:

Program	Amount
Industrial Advertising	\$ 900,000
Field Office Expansion (13.0 FTE)	350,000
Kansas Industrial Training Program	250,000
European Office	250,000
Certified Development Company Grants	400,000
Industrial Development Staff (2.0 FTE)	80,000
Industry Liaison Program -- Phase I	60,000
Small Business Innovative Research Grants	200,000
Contractual Representation -- Japan	125,000
Trade Division (8.0 FTE)	386,376
Existing Industry Division Expansion (4.0 FTE)	120,000
Small Business Development Center Grants	350,000
Certified Cities Program (1.0 FTE)	30,000
Mainstreet Program	25,000
TOTAL	<u>\$3,526,376</u>

B. Substitute for Senate Bill No. 755 (Pending) creates the Kansas Technology Enterprise Corporation (KTEC), a quasi-public corporation which would assume responsibility for the administration of the research matching grant program currently administered by the Office of Advanced Technology; support the existence and creation of centers of excellence in basic research, applied research, and technology transfer; engage in seed capital financing; and provide for the transfer of technology between Kansas educational institutions and the private sector. The Department of Economic Development estimates that total FY 1987 costs for KTEC would be \$350,000 in addition to the FY 1987 funding for the Office of Advanced Technology based on a June 1, 1986 starting date. The Department is furnishing additional detail concerning this expenditure request. It should be noted that in its current form the bill would create KTEC effective January 12, 1987.

C. House Bill No. 2960 (Pending) creates the Ratner Foundation/Kansas, Inc., a quasi-public organization dedicated to review and strategic analysis regarding economic conditions and development within Kansas. The Department of Economic Development estimates that FY 1987 expenditures for support of the organization should total \$300,000. The Department is furnishing additional detail concerning this expenditure request.

D. House Bill No. 3122 (pending) creates one joint committee and two standing legislative committees on economic development and mandates the creation of five task forces to study specific topics during the 1986 interim. In addition to any amounts for compensation of committee and task force members during FY 1987 which may need to be added to the budget of Legislature, the Department of Economic Development requests \$350,000 for special research studies and consultant services as may be required by the committees and task forces. It should be noted that the agency's budget as approved by the Senate (S.B. 759) provides \$100,000 for this purpose. H.B. 3122 is presently silent as to the source of funding for compensation of committee and task force members.

E. Governor's Budget Amendment No. 4, Item 1 -- Kansas Industrial Training Program. GBA No. 4 recommends a supplemental appropriation for the Kansas Industrial Training Program (KIT) in the amount of \$500,000 from the State General Fund. The recommended additional FY 1986 funding would be utilized for training future employees of the General Motors Corporation and an unnamed international manufacturing entity who are reportedly intending to locate and/or expand their operations in the state pursuant to the availability of training funds.

Animal Health Department

A. Governor's Budget Amendment No. 2. Previous legislative approval of the budget of the Department of Administration transferred costs of the capitol complex central mail activity to the nonreportable budget, where it will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the budget of the Animal Health Department be increased by \$1,173 from the Animal Disease Control Fund to accommodate this transfer.

Adjutant General

A. Governor's Budget Amendment No. 4, Item 7 -- Capital Improvements. GBA No. 4 recommends an increase of \$42,600 in the Military Fees Fund (federal) expenditure limitation to provide for the renovation of a state-owned armory, 75 percent (\$31,950) of which will be federally reimbursed. The Joint Committee on State Building Construction has tentatively recommended this project.

B. Governor's Budget Amendment No. 4, Item 7 -- Office Assistant. GBA No. 4 recommends an increase of \$16,293 in the Military Fees Fund (federal) expenditure limitation and an increase of 1.0 FTE in the agency's position limitation. The recommendation provides for the addition of a 100 percent federally funded Office Assistant in the Kansas Army National Guard Facilities subprogram.

Kansas Highway Patrol

A. House Bill No. 2752 amends current law to provide for preliminary screening of a person's breath to determine the alcohol concentration of the person's blood. Current law requires that an arrest be made prior to a blood alcohol test being performed. The Kansas Highway Patrol has indicated that additional FY 1987 expenditures totaling \$184,616 from the State General Fund are necessary to implement this legislation. The amount includes \$180,000 for 400 portable breath analyzers for issue to all road troopers and sergeants. The amount also includes \$3,000 for 10,000 disposable mouthpieces, \$720 for eight cylinders of stabilizing solution, and \$896 for 800 batteries.

Secretary of State

A. Printing Costs -- Constitutional Amendments. The Conference Committee on S.B. 524 deferred until the Omnibus appropriation bill consideration

of financing costs to publish the text of constitutional amendments in 105 newspapers three times each. The agency currently has \$30,000 from the State General Fund budgeted for FY 1987 to publish two constitutional amendments at \$15,000 each. Constitutional amendments which have passed the Legislature include S.R. 1605 (liquor by the drink), S.R. 1609 (lottery), H.R. 5018 (property classification), H.R. 5024 (parimutuel betting), H.R. 5028 (revises education article in Constitution), and H.R. 5047 (property tax exemptions for economic development purposes). S.R. 1635 (repeal of internal improvements section) is on General Orders in the House.

Kansas Public Employees Retirement System

A. Governor's Budget Amendment No. 2 -- Central Mail. Previous legislative approval of the budget of the Department of Administration transferred costs of the capitol complex central mail activity to the nonreportable budget, where it will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the budget of the Kansas Public Employees Retirement System (KPERS) be increased by \$13,844 from the KPERS Fund to accommodate this transfer.

B. Governor's Budget Amendment No. 3, Item No. 2 -- Local Actuary Services. This GBA recommends \$6,000 from the State General Fund in FY 1986 for local actuarial services. K.S.A. 12-5002(c) provides that all cities maintaining a local police or fire pension plan must have periodic actuarial valuations (at least once every three years). These cities may either secure the services of an actuary of their own choosing or utilize the services of the KPERS actuary, in which case the costs are paid from the State General Fund and cannot be paid from the KPERS Fund. In FY 1986 the cities that are utilizing the KPERS actuary include Wichita, Great Bend, and Leavenworth.

C. Governor's Budget Amendment No. 4, Item 2 -- School Employer Contributions. GBA No. 4 adjusts the KPERS School employer contributions in FY 1986 and FY 1987. The Governor indicates that the current year State General Fund appropriation of \$40,217,000 and the supplemental appropriation of \$713,109 included in S.B. 584 will be insufficient to fully fund the state's obligations for local school employer contributions for FY 1986. The GBA indicates the shortfall is due to a higher than anticipated growth in the covered payroll upon which the state's obligation is based. The initial estimate of growth in the covered payroll for FY 1986 was 7.8 percent. It is now estimated, based upon the covered payrolls for the first two quarters of the fiscal year, that the covered payroll will increase by 9.4 percent. While the initial growth estimate of 7.8 percent was sufficient to absorb increases in salaries (for example, increases in the salaries for teachers and principals average statewide 7.63 percent and 7.09 percent, respectively), it was not sufficient to absorb the increases in covered payrolls due to the addition of new employees, according to the Governor. Information from KPERS indicates that KPERS School contributions are being paid on 1,053 more employees than at the same time a year ago. The Governor amends his FY 1986 recommendation for the KPERS School employer contributions from \$40,930,109 to \$41,537,089, an increase of \$606,980, all from the State General Fund. For FY 1987 the Governor recommends an additional amount of \$816,988, all from the State General Fund for KPERS School employer contributions. The Governor's FY 1987 KPERS

School employer contribution amount would increase from \$41,944,012 to \$42,761,000.

Kansas State Penitentiary

A. Governor's Budget Amendment No. 3, Item No. 8. GBA No. 3 recommends a FY 1986 State General Fund appropriation of \$129,200 to replace the flat area of the roof on the Inside Service Building at the State Penitentiary. The Governor notes this building is undergoing extensive interior renovation and recommends the new roof to prevent any interior water damage to the renovated space. The roofing inspector for the Division of Architectural Services has inspected the roof and reported that further patching of the existing roof would not be serviceable or cost effective. The project portion of the roof contains approximately 180 squares where new tapered insulation would be installed for a positive drainage with a minimum "R" factor of 20. This would then be covered with a single ply membrane roof.

Kansas Correctional Institution at Lansing

A. Governor's Budget Amendment No. 4, Item No. 8 -- Inmate Medical Costs. GBA No. 8 recommends an additional State General Fund supplemental of \$55,079 in FY 1986 for inmate health care services. The Governor notes that additional unforeseeable medical expenses have arisen which will make the existing supplemental appropriation of \$131,232 (contained within H.B. 2801) insufficient to provide adequate funding for health care services. The original revised FY 1986 estimate for inmate health care services at the institution was \$164,561.

Board of Nursing

A. Senate Bill No. 179 provides for the certification of certified registered nurse anesthetists and establishes an advisory council to advise the Board of Nursing. Approximately 175 applications would be processed annually under this Act. The Board of Nursing does not anticipate any additional staffing needs as a result of the passage of this Act. However, the Board estimates additional travel and supplies expenditures of \$3,462 per year and requests that its expenditure limitation be increased by that amount. The Act would generate revenue of \$10,500 to the Board of Nursing Fee Fund and \$2,625 to the State General Fund with fees at the statutory maximum fee rate for original applications, with revenues decreasing in FY 1989 due to lower renewal fees.

B. Senate Bill No. 737 allows the Board of Nursing to fix, charge, and collect fees for institutes, conferences, and other educational programs offered by the Board and creates the Education Conference Fund to which revenues would be deposited. Appropriation authority is necessary to allow the Board to expend funds collected. The Board of Nursing estimates revenue and expenditures of approximately \$30,000 in FY 1987 to conduct three workshops.

C. Governor's Budget Amendment No. 2. Previous legislative approval of the budget of the Department of Administration transferred costs of the capitol complex central mail activity to the nonreportable budget, where it

will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the budget of the Board of Nursing be increased by \$1,877 from the Board of Nursing Fee Fund to accommodate this transfer.

Kansas Bureau of Investigation

A. House Bill No. 2773 provides criteria for determining whether to place a juvenile in a juvenile detention facility including: verification of the juvenile's fugitive or escapee status; a history of violent behavior; and a record of adjudication of conviction on an offense which would be a felony if committed by an adult. The KBI operates the state Juvenile Justice Information System, which would be accessed to determine if these criteria have been met.

The Bureau requests 2.0 FTE positions, a Clerk IV and a Data Entry Operator IV (\$31,288); \$1,600 for a data entry terminal; \$1,200 for office equipment; and \$33,500 for computer enhancements (\$7,500 for a 1 megabyte memory upgrade and \$26,000 for a disk drive) for a total of \$67,588. The Bureau maintains that the additional staff are necessary for processing and entry of reports in a timely manner and that the computer enhancement is necessary for adequate storage space and timely delivery of information. The KBI would also utilize these positions and computer enhancement to implement S.B. 103 which would make information gathered by the child in need of care system and juvenile offender information system available to the Secretary of the Department of Social and Rehabilitation Services and law enforcement agencies in certain circumstances. The agency sees no additional fiscal impact of S.B. 103 beyond that addressed for H.B. 2773. The agency is assembling data concerning the quantity of data they would be required to process under provisions of H.B. 2773 and S.B. 103.

Bank Commissioner

A. Senate Bill No. 555 (pending) would amend existing law to allow state-chartered banks to amortize, over a period of five years, loan losses identified in any regulatory examination which discloses that the bank's capital is impaired and that additional capital is required. To qualify for amortization of losses, banks would submit written plans to the Bank Commissioner outlining specific steps to avoid further deterioration and to return to profitability. After acceptance of the bank's plan, the Commissioner would conduct regular reviews of the effectiveness of that plan. The Bank Commissioner believes all eligible banks will elect to pursue amortization of losses. Currently, 60 state-chartered banks operate below the capital guidelines. In addition, it is estimated that there will be an additional 152 state-chartered banks by the end of this fiscal year which are likely to incur losses resulting in a diminished capital level. Expenditure estimates from the Department are based upon 60 immediate applications and 10.2 applications per month thereafter. During the first year the Bank Commissioner estimates that five experienced review examiners would be necessary to process the initial number of banks. After five months, three of those positions could be eliminated leaving two permanent additional review examiner positions. An additional clerical position is also requested. Total additional personnel costs would

equal \$154,617 in FY 1987 with additional attendant expenditures of \$3,300 for office space, \$5,749 for fixtures and equipment, and \$2,500 for legal expenses. The annual recurring cost after FY 1987 is estimated at \$76,000. Thus, the agency requests increased expenditure authority of \$166,166 in FY 1987 and six additional positions, of which 3.0 FTE would be permanent positions.

B. Governor's Budget Amendment No. 2. Previous legislative approval of the budget of the Department of Administration transferred costs of the capitol complex central mail activity to the nonreportable budget, where it will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the budget of the Bank Commissioner be increased by \$469 from the Bank Commissioner Fee Fund to accommodate this transfer.

Kansas State Historical Society

A. House Bill No. 2587 authorizes the State Historical Society to acquire the Charles Curtis Home by purchase, condemnation, or exchange subject to legislative or Finance Council approval. The purchase price of the home is estimated by the Division of Architectural Services at \$180,000. The Division estimates \$248,800 for repairs. The Historical Society estimates curator, utilities, and annual upkeep costs to total \$20,937. H.B. 2776, the appropriations bill for the Historical Society, currently includes \$25,000 for the purchase of an option on the Home.

B. House Bill No. 3047 authorizes the State Historical Society to acquire through gift or purchase the Constitutional Hall in Lecompton and to manage it as an historic site. The Hall is appraised at \$3,500. It is estimated by a private architectural firm that \$126,653 is necessary for essential repairs with additional remedial repairs totaling \$25,595. The Historical Society estimates annual management costs of \$25,340 for a curator position and operational costs.

Fire Marshal

A. Technical Adjustment. For FY 1987 the Fire Inspection -- Social Security Act -- Federal Fund was given an expenditure limitation of \$80,491. Federal funds above that amount are expected in FY 1987. A "no limit" status as in past fiscal years is necessary to allow receipt of these additional funds.

Judicial Branch

A. Substitute House Bill No. 2050 amends existing law regarding the Treatment Act for Mentally Ill Persons. The bill redefines mentally ill person, makes procedural changes in the hearing process leading to involuntary commitments, clarifies that out-patient treatment is a commitment option, and makes other technical changes. The Office of Judicial Administration estimates that as many as 500 to 1,000 additional cases per year could be filed under the new provisions. OJA indicated that the workload under this bill would necessitate three new district magistrate judge positions, for an estimated State General Fund expenditure of \$90,339. (This estimate assumes that the required mental evaluations will be conducted at state mental hospitals or community facilities, and not by court services officers.)

B. House Bill No. 2678 amends the Small Claims Procedure Act by allowing claims that have a value of up to \$1,000, an increase from the current \$500 limit. The number of small claims that may be filed in any calendar year is increased from five to ten. Docket fees for claims up to \$500 will remain at \$10, but the docket fee for claims exceeding \$500 is increased to \$30. The Office of Judicial Administration indicates that the bill could increase the number of small claims filed by 8,000. Such an increase would require six additional clerical staff positions (\$86,409) and additional judge time (\$50,000). The additional judge time would be made available either through cross-assignment or by retired judges. The fiscal note prepared by the Budget Division indicates that the total request is \$136,409, all from the State General Fund. Such a caseload increase would result in additional revenue of approximately \$28,000 for the State General Fund.

83,000

Judicial Council

A. House Bill No. 3140 (pending) amends current law pertaining to the composition of the Judicial Council by adding one nonattorney member, to be appointed by the Governor. The Director estimates that the new member will attend an average of ten meetings per year, receiving subsistence of \$63 and \$35 per diem for each meeting. Mileage costs, depending on the residence of the new member, could range up to approximately \$2,000 per year. Thus, the fiscal impact of H.B. 3140 could be as much as \$2,980, all from the State General Fund.

Board of Indigents' Defense Services

A. Governor's Budget Amendment No. 4, Item 3 -- Public Defender Promotion Policy. GBA No. 4 contains a recommendation for the Board of Indigents' Defense Services to increase FY 1987 State General Fund expenditures by \$7,812. The Board has a policy of promoting Public Defenders I (Range 22) to Public Defenders II (Range 26) after one year of employment. The Governor's Recommendation underfunded the Sedgwick County Public Defender Office by \$7,812 for this purpose.

Public Broadcasting Commission

A. Governor's Budget Amendment No. 4, Item 13, Purchase of Television Station in Colby. The Governor endorses a proposal of the Public Broadcasting Commission to partially finance the acquisition by the Smoky Hills Public Television of the KLBV television station in Colby. The intent of this purchase is to extend public television to a large portion of western Kansas. Recommended funding for this project would total \$1,624,724, to include \$400,000 from the State General Fund, \$899,724 from federal funds, \$125,000 from Smoky Hills Public Television, and \$200,000 from local sources. The Governor recommends that State General Fund expenditures of \$400,000 be conditioned upon contributions from the other parties.

Regents' Systemwide Issues

A. Utilities Expenditures FY 1986 and FY 1987. GBA No. 4 includes reductions of the utility expenditure by \$343,522 for each of fiscal years 1986 and 1987. The reductions are from the amounts originally recommended by the Governor and currently approved by the Legislature (the FY 1986 reappropriations and FY 1987 appropriations that are impacted by the amendment are included in S.B. 537 which is currently in Conference Committee). The revised estimates of expenditures for the current fiscal year are based upon actual expenditures through February and estimates for the remainder of the year. The Governor's revised recommendation for FY 1987 would hold expenditures to the FY 1986 level, plus additional funds for new buildings and anticipated rate increases attributable to the Wolf Creek Nuclear Power Plant.

The reduction recommended by the Governor for the current fiscal year which totals \$1,549,238 could either be reappropriated to offset new utility appropriations for FY 1987, or utilized for energy conservation projects as has been the case for the past several years. The appropriation for FY 1987 contained in S.B. 537 would utilize current year savings to offset the new appropriation, thus not making any new funds available for energy conservation projects.

University of Kansas

A. Senate Bill No. 589 signed into law on April 11, 1986 increases the docket fees for criminal, traffic, and fish and game cases by \$2.00 and bond forfeiture charges by \$3.00. The additional revenue, estimated to be

approximately \$430,000, will go to the Law Enforcement Training Center Fund. The increase would result in an estimated total of \$1.1 million available in the fund for operation of the Center during FY 1987. The expenditure level recommended by the Governor for FY 1987 totaled \$762,737 composed of \$670,000 from the Law Enforcement Training Center Fund and \$92,737 from the State General Fund. Governor's Budget Amendment No. 4 includes a reduction of State General Fund expenditures by \$92,737 with an equal increase of expenditures from the Law Enforcement Training Center Fund due to the docket fee increase.

The expenditure level recommended by the Governor for FY 1987 includes \$397,564 for 14.9 FTE positions and \$365,173 for OOE. The personnel expenditures include an 8 percent (\$29,632) turnover reduction which is \$20,613 greater than the amount that would be reduced if the University's shrinkage rates (2.0 percent for unclassified and 5.0 percent for classified employees) were applied. The number of positions recommended by the Governor (4.0 classified and 10.9 unclassified) is equal to the number employed during FY 1985 and the number recommended for the current year. The University requested 15.9 positions for both fiscal years 1986 and 1987. The additional position requested by the University for FY 1987 would require expenditure of an additional \$28,000 plus benefits.

Board of Regents

House Bill No. 2671, which has passed both houses without amendment, would replace the current fixed maximum award for tuition grants (\$1,200) with a maximum that would change each year as tuitions change. Under the bill, the maximum tuition grant would be equal to one-half the difference between the average full-time resident tuition and fees at a state university and average full-time tuition and fees at an independent college. A new maximum would be recalculated each year. The provisions of the bill allow proration of the tuition grants if insufficient funds are appropriated to provide the maximum award to all eligible students. The Act would take effect on July 1, 1986. The Board of Regents estimates that the additional cost of the program during FY 1987 would be \$575,000. That amount was requested by the Board but not recommended by the Governor nor included in S.B. 537 (the Regents' appropriation). The currently approved total expenditure for the tuition grant program for both fiscal years 1986 and 1987 is \$4,350,000.

University of Kansas Medical Center

A. Capital Improvement -- Asbestos Abatement. On April 7, 1986, staff received an amended budget request from the Medical Center for FY 1986, seeking a \$255,000 supplemental appropriation for renovation of the inpatient pediatrics unit in Robinson Hall. The requested funds would finance removal and replacement of asbestos fireproofing material on the steel structures of the three floors to be renovated. The need for asbestos abatement was apparently not anticipated a year ago when the University received approval for the \$2,000,000 renovation project. On April 10, 1986, the Joint Committee on State Building Construction approved the University's request.

The direct financing source for the project would be the University of Kansas Hospital Fund. However, that fund has no uncommitted balances

available for expenditure. Consequently, in order to finance the project from that source, a \$255,000 transfer would be necessary from the Hospital Revenue Fund. Approval of the project as requested would reduce the anticipated FY 1987 ending balance for the Hospital Revenue Fund from \$1,000,000 to \$745,000. Therefore, if the Legislature chooses to approve the project, it may wish to consider a shift of \$255,000 in general use operating expenditures from the Hospital Revenue Fund to the State General Fund, in order to retain an ending balance of \$1,000,000 as previously approved by both the House and Senate Ways and Means Committees.

B. Capital Improvement -- Animal Care Facility Ventilation System Corrections. The House Subcommittee assigned to the University of Kansas Medical Center's budget requested that the State Board of Regents provide an estimate of the amount necessary to correct remaining ventilation problems in the existing animal care facility. On April 11, 1986, the Board of Regents Office estimated that the necessary work to correct the ventilation problems would require \$240,000, itemized as follows:

Wahl Hall East -- North Wing	\$ 42,000
Hixon Hall	32,000
Wahl Hall West	100,000
Asbestos Abatement	25,000
Design and Construction Administration, Fees, and Miscellaneous	<u>41,000</u>
TOTAL	<u>\$240,000</u>

The House Committee recommended funding the project from a reserve account which was created as a result of refunding outstanding bonds on the clinical facility. The University's revised budget submitted in early January indicates that \$1,010,359 will be available in that account as of July 1, 1986, including interest anticipated to accrue during FY 1986. The proceeds in the reserve account are general use moneys. Hence, should the Legislature choose to approve expenditures of \$240,000 for ventilation improvements for the existing animal care facility, the balance of \$770,359 could be transferred from the reserve account to the Hospital Revenue Fund, and in turn expended for the operating budget in lieu of State General Fund appropriations. A second alternative would be to transfer the balance to the University of Kansas Hospital Fund to establish a reserve in that account for future hospital capital improvement projects.

Kansas Water Office

A. H.B. 2705 establishes the water assurance program. In order to acquire additional water storage capacity to implement the program, the Water Office has entered into a Memorandum of Understanding with the U.S. Corps of Engineers. One condition which must be met before the agreement becomes effective is that the state must place \$4,000,000 into an escrow account by July 1, 1986. The Water Office has indicated that the Corps of Engineers is agreeable to the use of the State Conservation Storage Water Supply Fund for that purpose. The Governor's investment budget provides for a transfer of \$2,852,724 from the State General Fund to the State Conservation Storage Water

Supply Fund to meet the condition of the Memorandum of Understanding. That figure assumed that \$1,147,276 would accrue to the special revenue fund by June 30, 1986, to provide a total of \$4,000,000. The Senate has recommended a transfer in that amount in S.B. 584. The House deleted the transfer pending passage of H.B.'s 2704, 2705, and 2721.

As of April 14, 1986, the accrued balance in the State Conservation Storage Water Supply Fund was \$937,950. To ensure that \$4,000,000 is available in the account by June 30, the Legislature may wish to consider revising the transfer language that was recommended by the Senate to provide that the Director of Accounts and Reports shall transfer from the State General Fund the amount necessary to bring the balance in the special revenue fund to \$4,000,000 on June 30, 1986.

The Water Office suggested this change to the House Subcommittee because of concerns that the special revenue fund's accrued balance may not reach the level originally anticipated by the end of FY 1986. The House Subcommittee report noted that if the authorizing legislation were to pass, the amount to be transferred to ensure an escrow account balance of \$4,000,000 may be as high as \$3,070,108. The House action to delete the transfer was in accordance with the practice of deferring funding until passage of the related legislation.

Based upon the accrued special revenue fund balance as of April 15, a transfer of \$3,062,050 would be required. However, some additional moneys are anticipated to be deposited before June 30, although such receipts are not expected to be significant. The actual amount that would be transferred under the revised language, therefore, would likely be slightly less than \$3,062,050, or approximately \$200,000 more than the figure originally recommended in the Governor's investment budget.

State Board of Agriculture

A. S.B. 445 allows a licensed large scale testing and service company to remove an official rejection tag from a large scale for the purpose of testing or repairing the scale. The bill also authorizes a licensee to replace the rejection tag with a substitute tag if the scale cannot be properly repaired. Current law prohibits licensees who do not have written authority from breaking or removing any tag placed on a scale by an authorized representative of the Secretary of Agriculture. The agency indicates that additional expenditures of \$200 for communications and \$300 for printing will be necessary to print and distribute information and substitute tags to the 15 companies expected to be licensed for testing and servicing large-capacity scales in FY 1987. Any amounts appropriated for this purpose would be from the State General Fund.

B. S.B. 727 alters fees assessed to those who are required to register with the Secretary of Agriculture under the Meat and Poultry Inspection Act. The State Board of Agriculture estimates that the bill will generate \$12,300 in receipts to the Meat and Poultry Inspection Fund in excess of the amount anticipated to accrue under current law. Some or all of the additional

revenue could be expended to support the state meat and poultry inspection program, allowing an equal amount of State General Fund savings.

C. S.B. 547 amends the definition of "pesticide dealer" in K.S.A. 1985 Supp. 2-2438a to limit the definition to those who sell restricted use pesticides to other persons for application. Current statutes define "pesticide dealer" to include persons who sell any kind of pesticide to others for application.

The bill also limits the present requirement that pesticide dealers register with the State Board of Agriculture and pay an annual fee of \$15. Under S.B. 547, registration would be required only for businesses and dealers distributing restricted use pesticides. The bill would be effective on publication in the Kansas Register.

The amendments in S.B. 547 change the effect of 1985 S.B. 331, which initially required pesticide dealers to register with the State Board of Agriculture. The 1985 Legislature approved additional expenditures for the State Board of Agriculture to implement S.B. 331. Those expenditures totaled \$135,000 and were anticipated to be funded entirely from increased revenues to the Pesticide Use Fee Fund which were anticipated to result from imposing an annual registration fee of \$15 on a total of 9,000 registrants.

Passage of S.B. 547 is anticipated to reduce the number of pesticide dealers required to register with the agency to 400. Annual revenue generated from pesticide dealer registrations would fall to \$6,000 rather than \$135,000 anticipated under S.B. 331.

A year ago, the Legislature added 2.0 FTE Ecological Specialists and 2.0 FTE Clerk-Typists II to implement 1985 S.B. 331. The agency indicates that the changes in S.B. 547 will allow elimination of 1.0 FTE Ecological Specialist and 1.0 FTE Clerk-Typist II, for salary savings in FY 1987 of \$38,801. The agency also anticipates savings totaling \$24,877 in other operating expenditures. Total anticipated savings as a result of passing S.B. 547 are \$63,678.

However, S.B. 547 also reduces annual registration revenue from \$135,000 to \$6,000, a decrease of \$129,000. Since the reduction in receipts exceeds the reduction in expenditures, the agency requests an additional State General Fund appropriation to finance the amount of the program cost which exceeds the \$6,000 in annual receipts from pesticide dealer registrations, or \$65,322.

Because the bill would be effective on publication in the Kansas Register, it would also have a fiscal impact for FY 1986. The agency anticipates expenditures for the pesticide dealer registration program to total \$88,527 for FY 1986, including expenditures already incurred under 1985 S.B. 331 and anticipated expenditures for the remainder of FY 1986 under S.B. 547. Total revenues to the Pesticide Use Fee Fund for FY 1986 generated as a result of 1985 S.B. 331 and S.B. 547 are expected to total \$21,560. The difference of \$66,967 is requested by the agency from the State General Fund to finance the program for FY 1986. The anticipated program expenditures for the remainder of FY 1986 assume that 2.0 FTE positions of the total of 4.0 positions employed to implement 1985 S.B. 331 will be laid off as of April 24, 1986.

Because the Governor's FY 1986 budget recommendations included no State General Fund expenditures for administration of the pesticide dealer registration program, the requested amount would be in addition to amounts contained in the Governor's Budget Report.

The fiscal note on S.B. 547 raises a question about the extent to which the Legislature expects the pesticide dealer registration program to be financed from fee receipts. Under 1985 S.B. 331, the costs of administering the registration program were financed entirely from income that was expected to be generated from passage of the legislation. Based upon the agency's fiscal note for S.B. 547, however, the program would be financed primarily from the State General Fund. For FY 1988, the agency's fiscal note would require total expenditures for the program of \$68,467, of which \$62,467 would be from the State General Fund and \$6,000 from annual registration fees of \$15 for an estimated 400 registrants.

The net impact of S.B. 547, based on the agency's requested expenditure level, would result in additional State General Fund expenditures of \$66,967 for FY 1986 and \$65,322 for FY 1987 compared to the Governor's recommendations. The expenditure limitations on the Pesticide Use Fee Fund could be reduced by \$113,440 in FY 1986 and \$129,000 for FY 1987. It should be noted, however, that the Pesticide Use Fee Fund is one of six fee funds previously identified by the agency to result in revenue shortfalls for both FY 1986 and FY 1987. To date, the House action on S.B. 444 provided State General Fund appropriations to offset 64 percent of the projected total revenue shortfall in FY 1986 and 38 percent of the projected total shortfall for FY 1987.

D. H.B.'s 2704 and 2705 implement certain recommendations of the State Water Plan dealing with large reservoir management and finance. H.B. 2704 authorizes the Water Office to acquire a water reservation right on behalf of the state to divert and store waters of all streams flowing into the conservation storage water quality capacity of any reservoirs in which the state controls storage space. The Chief Engineer of the Division of Water Resources would be required to provide, as a condition of any such water reservation right, that the state may divert and store inflows only at times when they exceed certain threshold levels, to be agreed upon jointly by the Chief Engineer and the Director of the Water Office. H.B. 2705 authorizes the creation of water assurance districts for the purpose of utilizing storage capacity in reservoirs to satisfy downstream municipal and industrial water rights during drought conditions.

K.S.A. 82a-607b currently requires the Chief Engineer to take action to protect water releases authorized by the state of Kansas, upon a determination that such releases are being unlawfully diverted. Required actions include directing the controlling works of water structures to be opened, closed, adjusted, or regulated as may be necessary to secure water for use by the person for whom the release was authorized.

The State Board of Agriculture estimates that additional personnel will be required to protect water releases authorized to occur under H.B.'s 2704 and 2705. The agency requests 2.0 FTE Hydrologists II, for which \$53,212 is estimated for salaries and fringe benefits. The agency also requests \$14,711 for other operating expenditures for the new staff, including \$8,547

for capital outlay. The total requested by the agency is \$67,923 and would be financed from the State General Fund.

The Governor's investment budget for FY 1987 includes \$35,000 and 1.0 FTE Hydrologist position to implement the Board of Agriculture's additional responsibilities related to the water assurance program. Fiscal Note No. 419 identifies this amount as covering the salary and other operating expenditure costs of the new position. The fiscal note also indicates that additional staff may be required by the Division of Water Resources in future years, depending on the rate and extent to which assurance districts are organized.

It would appear that any additional responsibilities of the Division of Water Resources are contingent upon a wide range of events which are not likely to occur immediately following the effective date of the authorizing legislation. Therefore, the Legislature may wish to defer consideration of additional staffing for the Division until the water assurance program is actually underway.

E. H.B. 2703 permits the Chief Engineer of the Division of Water Resources to require a person who applies for a permit to appropriate water to adopt and implement conservation plans and practices consistent with state guidelines to be developed by the Kansas Water Office. Before approving an application for a permit, the Chief Engineer, in consultation with the Director of the Kansas Water Office if requested by the applicant, would determine whether conservation plans or practices are consistent with state guidelines. Also, the bill conditions approval of any water transfer on the adoption and implementation by the applicant of conservation plans and practices consistent with state guidelines.

The bill also requires the Director of the Kansas Water Office to consult with the Chief Engineer of the Division of Water Resources as to whether conservation plans developed by (1) applicants for water sales contracts and (2) members of water assurance districts are consistent with state guidelines.

The State Board of Agriculture seeks a total of \$104,836 in additional expenditures to implement the bill. The agency itemizes its request as follows:

2.0 FTE Civil Engineers III	\$ 57,324
1.0 Clerk-Typist II	10,284
Fringe Benefits	11,113
Subtotal -- Salaries and Wages	<u>\$ 78,721</u>
Communications	\$ 4,554
Rents	3,600
Travel and Subsistence	14,500
Commodities	941
Office Equipment	2,520
Subtotal -- Other Operating Expenditures	<u>\$ 26,115</u>
TOTAL	<u>\$104,836</u>

Any additional amounts appropriated for the State Board of Agriculture would be from the State General Fund. The Legislature may wish to consider whether the additional expenditures requested by the State Board of Agriculture are necessary considering the permissive authority granted by the bill to the Chief Engineer.

F. Governor's Budget Amendment No. 3, Item 10 -- FACTS. Following completion of House Committee action on the State Board of Agriculture, the Governor submitted an amendment to his FY 1986 budget recommendations for FACTS legal services. The amendment would add \$75,000 from the State General Fund to finance additional contractual legal services. The Senate had previously approved a supplemental appropriation of \$60,000 for this purpose, with which the House has concurred.

G. Technical Adjustment. Both the House and Senate Ways and Means Committees have approved deletion of State General Fund expenditures presently used to provide small state payroll checks to certain federal employees in the U.S. Crop and Livestock Reporting Service Office. In calculating the amount deleted, staff applied a FICA employer contribution rate of 7.15 percent. However, the agency actually pays only 1.35 percent. The difference amounts to \$1,956 in State General Fund expenditures, which should be restored for FY 1987 to comply with the intent of the Legislature's adjustment.

Department of Human Resources

S.B. 352 concerns the wage-payment law and legal representation afforded by the Department of Human Resources in enforcing or defending claims for unpaid wages. The bill allows the Secretary of Human Resources to take assignments of claims from public employees. Current law allows the Secretary to take assignments from only non-public employees. The increase in workload is anticipated to be no more than 10 claims per month and the agency's fiscal note indicates that existing staff can handle the additional cases. The bill establishes a new fee fund to recover up to \$25 per claim assigned.

The new Wage Claims Assignment Fee Fund needs to be added to the agency's appropriation bill. No expenditures are requested by the agency and no estimate of fee revenue is projected for FY 1987.

H.B. 2761 amends the Employment Security Act. According to the agency's fiscal note, the net impact will be a reduction of \$3,000,000 of expenditures from the Employment Security Fund for unemployment benefits. In addition, the agency estimates an increase in penalty and interest payments of \$300,000 to be deposited in the Special Employment Security Fund as a result of the bill.

H.B. 2793 establishes the Kansas Commission on Veterans Affairs as an independent agency and increases the membership of the Commission from three to five. The agency's budget as approved by the Legislature is included in the Department of Human Resources' appropriation for FY 1987. Funding is allocated for direct costs of the Veterans' Services program and for indirect costs of the Department's Staff Services unit which provides general support for all programs. The approved expenditures of

\$1,286,934 include \$1,250,951 for direct costs and \$35,983 for indirect costs. The Veterans' Services program is authorized 58.0 FTE positions and approximately 2.0 FTE positions in Staff Services are financed from the indirect costs.

The executive director of the Veterans' Commission in a letter dated April 15, 1986, requests a separate FY 1987 budget. The letter identifies expenditures of \$51,274 and 1.0 FTE new position which would be in addition to the approved direct costs for the Veterans' Services program. The letter suggests that financing of the additional expenditures could include the \$35,983 of indirect cost funds appropriated for the Department of Human Resources' Staff Services unit and \$15,291 of new financing from the State General Fund.

The Department of Human Resources in its fiscal note of April 18, 1986, indicates that other programs--state, fee and federal funded-- would be assessed a share of the \$35,983 for indirect costs if the State General Fund financing were shifted to an independent Veterans' Commission. State General Fund financing of \$1,470 would be required in addition to fee funds and federal funds.

H.B. 3016 amends the Employment Security Act to allow for expenditures from the Special Employment Security Fund to finance administrative activities deemed necessary by the Secretary, with the approval of the Governor. Currently, expenditures from this fund are limited by statute to being used as a revolving fund to cover expenses for which federal funds have not been received or to pay for audit exceptions for which federal funds are disallowed.

The bill establishes a statutory limitation of \$100,000 annually which may be expended for administrative activities. Expenditures of more than \$100,000 are subject to State Finance Council approval. S.B. 524, as approved by the Legislature, establishes a no limit line item for the Special Employment Security Fund in FY 1987, thus allowing expenditure of \$100,000 above the approved estimate for state operations of the agency. No budget detail is available to indicate how the funds will be expended.

H.B. 2267 (pending), as amended, includes S.B. 735. The bill includes provisions to establish a job training grant program for proprietary schools to be administered by the State Board of Regents. In addition, the amended bill includes provisions to establish a dislocated farmer program to be administered by the State Board of Education.

The Department of Human Resources administers the Job Training program which is financed by the federal Job Training Partnership Act. Both new programs in H.B. 2267 appear to address the use of federal job training funds which initially pass through this agency.

The agency applied for a JTPA grant to retrain dislocated farmers and farmworkers. The state has been informed of a \$1,000,000 award from the Department of Labor under the Job Training Partnership Act's Title III--Dislocated Workers. No details had been received by the agency when this analysis was written. The Legislature may wish to include a line item in the agency's FY 1986 and FY 1987 appropriations for the new grant.

H.B. 2958 (pending) amends the Workmen's Compensation Act. The agency indicates in its fiscal note of April 16, 1986, that failure to pass the bill will result in an increase of the agency workload, but no fiscal impact assessment is presented. In addition, S.B. 365 has been amended into this bill. The provisions originally in S.B. 365 would establish a different method of implementing vocational rehabilitation and for compensating an injured worker.

The Workers' Compensation Rehabilitation Fund is established by the bill and the costs for injured workers' vocational evaluation and education would be paid from this fund. An assessment on insurance carriers, self-insured employers and group funded workers' compensation pools would finance the fund.

The Division of Workers' Compensation requests 9.0 new FTE positions to administer the new vocational training program. Expenditures of \$246,295 in FY 1987 are requested by the agency in its fiscal note of April 16, 1986. Additional expenditures and 1.7 FTE positions are requested by the Insurance Department.

Governor's Budget Amendment No. 2-14. Previous legislative approval of the Department of Administration's budget included the transfer of costs for the capitol complex central mail activity to the nonreportable budget, where it will be financed from charges of user agencies. Accordingly, Governor's Budget Amendment No. 2 recommends that the budget of the Workers' Compensation Division be increased by \$3,989 from a fee fund account to reflect this change.

Governor's Budget Amendment No. 4-6. An FY 1986 supplemental appropriation of \$7,200 from the State General Fund is recommended to pay costs of certified court reporters. A State General Fund line item appropriation of \$4,350 was approved for FY 1986 expenditures. As of March 26, 1986, court reporting fees of \$3,975 had been incurred, according to the agency. The Governor's recommendation assumes 12 additional cases this fiscal year at an average cost of \$600 per case for court reporting.

Technical Adjustments -- Change of Fund Name from Mexican-American to Hispanic. Passage of H.B. 2885 which renames the Committee for Mexican-American Affairs as the Committee for Hispanic Affairs does not have fiscal impact according to the agency, but a line item in the appropriations bill should be amended to reflect the change.

Department of Revenue

S.B. 429 permits the Secretary of Revenue to charge a fee for individual identification cards issued to handicapped persons. The ID cards would be used to confirm that handicapped parking placards or special license plates for motor vehicles are being used by the qualified handicapped person.

The agency estimates that 31,970 identification cards will be issued. The maximum cost for 31,970 laminated cards is \$9,591 from the DOV Operating

Fund in FY 1987. The cost of issuance should be offset by the fees which are to be deposited in the State Highway Fund.

H.B. 2752 relates to tests given to determine blood alcohol concentration. The agency indicates that it must revise its present chemical test refusal forms and issue new forms because of the bill. Expenditures in FY 1986 of \$6,200 from the DOV Operating Fund are requested, including \$5,200 to print 100,000 forms and \$1,000 to mail forms.

H.B. 2767 exempts food purchased with food stamps from all sales tax. The agency estimates one-time expenses in FY 1987 of \$16,160 from the State General Fund, including \$9,920 for salaries and wages of data processing personnel and \$6,240 for data processing fees, to modify computer programs.

H.B. 2779 allows modifications to federal adjusted gross income in determining Kansas taxable income. The agency requests in FY 1987 one-time expenses of \$16,188 from the State General Fund, including \$7,410 for salaries and wages of data processing personnel and \$6,240 for data processing fees, to modify computer programs, and \$2,538 for equipping three new staff.

In addition to one-time costs, annual expenditures of \$52,606 in FY 1987 from the State General Fund for salaries and wages of 3.0 FTE new positions are requested. Other operating expenses are estimated at \$13,650 in FY 1987.

Total FY 1987 expenditures of \$82,444 from the State General Fund are requested to administer provisions of H.B. 2779.

H.B. 3069 pertains to reporting requirements for crude oil and natural gas production. The bill requires separate reports currently filed with two other state agencies to be combined and to be filed with the Department of Revenue. One-time expenses are requested by the agency for data processing. Total expenses in FY 1987 of \$30,580 from the State General Fund are requested, including \$26,760 for salaries and wages for data processing personnel, \$3,120 for data processing fees, and \$700 to purchase revised production forms.

S.B. 536 (pending) increases the state sales and compensating use taxes. The Division of Budget's fiscal note of February 28, 1986, estimates one-time expenses of \$44,349 from the State General Fund, primarily for new forms reflecting the higher tax rate.

In addition to one-time costs, annual expenditures of \$92,270 from the State General Fund in FY 1987 are estimated. Salaries and wages for 4.0 FTE Tax Examiners, 1.0 Clerk, and two part-time messengers, plus other operating expenses, are included in the annual costs reported by the Budget Division's fiscal note.

Total FY 1987 expenditures of \$136,639 from the State General Fund are estimated in the Budget Division's fiscal note. The bill as currently amended would be effective in FY 1986 and a portion of the expenses would be incurred this current fiscal year.

The Department of Revenue has indicated that a revised agency fiscal note is being prepared and will be available for the Committee's review.

S.B. 603 (pending) concerns license plates and has no fiscal impact according to the agency's assessment of April 9, 1986. However, the agency is reevaluating the cost of decals which would identify counties on license tags and will advise the Committee of a revised fiscal note if those costs exceed \$20,000 from the DOV Operating Fund.

S.B. 724 (pending) concerns tax stamps for use on packages of 25 cigarettes and prohibits the sales of cigarettes containing more than 30 percent cloves. The agency requests \$1,400 from the State General Fund in FY 1986 to pay the costs of notifying cigarette retailers, distributors and wholesalers about statutory changes affecting sales of clove cigarettes.

S.B. 754 (Conference Committee), S.B. 756 (House Federal and State Affairs), S.B. 757 (House Federal and State Affairs), H.B. 2901, and H.B. 3121 (Conference Committee) concern economic development. The agency indicates that a consolidated fiscal note for all five bills will be made available to the Committee.

Rents for Office Space. The agency was directed by the House Ways and Means Committee report to provide detailed information about proposed use of expansion space in the State Office Building. Funding of \$71,517 for 8,303 square feet of space on the 10th and 11th floors was deleted by the Senate from the Governor's recommended FY 1987 budget, including \$44,135 from the State General Fund and \$27,382 from the DOV Operating Fund. The agency plans to make this information available to the Committee.

Department of Education

A. Senate Bill No. 500 establishes a formula for the distribution of general state aid to community colleges that is in addition to existing aid programs. The formula would provide aid to each community college in an inverse relationship to the adjusted valuation per student of the community college district. Funding for the program would be from the State General Fund at a level to be determined by the Legislature.

B. Senate Bill No. 601 amends the School District Equalization Act (SDEA) by expanding the definition of "pupil" to include four-year old children who are receiving special education (excluding gifted) services. Each child would be counted as 0.5 pupil in the school district's enrollment.

The Department of Education estimates that 1,048 students would be counted as 0.5 pupils under this program in FY 1987. The amount of additional funding from the State General Fund these students would generate totals \$900,000, of which \$500,000 would be for equalization aid and \$400,000 would be for special education categorical aid. If no additional funds are appropriated, programs for handicapped four-year old children would be funded by redistribution of existing appropriations for the SDEA and special education categorical aid.

C. Governor's Budget Amendment No. 2 recommends that the expenditure limitation on the State Department's Certificate Fees Fund be increased by \$1,408 in FY 1987 to accommodate the transfer of costs of the capitol complex central mail activity to the Department of Administration's nonreportable activity.

Insurance Department

A. House Bill No. 2661 makes changes in tort and insurance laws and changes in the regulation of health care providers regarding medical malpractice liability and insurance. The bill requires the Insurance Commissioner to establish an experience rating system for the Health Care Stabilization Fund and limits excess coverage exposure for the Fund to \$1.0 million per claim (subject to a "pinhole") with an annual aggregate of \$3.0 million per health care provider.

The provisions of the bill that will have the greatest impact on the Insurance Department's workload have to do with increased reporting requirements intended to keep the Department apprised of malpractice claims. According to the Insurance Department, two additional positions will be needed as a consequence of the bill, at a cost of \$36,437 from the Health Care Stabilization Fund for salaries and associated other operating expenditures. The positions are a Clerk III (\$14,272), who would be involved with merit rating surcharge payments and a Data Entry Operator II (\$13,619) who would assist the Clerk III in receiving the initial reporting of oral and written claims, obtaining additional claim information, entering claim data into the data processing system, and establishing a system to facilitate the periodic review of all claims received. Associated costs for other operating expenditures total \$8,546 and include communications, office supplies, and capital outlay.

B. House Bill No. 2958 concerns the Workers' Compensation Act and has been amended to include 1985 S.B. 365. Under H.B. 2958, knowledge of an impairment by a physician who treats or examines an employee on behalf of an employer would constitute knowledge of the impairment on the part of the employer. According to the Insurance Department, this provision in the law could greatly increase the number of claims against the Workers' Compensation Fund because knowledge of an impairment could be used as a defense by employers to relieve themselves of liability for the payment of compensation. In addition, the bill makes the Workers' Compensation Fund, not employers, liable for preliminary compensation for temporary total disability, which must be paid on a weekly basis.

According to the Insurance Department, the Department's workload will increase due to a significant number of additional claims being filed against the Fund and the payment of preliminary awards on a weekly basis. The Department requests the addition of 1.7 FTE positions at a total cost of \$39,099, to be paid for from the Workers' Compensation Fund. The positions are a Policy Examiner I (.7 FTE at a salary of \$18,832) and a Secretary I (\$14,272) who would be involved with processing additional payments. Associated costs for other operating expenditures total \$5,995 and include communications, office supplies, and capital outlay.

Board of Healing Arts

A. House Bill No. 2498 provides for the registration of occupational therapists and occupational therapy assistants by the Board of Healing Arts. The bill creates the five-member Occupational Therapy Council to advise the Board in its duties, which include conducting examinations, registering applicants, and developing rules and regulations. (The Occupational Therapy Council is created for one year only and will expire July 1, 1987.) The bill also sets forth maximum fees that may be charged by the Board in administering the Act.

The Board of Healing Arts estimates that expenditures associated with the bill will total \$20,550 in FY 1987. These costs include temporary help (\$3,500), travel expenses for the Occupational Therapy Council (\$3,400), the purchase of examinations (\$10,000), and other operating expenditures (\$3,650).

B. House Bill No. 2533 creates a new program to register respiratory therapists and charges the Board of Healing Arts with conducting examinations, registering applicants, and adopting rules and regulations to administer the Act. The bill creates the five-member Respiratory Therapy Council to assist the Board in its duties and establishes maximum fees that can be charged applicants. (The Respiratory Therapy Council is created for one year only and will expire July 1, 1987.)

The Board estimates that expenses associated with the Act will total \$17,647 in FY 1987. These expenses include temporary help (\$6,000), travel for the Respiratory Therapy Council (\$3,400), the purchase of examinations (\$3,600), and other operating expenditures (\$4,647).

C. House Bill No. 2661 makes a number of changes in laws relating to medical malpractice. Changes affecting the Board of Healing Arts include expanding the Board from 13 to 15 members by the addition of two public members (for a total of three); expanding the grounds for the revocation, limitation, or suspension of a licensee's license; expanding the definition of "professional incompetence;" and expanding the Board's powers to issue subpoenas and impose fines.

As a consequence of this new legislation, the Board expects an increase in its workload related to malpractice activity. However, new positions and an increased level of expenditure for expert consultants recommended by the Governor have been approved by the Legislature, along with funding for an additional peer review committee to review complaints against licensees. Therefore, the Board thinks it can absorb most of the impact of H.B. 2661 within its present expenditure limitation. The only exception is the cost of two additional Board members, whose compensation and travel expenses are expected to total \$4,608 in FY 1987.

D. Senate Bill No. 753 (pending) presently on House General Orders, would abolish the existing position of Secretary of the Board (a Board member who performs administrative duties on a part-time basis) and would create a new position of executive director who would be in the unclassified service, could not be a Board member, and would be Board's chief administrative officer.

The Governor made a similar recommendation for FY 1987 by deleting funding for the current Board Secretary (\$18,266) and recommending \$66,026 for the salary of a new full-time head administrator. The House approved the Board's budget, which contained the Governor's recommended funding, but the bill that would have made the necessary statutory changes to implement the Governor's recommendation (H.B. 2881) remains in the House Judiciary Committee.

The Senate Ways and Means Subcommittee that reviewed the Board's budget generally concurred with the House, but recommended different qualifications for the proposed administrative position and recommended that the salary be increased to \$70,000. The Senate Ways and Means Committee recommended the introduction of S.B. 753 to implement the Subcommittee's recommendation and deleted funding from the Board's budget for the new position, pending passage of enacting legislation.

If S.B. 753 passes, the Legislature needs to consider whether to fund the new position. If S.B. 753 does not pass, the Legislature needs to consider whether to add \$18,266 to continue funding the existing Board Secretary position.


E. Governor's Budget Amendment No. 2 recommends that the expenditure limitation on the Board of Healing Arts Fee Fund be increased by \$1,408 in FY 1987 to accommodate the transfer of costs of the capitol complex central mail activity to the Department of Administration's nonreportable activity.

F86-73



KANSAS DEPARTMENT OF REVENUE
Office of the Secretary
State Office Building · Topeka, Kansas 66612-1588

MEMORANDUM

TO: House and Senate Committees on Ways and Means
FROM: Harley T. Duncan, Secretary of Revenue 
RE: Department of Revenue Space
DATE: April 21, 1986

In its review of the Department of Revenue budget, the Legislature deleted certain funds for the rent of space in the State Office Building, pending development of a plan outlining the use of the space and the expected benefits. Consequently, we have worked with the Department of Administration to develop a revised space plan.

The revised plan calls for the Department to be allocated a significant portion of the first floor of the State Office Building as well as some additional space on the 11th floor of the building. This space is to handle the relocation of offices currently in 503 Kansas, the Jayhawk Towers and Crosby Place as well as any expansion required by the Department.

The attached report presents the Department's plan for utilizing the allocated space. In general, the plan proposes: (a) consolidation of the heavy public access areas in the Division of Vehicles on the 1st floor; (b) consolidation of the tax processing, audit and storage areas, including a consolidated taxpayer registration and assistance area, on the 2nd and 3rd floors; and (c) minimal relocation of other departmental components in order to reduce costs. We believe the proposed plan will improve our service to the public, our security of tax-related information, and our management control and effectiveness.

It is my understanding that a Governor's Budget Amendment to adjust the Governor's recommended financing as necessary to implement this plan is forthcoming.

Memorandum

TO: Senate and House
Ways and Means Committee

DATE: April 21, 1986

FROM: Harley T. Duncan
Secretary of Revenue

RE: Department of Revenue
Proposed Space Planning
Needs for Omnibus
Appropriations Bill

The Department of Revenue currently occupies space in the State Office Building on the 1st floor, 2nd floor, 3rd floor, 5th floor, 10th floor and 12th floor. Office space is also leased by the Department of Revenue at 503 Kansas Avenue for the Audit and Field Services Bureaus, at the Jayhawk Tower for the Division of Alcoholic Beverage Control and at the Crosby Place for the Mineral Tax Bureau and the Bingo Tax Unit.

The Department of Revenue endorses the most recent recommendation (Scenario V) presented by the Division of Architectural Services for allocating space in the State Office Building. The primary benefit of this scenario over the other recommended scenarios is the floor space on the 1st floor allocated to the Department of Revenue which allows the Department to take other positive actions by improving Departmental security and management effectiveness. Using the general allocation figures provided, we have prepared floorplans which take into consideration these key elements.

BENEFITS

1st Floor -- The primary public access areas (Titles and Registration, Motor Carrier Inspection Bureau and Driver Control Bureau) would be relocated to the 1st floor.

-- Enhances convenience for the public by reducing the need to use the elevators.

-- Eliminates much of the public access to floors and work areas where tax returns are being processed or transported.

2nd Floor -- Provides additional space to reduce overcrowding.

-- Provides space for new attorneys assigned to Legal Services.

-- Provides space for consolidation and expansion of law library.

-- Expands Data Entry Unit and provide storage area for documents awaiting entry and error identification.

-- Removes hard copy files currently stored in mechanical rooms as requested by Department of Administration and Internal Revenue Service Safeguard Review Report.

-- Provides private interview facilities for new applicants and private area for grievance hearings, exit interviews and other personnel related activities.

-- Consolidates file rooms which are currently located on 2nd, 3rd, and at 503 Kansas Avenue.

-- Expands the Information Center.

3rd Floor -- Improves security by reducing the need for public access for non-tax related matters.

-- Expands "Taxpayer Assistance Area" whereby taxpayers can go to one area for information concerning registration, status of account or payment of tax.

-- Provides the ability to continue expansion of "Fair Share Projects" in Sales, Individual Income and Corporate Income.

-- Establishes "Business and Job Development Assistance Area".

-- Relocates Alcoholic Beverage Control, Audit Services Bureau and Bingo Enforcement Unit to the State Office Building.

5th Floor -- Revenue will retain the same amount of square footage.

-- Relocates Mineral Tax Bureau to the State Office Building.

10th Floor -- Revenue will retain the same amount of square footage.

-- Relocates Management Section and Stockroom to allow for the consolidation of tax-related matters.

11th Floor -- Relocates Department of Revenue computer room to take advantage of existing environmental computer space.

-- Relocates Mail Processing Center currently located on the third floor to allow for the consolidation of tax-related matters.

12th Floor -- Revenue will retain the same amount of square footage.

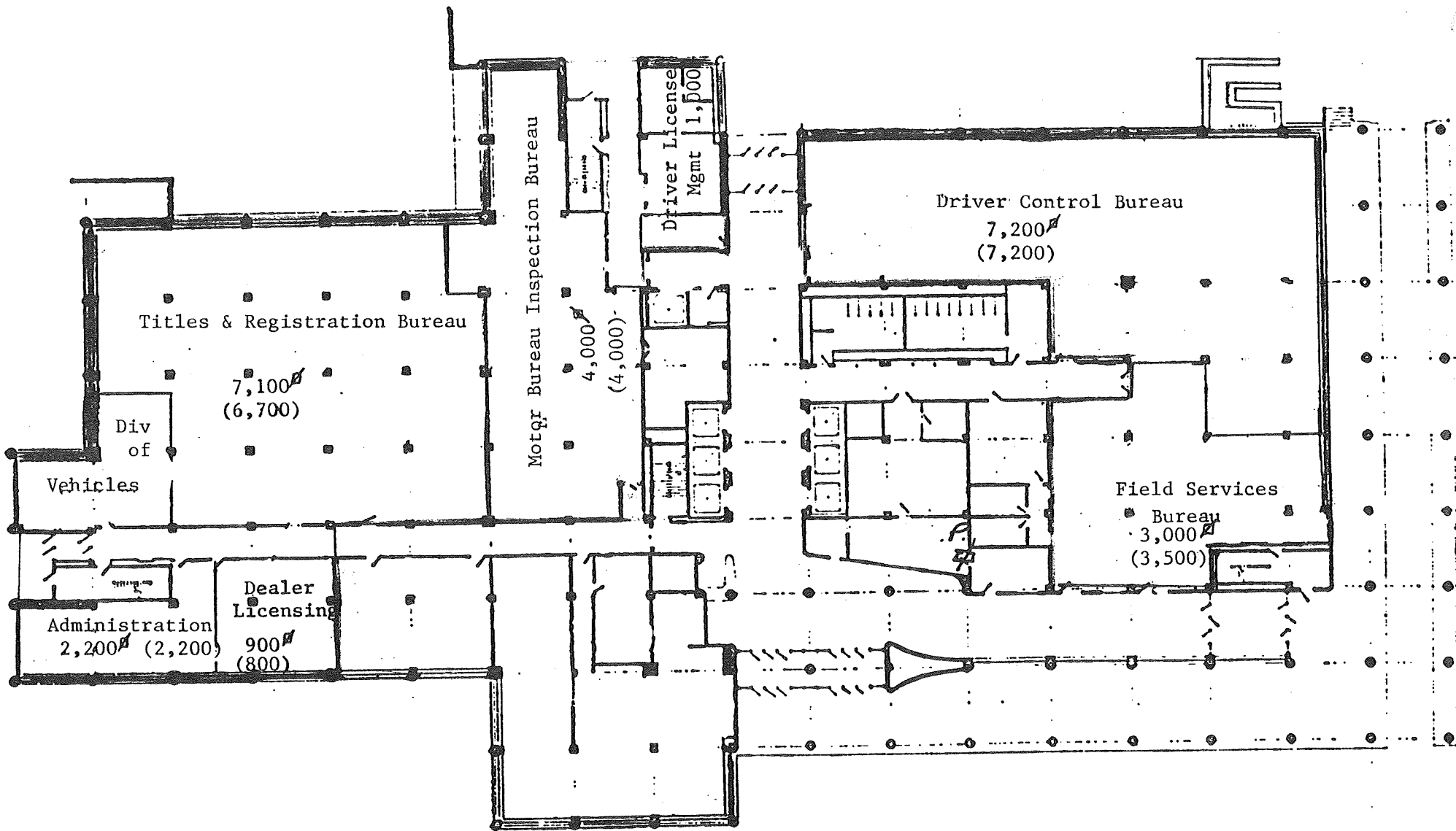
-- Expands the Data Processing Programmer and Analyst area.

In conclusion, the Department of Revenue has attempted to improve the security of tax documents and tax information, to enhance convenience to the public, to emphasize taxpayer assistance, to improve management effectiveness, and to eliminate over-crowding in the bureaus and divisions when preparing floorplans for the utilization of space in the State Office Building.

Attachment I

<u>Division/Bureau</u>	<u>Current Location</u>	<u>Current Square Footage</u>	<u>Proposed Square Footage</u>	<u>Net Increase or Decrease</u>
1st Floor				
Division of Vehicles				
Mgt. Section	3rd	2,200	2,200	---
T & R	3rd	6,700	7,100	+ 400
Dealer Licensing	3rd	800	900	+ 100
MCIB	3rd	4,000	4,000	---
Driver Control	3rd	7,200	7,200	---
Driver License Mgt.	3rd	1,000	1,000	---
Field Services Bureau	503	3,500	3,100	- 400
2nd Floor				
Office of Secretary	2nd	1,950	1,950	---
Planning and Research	2nd	4,000	4,000	---
Legal Services	2nd	2,750	3,550	+ 800
Personnel	2nd	2,200	2,600	+ 400
Information Center	2nd	900	1,400	+ 500
Division of Operations				
Records Services	2nd	16,000	16,000	---
Quality Control	2nd	6,600	7,800	+ 800
Microfilm Section	2nd	1,500	1,600	+ 100
Data Processing				
Data Entry	2nd	3,200	4,000	+ 800
Word Processing	2nd	1,600	1,600	---
Production S-Up	2nd	1,200	1,500	+ 300
3rd Floor				
Division of Taxation				
Sales and Excise	3rd & CP	5,335	6,600	+ 1,265
Income and Inh.				
Indiv. Inc.	3rd	7,725	8,600	+ 875
W/H Tax	10th	3,000	3,000	---
Inh. Tax	12th	1,800	2,000	+ 200
Taxpayer Assistance	3rd	600	1,200	+ 600

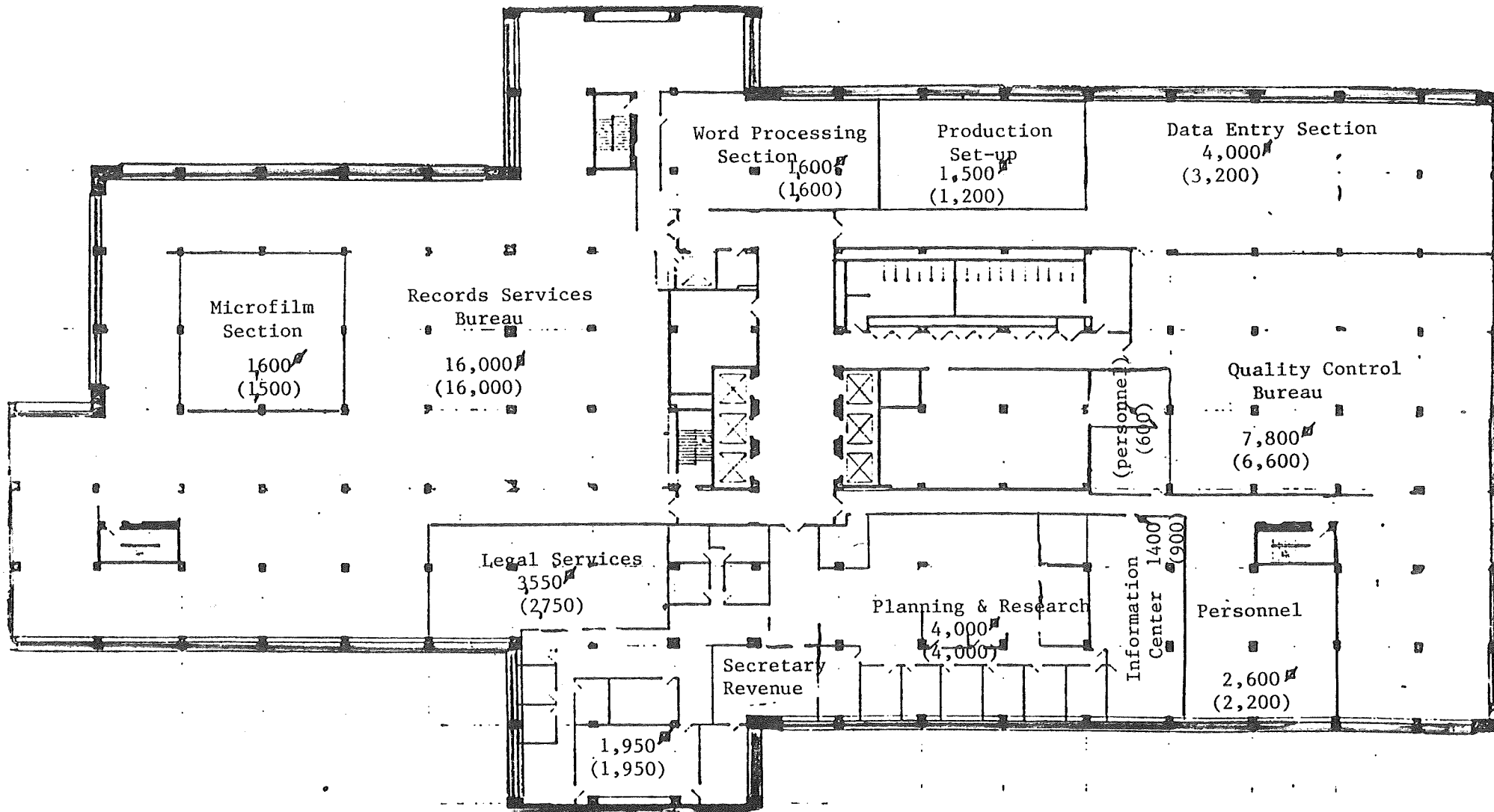
Business and Job Dev. Assistance	---	---	1,200	+ 1,200
Audit Services	503	6,500	6,600	+ 100
Division of Operations				
Records Services				
Taxpayer Reg.	5th	2,900	3,200	+ 300
File Room	2nd,3rd,503	4,400	5,600	+ 1,200
Alcoholic Beverage Control	JT	5,432	5,600	+ 168
5th Floor				
Property Valuation	5th	8,885	8,885	---
Budget Section	5th	1,400	1,400	---
Mineral Tax Bureau	CP	3,000	2,900	+ 100
10th Floor				
Stockroom and Office Services	3rd	3,200	3,000	- 200
11th Floor				
Office Services Section				
Mail Processing	3rd	6,980	6,300	- 680
Computer Room	2nd	1,600	2,000	+ 400
12th Floor				
Data Processing Prog. and Analysts	12th	7,800	9,500	+ 1,700
Internal Audit Unit	12th	600	900	+ 300



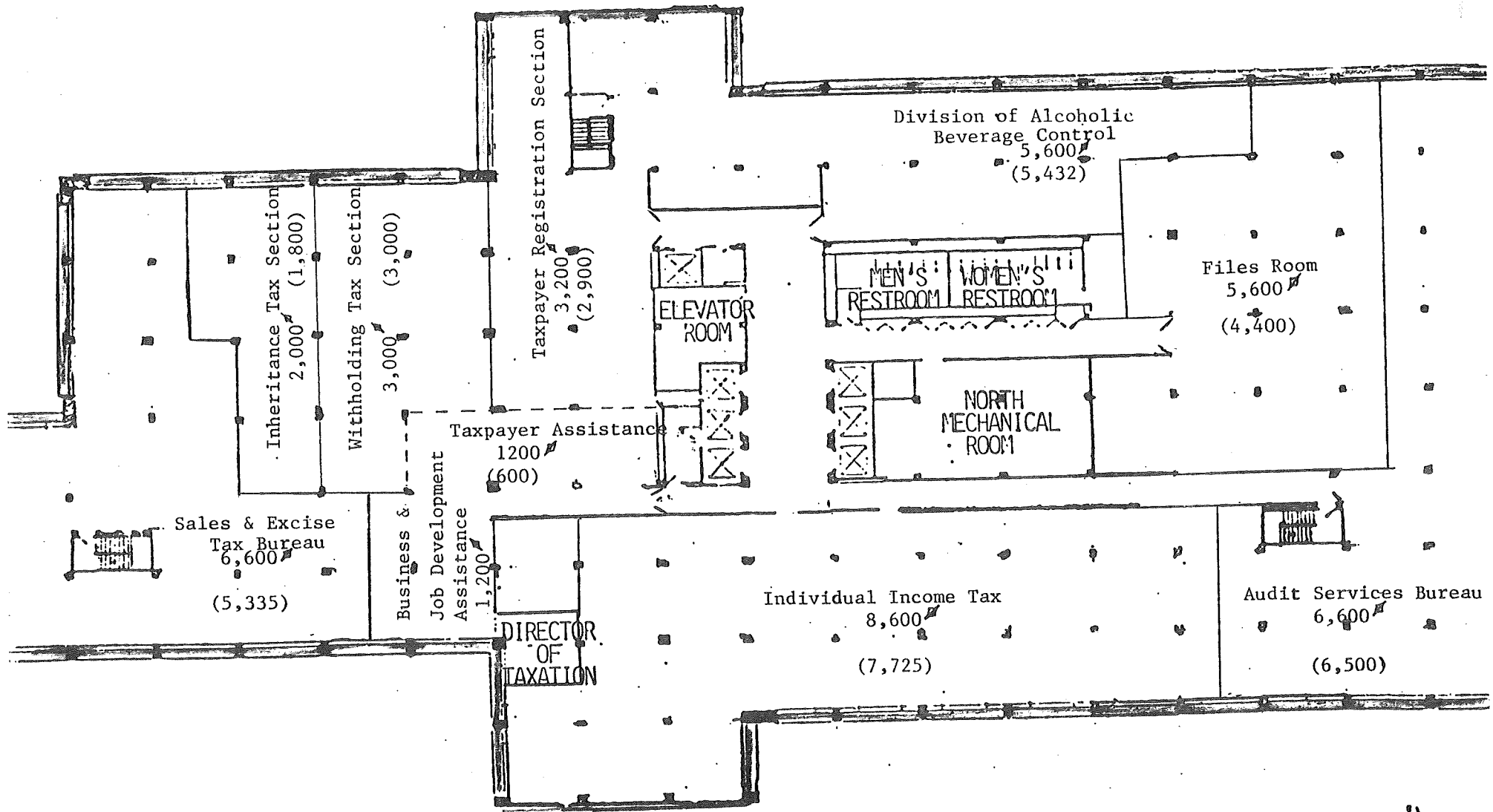
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GRAPHIC SCALE



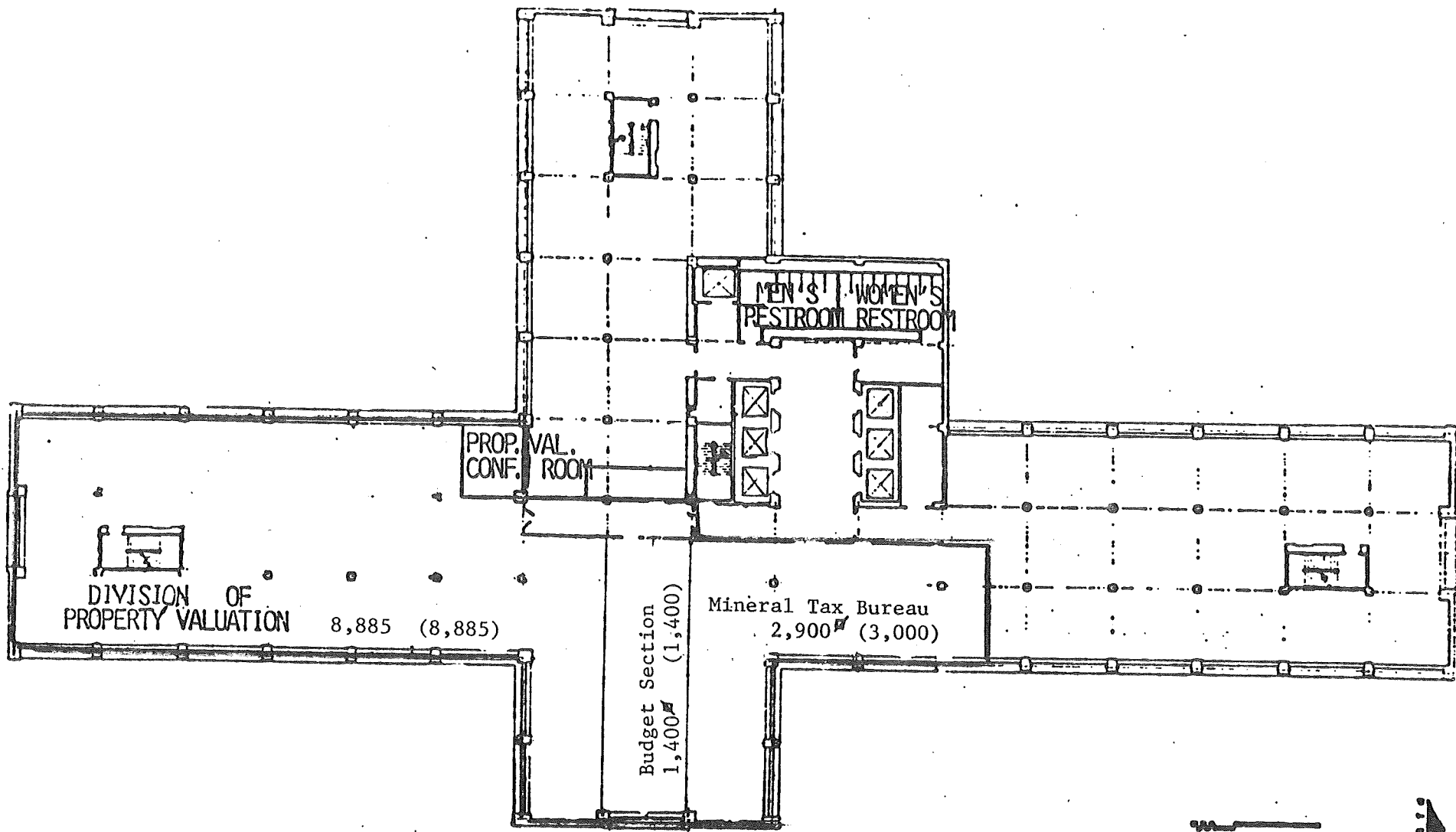
FIRST FLOOR PLAN



SECOND FLOOR PLAN



GRAPHIC SCALE
 THIRD FLOOR PLAN



DIVISION OF
PROPERTY VALUATION 8,885 (8,885)

PROP. VAL.
CONF. ROOM

Budget Section
1,400 (1,400)

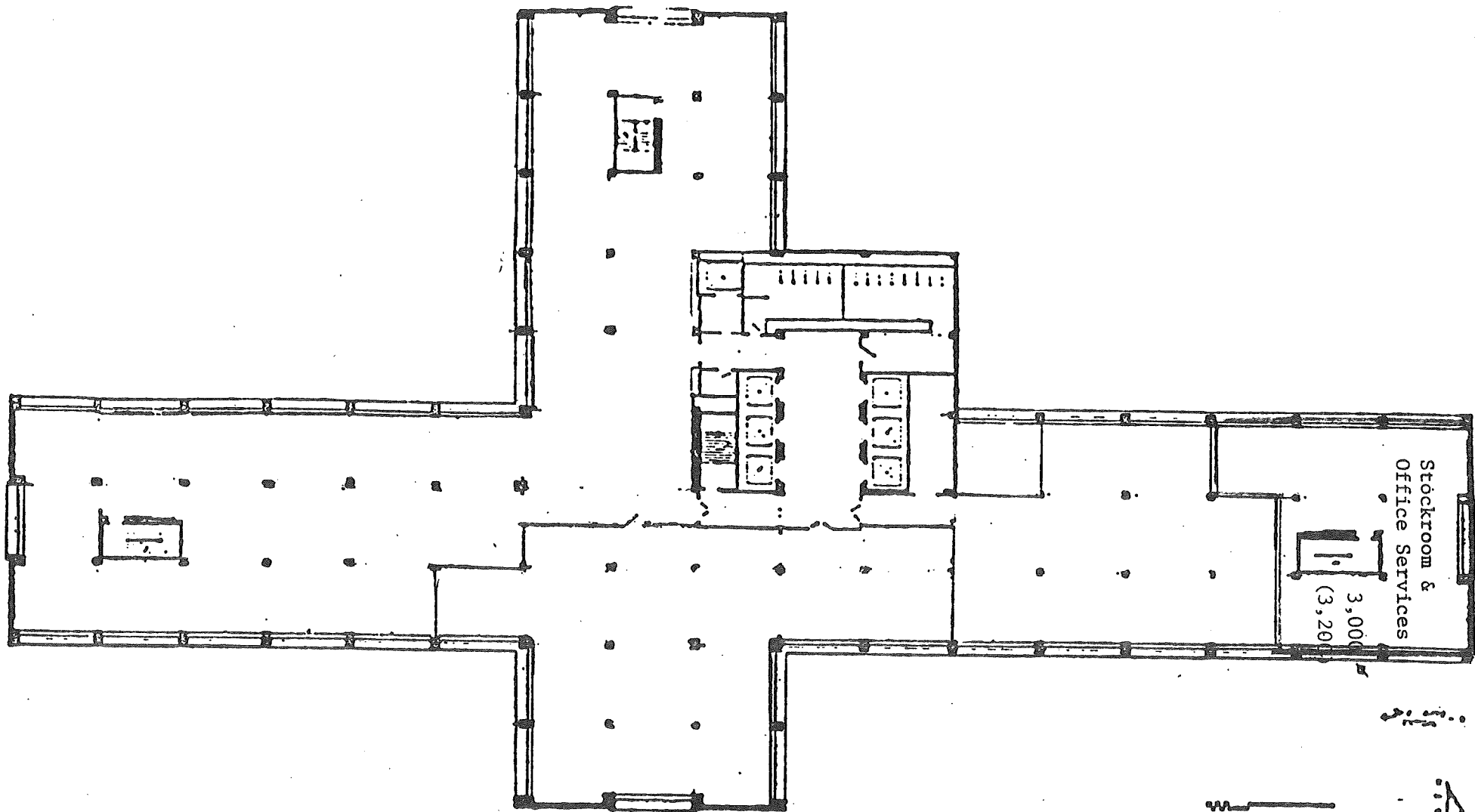
Mineral Tax Bureau
2,900 (3,000)

MEN'S RESTROOM | WOMEN'S RESTROOM

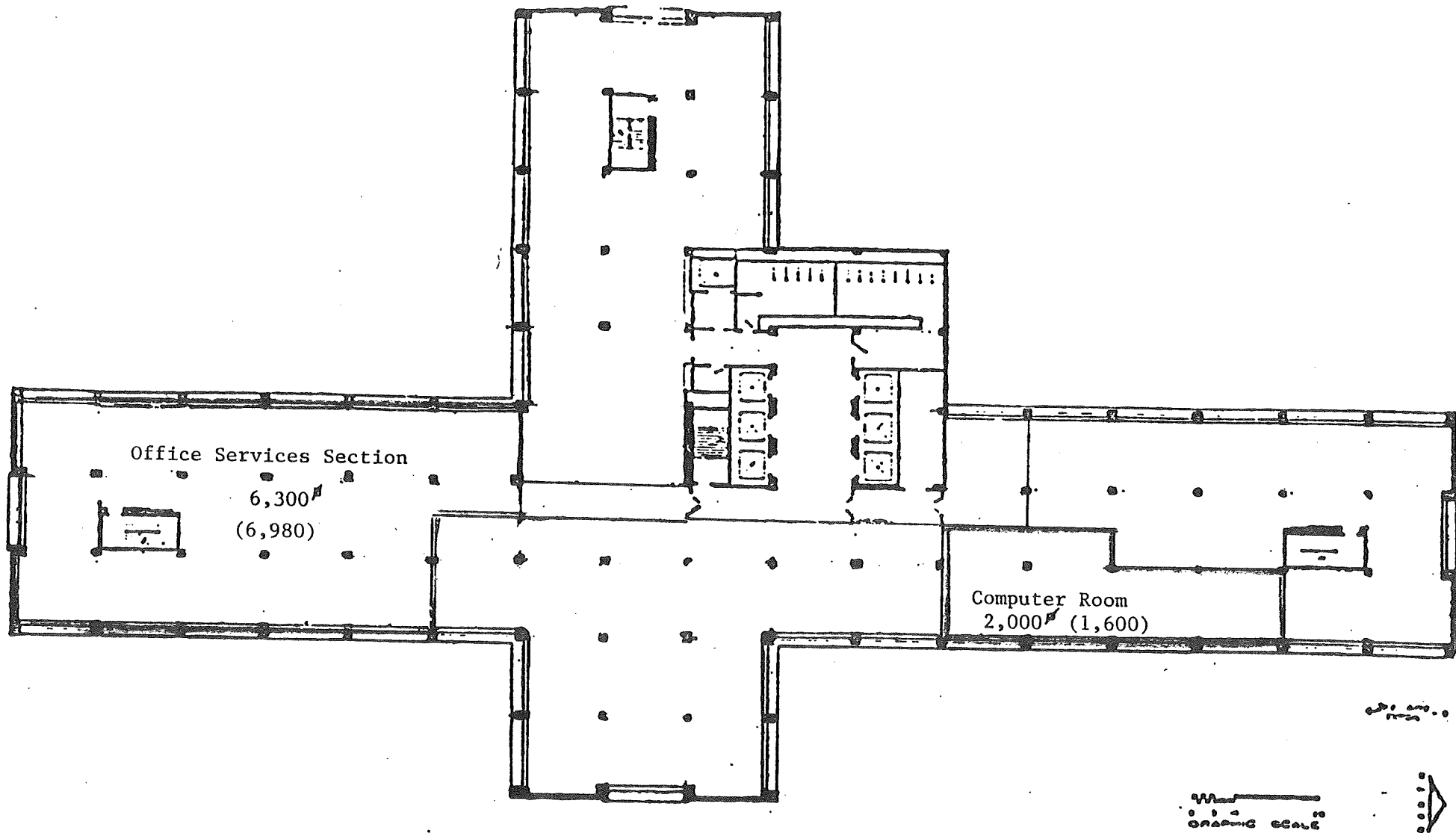
GRAPHIC SCALE



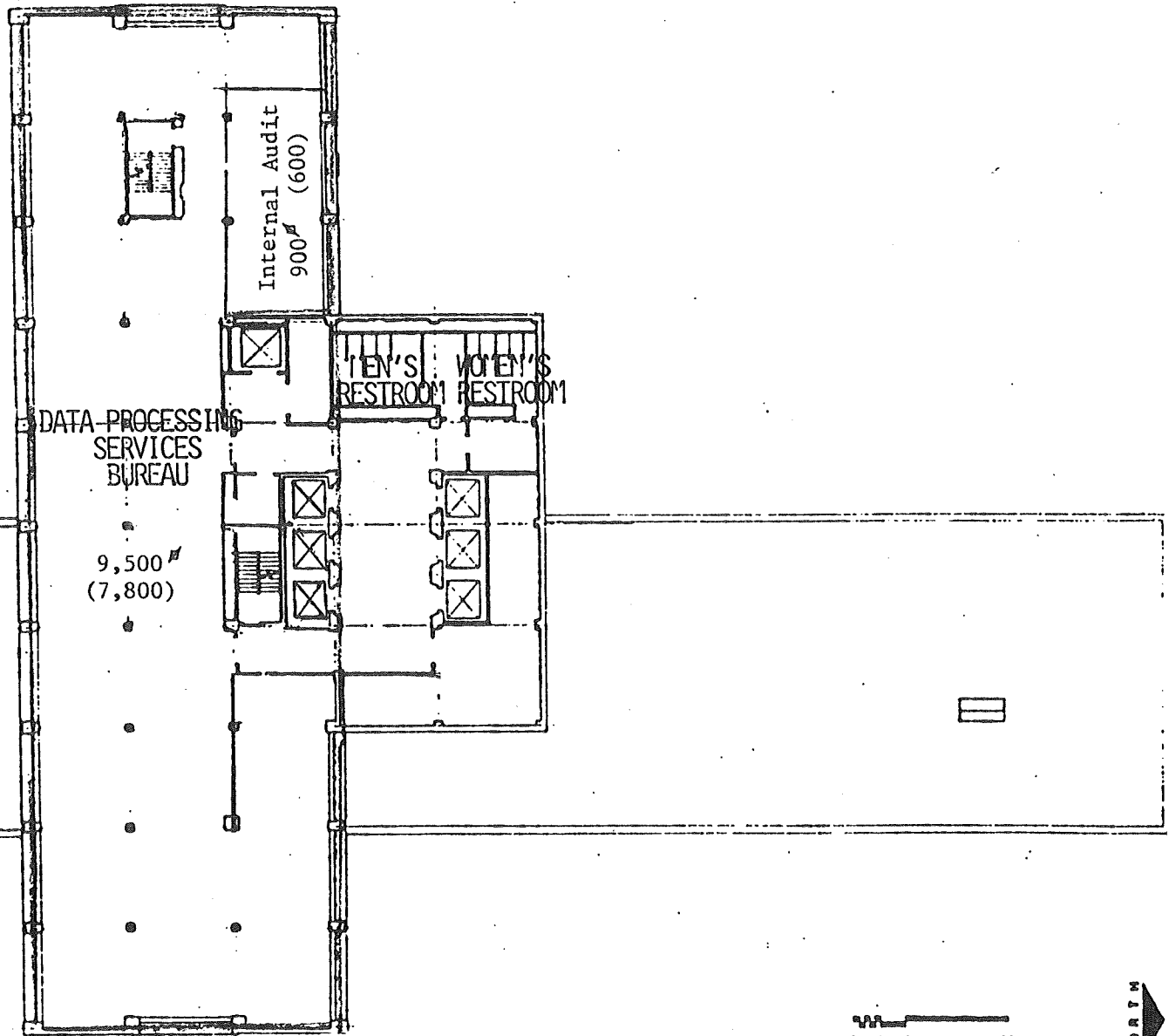
FIFTH FLOOR PLAN



TENTH FLOOR PLAN



ELEVENTH FLOOR PLAN



GRAPHIC SCALE



TWELFTH FLOOR PLAN

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590

John Carlin Governor

April 15, 1986

Budget Amendment No. 4

The Honorable Gus Bogina, Chairperson
Committee on Ways and Means
Senate Chamber
Third Floor, Statehouse

and

The Honorable William Bunten, Chairperson
Committee on Ways and Means
House of Representatives
Third Floor, Statehouse

Gentlemen:

This letter presents several amendments to my budget recommendations for FY 1986 and FY 1987. In total these amendments are summarized as follows:

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$1,328,960	\$3,438,043
Special Revenue Funds	(65,062)	(45,612)
Total	<u>\$1,263,898</u>	<u>\$3,392,431</u>

Department of Economic Development

Subsequent to the preparation of my budget recommendations, the Department of Economic Development notified me of a need for a supplemental appropriation for the Kansas Industrial Training Program (KIT) in the amount of \$500,000. The KIT program provides training funds to industries already located in Kansas

who are expanding their operations and to new firms desiring to locate in the state. It appears that the General Motors Corporation and an unnamed international manufacturing entity intend to locate and expand their operations in the State of Kansas pursuant to receipt of training funds for their new employees. For this reason I amend my budget to include an additional amount of \$500,000 for the current year for the Kansas Industrial Training Program.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$500,000	\$ --

Kansas Public Employees Retirement System

My FY 1987 budget recommendations were based upon employer contribution rates for KPERS Non-School and KPERS-School of 4.0 percent and 3.7 percent, respectively, a reduction of .3 percent from the certified rates of 4.3 percent and 4.0 percent. The reduced rates anticipated a favorable actuarial analysis for certifying FY 1988 employer contribution rates which would have permitted reductions in the certified rates for FY 1987. In previous fiscal years, when the actuarial analysis for certifying employer contribution rates for the fiscal year immediately following the budget year indicates that the rates will be lower than the budget year certified rates, these rates have been moved up and applied to the budget year in order to take advantage of the savings attributable to the lower rates. Accordingly, based upon preliminary information which indicated a potential for another reduction in rates, I based my budget recommendations on employer contribution rates which were reduced from the certified rates for FY 1987. My recommended contribution rates represent the best estimates available at the time my original budget recommendations were prepared.

I am now informed that the KPERS actuary will recommend FY 1988 employer contribution rates of 3.9 percent for KPERS Non-School and 4.1 percent for KPERS School. Consequently, the basis upon which my original recommendations were made is no longer appropriate. I amend my budget recommendation for KPERS School to reflect an employer contribution rate of 4.0 percent, equal to the certified rate for FY 1987. Accordingly, my recommended expenditures for KPERS School employer contributions, as reflected in the FY 1987 Governor's Budget Report, will increase from \$38,996,750 to \$41,944,012, an additional State General Fund demand of \$2,947,262. This additional amount is based upon the budget limits of 2%-3.5% included in Senate Bill No. 601 which I recently signed into law.

In addition, there are several employees in the Department of Education who are members of the KPERS School Retirement System. An increase in the employer contribution rate to 4.0

percent will result in additional contributions of \$2,811 for this group of employees. This amount would be financed from the State General Fund, and I amend my budget recommendations accordingly.

With respect to KPERS Non-School, I recommend amendments to agency budgets to reflect an employer contribution rate of 3.9 percent. While this recommendation does not parallel my recommendation to adopt the certified rate for KPERS School, I think it is appropriate to capture the savings which adopting a contribution rate of 3.9 percent will provide. A reduction in the employer contribution rate from my original recommendation of 4.0 percent to 3.9 percent will result in reductions in agency budgets, as reflected in the FY 1987 Governor's Budget Report, totaling \$497,813, of which \$317,738 is financed from the State General Fund. The details of these reductions can be obtained from the Division of the Budget. Since the proposed rate of 3.9 percent is different than the certified rate of 4.3 percent, the rate will have to be established in statute.

The following table summarizes my recommended employer contribution rates for FY 1987:

	Certified Rates FY 1987	GBR Rates FY 1987	Certified Rates FY 1988	Rec. Rates FY 1987
KPERS Non-School	4.3%	4.0%	3.9%	3.9%
KPERS School	4.0	3.7	4.1	4.0

Also with respect to KPERS School, I have been informed that the current year appropriation of \$40,217,000 and the supplemental appropriation of \$713,109 included in Senate Bill No. 584 will be insufficient to fully fund the state's obligation for local school employer contributions for FY 1986. This is due to a higher than anticipated growth in the covered payroll upon which the state's obligation is based. The initial estimate of growth in the covered payroll for FY 1986 was 7.8 percent. It is now estimated, based upon the covered payrolls for the first two quarters of the fiscal year, that the covered payroll will increase by 9.4 percent. While the initial growth estimate of 7.8 percent was sufficient to absorb increases in salaries (for example, increase in the salaries for teachers and principals averaged statewide 7.63 percent and 7.09 percent, respectively), it was not sufficient to absorb the increases in covered payrolls due to the addition of new employees. Information from the Department of Education indicates that local school districts and community colleges added a total of 710.3 FTE positions for the 1985-86 school year (information on staff changes by area vocational-technical schools is not available). Information from KPERS indicates that contributions are being paid on 1,053 more employees than at the same time a year ago.

Based on this additional information, I amend my FY 1986 recommendation for school employer contributions from \$40,930,109 to \$41,537,089, an increase of \$606,980. Accordingly, for FY 1987, I amend my recommended expenditures for school employer contributions, as reflected in the FY 1987 Governor's Budget Report, to add an additional amount of \$816,988. The following table summarizes my amendments related to the Kansas Public Employee Retirement System.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund		
School Employer Contributions	\$ 606,980	\$3,764,250
School Employer Contributions (Dept. of Education)	--	2,811
Employer Contributions (State Agencies)	--	(317,738)
Special Revenue Funds		
Employer Contributions (State Agencies)	--	(180,075)

Board of Indigents' Defense Services

I have been informed that my budget recommendations for the Board of Indigents' Defense Services underfund salary adjustments for certain employees moving from trainee status in the Sedgwick County Public Defender's Office. I amend my budget recommendation for the Board of Indigents' Defense Services to increase FY 1987 State General Fund expenditures by \$7,812.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$ --	\$ 7,812

Board of Pharmacy

The Board of Pharmacy has requested additional expenditure authority for the current fiscal year in order to pay for higher than anticipated costs for contractual legal services. Through February, the Board had incurred expenses totaling \$16,166. In reviewing the average expenditures for this period and anticipating the need for legal services for the remainder of the year, the Board estimates that additional costs will total \$7,000 above the amount of \$18,000 currently budgeted. I amend my budget recommendations to provide this additional amount necessary to assure sufficient funds for legal services. Since my original recommendation for FY 1986 is \$2,156 below the authorized expenditure limitation, an increase of only \$4,844 in the expenditure limitation on the State Board of Pharmacy will be required.

	<u>FY 1986</u>	<u>FY 1987</u>
Board of Pharmacy Fee Fund	\$7,000	\$ --

Department of Human Resources

In accordance with the Public Employer-Employee Relations Act and the Professional Negotiations Act, the Department of Human Resources investigates and attempts to mediate a settlement to disputes concerning prohibited practices. When there is disagreement an administrative hearing is held and a record of the proceeding is made by a certified court reporter. This record is considered by the Department and an order is issued to resolve the dispute. The State General Fund line item appropriation for contingency for court reporting in FY 1986 totals \$4,350 and was based on previous experience. It appears now that this amount will not be adequate to fund the estimated costs for the remainder of the year. As of March 26, 1986 the Department has already incurred court reporting fees totaling \$3,975. There are 13 cases pending and the Department estimates that 12 of these cases will go to hearing requiring court reporting services which average approximately \$600 for each one day hearing. I amend my budget recommendation to provide a supplemental appropriation of \$7,200 to adequately fund necessary court reporting services.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$7,200	\$ --

Department of Social and Rehabilitation Services

The Department of Social and Rehabilitation Services has requested that the FY 1986 expenditure limitation established on the Child Abuse and Neglect Program Fund-Federal be increased from \$150,000 to \$202,596, an increase of \$52,596. The Department has received additional federal grant amounts authorized for federal fiscal year 1985 and desires to expend the funds for state operations in the current fiscal year. The funds would finance part-time intermittent positions (\$15,214), travel and subsistence (\$3,650), development of a child abuse central registry (\$19,713), and acquisition of various equipment items (\$14,019).

	<u>FY 1986</u>	<u>FY 1987</u>
Child Abuse and Neglect Program Fund-Federal	\$ 52,596	\$ --

Adjutant General

Subsequent to the preparation of my budget, the Adjutant General requested the addition of one position to support the agency's facility management office. Duties and responsibilities of this office include the maintenance, repair and construction of National Guard facilities statewide. The National Guard Bureau has recognized the growth in the number of Kansas Guard facilities and the increased complexity within this office by providing 100 percent federal reimbursement for this

position. Consequently, I amend my FY 1987 budget recommendations for the Adjutant General to provide the necessary expenditure authority of \$16,293 and to increase the position limitation for FY 1987.

In addition, the Adjutant General has informed me that funds have been made available by the federal government for renovation of state-owned armories. These funds carry a state matching requirement which will be fulfilled through the use of the Military Fees Fund. The initial expenditures will be \$42,600 of which \$31,950 will be reimbursed by the federal government. I amend my budget recommendations to provide the necessary expenditure authority.

	<u>FY 1986</u>	<u>FY 1987</u>
Military Fees Fund	\$ --	\$ 58,893

Kansas Correctional Institution at Lansing

Since submission of a previous budget amendment of \$104,911 for health care costs at the Kansas Correctional Institution at Lansing, additional unforeseeable medical expenses have arisen which will make this amount insufficient to provide adequate funding for health care services. It is now estimated that an additional amount of \$55,079 will be required, and I amend my budget recommendations for the current fiscal year to provide this additional amount.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$ 55,079	\$ --

Mental Retardation and Mental Health Institutions

Since submission of my FY 1986 budget recommendations, two mental retardation institutions have informed me that current salary and wage expenditure rates will result in spending above that contained in my recommendation. Two factors have contributed to this anticipated over expenditure. First, turnover rates at the two institutions have been below the rates earlier anticipated, resulting in lower than anticipated turnover savings. In both institutions, new positions which I recommended to address Medicaid certification issues have been filled more quickly than anticipated. Second, each institution has hired seasonal and temporary staff in excess of budgeted amounts. Therefore, to avoid possible certification problems, the intentional holding open of vacant positions or the layoff of existing staff, I amend my FY 1986 budget recommendation for Parsons State Hospital and Training Center to add \$134,000 from the State General Fund and for Winfield State Hospital and Training Center to add \$210,000 from the State General Fund.

In addition I amend my budget for Rainbow Mental Health Facility to add \$49,110 from the State General Fund and for Topeka State Hospital to add \$58,015 from the State General Fund

and for Winfield State Hospital and Training Center to add \$126,750 from the State General Fund. Each of these hospitals now anticipates greater other operating expenditures than were recommended last January. At Topeka State Hospital the additional funds are needed to cover the hospital's utility costs. At the Rainbow Mental Health Facility increased expenditures are necessitated by higher than anticipated contractual services, including the hospital's school contract. At Winfield State Hospital and Training Center, the expenditure increase is related to the hospital's addressing Medicaid certification issues during the last nine months.

Finally, the most recent estimates of fee fund collections indicate less receipts will be collected than anticipated when preparing my budget recommendations. Factors contributing to the lower fee fund receipts at several of the hospitals include reduction in the number of psychiatric admissions who carry psychiatric coverage in their health insurance and an increase in the number of admissions who are insured through health maintenance organizations which have been unwilling to cover the costs associated with the involuntary commitment of their members. As a result, I make the following amendments to my FY 1986 budget to adjust for these fee fund shortages:

	<u>FY 1986</u>	
	<u>SGF</u>	<u>Hosp. Fee Fund</u>
Kansas Neurological Institute	(\$ 45,000)	\$ 45,000
Larned State Hospital	(125,000)	125,000
Osawatomie State Hospital	257,364	(257,364)
Rainbow Mental Health Facility	67,294	(67,294)
Parsons State Hospital	(90,000)	90,000
Topeka State Hospital	60,000	(60,000)

My amendments for the mental retardation and mental health institutions for FY 1986 are summarized follows:

	<u>SGF</u>	<u>Fee Funds</u>
Kansas Neurological Institute	\$ (45,000)	\$ 45,000
Larned State Hospital	(125,000)	125,000
Osawatomie State Hospital	257,364	(257,364)
Parsons State Hospital	44,000	90,000
Rainbow Mental Health Facility	116,404	(67,294)
Topeka State Hospital	118,015	(60,000)
Winfield State Hospital	336,750	--
	<u>\$ 702,533</u>	<u>\$(124,658)</u>

Regents Institutions

The State Board of Regents has transmitted to the Division of the Budget revised utility cost estimates for each of the Regent's institutions for FY 1986. These estimates are based primarily upon actual utility costs through February and revised estimates for the last four months of the fiscal year. Based

upon these estimates, I revise my FY 1986 budget recommendations for the Regent's institutions to reduce expenditures for utilities by \$343,522 systemwide. The following table illustrates the impact of this recommendation on each of the institutions.

	FY 1986 Budget Rec.	FY 1986 Amended Rec.	Increase (Decrease)
Fort Hays State Univ.	\$ 756,644	\$ 819,444	\$ 62,800
Kansas State Univ.	4,429,035	4,422,841	(6,194)
Veterinary Medical School	960,076	910,666	(49,410)
Emporia State Univ.	826,079	785,498	(40,581)
Pittsburg State Univ.	867,261	829,008	(38,253)
Kansas Technical Institute	151,673	112,700	(38,973)
University of Kansas	6,009,006	5,642,302	(366,704)
Univ. of Kansas Med Center	4,843,394	4,804,929	(38,465)
Wichita State University	2,186,324	2,358,582	172,258
Total	<u>\$21,029,492</u>	<u>\$20,685,970</u>	<u>\$(343,522)</u>

As a consequence of the above recommendations I amend my budget recommendations to decrease FY 1987 expenditures for utilities by \$343,522. This recommendation adjusts FY 1987 expenditures for all of the institutions in a manner consistent with the revised estimates for FY 1986. Expenditure estimates for utilities for FY 1987 are recommended at levels that correspond to the amounts recommended in FY 1986 adjusted for new buildings brought on line in FY 1987 and for increased electrical rates associated with the operation of the Wolf Creek Nuclear Power Plant. The following table illustrates the impact of this recommendation on the budget of each of the institutions:

	FY 1987 Budget Rec.	FY 1987 Amended Rec.	(Decrease) Increase
Fort Hays State Univ.	\$ 756,644	\$ 819,444	\$ 62,800
Kansas State Univ.	4,436,367	4,430,173	(6,194)
Veterinary Medical School	960,076	910,666	(49,410)
Emporia State Univ.	826,079	785,498	(40,581)
Pittsburg State Univ.	917,261	879,008	(38,253)
Kansas Technical Institute	151,673	112,700	(38,973)
University of Kansas	6,045,056	5,678,352	(366,704)
Univ. of Kansas Med Center	4,843,394	4,804,929	(38,465)
Wichita State University	2,566,542	2,738,800	172,258
Total	<u>\$21,503,092</u>	<u>\$21,159,570</u>	<u>\$(343,522)</u>

	FY 1986	FY 1987
State General Fund	\$(343,522)	\$(343,522)

University of Kansas

My budget recommendations for FY 1987 include \$92,737 in State General Fund moneys to finance, in part, the operation of the Law Enforcement Training Center operated by the University of Kansas. The Legislature has passed and I have signed Senate Bill No. 595 which increases the amount of court docket fees deposited to the credit of the Law Enforcement Training Fund. Passage of this legislation will make sufficient moneys available in the Law Enforcement Training Center Fund to finance fully operation of the Law Enforcement Training Center. Therefore, I amend my budget by reducing State General Fund expenditures for the University of Kansas by \$92,737 and increasing expenditures from the Law Enforcement Training Fund by a like amount.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$ --	\$(92,737)
Law Enforcement Training Fund	--	92,737

School for the Deaf

The Kansas State School for the Deaf received notification from the Kansas State Department of Education that it will receive an allocation of \$4,833 for the Vocational Education Fund-Federal. This allocation, used to partially fund salaries for the school, is \$17,167 less than originally estimated. Consequently, I amend my budget recommendations for FY 1987 to decrease the expenditure limitation on the Vocational Education Fund-Federal, from \$22,000 to \$4,833. To compensate for this reduction, I further amend my budget recommendations to recommend additional expenditures of \$17,167 from the State General Fund.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$ --	\$ 17,167
Vocational Education Fund-Federal	--	(17,167)

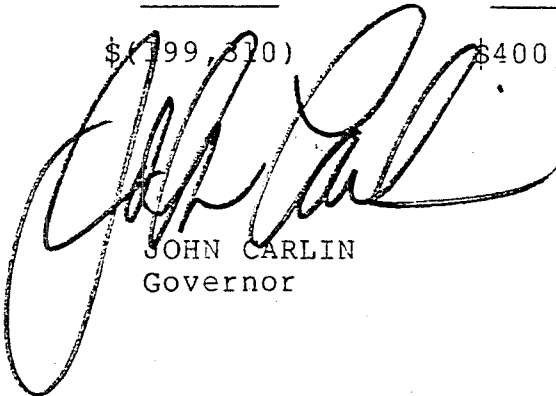
Public Broadcasting Commission

Subsequent to the development of my budget recommendations, the Public Broadcasting Commission has requested a state grant of \$400,000 to Smoky Hills Public Television as the state's portion of an estimated acquisition cost of \$1,624,724 to purchase the KLBV Television Station in Colby. This purchase would expand public television to a large portion of western Kansas at a minimal cost to Kansas taxpayers. I concur with the Commission's proposal and amend my budget accordingly.

However, use of these funds should be made contingent upon the other parties, particularly the federal government, also providing their portions of the acquisition price. The federal government has currently classified this grant as a "high priority" project. The contributions from all parties are; \$400,000 state; \$899,724 federal; \$125,000 Smoky Hills Public Television; and \$200,000 from local sources.

In addition, the Commission has informed me that anticipated expenditures in the current fiscal year for translator projects will not be made as the projects have not been financed by the federal government. Consequently, I amend my budget to reduce FY 1986 State General Fund expenditures by \$199,310.

	<u>FY 1986</u>	<u>FY 1987</u>
State General Fund	\$(199,310)	\$400,000



JOHN CARLIN
Governor

JC:dh