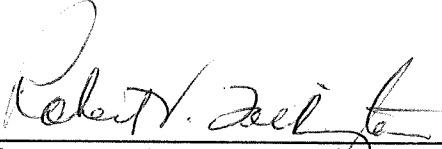


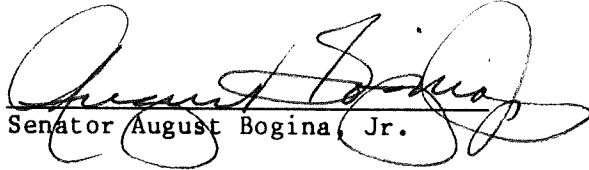
SENATE SUBCOMMITTEE REPORT

Retirement Bills and Issues




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Senator Robert V. Talkington,  
Chairman



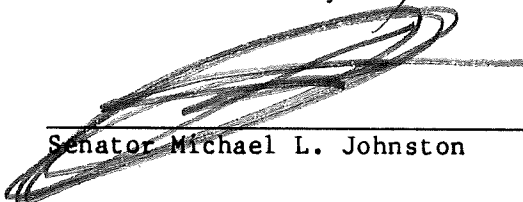
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Senator August Bogina, Jr.



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Senator Ross O. Doyen



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Senator Michael L. Johnston

## SUBCOMMITTEE REPORT

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

The Subcommittee held meetings to review specific retirement bills and to discuss general retirement policy issues. During the course of the deliberations Mr. Marshall Crowther, Executive Secretary of KPERS provided testimony on several retirement areas to the Subcommittee.

Based on the available information, the Subcommittee recommends several enhancements, all of which have no actuarial cost, for retirants and active members of KPERS, KP&F, and the Judges Retirement System. The Subcommittee requests that all of the following enhancements be combined into H.B. 2736, creating an omnibus retirement bill.

### KPERS

1. Close a benefit "gap" created by 1985 retirement legislation. The 1985 Legislature enacted legislation which made several enhancements to KPERS. Among the enhancements were (1) making permanent the "13th" check for all who retired on or before July 1, 1987 and (2) reducing the benefit calculation for final average salary from five years to four years for all who retire on and after July 1, 1988. As a result of an oversight the 1985 legislation would not provide an enhancement for any individual who would retire between July 2, 1987 and June 30, 1988 since the retirant would not be able to receive the permanent "13th" check or a final average salary based on four years of participating service. This action would reduce the benefit calculation for final average from five years to four years for all who retire on or after August 1, 1987.
2. Index the current annual rate for basic life insurance coverage purposes in the case of those individuals disabled for five or more years. This action would conform to recent legislation which indexed final average salary for retirement purposes for those disabled five or more years. This provision would reflect general increases in salary, which in turn would adjust the basic life insurance coverage which is equal to 100 percent of the individuals annual rate of compensation.
3. Increase by 3 percent the retirement benefits for all retirants who have retired prior to January 1, 1985.
4. Increase benefits for retired legislators who service was before entry into KPERS to equal the benefit provided for legislative employees. Currently there are 35 retired legislators with a minimum of ten years of service who comprise a special KPERS group, whose service was prior to 1974 when legislators entered KPERS. In addition, legislators at that time were not part of the social security system. The average monthly benefit for these 35

retired legislators is \$32 per month while the benefit for a retired legislative employee with ten years of service is \$50 per month. This action would increase the average monthly benefit for this special group of retired legislators to \$50 per month.

5. Provide insurance coverage for new members of KPERS who are over 59 years of age. Currently if an employee is hired and is over 59 years of age, they are not eligible for basic life insurance and disability coverage. This action would provide insurance to all KPERS employees under age 70.
6. Provide KPERS prior service credit if the individual has at least ten years of service under TIAA at a Regent's institution after January 1, 1962. This action would grant prior service credit to individuals who had prior service at Regent's institutions before January 1, 1962 and the individual left the system but subsequently reentered TIAA after that date.
7. Extend state correctional officers special disability benefits one year. Currently Kansas Department of Corrections security officers and other selected correctional employees have the same disability benefits as members of the Kansas Police and Fire Retirement System, but subject to offsets for social security. The 1982 Legislature provided these special benefits from July 1, 1982 to July 1, 1986 at which time, it was recommended, the actuary evaluate the experience with the special benefits. KPERS has suggested the actuarial information is still limited and additional experience is necessary to fully determine the impact of providing special disability benefits. Therefore, this action would extend the special correctional officer disability benefits to July 1, 1987.
8. Increase the death benefit for all retirants from \$1,500 to \$2,000.
9. Provide that all individuals who are employed or involved in training, or both, at a sheltered workshop for the blind operated by the Department of Social and Rehabilitation Services (SRS) would become members of KPERS. These individuals currently receive all state fringe benefits, except KPERS. This action would provide KPERS membership to 73 individuals at the SRS blind workshops.
10. Allow retirement at 40 years of service, regardless of age, at full benefits for a two year period or "window" from July 1, 1986 to June 30, 1988. The Subcommittee believes that an individual who has dedicated 40 years of their life to public service should retire at full benefits. However, to fully evaluate the actuarial impact of such a benefit, the Subcommittee recommends that a two year "window" be established to allow the 1988 Legislature to review this benefit.

Kansas Police and Fire (KP&F)

1. Increase by 3 percent the retirement benefits for all retirants who have retired prior to January 1, 1985.
2. Increase the death benefit for all retirants from \$1,500 to \$2,000.

### Judges Retirement System

1. Provide special legislation for the widow of former Chief Judge of the Kansas Court of Appeals J. Richard Foth. Judge Foth died at age 59 years and 7 months. This action would provide a monthly benefit to his widow.
2. Increase by 3 percent the retirement benefits for all retirants who have retired prior to January 1, 1985.
3. Increase the death benefit for all retirants from \$1,500 to \$2,000.

### Interim Studies

The Subcommittee requests that three areas be the focus for interim studies. The Subcommittee discussed at length the possibility of providing early retirement options for KPERS members. The discussions included providing an early retirement option at age 55 with a full actuarial reduction, allowing a two year window for retirement with 35 or 40 years of service, regardless of age and a one year window for retirement with 30 years of service, regardless of age. The Subcommittee also reviewed whether or not those individuals who retire should have some type of restrictions on returning to the work force. Given the magnitude of the policy issues and the far reaching effect on the retirement system if permanent early retirement enhancements were enacted, the Subcommittee recommends that both issues be studied further during the 1986 interim. The Subcommittee also requests that an interim study be held on the death and disability coverage for KP&F and KPERS-Correctional members. During the legislative session, attention has also been focused on the adequacy and equity of death and disability benefits for members of KP&F and KPERS-Correctional. The Subcommittee recommends that an interim study review the need for adjustments in this area of death and disability benefits.

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**SUBCOMMITTEE REPORT**

**Agency: Legislature and Related Agencies Bill No. 442**

**Bill Sec. All**

**Analyst: Ahrens**

**Analysis Pg. No. 1**

**Budget Pg. No. 1-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations - All Funds:</b>			
Commission on Interstate Cooperation	\$ 161,460	\$ 161,460	\$ --
Legislative Coordinating Council:			
Council Expenses	235,277	234,015	389
Legislative Research Department	1,408,308	1,399,078	4,831
Revisor of Statutes	1,611,063	1,606,424	1,468
Educational Planning Committee	56,193	56,161	--
Legislature	6,989,243	6,960,269	15,539
Division of Post Audit	<u>1,212,351</u>	<u>1,208,882</u>	<u>(41,071)</u>
<b>TOTAL</b>	<u>\$11,673,895</u>	<u>\$11,626,289</u>	<u>\$ (18,844)</u>
 <b>State Operations:</b>			
State General Fund	\$11,618,233	\$11,570,627	\$ (14,834)
 FTE Positions	89.1	89.1	--

Agency Requests/Governor's Recommendations

The combined FY 1987 budget requests for the Legislature and related agencies, submitted with the approval of the Legislature Coordinating Council, total \$11,673,895 which is \$36,438 less than revised estimates of expenditures for FY 1986. The revised FY 1986 estimate is \$62,306 less than the total expenditures authorized by the 1985 Legislature. As directed by the Legislative Coordinating Council, the FY 1987 requests do not include any amounts for changes in salary rates but do include step increases for those employees who are paid in accordance with the new state salary plan.

The Governor recommends FY 1987 expenditures of \$11,626,289 for the Legislature and related agencies. This amount includes \$22,377 recommended in Governor's Budget Amendment No. 1 to correct an unintentional omission of expenditures for the retirement program for temporary session employees. As amended, the Governor's recommendation is \$47,606 less than the requested amounts. The reductions result from the application of employer contribution rates for KPERS, health insurance, and unemployment insurance which are lower than those which agencies were instructed to use in preparing their FY 1987 budget requests. The Governor concurs with the revised FY 1986 expenditure estimates.

Subcommittee Recommendations

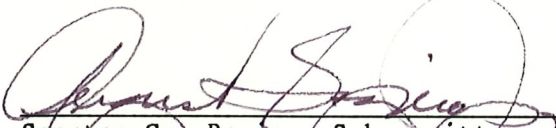
The Subcommittee concurs with the Governor's recommendations with the following changes for FY 1987.


1. The Subcommittee recommends restoration of the employer contribution rate for KPERS to 4.3 percent, the rate for FY 1987 which has been certified by the Board of Trustees of KPERS in accordance with present law. The report of the System's actuary will be made in March, at which time the Legislature will have the opportunity to enact such changes as it deems warranted. A revised unemployment insurance rate of 0.1 percent (previously 0.31 percent) has been duly certified by the Secretary of Human Resources. The actual single member health insurance monthly rate was revised downward to \$78.53 effective January 1, 1986. The agencies had been instructed to budget \$79.50 per month for FY 1987. The rate applied to FY 1987 agency budgets by the Governor is \$74.70 which adjusts the new actual contract rate to reflect the lower rate for five months in FY 1986 and 12 months in FY 1987, as well as to reflect favorable claims experience under the single member plan. This health insurance adjustment should be reviewed further by the Committee in connection with the budget of the Department of Administration, but this Subcommittee recommends no change to the \$74.70 rate at this time. Applying these employer contribution rates results in a net increase of \$23,661 to the expenditures as recommended by the Governor.


2. The Chairman of the Legislative Post Audit Committee has requested a reduction of \$42,505, including \$38,495 from the State General Fund and \$4,010 from the Federal Audit Services Fund, to reflect the actual costs of financial compliance audits to be conducted by private accounting firms in FY 1987. The Subcommittee concurs with the request.

3. The Subcommittee recommends two technical amendments to Section 2 of S.B. 442. The first would reappropriate the line item account for the Block Boundary Suggestion Project. The second would strike subsection (b) of Section 2 which pertains to the Computer Information System Services Fund, which is presently and foreseeably inactive.

The FY 1986 and FY 1987 expenditures for the Legislature are based upon the presumption that costs related to an increase in the legislative subsistence allowance which became effective last November can be absorbed. The Subcommittee believes that expenditure patterns should be observed closely to insure that such a presumption will not hinder the carrying out of legislative responsibilities.

  
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Senator Gus Bogina, Subcommittee  
Chairman

  
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Senator Bob Talkington

  
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Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Judicial Council

Bill No. 443

Bill Sec. 2

Analyst: Mills

Analysis Pg. No. 193

Budget Pg. No. 1-45

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

Agency Request/Governor's Recommendation


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


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

Senate Subcommittee Recommendations

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

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

  
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 Senator Merrill Werts  
 Subcommittee Chairman

  
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 Senator Joseph Harder

  
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 Senator Frank Gaines

SUBCOMMITTEE REPORT

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

**Bill No. 443**

**Bill Sec. 3**

**Analyst: Mills**

**Analysis Pg. No. 196**

**Budget Pg. No. 1-125**

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

Agency Request/Governor's Recommendation

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

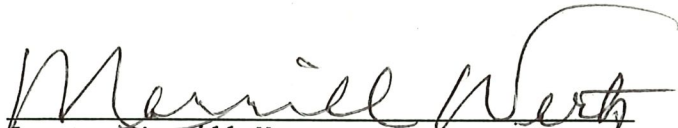
The Governor's recommendation includes \$1,620,000 for Assigned Counsel, \$220,576 for the Appellate Defender Office, and \$225,000 for Legal Services for Prisoners, Inc. No funding was recommended for the requested new positions.

Senate Subcommittee Recommendations

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

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



  
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Senator Merrill Werts  
Subcommittee Chairman

  
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Senator Joseph Harder

  
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Senator Frank Gaines

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SUBCOMMITTEE REPORT

Agency: Judicial Branch

Bill No. 443

Bill Sec. 4

Analyst: Mills

Analysis Pg. No. 211

Budget Pg. No. 1-47

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

Agency Request/Governor's Recommendation

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

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

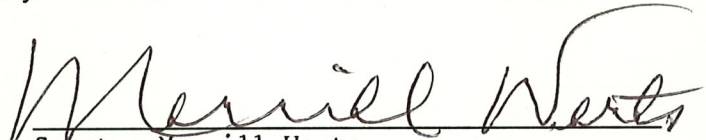
Senate Subcommittee Recommendations

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

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

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

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

  
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Senator Merrill Werts  
Subcommittee Chairman

  
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Senator Joseph Harder

  
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Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Crime Victims Reparations  
Board

Bill No. 443

Bill Sec. 5

Analyst: Mills

Analysis Pg. No. 230

Budget Pg. No. 4-41

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

Agency Request/Governor's Recommendation

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


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

Senate Subcommittee Recommendations

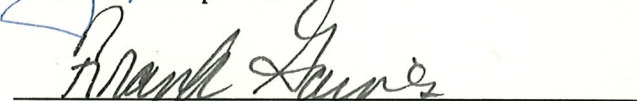
The Senate Subcommittee concurs with the Governor's recommendations with the following exceptions:

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

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

  
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Senator Merrill Werts  
Subcommittee Chairman

  
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Senator Joseph Harder

  
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Senator Frank Gaines

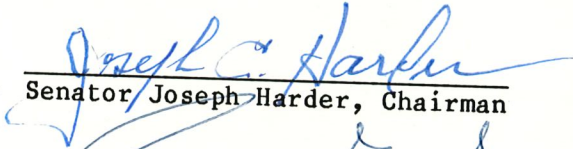
SENATE SUBCOMMITTEE REPORT


S.B. 584

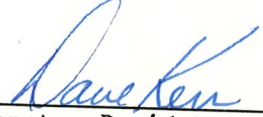
Sec. 16 -- Board of State Fair Managers  
New Section -- State Board of Agriculture  
New Section -- Kansas Water Office

S.B. 444

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

  
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Senator Joseph Harder, Chairman

  
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Senator Richard Gannon

  
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Senator David Kerr

**SUBCOMMITTEE REPORT**

Agency: Board of Agriculture

Bill No. 584

Bill Sec. NS

Analyst: Goering

Analysis Pg. No. 237

Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 7,392,582	\$ 7,088,504	\$ 32,969
Agency Fee Funds	2,516,172	2,509,048	(44,987)
Grain Commission Funds	971,907	962,764	(1,626)
Federal Meat and Poultry Inspection Fund	1,136,319	1,115,394	(1,039)
Other Federal Funds	360,632	360,632	--
Other Special Funds	38,000	38,000	--
Subtotal	<u>\$12,415,612</u>	<u>\$12,074,342</u>	<u>\$ (14,683)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 33,000	\$ 33,000	\$ --
Agency Fee Funds	33,000	33,000	--
Subtotal	<u>\$ 66,000</u>	<u>\$ 66,000</u>	<u>\$ --</u>
TOTAL	<u>\$12,481,612</u>	<u>\$12,140,342</u>	<u>\$ (14,683)</u>
FTE Positions	319.5	319.5	--

Agency Request/Governor's Recommendation

The agency's revised FY 1986 request exceeds the approved expenditure level by a total of \$195,122, of which \$175,122 would be financed from the State General Fund and \$20,000 from federal funds. Also requested is a shift in the financing of \$13,032 in approved expenditures from fee funds to new federal receipts for state inspection of medicated feed mills. The agency requests \$175,122 in supplemental State General Fund expenditures for contractual legal services for the Farmers' Assistance, Training and Counselling Service (FACTS). The additional federal fund expenditure of \$20,000 proposed for FY 1986 reflects a one-time grant from the federal Farmers Home Administration (FmHA) to support communications expenditures of the FACTS program.

The Governor recommends the \$20,000 expenditure of FmHA grant money for the FACTS program and the financing shift of \$13,032 associated with inspecting medicated feed mills. The Governor does not recommend the requested State General Fund appropriation for the FACTS program. However, on December 23, 1985, the Governor approved a transfer of \$100,000 from other agency programs to increase FACTS expenditures in FY 1986. Of that amount, \$50,000 would be for contractual legal services and \$50,000 for initiation of contractual financial outreach services for FACTS clients. Offsetting the \$120,000 in expenditure increases for FACTS are the Governor's recommended reductions totaling \$266,148

in FY 1986 expenditures for the rest of the agency. The Governor recommends a reduction of \$80,997 assuming a higher rate of turnover savings, a reduction of \$105,642 in travel expenditures, and other miscellaneous reductions totaling \$79,509.

Senate Subcommittee Recommendation

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

1. Reduction of \$14,141 in State General Fund expenditures for data processing services in the Division of Water Resources. This adjustment reflects savings in equipment rental costs which result from the agency's FY 1985 purchase of microcomputers to replace terminals previously leased from DISC.
2. Reduction of \$15,555 in KANS-A-N expenditures, adjusting FY 1986 expenditures in accordance with the Committee's policy for all state agencies. The reduction is to be financed as follows:

State General Fund	\$ (12,890)
Federal Meat and Poultry Fund	(1,039)
Grain Sorghum Commission Fund	(797)
Corn Commission Fund	(341)
Soybean Commission Fund	(488)
TOTAL	<u>\$ (15,555)</u>

3. Addition of \$60,000 from the State General Fund for contractual legal services for the FACTS program.
4. Decrease of \$44,987 in expenditures from the Water Appropriation Certification Fee Fund currently budgeted for contractual water appropriation field audits. The Subcommittee learned that fee receipts anticipated for FY 1986 will be \$74,535 less than the agency projected a year ago. Although this decrease is partially offset by unanticipated balances carried forward from FY 1985, the agency anticipates that the total available funds will permit only \$388,013 in expenditures for contractual field audits rather than the Governor's estimate of \$433,000. The recommended reduction adjusts the FY 1986 budget to accurately reflect the available revenue for water appropriation field audits.
5. The Subcommittee received a letter dated February 19, 1986 from the agency identifying projected revenue shortfalls in six agency fee funds for FY 1986. The agency anticipates that these shortfalls will result in a fee fund deficit totaling \$93,615. The Subcommittee is of the opinion that the Governor should have



the opportunity to address this matter by means of a budget amendment, and therefore makes no recommendation at this time on the anticipated revenue shortfalls.

046.86

**SUBCOMMITTEE REPORT**

Agency: Board of Agriculture                      Bill No. 444                      Bill Sec. 2  
 Analyst: Goering                                      Analysis Pg. No. 237                      Budget Pg. No. 5-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 9,724,400	\$ 6,040,996	\$ 397,622
Agency Fee Funds	2,058,086	2,395,761	444,648
Grain Commission Funds	932,515	949,785	(2,329)
Federal Meat and Poultry Inspection Fund	1,158,270	230,074	960,846
Other Federal Funds	450,053	300,053	--
Other Special Funds	38,300	38,300	--
Subtotal	<u>\$14,361,624</u>	<u>\$ 9,954,969</u>	<u>\$1,800,787</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 92,975	\$ --	\$ --
Agency Fee Funds	--	--	--
Subtotal	<u>\$ 92,975</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL	<u>\$14,454,599</u>	<u>\$ 9,954,969</u>	<u>\$1,800,787</u>
 FTE Positions	 351.5	 249.5	 68.0

Agency Request/Governor's Recommendation

The agency's FY 1987 operating budget request totals \$14,361,624, an increase of 15.7 percent from the revised request for FY 1986. Of the total, \$9,724,400 would be financed from the State General Fund, reflecting an increase of 31.5 percent compared to the FY 1986 revised State General Fund request. The FY 1987 budget proposes the addition of 32.0 FTE positions compared to current hiring authority. The agency requests 14.0 FTE positions and \$804,076 to implement various components of the 1986 State Water Plan; 6.0 FTE positions and an estimated \$208,628 to expand regulatory staffing for the Division of Plant Health; 3.0 FTE positions to expand the Farmers' Assistance, Training, and Counselling Service (FACTS); 2.0 FTE positions, to be financed from federal funds, to perform inspections of medicated feed mills; 1.0 FTE Research Analyst to conduct an annual agriculture economic survey for Kansas; 2.0 FTE Civil Engineers to expand staffing related to regulation of high-hazard dams and floodplain management; 2.0 FTE positions for the Weights and Measures Inspection subprogram; 1.0 FTE Programmer for the Division of Water Resources; and 1.0 FTE Agricultural Marketing Specialist. Also requested is \$46,676 for purchase of computer equipment and \$443,000 to continue contractual services to perform field audits of water appropriation works. The agency also requests \$92,975 from the State General Fund for capital improvement projects for the agricultural laboratory.

The Governor recommends FY 1987 operating expenditures totaling \$9,954,969, a reduction of 17.6 percent compared to the Governor's FY 1986 recommendation. Of the total, \$6,040,996 would be from the State General Fund. The recommendation includes federal fund expenditures for 2.0 FTE new positions to inspect medicated feed mills. However, this increase is more than offset by a recommended reduction of 72.0 FTE positions associated with the state-operated meat and poultry inspection program. The Governor's recommendation would terminate the state program effective July 1, 1986. The Governor recommends \$12,180 for purchase of computer equipment and \$443,000 for contractual water appropriation field audits. The Governor does not recommend the requested capital improvement funding.

#### Senate Subcommittee Recommendation

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

1. Reduction of \$17,548 in State General Fund expenditures for data processing services in the Division of Water Resources. This adjustment provides a 5 percent increase as compared to the Subcommittee's revised estimate for FY 1986, and incorporates savings in data processing equipment rent as a result of replacing certain leased terminals with purchased microcomputers.
2. Reduction of \$15,632 in State General Fund expenditures recommended by the Governor for data processing services provided by DISC, in accordance with systemwide recommendations of the full Senate Ways and Means Committee regarding the Department of Administration's nonreportable budget for FY 1987.
3. Deletion of \$28,136 for printing costs and \$1,300 for postage costs recommended by the Governor for publication and distribution of an annual report in FY 1987. The Subcommittee notes that the 1985 Legislature provided no funding for issuance of an annual report in FY 1986. However, the agency encumbered FY 1985 savings to enable the publication of a report in the current fiscal year. The Subcommittee would not be adverse to the issuance of a report in FY 1987 if the agency is able to generate sufficient savings elsewhere in its budget to finance the report. This adjustment generates total State General Fund savings of \$29,436.
4. Deletion of \$12,180 from the State General Fund recommended by the Governor for purchase of additional computer hardware and software in FY 1987.
5. Reduction of \$64,000 in State General Fund expenditures recommended by the Governor for contractual field audits of developed water rights. This adjustment retains a total of \$379,000 for this purpose. The Subcommittee notes that the revenues generated by 1985 H.B. 2618 are significantly less than the Division of Water Resources anticipated a year ago. As a

result, the Subcommittee is of the opinion that the State General Fund commitment to the program should be reduced by a comparable amount.

6. Deletion of \$36,028 in State General Fund expenditures for unclassified salaries and fringe benefits for the Statistical Services subprogram. This amount reflects State General Fund supplements paid to 11 individuals employed by the U.S. Crop and Livestock Reporting Service who are on the federal payroll. The adjustment also enables elimination of 2.0 FTE from the agency's position hiring authority.
7. The Subcommittee notes that in a letter dated February 19, 1986, the agency projected an anticipated revenue shortfall in FY 1987 totaling \$392,866 in six special revenue funds. The Subcommittee takes no position at this time regarding budgetary adjustments to address this shortfall, inasmuch as the Governor should have the opportunity to take a position on the agency's revised revenue projections by means of a budget amendment.
8. The Subcommittee recommends introduction of a resolution to request that the agency revoke its recent amendment to K.A.R. 4-4-2, which would reduce the tonnage fees for fertilizer inspection from 30 cents to 15 cents effective July 1, 1986. The Subcommittee notes that the Governor's budget recommendation for FY 1987 assumes continuation of the 30 cent fee rate throughout FY 1987. Unless the recent amendment to the regulations is revoked, the FY 1987 Fertilizer Fee Fund revenue shortfall will be substantially greater than the \$152,610 currently projected by the agency.
9. Increase of \$16,234 to restore the KPERS employer contribution rate to 4.3 percent rather than 4.0 percent recommended by the Governor. The increase is to be financed as follows:

State General Fund	\$ 16,097
Grain Sorghum Commission Fund	67
Soybean Commission Fund	41
Corn Commission Fund	29
TOTAL	<u>\$ 16,234</u>

10. Decrease of \$10,292 to adjust KANS-A-N costs to 11 percent above the Subcommittee's revised estimate for FY 1986. The reduction is to be financed as follows:

State General Fund	\$ (7,826)
Grain Sorghum Commission Fund	(1,208)
Soybean Commission Fund	(740)
Corn Commission Fund	(518)
TOTAL	<u>\$(10,292)</u>

11. Addition of \$1,969,669 and 70.0 FTE positions to restore the State Meat and Poultry Inspection program. The number of positions restored by the Subcommittee is 2.0 FTE less than the agency request for FY 1987, reflecting elimination of two Agricultural Inspector I positions. One of those positions is currently vacant and another will be vacated through attrition in late FY 1986.

The Subcommittee recommends financing a greater share of the state match for the program by increasing fees credited to the Meat and Poultry Inspection Fund as follows:

- a. Increase annual registration fees for custom and federal plants by \$50, from the present levels of \$150 for slaughterhouses and poultry dressing plants and \$200 for packing houses, sausage plants, and poultry packing plants to \$200 and \$250 respectively. This fee increase would generate additional revenues of \$4,700 annually.
- b. Assess an annual registration fee of \$150 for distributors and wholesalers required to register with the Secretary by K.S.A. 65-6a34(a). This new fee would generate additional revenue totaling \$12,000 annually.
- c. In addition to the present registration fees of \$150 and \$200, impose a new inspection fee on those plants which are fully state inspected. The Subcommittee recommends fees of \$2 per sheep or goat, \$3 per hog, and \$4 per steer slaughtered. This new fee would generate increased revenues of \$365,490 annually.
- d. The Subcommittee recommends introduction of legislation to amend K.S.A. 65-6a34 to adjust fees in accordance with the above recommendations. The total anticipated revenues to the Meat and Poultry Inspection Fee Fund as a result of implementing these recommendations is \$444,648.
- e. The recommended budget for the FY 1987 program is to be financed as follows:

State General Fund	\$ 474,202
Federal Meat and Poultry Inspection Fund	1,050,819
Meat and Poultry Inspection Fee Fund	<u>444,648</u>
TOTAL	<u>\$ 1,969,669</u>

12. Increase of \$89,973 from the State General Fund to adequately finance the Agricultural Laboratory. The Governor's recommendation assumes that \$89,973 in deferred federal reimbursements for the FY 1986 Meat and Poultry Inspection Program would be used to offset State General Fund costs of the laboratory. Since that

federal reimbursement will be used instead to continue funding the Meat and Poultry Inspection Program, an equal amount of State General Fund support must be added to finance the Laboratory in FY 1987.

13. The Subcommittee does not recommend increased expenditures for contractual services for the FACTS program in FY 1987. The Subcommittee is of the opinion that the program was intended by the Legislature to serve farmers who are at or near the crisis level. The current eligibility criteria, however, appear to include individuals who do not fall into this category. On the assumption that tightened eligibility criteria will reduce the number of program clients in FY 1987, the Subcommittee concurs with the Governor's basic budget recommendations for the FACTS program.

046.87

SUBCOMMITTEE REPORT

Agency: Animal Health Department

Bill No. 444

Bill Sec. 3

Analyst: Rothe

Analysis Pg. No. 264

Budget Pg. No. 5-17

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

Agency Request/Governor's Recommendation

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

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

Senate Subcommittee Recommendations

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

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

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

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

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

055.87



SUBCOMMITTEE REPORT

Agency: Grain Inspection Dept.      Bill No. 444      Bill Sec. 4  
 Analyst: Holt      Analysis Pg. No. 273      Budget Pg. No. 5-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 5,134,009	\$ 4,871,193	\$ 60,181
FTE Positions	180.0	176.0	--

Senate Subcommittee Recommendations

FY 1986. The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments reflecting a reduction of \$75,744.

1. Reduction of \$105,744 for salary and wages expenditures due to actual and projected agency turnover savings.
2. Addition of \$30,000 for the contract sampling program. The Senate Subcommittee supports this program in that receipts continue to exceed agency expenditures. In FY 1985 \$174,274 was expended by the agency for contractual services, and \$507,993 was realized in program receipts.

FY 1987. The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments, reflecting an addition of \$60,181.

1. Addition of \$14,027 for office space rental for the Administration and Warehouse programs. This addition assumes continued rental of office space until November 15, 1986 at the agency's present quarters at 235 South Topeka (\$15,302) and relocation to 5,750 square feet of office space in the State Office Building (\$39,531). The agency's lease for its present quarters expires on May 15, 1986.
2. Addition of \$3,400 for expenditures associated with the move to the State Office Building.
3. Addition of \$2,000 for telephone installation in the State Office Building.
4. Addition of \$13,745 for the purchase of a mass comparator, lifting mechanisms, and weights. The mass comparator is a device with an electronic load cell used for comparing the weights of two masses. The agency plans to use this device to test and certify large

weights in the head houses of terminal elevators, and to charge a fee of \$75 to test each large weight plus \$11 per hour. According to the agency, annual receipts are estimated to be \$15,136. The agency already appears to be authorized to test such weights and charge the requested fees pursuant to K.S.A. 34-103a.

5. Addition of \$5,050 to modify a truck (funding of which is recommended by the Governor) so that it can pull the agency's trailer that transports weights and testing equipment.
6. Addition of \$500 for the purchase of maintenance materials, supplies, and parts.
7. Addition of \$21,459 to restore the rate for KPERS to 4.3 percent and to correct for a miscomputation.
8. The Senate Subcommittee notes that the agency's ending balances are decreasing each year. Whereas receipts have remained relatively stable, operating expenditures have continued to increase. The Subcommittee encourages the agency to curb its operating expenditures in future fiscal years, so as to increase its ending balances.

Based on the Subcommittee's adjustments to expenditures and the Governor's estimated level of receipts in fiscal years 1986 and 1987, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 2,142,945	\$ 2,066,260	\$ 1,745,027
Net Receipts	<u>4,731,514</u>	<u>4,737,250</u>	<u>4,660,750</u>
Total Funds Available	\$ 6,874,459	\$ 6,803,510	\$ 6,405,777
Less: Expenditures, Reportable	4,440,102	4,676,983	4,931,374
Federal Fees Remitted	<u>334,547</u>	<u>381,500</u>	<u>255,000</u>
Ending Balance	<u>\$ 2,099,810</u>	<u>\$ 1,745,027</u>	<u>\$ 1,219,403</u>

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 584

Bill Sec. 16

Analyst: Howard

Analysis Pg. No. 279

Budget Pg. No. 5-29

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,328,451	\$ 2,301,142	\$ --
Capital Improvements	650,000	885,000	40,000
TOTAL	<u>\$ 2,978,451</u>	<u>\$ 3,186,142</u>	<u>\$ 40,000</u>
<b>State General Fund:</b>			
Capital Improvements	\$ 650,000	\$ 650,000	\$ --
FTE Positions	16.0	16.0	--

Agency Request/Governor's Recommendations

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

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

Senate Subcommittee Recommendation

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

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

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

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

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

373.86

SUBCOMMITTEE REPORT

Agency: Kansas State Fair

Bill No. 444

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 279

Budget Pg. No. 5-29

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

Agency Request/Governor's Recommendation

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

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

Senate Subcommittee Recommendations

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

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

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

In addition, the Subcommittee makes the following observations:

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

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
<b><u>State Fair Fee Fund:</u></b>			
Beginning Balance	\$ 196,579	\$ 172,319	\$ 34,663
Net Receipts	<u>2,204,564</u>	<u>1,968,125</u>	<u>2,293,100</u>
Funds Available	\$ <u>2,401,143</u>	\$ <u>2,140,444</u>	\$ <u>2,327,763</u>
Less: Expenditures	<u>2,228,824</u>	<u>2,105,781</u>	<u>2,245,080</u>
Ending Balance	\$ <u><u>172,319</u></u>	\$ <u><u>34,663</u></u>	\$ <u><u>82,683</u></u>
<b><u>Non-Fair Days Activities Fund:</u></b>			
Beginning Balance	\$ 106,197	\$ 126,736	\$ 86,455
Net Receipts	<u>162,092</u>	<u>155,080</u>	<u>171,900</u>
Funds Available	\$ <u>268,289</u>	\$ <u>281,816</u>	\$ <u>258,355</u>
Less: Expenditures	<u>141,553</u>	<u>195,361</u>	<u>206,203</u>
Ending Balance	\$ <u><u>126,736</u></u>	\$ <u><u>86,455</u></u>	\$ <u><u>52,152</u></u>

373.87

SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission      Bill No. NA      Bill Sec. NA  
 Analyst: Holt      Analysis Pg. No. 290      Budget Pg. No. 5-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,711,844	\$ 1,688,294	\$ (19,600)
FTE Positions	8.0	8.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's FY 1986 recommendation with the following adjustments, reflecting a reduction of \$19,600.

1. Reduction of \$20,000 for Special Projects -- U.S. Wheat Associates. The effect of this recommendation is to reduce total expenditures from \$75,000 to \$55,000.
2. Reduction of \$8,500 for official hospitality expenditures. The effect of this recommendation is to reduce total expenditures from \$33,500 to \$25,000.
3. Addition of \$9,400 for communications expenditures, to include \$8,000 for postage and \$1,400 for KANS-A-N. Recommended expenditures for FY 1986 appear to be understated given expenditures to date.
4. Reduction of \$500 for motor vehicle parts and supplies.



SUBCOMMITTEE REPORT

Agency: Kansas Wheat Commission      Bill No. 444      Bill Sec. 6  
 Analyst: Holt      Analysis Pg. No. 290      Budget Pg. No. 5-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,671,762	\$ 1,527,825	\$ (306,089)
FTE Positions	8.0	8.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's FY 1987 recommendation with the following adjustments, reflecting a reduction of \$306,089. The first four recommendations, in addition to those proposed for FY 1986, attempt to accommodate estimated reduced receipts due to the federal government's wheat acreage reduction provisions of the Food Security Act of 1985 (1985 Farm Bill).

1. Reduction of \$36,500 for membership in the U.S. Wheat Associates. The agency now estimates that dues will be reduced from \$416,500 to \$380,000.
2. Reduction of \$45,000 for Special Projects -- U.S. Wheat Associates. The effect of this recommendation is to reduce total expenditures from \$75,000 to \$30,000.
3. Deletion of \$4,800 for a contract with Kansas State University for a project on wheat storage practices.
4. Reduction of \$500 for motor vehicle parts and supplies.
5. Addition of \$574 to restore the rate for KPERS to 4.3 percent.
6. Addition of \$3,137 for communications expenditures, to include \$500 for postage and \$2,637 for KANS-A-N.
7. Reduction of \$223,000 for the agency's share of funding in FY 1987 the salaries and operations of the International Grains Program (IGP). It is recommended that restoration of funding be conditioned upon receipt and approval by the Legislature of a detailed written account of projected IGP expenditures for fiscal years 1986 and 1987.

Based on the Subcommittee's adjustments to expenditures and receipts in fiscal years 1986 and 1987, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 1,023,423	\$ 804,107	\$ 522,053
Net Receipts	<u>1,282,165</u>	<u>1,483,440</u>	<u>1,380,000</u>
Total Funds Available	\$ 2,305,588	\$ 2,287,547	\$ 1,902,053
Less: Expenditures (Including Refunds)	<u>1,501,481</u>	<u>1,765,494</u>	<u>1,326,736</u>
Ending Balance	<u>\$ 804,107</u>	<u>\$ 522,053</u>	<u>\$ 575,317</u>

391.87

**SUBCOMMITTEE REPORT**

Agency: State Conservation Comm. Bill No. — Bill Sec. —  
 Analyst: Goering Analysis Pg. No. 295 Budget Pg. No. 5-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 211,451	\$ 203,126	\$ --
Aid to Local Units	1,767,349	1,767,349	--
Other Assistance	<u>1,979,603</u>	<u>1,779,603</u>	--
TOTAL	<u>\$ 3,958,403</u>	<u>\$ 3,750,078</u>	<u>\$ --</u>
 FTE Positions	 6.5	 6.5	 --

Agency Request/Governor's Recommendation

The agency's revised FY 1986 request, totaling \$3,958,403, includes an increase of \$280,447 above the current approved expenditure level. That amount represents FY 1985 savings in the Water Resources Cost-Share Program (\$279,603) and the Watershed Dam Construction Assistance Program (\$844) which were reappropriated to FY 1986 without expenditure limitation. Other components of the Commission's FY 1986 budget estimate are identical to that approved by the 1985 Legislature and Finance Council.

The Governor recommends a reduction of \$200,000 in expenditures for the Water Resources Cost-Share Program, proposing reappropriation of that amount to partially finance FY 1987 expenditures for the program. Also recommended by the Governor are FY 1986 expenditure reductions totaling \$8,325 in state operations costs, primarily reflecting turnover savings.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

**SUBCOMMITTEE REPORT**

**Agency: State Conservation Comm. Bill No. 444**

**Bill Sec. 7**

**Analyst: Goering**

**Analysis Pg. No. 295**

**Budget Pg. No. 5-27**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 669,724	\$ 211,311	\$ (790)
Aid to Local Units	3,770,955	1,770,955	--
Other Assistance	7,365,000	1,700,000	--
TOTAL	<u>\$11,805,679</u>	<u>\$ 3,682,266</u>	<u>\$ (790)</u>
FTE Positions	15.0	7.0	--

Agency Request/Governor's Recommendation

The Commission requests a State General Fund budget total of \$11,805,679 for FY 1987, a significant increase from the FY 1987 revised request of \$3,958,403. The request includes 8.0 FTE new positions, of which 4.0 FTE would be professional staff and 4.0 FTE would provide additional clerical support. Also requested are major increases in ongoing state aid and assistance programs. The Commission requests \$365,000 to initiate cost-share assistance to encourage irrigators and industrial water users to install water meters. Also requested is \$150,000 for contractual services to assist in planning watershed dams.

The Governor recommends a total of \$3,682,266 in FY 1987 expenditures, including funding for 7.0 FTE positions. The recommendation includes funding to annualize the salary of a new clerical position added for the last half of FY 1986. The Governor does not recommend funding for water meter cost-share assistance nor for watershed dam planning. The following table shows the recommended expenditure levels for conservation programs as compared to the agency's FY 1987 request and the FY 1986 appropriation.

<u>Local Aid/Other Assistance Program</u>	<u>FY 1986 Approp.</u>	<u>FY 1987 Request</u>	<u>FY 1987 Gov. Rec.</u>
State Aid to Conservation Districts	\$ 766,505	\$ 770,955	\$ 770,955
Watershed Dam Construction Assist.	1,000,000	3,000,000	1,000,000
Water Resources Cost-Share Program	1,500,000	2,500,000	1,500,000
State Targeted Cost-Share Program	200,000	4,500,000	200,000
TOTAL	<u>\$ 3,466,505</u>	<u>\$ 10,770,955</u>	<u>\$ 3,470,955</u>

Senate Subcommittee Recommendation

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

1. Deletion of \$1,200 recommended by the Governor for utilities. Beginning in FY 1987, the agency will no longer be required to pay a utility surcharge since the rent charge per square foot paid to Manhattan Buildings will include utilities.
2. The Subcommittee learned that K.S.A. 1985 Supp. 2-1915 authorizes state grants "for the construction of terraces, terrace outlets, check dams, dikes, ponds, ditches, watershed structures, and other water conservation structures . . . on privately owned lands." The proviso attached to the line item appropriations for the Water Resources Cost-Share Program and the State Targeted Cost-Share Program limit use of the funds for "enduring water conservation structures on privately owned land . . . needed for development and improvement of the quality and quantity of Kansas water resources." The Subcommittee also learned that the Commission is providing cost-share assistance for such projects as critical area planting, grassed waterways, tailwater recovery irrigation systems, precision land farming, and range seeding. The Subcommittee raises for full Committee consideration the question of whether such projects are within the Legislature's intended meaning of the term "enduring water conservation structures."
3. Increase of \$410 from the State General Fund to increase the KPERS employer contribution rate from 4.0 percent recommended by the Governor to 4.3 percent.

634.87

SUBCOMMITTEE REPORT

Agency: Kansas Water Office                      Bill No. 584                      Bill Sec. NS  
 Analyst: Goering                                      Analysis Pg. No. 308                      Budget Pg. No. 5-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 3,105,472	\$ 3,102,019	\$       --
Local Aid	--	--	--
TOTAL	<u>\$ 3,105,472</u>	<u>\$ 3,102,019</u>	<u>\$       --</u>
FTE Positions	22.0	22.0	--

Agency Request/Governor's Recommendation

The agency's estimated budget for FY 1986 is \$3,105,472, the same amount approved by the 1985 Legislature and Finance Council. However, several internal shifts in expenditures are proposed. A sum of \$30,000 was transferred by Executive Directive in September from the separate line-item appropriation for Stream-Aquifer Interaction Research to the Other Operating Expenditure account, to finance a contract for development of a river basin management system for the Kansas River. Contracts negotiated with the U.S. Geological Survey to collect streamflow and sediment data total \$8,431 less than the amount budgeted for that purpose. The agency estimates a \$7,868 expenditure for FY 1986 to finance part of a contract with an individual serving as Kansas' liaison in Washington, D.C. No funding was requested or approved for that purpose a year ago. Finally, an increase of \$3,260 is anticipated for word and data processing equipment purchases above the amount approved by the 1985 Legislature for capital outlay.

The Governor concurs with the agency's proposed revisions, but also recommends a \$3,453 reduction in the amount estimated for staff travel. The Governor's FY 1986 recommendation totals \$3,102,019.

Senate Subcommittee Recommendation

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

1. Transfer of \$2,852,724 from the State General Fund to the State Conservation Storage Water Supply Fund in FY 1986. Together with the \$1,147,276 anticipated to be available in the special revenue fund by June 30, 1986, this transfer will provide the \$4,000,000 escrow account balance required by July 1, 1986, as a condition of the agency's Memorandum of Understanding with the U.S. Corps of Engineers, approved on December 12, 1985. This recommendation does not affect budgeted expenditures for either FY 1986 or FY 1987.

**SUBCOMMITTEE REPORT**

**Agency: Kansas Water Office**

**Bill No. 444**

**Bill Sec. 8**

**Analyst: Goering**

**Analysis Pg. No. 308**

**Budget Pg. No. 5-45**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 7,452,704	\$ 3,129,878	\$ (503,684)
Local Aid	67,406	--	--
TOTAL	<u>\$ 7,520,110</u>	<u>\$ 3,129,878</u>	<u>\$ (503,684)</u>
<b>State General Fund:</b>			
State Operations	\$ 7,452,704	\$ 3,129,878	\$ (603,684)
Local Aid	67,406	--	--
TOTAL	<u>\$ 7,520,110</u>	<u>\$ 3,129,878</u>	<u>\$ (603,684)</u>
FTE Positions	23.0	22.0	--

Agency Request/Governor's Recommendation

The agency requests a total operating budget of \$7,520,110 for FY 1987, a significant increase compared to the FY 1986 estimate of \$3,105,472. The request includes \$35,279 and 1.0 FTE new clerical position to perform support activities for the 12 river basin advisory committees formed to advise the agency on detailed river basin planning. Also requested is \$4,000,000 from the State General Fund to be used toward the purchase of additional water storage in federal reservoirs; \$200,000 for continued research on stream-aquifer interaction and on the Dakota aquifer; \$21,800 for contractual services to plug observation wells in the vicinity of the Saline River; \$42,800 for modifications to the stream gaging system to permit monitoring of additional minimum streamflow standards; \$11,000 to add 12 sites to the sediment data collection network; and \$67,406 to provide financial assistance to two watershed districts pursuant to K.S.A. 82a-909.

The Governor recommends \$3,129,878 in operating expenditures for FY 1987, an increase of \$27,859 from the recommendation for FY 1986. The recommendation includes no new positions. The Governor does recommend the requested \$21,800 to plug wells near the Saline River.

Senate Subcommittee Recommendation

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

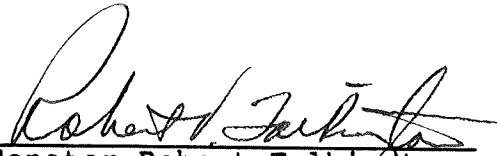
1. Deletion of \$21,800 for plugging observation wells in the vicinity of the Saline River. The Subcommittee takes no position on the request pending submission by the agency of the contractual agreements related to the federally-financed mineral intrusion study. The Subcommittee also notes that K.S.A. 82a-1213, cited by the agency in support of its request, requires the drilling contractor or the landowner to properly plug abandoned wells, subject to the regulatory authority of the Secretary of Health and Environment. The statute does not require that the Kansas Water Office plug the wells unless the agency can be considered a water well drilling contractor. The Subcommittee does not recommend funding for this purpose pending identification of the legally responsible party.
2. Reduction of \$610 for the FY 1987 membership fee of the Missouri Basin States Association (MBSA). The Governor's recommendation of \$20,945 exceeds the annual fee of \$20,335 actually fixed by MBSA for the three-year period ending in FY 1987.
3. Reduction of \$619,320 in State General Fund expenditures for principal and interest payments on Milford Reservoir (\$272,053) and Perry Reservoir (\$347,267). This reduction is based on an agency proposal dated February 10, 1986, to exercise its option under two of the nine reservoir contracts to defer principal and interest payments on the state's unused water supply in two federal reservoirs. The agency anticipates annual savings of approximately \$800,000 beginning in FY 1988.
4. Increase of \$2,046 from the State General Fund to increase the KPERS employer contribution rate to \$4.3 percent from the Governor's recommendation of 4.0 percent.
5. Increase of \$36,000 from the State General Fund to finance the second phase of a stream-aquifer interaction research study on the Arkansas River between Kinsley and Great Bend initiated in FY 1986.
6. Increase of \$100,000 in expenditures for continued research on the Dakota aquifer. This expenditure is to be financed from a transfer of \$100,000 from the Conservation Fee Fund of the State Corporation Commission to the Kansas Water Office.



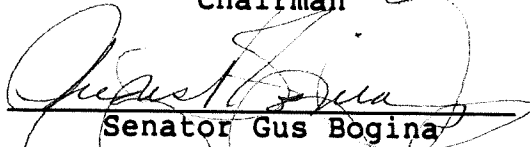
SENATE BILL 584  
SENATE BILL 481  
SUBCOMMITTEE REPORTS FOR

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERS)  
DEPARTMENT OF REVENUE

Subcommittee Members:



Senator Robert Talkington  
Chairman



Senator Gus Bogina



Senator Ross Doyen



Senator Michael Johnston

**SUBCOMMITTEE REPORT**

**Agency: Kansas Public Employees Retirement System (KPERs)**      **Bill No. 584**

**Bill Sec. 7**

**Analyst: Conroy**

**Analysis Pg. No. 117**

**Budget Pg. No. 1-141  
3-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,485,341	\$ 3,401,141	\$ (504)
Aid to Local Units	40,930,109	40,930,109	--
Other Assistance	100,697,542	100,697,542	--
TOTAL	<u>\$145,112,992</u>	<u>\$145,028,792</u>	<u>\$ (504)</u>
<b>State General Fund:</b>			
Aid to Local Units	\$ 40,930,109	\$ 40,930,109	\$ --
FTE Positions	59.0	59.0	--

Agency Request/Governor's Recommendation

The agency's revised budget request in FY 1986 includes a State General Fund supplemental of \$713,109 for aid to local units of government for public school employers' retirement contributions. The request is based on the latest estimate by the Department of Education which makes an adjustment in the covered payroll for FY 1986 on the basis of the FY 1985 actual payroll.

The Governor's recommendation for state operations in FY 1986 is \$84,200 less than the agency requested. The Governor concurs with the agency request for State General Fund supplemental funding of \$713,109 for public school employers' retirement contributions.

Senate Subcommittee Recommendation

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

1. Delete \$504 for lower than anticipated KANS-A-N rates in the current year.

3/1/86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Public Employees Retirement System (KPERS)**      **Bill No. 481**

**Bill Sec. 2**

**Analyst: Conroy**

**Analysis Pg. No. 117**

**Budget Pg. No. 1-141  
3-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,425,054	\$ 3,300,301	\$ (53,769)
Aid to Local Units	43,165,683	38,996,750	4,168,933
Other Assistance	108,168,829	108,168,829	--
<b>TOTAL</b>	<u>\$154,759,566</u>	<u>\$150,465,880</u>	<u>\$ 4,115,164</u>
<b>State General Fund:</b>			
Aid to Local Units	\$ 43,165,683	\$ 38,996,750	\$ 4,168,933
<b>FTE Positions</b>	<b>61.0</b>	<b>59.0</b>	<b>59.0</b>

Agency Request/Governor's Recommendation

The agency request of \$154,759,566, while maintaining the current level of operation, also provides for continued development of a data processing system based on the use of a super minicomputer and the addition of two clerical support positions. The aid to local units of government request for public school employers' retirement contributions is based on the current budget limitations of 5 percent and 15 percent and a certified employer contribution rate of 4 percent.

The Governor's recommendation provides for continuation of the current level of operation, including continued development of a data processing system based on the use of a super minicomputer. However, the Governor does not recommend the addition of any additional clerical positions. The Governor's recommendation for aid to local units of government for public school employers' retirement contributions is based on budget limitations of 0 percent to 2 percent and a revised employer contribution rate of 3.7 percent.

Senate Subcommittee Recommendation

Fiscal Year 1987. The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Delete \$1,612 for lower than anticipated KANS-A-N rates in the budget year.
2. Delete \$56,768 for systemwide identified DISC-Information Systems savings in the budget year.
3. Add \$4,611 for the agency's certified employer retirement contribution of 4.3 percent rather than the 4 percent rate the Governor recommends. The Subcommittee action is based on the current certified employer contribution rate.
4. Add \$4,168,933 for aid to local units of government for public school employers' retirement contributions to reflect current statutory provisions. The Subcommittee adjustment reflects the current certified public school employer contribution rate of 4.0 percent and the current statutory provisions of the School District Equalization Act for increased school budgets of 5 percent to 15 percent.

AMENDED  
SUBCOMMITTEE REPORT

Agency: Department of Revenue

Bill No. 584

Bill Sec. 5

Analyst: Efirid

Analysis Pg. No. I-124

Budget Pg. No. 1-150

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$45,832,615	\$43,845,689	\$ 129,963
Aid to Local Units	9,305,640	9,456,512*	--
Other Assistance	20,000	20,000	--
Subtotal	<u>\$55,158,255</u>	<u>\$53,322,201</u>	<u>\$ 129,963</u>
Capital Improvements	300,131	345,131	--
TOTAL	<u><u>\$55,458,386</u></u>	<u><u>\$53,667,332</u></u>	<u><u>\$ 129,963</u></u>
<b>State General Fund:</b>			
State Operations	\$25,187,586	\$24,255,527	\$ 66,426
Aid to Local Units	1,550,000	1,580,496	--
Other Assistance	20,000	20,000	--
TOTAL	<u><u>\$26,757,586</u></u>	<u><u>\$25,856,023</u></u>	<u><u>\$ 66,426</u></u>
F.T.E. Positions	1,517.0	1,514.0	--

\* Does not include Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendations

The agency requests several adjustments in its expenditures for the current fiscal year, with increases in other operating costs due to higher estimated DISC rates partially offset by lower salaries and wages. The agency estimates net savings of \$42,608 from the State General Fund in the current fiscal year as a result of a decrease in salaries and wages of \$248,038 and an increase in other operating costs of \$205,430. A net increase of \$154,107 from the DOV Operating Fund is requested.

The Governor recommends reducing State General Fund expenditures by \$974,667 from approved levels in the current fiscal year. Additional savings of \$106,322 for salaries and wages and \$825,737 for other operating expenses above the agency's estimated adjustments are recommended. For special revenue funds, the Governor recommends reductions of \$900,760 in state operations. Salaries and wages are reduced \$424,298 and other operating expenses are reduced \$476,462 from current approved levels for special revenue funds.

Senate Subcommittee Recommendations

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

1. Restore 50 percent of the additional salaries and wages requested by the Secretary from the State General Fund and the DOV Operating Fund. The Subcommittee feels that reductions made by the Governor in the current fiscal year impose a higher than expected turnover rate on the agency. Financing of \$87,500 from the State General Fund and \$75,000 from the DOV Operating Fund are added to the Governor's recommendations in FY 1986 for salaries and similar amounts must be added to the FY 1987 appropriations bill for new financing since a reduction in carryover savings recommended by the Governor is recommended by this action.
2. Reduce KANS-A-N fees to reflect staggered implementation of the KCC order during the current fiscal year. Savings of \$32,537 are estimated from all funds in FY 1986: \$21,074 from the State General Fund, \$11,429 from the DOV Operating Fund, and \$34 from the Bingo Regulation Fund.
3. Concur that \$45,000 be added from the DOV Operating Fund for the Caney MCI station capital improvement project, as recommended by the Governor, subject to an affirmative recommendation by the Joint Committee on State Building Construction.

Senate Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

565.86

**SUBCOMMITTEE REPORT**

**Agency: Department of Revenue**

**Bill No. 584**

**Bill Sec. 5**

**Analyst: Efird**

**Analysis Pg. No. I-124**

**Budget Pg. No. 1-150**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$45,832,615	\$43,845,689	\$ 129,963
Aid to Local Units	9,305,640	9,456,512*	--
Other Assistance	20,000	20,000	--
Subtotal	<u>\$55,158,255</u>	<u>\$53,322,201</u>	<u>\$ 129,963</u>
Capital Improvements	300,131	345,131	--
TOTAL	<u>\$55,458,386</u>	<u>\$53,667,332</u>	<u>\$ 129,963</u>
<b>State General Fund:</b>			
State Operations	\$25,187,586	\$24,255,527	\$ 66,426
Aid to Local Units	1,550,000	1,580,496	--
Other Assistance	20,000	20,000	--
TOTAL	<u>\$26,757,586</u>	<u>\$25,856,023</u>	<u>\$ 66,426</u>
F.T.E. Positions	1,517.0	1,514.0	--

\* Does not include Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendations

The agency requests several adjustments in its expenditures for the current fiscal year, with increases in other operating costs due to higher estimated DISC rates partially offset by lower salaries and wages. The agency estimates net savings of \$42,608 from the State General Fund in the current fiscal year as a result of a decrease in salaries and wages of \$248,038 and an increase in other operating costs of \$205,430. A net increase of \$154,107 from the DOV Operating Fund is requested.

The Governor recommends reducing State General Fund expenditures by \$974,667 from approved levels in the current fiscal year. Additional savings of \$106,322 for salaries and wages and \$825,737 for other operating expenses above the agency's estimated adjustments are recommended. For special revenue funds, the Governor recommends reductions of \$900,760 in state operations. Salaries and wages are reduced \$424,298 and other operating expenses are reduced \$476,462 from current approved levels for special revenue funds.

Senate Subcommittee Recommendations

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

1. Restore 50 percent of the additional salaries and wages requested by the Secretary from the State General Fund and the DOV Operating Fund. The Subcommittee feels that reductions made by the Governor in the current fiscal year impose a higher than expected turnover rate on the agency. Financing of \$87,500 from the State General Fund and \$75,000 from the DOV Operating Fund are added to the Governor's recommendations in FY 1986 for salaries and similar amounts must be added to the FY 1987 appropriations bill for new financing since a reduction in carryover savings recommended by the Governor is recommended by this action.
2. Reduce KANS-A-N fees to reflect staggered implementation of the KCC order during the current fiscal year. Savings of \$32,537 are estimated from all funds in FY 1986: \$21,074 from the State General Fund, \$11,429 from the DOV Operating Fund, and \$34 from the Bingo Regulation Fund.
3. Concur that \$45,000 be added from the DOV Operating Fund for the Caney MCI station capital improvement project, as recommended by the Governor, subject to an affirmative recommendation by the Joint Committee on State Building Construction.

565.86



SUBCOMMITTEE REPORT

Agency: Department of Revenue

Bill No. 481

Bill Sec. 3

Analyst: Efird

Analysis Pg. No. I-124

Budget Pg. No. 1-150

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$55,320,135	\$49,053,866	\$ (517,503)
Aid to Local Units	9,547,891	7,744,653*	9,155,000
Other Assistance	--	--	--
TOTAL	<u>\$64,868,026</u>	<u>\$56,798,519</u>	<u>\$8,637,497</u>
State General Fund:			
State Operations	\$29,436,862	\$25,230,874	\$ (382,829)
Aid to Local Units	1,575,000	380,000	9,155,000
Other Assistance	--	--	--
TOTAL	<u>\$31,011,862</u>	<u>\$25,610,874</u>	<u>\$8,772,171</u>
FTE Positions	1,577.5	1,525.0	--

\* Does not include Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendations

The agency request includes expenditures for state administration of reappraisal, reissuance of all motor vehicle license tags in CY 1988, and continuation of other activities of the department, including the implementation of two major computer applications -- the Kansas Business Integrated Tax System (KBITS) and the Vehicle Information Processing System (VIPS).

The Governor recommends financing in the basic budget for state administration of reappraisal, reissuance of all motor vehicle license plates in CY 1988, and continuation of other agency activities, including KBITS and VIPS. Elimination of the 5 percent inheritance tax payments to counties is recommended, with the distribution of \$380,000 in residual FY 1987 payments included. In addition, the Governor recommends \$8,000,000 of aid to counties as part of the investment budget.

Senate Subcommittee Recommendations

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

1. Add \$8,000,000 from the State General Fund for state aid to counties undertaking property reappraisal.

2. Add \$1,155,000 from the State General Fund for the 5 percent payment to counties for inheritance tax administration, pending legislative consideration of a bill to end payments.
3. Add 5.0 FTE new clerical positions to assist driver license examiners in three urban areas. Funding of \$54,708 from the DOV Operating Fund is recommended.
4. Add funding for rental of a larger driver license examining station in Johnson County. Funding of \$35,000 from the DOV Operating Fund is recommended.
5. Add KPERS financing to restore the 4.3 percent statutory rate. Financing of \$77,278 from all funds is estimated: \$44,088 from the State General Fund, \$32,151 from the DOV Operating Fund, and \$1,039 from all other funds.
6. Reduce funding for DISC fees to reflect lower anticipated rates. Total reductions of \$426,383 are recommended, with \$225,983 from the State General Fund and \$200,400 from the DOV Operating Fund.
7. Reduce KANS-A-N fees to reflect an 11.0 percent increase over the revised FY 1986 estimate based on staggered implementation of the KCC order. Savings of \$32,639 are estimated from all funds in FY 1987: \$21,140 from the State General Fund, \$11,465 from the DOV Operating Fund, and \$34 from the Bingo Regulation Fund.
8. Reduce funding for rental of office space in the State Office Building. Estimated savings for this agency include \$44,135 from the State General Fund for 8,303 square feet and \$27,382 from the DOV Operating Fund for 3,734 square feet. The Subcommittee recommends the expansion space be budgeted within the Department of Administration until it is assigned to an agency for actual use.
9. Delete 3.0 new FTE positions to be financed from the Motor Vehicle Dealers and Manufacturers Fee Fund. Receipts from the sale of full-use dealers' plates has produced insufficient income to finance these positions. Reduction of \$58,894 for salaries and wages and of \$9,860 for other operating expenses is recommended for these new staff who were to enforce provisions of the Motor Vehicle Dealers and Manufacturers Act.
10. Shift the source of financing for 4.0 FTE current revenue field representatives who will continue to enforce provisions of the Motor Vehicle Dealers and Manufacturers Act. A reduction of \$48,529 from the Vehicle Dealers and Manufacturers Fee Fund will be offset by an increase of expenditures from the DOV Operating Fund of that amount. A reduction of \$50,463 from the State General Fund will be offset by an increase of expenditures from the DOV Operating Fund of that amount.
11. Delete 2.0 FTE positions from the Local Appraisal Bureau in the Division of Property Valuation and shift the local records section's duties to existing staff in the Director's Office and

other PVD bureaus, including the Reappraisal Standards Bureau. Savings of \$85,196 from the State General Fund will result, including \$72,441 for deleting 2.0 FTE positions and \$12,755 for other operating expenses. Senator Johnston does not concur with this decision to eliminate 2.0 FTE positions in the Local Appraisal Bureau.

12. Recommend the introduction of a bill to exempt Motor Carrier Inspectors addressed by Attorney General's Opinion No. 85-27 from 400 hours of law enforcement training.

Senate Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

565.87

SUBCOMMITTEE REPORT

Agency: Department of Revenue

Bill No. 481

Bill Sec. 3

Analyst: Efird

Analysis Pg. No. I-124

Budget Pg. No. 1-150

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$55,320,135	\$49,053,866	\$ (727,694)
Aid to Local Units	9,547,891	7,744,653*	9,155,000
Other Assistance	--	--	--
TOTAL	<u>\$64,868,026</u>	<u>\$56,798,519</u>	<u>\$8,427,306</u>
State General Fund:			
State Operations	\$29,436,862	\$25,230,874	\$ (593,020)
Aid to Local Units	1,575,000	380,000	9,155,000
Other Assistance	--	--	--
TOTAL	<u>\$31,011,862</u>	<u>\$25,610,874</u>	<u>\$8,561,980</u>
FTE Positions	1,577.5	1,525.0	(4.0)

\* Does not include Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendations

The agency request includes expenditures for state administration of re-appraisal, reissuance of all motor vehicle license tags in CY 1988, and continuation of other activities of the department, including the implementation of two major computer applications -- the Kansas Business Integrated Tax System (KBITS) and the Vehicle Information Processing System (VIPS).

The Governor recommends financing in the basic budget for state administration of reappraisal, reissuance of all motor vehicle license plates in CY 1988, and continuation of other agency activities, including KBITS and VIPS. Elimination of the 5 percent inheritance tax payments to counties is recommended, with the distribution of \$380,000 in residual FY 1987 payments included. In addition, the Governor recommends \$8,000,000 of aid to counties as part of the investment budget.

Senate Subcommittee Recommendations

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

1. Add \$8,000,000 from the State General Fund for state aid to counties undertaking property reappraisal.

2. Add \$1,155,000 from the State General Fund for the 5 percent payment to counties for inheritance tax administration, pending legislative consideration of a bill to end payments.
3. Add 5.0 FTE new clerical positions to assist driver license examiners in three urban areas. Funding of \$54,708 from the DOV Operating Fund is recommended.
4. Add funding for rental of a larger driver license examining station in Johnson County. Funding of \$35,000 from the DOV Operating Fund is recommended.
5. Add KPERS financing to restore the 4.3 percent statutory rate. Financing of \$77,278 from all funds is estimated: \$44,088 from the State General Fund, \$32,151 from the DOV Operating Fund, and \$1,039 from all other funds.
6. Reduce funding for DISC fees to reflect lower anticipated rates. Total reductions of \$426,383 are recommended, with \$225,983 from the State General Fund and \$200,400 from the DOV Operating Fund.
7. Reduce KANS-A-N fees to reflect an 11.0 percent increase over the revised FY 1986 estimate based on staggered implementation of the KCC order. Savings of \$32,639 are estimated from all funds in FY 1987: \$21,140 from the State General Fund, \$11,465 from the DOV Operating Fund, and \$34 from the Bingo Regulation Fund.
8. Reduce funding for rental of office space in the State Office Building. Estimated savings for this agency include \$44,135 from the State General Fund for 8,303 square feet and \$27,382 from the DOV Operating Fund for 3,734 square feet. The Subcommittee recommends the expansion space be budgeted within the Department of Administration until it is assigned to an agency for actual use.
9. Delete 3.0 new FTE positions to be financed from the Motor Vehicle Dealers and Manufacturers Fee Fund. Receipts from the sale of full-use dealers' plates has produced insufficient income to finance these positions. Reduction of \$58,894 for salaries and wages and of \$9,860 for other operating expenses is recommended for these new staff who were to enforce provisions of the Motor Vehicle Dealers and Manufacturers Act.
10. Shift the source of financing for 4.0 FTE current revenue field representatives who will continue to enforce provisions of the Motor Vehicle Dealers and Manufacturers Act. A reduction of \$48,529 from the Vehicle Dealers and Manufacturers Fee Fund will be offset by an increase of expenditures from the DOV Operating Fund of that amount. A reduction of \$50,463 from the State General Fund will be offset by an increase of expenditures from the DOV Operating Fund of that amount.
11. Eliminate the Local Appraisal Bureau in the Division of Property Valuation and shift its duties to existing staff in the Director's Office and other PVD bureaus, including the Reappraisal Standards

Bureau. Savings of \$295,387 from the State General Fund will result, including \$231,382 for deleting 6.0 FTE positions and \$64,005 for other operating expenses. Senator Johnston does not concur with this decision to eliminate the Local Appraisal Bureau.

12. Recommend the introduction of a bill to exempt Motor Carrier Inspectors addressed by Attorney General's Opinion No. 85-27 from 400 hours of law enforcement training.

565.87

SENATE SUBCOMMITTEE REPORT

Senate Bill No. 584

Sec. 8 -- Department of Education

Sec. 9 -- Kansas State School for the Deaf

New Sec. -- Kansas State School for the Visually Handicapped

Senate Bill No. 523

Sec. 2 -- State Library

Sec. 3 -- Department of Revenue -- School District  
Income Tax Fund

Sec. 4 -- Kansas State School for the Visually Handicapped

Sec. 5 -- Kansas State School for the Deaf

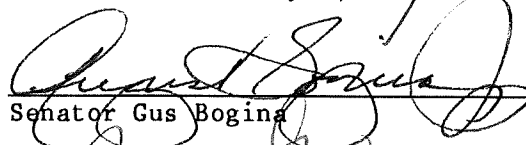
Sec. 6 -- Department of Education

Sec. 7 -- Council on Vocational Education

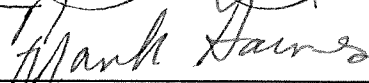
Sec. 8 -- Kansas Public Broadcasting Commission



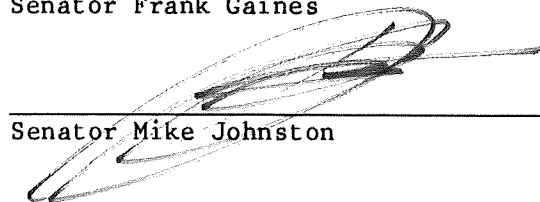
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Senator Ross O. Doyen, Chairman



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Senator Gus Bogina



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Senator Frank Gaines



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Senator Mike Johnston

**SUBCOMMITTEE REPORT**

**Agency: Kansas State Library**

**Bill No. NA**

**Bill Sec. NA**

**Analyst: Holt**

**Analysis Pg. No. 143**

**Budget Pg. No. 3-43**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,301,454	\$ 1,276,902	\$ (27,683)
Local Aid	2,564,088	2,564,088	--
TOTAL	<u>\$ 3,865,542</u>	<u>\$ 3,840,990</u>	<u>\$ (27,683)</u>
<b>State General Fund:</b>			
State Operations	\$ 890,965	\$ 869,920	\$ (27,683)
Local Aid	1,394,545	1,394,545	--
TOTAL	<u>\$ 2,285,510</u>	<u>\$ 2,264,465</u>	<u>\$ (27,683)</u>
FTE Positions	24.0	24.0	--

Agency Request/Governor's Recommendations

The 1985 Legislature approved total FY 1986 budget expenditures of \$3,395,976, to include \$2,285,968 from the State General Fund, \$973,958 from federal funds, and \$136,050 from other revenue sources. The Library's revised estimate for the current fiscal year totals \$3,865,542, which reflects the addition of \$470,024 in federal LSCA I and III funds above the initially budgeted amount of \$973,958 and a reduction of \$458 from the State General Fund due to salary savings.

The Governor recommends total FY 1986 budget expenditures of \$3,840,990, a reduction in operating expenditures of \$24,552 (\$21,045 from the State General Fund and \$3,507 from federal funds) below the agency's revised estimate. The Governor recommends reductions of \$10,000 from the \$15,000 appropriated by the 1985 Legislature to compensate local libraries for lost materials, \$5,007 from salaries and wages, and \$9,545 from other operating expenses.

Senate Subcommittee Recommendations

The Senate Subcommittee recommends the reappropriation of an additional \$27,683 from the State General Fund from FY 1986 to FY 1987 to reflect current year adjustments:

1. Reduce \$10,883 to replace salary savings (federal funds) resulting from turnover.



2. Reduce \$6,800 for KANS-A-N expenditures.
3. Reduce \$10,000 for the automation of certain accounting programs which the Library has decided not to implement at this time.

434.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas State Library**

**Bill No. 523**

**Bill Sec. 2**

**Analyst: Holt**

**Analysis Pg. No. 143**

**Budget Pg. No. 3-43**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,740,591	\$ 1,309,973	\$ (6,302)
Local Aid	<u>3,484,960</u>	<u>2,563,589</u>	<u>163</u>
TOTAL	<u>\$ 5,225,551</u>	<u>\$ 3,873,562</u>	<u>\$ (6,139)</u>
<b>State General Fund:</b>			
State Operations	\$ 1,353,801	\$ 873,951	\$ (6,513)
Local Aid	<u>2,267,545</u>	<u>1,320,499</u>	<u>67,300</u>
TOTAL	<u>\$ 3,621,346</u>	<u>\$ 2,194,450</u>	<u>\$ 60,787</u>
FTE Positions	30.3	24.0	1.0

Agency Request/Governor's Recommendation

FY 1987. The Library's request of \$5,225,551 for FY 1987 includes \$1,740,591 for the salaries and operations of 30.3 FTE positions, an addition of 6.3 positions to the present staffing level, and \$3,484,960 for grants to public and regional library systems. In addition, the FY 1987 request reflects an increase of \$1,335,836 from the State General Fund above the FY 1986 revised estimate of \$2,285,510, as well as an increase of \$24,173 from federal and other sources. Of the proposed increase of \$1,335,836 from the State General Fund, \$873,000 would expand the level of state support to public libraries and regional and subregional library centers, listed in order of agency priority: an addition of \$600,000 for full-year funding of the Interlibrary Loan Development program; an addition of \$248,000 for increased grant support to public libraries and seven regional library systems; and an addition of \$25,000 in increased contract payments to six subregional libraries participating in the Library Services to the Blind and Physically Handicapped program. The remaining increment of \$462,836 from the State General Fund is attributable to a proposed increase in state operations expenditures.

The Governor's recommendation of \$3,873,562 for FY 1987 includes \$1,309,973 for the salaries and operations of 24.0 FTE positions, the same staffing level as for FY 1986, and \$2,563,589 for grants to public and regional library systems. This recommendation reflects a total increase of \$33,071 above the current year recommendation for operating expenditures, but a reduction of \$499 in grant support to public and regional library systems. The continuation of ongoing programs, with no significant changes or enhancements, is recommended for FY 1987. Contingent upon recommended

increased General Fund revenues, the Governor recommends an additional \$600,000 for the Interlibrary Loan Development program.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation for FY 1987 with the following adjustments, to reflect an addition of \$60,787 from the State General Fund and a reduction of \$66,926 in federal funds:

1. Reappropriate from FY 1986 an additional \$27,683 from the State General Fund to Administrative Services.
2. Add \$14,236 from the State General Fund for the salary and fringe benefits of an Account Clerk I position to assist with data entry, accounting procedures, state and federal report completion, and other record-keeping functions.
3. Add \$67,300 from the State General Fund to offset reduced federal fund expenditures of \$67,137. The Governor's recommendation provided for FY 1987 expenditures of \$67,300 in federal funds carried forward from FY 1986 to offset the State General Fund commitment to grants-in-aid. Due to federal reductions, however, the total grants-in-aid commitment would be reduced in FY 1987 without additional State General Fund support. These funds would help maintain the level of grants-in-aid service to local libraries that was recommended by the Governor for FY 1987 and budgeted for FY 1986.
4. Reduce \$4,950 from the State General Fund to replace salary savings (federal funds) resulting from projected turnover.
5. Reduce \$6,464 from the State General Fund for communications, to include an addition of \$336 for an in-WATS line used in the Services to the Blind and Physically Handicapped program, and a reduction of \$6,800 for KANS-A-N expenditures.
6. Reduce \$10,000 from the State General Fund for the automation of certain accounting programs. The agency no longer plans to expend funds for that purpose in FY 1987.
7. Reduce \$600 from the State General Fund for travel in the Administration program.
8. Restore \$1,476 (\$1,265 from the State General Fund and \$211 from federal funds) for KPERS to increase the contribution rate to 4.3 percent.
9. Amend the expenditure limitation for official hospitality (State General Fund) in the appropriations bill from \$750 to \$610 to properly reflect the Governor's recommendation. This is a technical adjustment which will not alter total expenditures.

SUBCOMMITTEE REPORT

Agency: Department of Revenue --  
School District Income  
Tax Rebate

Bill No. 523

Bill Sec. 3

Analyst: Rampey

Analysis Pg. No. 153

Budget Pg. No. 3-77

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
Aid to Local Units: State General Fund	\$113,000,000	\$113,000,000	\$ --
FTE Positions	--	--	--

Senate Subcommittee Recommendations

FY 1986. The Subcommittee concurs with the estimate of \$108,400,000 made by the Consensus Estimating Group in November, 1985.

FY 1987. The Subcommittee concurs with the estimate of \$113,000,000.

565-3.87

**SUBCOMMITTEE REPORT**

**Agency: School for the Visually  
Handicapped**

**Bill No. 584**

**Bill Sec. New**

**Analyst: Holt**

**Analysis Pg. No. 154**

**Budget Pg. No. 3-89**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,997,700	\$ 1,988,205	\$ (3,360)
Other Funds	60,196	60,196	2,000
Subtotal-Operating	<u>\$ 2,057,896</u>	<u>\$ 2,048,401</u>	<u>\$ (1,360)</u>
Capital Improvements	64,848	205,313	--
TOTAL	<u>\$ 2,122,744</u>	<u>\$ 2,253,714</u>	<u>\$ (1,360)</u>
 FTE Positions	 85.0	 85.0	 --

Agency Request/Governor's Recommendation

The School's approved operating budget for FY 1986 totals \$2,056,458, of which \$1,997,700 is from the State General Fund. Budgeted expenditures include the salaries of 85.0 FTE positions and reflect the addition of 1.0 FTE dormitory teacher position and a .5 FTE personnel management specialist position. The School has revised its estimate for FY 1986 to \$2,057,896, an increase of \$11,438 in federal funds and a reduction of \$10,000 from the Gift Fund.

The Governor's recommendation for FY 1986 state operations totals \$2,048,401, a reduction of \$9,495 in State General Fund expenditures. The Governor concurs with the School's revised estimate for special revenue expenditures.

Senate Subcommittee Recommendations

The Senate Subcommittee recommends the reappropriation of an additional \$3,360 from the State General Fund from FY 1986 to FY 1987, to reflect current year adjustments:

1. Increase by \$2,000 the expenditure limitation on General Fees from \$15,000 to \$17,000 to enable the Wyandotte County Developmental Preschool to pay a portion of the agency's utilities expenditures, and reduce utilities expenditures by a corresponding amount from the State General Fund.
2. Reduce \$360 from the State General Fund for KIPPS.

3. Reduce \$1,000 from the State General Fund for meals.

604.86

**SUBCOMMITTEE REPORT**

**Agency: School for the Visually  
Handicapped**

**Bill No. 523**

**Bill Sec. 4**

**Analyst: Holt**

**Analysis Pg. No. 154**

**Budget Pg. No. 3-89**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,589,124	\$ 1,994,485	\$ 5,642
Other Funds	53,280	53,100	2,000
Subtotal-Operating	<u>\$ 2,642,404</u>	<u>\$ 2,047,585</u>	<u>\$ 7,642</u>
Capital Improvements	277,368	71,807	18,599
TOTAL	<u>\$ 2,919,772</u>	<u>\$ 2,119,392</u>	<u>\$ 26,241</u>
FTE Positions	101.0	85.0	--

Agency Request/Governor's Recommendation

The School's request for operating expenditures in FY 1987 totals \$2,642,404, of which \$2,589,124 is from the State General Fund. This request is an increase of \$584,508 above the agency's current year revised estimate. This increase is largely attributable to the proposed addition of 12.0 FTE positions for the implementation of a Deaf/Blind program, four other new positions, a 10.0 percent salary increase for all classified employees and a 15.0 percent increase for all unclassified instructional and dormitory teachers. The School requests the addition of 12.0 FTE positions -- four dormitory teachers, three classroom teachers, four paraprofessionals, and one secretary -- to implement a program for blind, severely handicapped deaf students. The total FY 1987 cost of the program is \$172,439, and the agency anticipates an enrollment increase of 12 residential students.

The Governor's recommendation for operating expenditures in FY 1987 totals \$2,047,585, of which \$1,994,485 is from the State General Fund. Expenditures of \$1,737,047 are recommended for salaries and wages in FY 1987, an increase of \$7,019 above current year recommended expenditures of \$1,730,028. Expenditures of \$310,538 are recommended for other operations in FY 1987, a reduction of \$7,835 below current year recommended expenditures of \$318,373. The Governor recommends the same number of positions for FY 1987 as for FY 1986, no salary adjustments for FY 1987 and no additional or expanded programs. With the exception of \$180 less recommended for General Fees expenditures, the Governor concurs with the agency's projected special revenue expenditures. No enrollment growth is projected from FY 1986 to FY 1987.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation for FY 1987 with the following adjustments; reflecting the addition of \$5,642 from the State General Fund and \$20,599 from other revenue sources:

1. Reappropriate from FY 1986 an additional \$3,360 from the State General Fund.
2. Restore \$5,345 from the State General Fund for KPERS to increase the contribution rate to 4.3 percent.
3. Add \$300 from the State General Fund for KANS-A-N expenditures.
4. Add \$1,551 from the State General Fund for a telephone maintenance contract for the agency's key phone system.
5. Increase by \$2,000 the expenditure limitation on the General Fees Fund from \$15,000 to \$17,000 to enable the Wyandotte County Developmental Preschool to pay a portion of the agency's utilities expenditures. The Preschool contracts with the School for the Visually Handicapped to use classroom space in Irwin Dormitory. The Subcommittee also recommends the reduction of \$5,000 from the State General Fund for utilities expenditures to offset the General Fees increase and to adjust for what appears to be an overstatement in recommended expenditures.
6. Reduce \$2,654 from the State General Fund for meals.
7. Add \$5,000 from the State General Fund for the purchase of a commercial dishwasher. The Subcommittee notes that the recommended amount of \$1,500 for that purchase appears to be insufficient.
8. Add \$100 from the State General Fund for the purchase of a washer and dryer for the Superintendent's residence.
9. Add \$640 from the State General Fund for maintenance materials and supplies.
10. Add \$360 from the State General Fund for stationery and office supplies.
11. Add \$18,599 from the State Institutions Building Fund for the purchase and installation of a portable wall system in the Johnson Building. This purchase was recommended by the Joint Committee on State Building Construction.



SUBCOMMITTEE REPORT

Agency: School for the Deaf

Bill No. 584

Bill Sec. 9

Analyst: Holt

Analysis Pg. No. 159

Budget Pg. No. 3-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,002,454	\$ 3,950,232	\$ (33,105)
Other Funds	290,902	290,902	--
Subtotal - Operating	<u>\$ 4,293,356</u>	<u>\$ 4,241,134</u>	<u>\$ (33,105)</u>
Capital Improvements	585,764	543,433	--
TOTAL	<u>\$ 4,879,120</u>	<u>\$ 4,784,567</u>	<u>\$ (33,105)</u>
 FTE Positions	 171.5	 171.5	 --

Agency Request/Governor's Recommendation

The School's approved operating budget for FY 1986 totals \$4,301,409. The School has subsequently revised its estimate to \$4,293,356, of which \$4,002,454 is from the State General Fund. This revised estimate reflects a reduction of \$8,053 for utility expenditures.

The Governor's recommended expenditures for the School's operations in FY 1986 total \$4,241,134, of which \$3,950,232 is from the State General Fund. This recommendation reflects a reduction of \$52,222 below the School's FY 1986 revised estimate. This reduction includes \$44,015 for utilities and \$8,207 for other operations.

Senate Subcommittee Recommendations

The Senate Subcommittee recommends an additional reappropriation of \$41,158 from the State General Fund from FY 1986 to FY 1987. This proposed reappropriation reflects a technical adjustment (\$8,053) as well as current year adjustments (\$33,105):

1. Reduce \$2,000 for meals.
2. Reduce \$31,105 for utilities.

SUBCOMMITTEE REPORT

Agency: School for the Deaf

Bill No. 523

Bill Sec. 5

Analyst: Holt

Analysis Pg. No. 159

Budget Pg. No. 3-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,632,166	\$ 3,975,780	\$ 4,291
Other Funds	229,293	233,295	1,728
Subtotal - Operating	<u>\$ 4,861,459</u>	<u>\$ 4,209,075</u>	<u>\$ 6,019</u>
Capital Improvements	630,000	130,000	10,000
TOTAL	<u>\$ 5,491,459</u>	<u>\$ 4,339,075</u>	<u>\$ 16,019</u>
 FTE Positions	 174.5	 170.5	 --

Agency Request/Governor's Recommendation

The School's request for operating expenditures totals \$4,861,459, of which \$4,632,166 is from the State General Fund. The FY 1987 request is an increase of \$568,103 above the agency's current year revised estimate. This increase is largely attributable to the proposed net addition of 3.0 FTE positions and the implementation of a preschool program, and requests for 10.0 percent salary increases for all classified employees and 15.0 percent increases for all unclassified instructional and dormitory teachers.

The Governor's recommendation for operating expenditures totals \$4,209,075, of which \$3,975,780 is from the State General Fund. This recommendation is a reduction of \$32,059 in total expenditures below the amount recommended for FY 1986. A recommended increase from FY 1986 to FY 1987 of \$25,548 from the State General Fund is more than offset by a projected reduction from federal and other special revenue funds. Reduced expenditures of \$32,059 result from a proposed decrease in the amounts recommended for fringe benefits, supplementary salaries, and capital outlay purchases, offset to some extent by some increases for other operations. No funding is recommended for the preschool program and related positions, nor for the requested salary increases. The Governor's recommendation also assumes no enrollment growth.

Senate Subcommittee Recommendations

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

1. Reappropriate from FY 1986 an additional \$41,158 from the State General Fund.
2. Reduce \$10,000 from the State General Fund for utilities.

3. Reduce \$1,147 from the State General Fund for meals.
4. Restore \$9,190 from the State General Fund for KPERS to increase the contribution rate to 4.3 percent.
5. Add \$6,248 from the State General Fund for the reallocation of a Clerk IV to Clerk V and Physical Plant Supervisor I to II.
6. Add \$10,000 from the State Institutions Building Fund for major maintenance expenditures. The Joint Committee on Building Construction recommended \$10,000 above the Governor's recommendation of \$130,000 to finance capital improvements, with \$10,000 designated for the repair of sidewalks and steps. The Subcommittee recommends that \$10,000 be expended for major maintenance rather than for sidewalks and steps so as to afford the School more flexibility. The effect of the Subcommittee's decision is to fund major maintenance at the amount of \$40,000, as requested by the agency.
7. Increase by \$15,032 the expenditure limitation of the Elementary and Secondary Education Act federal fund from \$139,293 to \$154,325.
8. Reduce by \$13,304 the expenditure limitation of the Vocational Education federal fund from \$22,000 to \$8,696.

610.87

SUBCOMMITTEE REPORT

Agency: Department of Education      Bill No.      Bill Sec.  
 Analyst: Rampey      Analysis Pg. No. 166      Budget Pg. No. 3-3

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,360,569	\$ 7,301,726	\$ 29,701
Local Aid	695,946,022	694,184,831	2,895,000
Other Assistance	7,252,486	7,252,486	630,000
TOTAL	<u>\$710,559,077</u>	<u>\$708,739,043</u>	<u>\$ 3,554,701</u>
State General Fund:			
State Operations	\$ 4,120,764	\$ 4,076,721	\$ 4,901
Local Aid	618,531,425	616,497,231	525,000
Other Assistance	152,486	152,486	--
TOTAL	<u>\$622,804,675</u>	<u>\$620,726,438</u>	<u>\$ 529,901</u>
FTE Positions	180.0	180.0	--

Agency Request/Governor's Recommendation

The State Department of Education estimates that expenditures in FY 1986 will total \$710.6 million, of which \$7.4 million is for state operations, \$696.0 million is in local aid, and \$7.3 million is for other assistance.

The Governor's recommendations would reduce expenditures during the current year by \$1.8 million. Of that reduction, \$58,843 would be in state operations and the remainder, \$1,761,191, in aid to local units. Recommended reductions in the state operations portion of the budget are all in travel and subsistence (\$52,635) and communications (\$6,208).

Senate Subcommittee Recommendations

FY 1986. The Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. Add \$58,843 for agency operations. This is the amount deleted by the Governor from the Department's appropriation for FY 1986. The Subcommittee recommends that the funds be restored and used for communications. Of that amount, \$44,043 would be from the State General Fund and \$14,800 would be from other funds.

2. Reduce expenditures from the State General Fund for capital outlay by \$39,142 in the current year and reappropriate that amount for use in FY 1987. The purpose of the reappropriation would be to permit the Department to wait until next year to purchase some word processing equipment to ensure that it would be compatible with other word processing equipment purchased in FY 1987.
3. Authorize the expenditure of an additional \$10,000 for other operating expenditures from the federal Food Assistance Fund in order to provide additional training to food service administrators in schools and child care centers.
4. Add \$525,000 from the State General Fund for transportation aid. The amount would bring the total recommended for transportation aid to \$42,075,000, which is \$253,475 less than what the 1985 Legislature appropriated for FY 1986. (The \$253,475 would be lapsed.)
5. Increase the expenditure limitation on aid to local units and other assistance from the federal Food Assistance Fund by \$3.0 million. The increase is the result of an increase in federal reimbursement rates and an increase in the number of meals served Kansas students during the current school year. (Of the increase, \$2,370,000 would be in aid to local units and \$630,000 would be in other assistance.)

652.86

**SUBCOMMITTEE REPORT**

**Agency:** Department of Education      **Bill No.** 523      **Bill Sec.** 3  
**Analyst:** Rampey      **Analysis Pg. No.** 166      **Budget Pg. No.** 3-3

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 7,940,451	\$ 7,408,678	\$ 1,735,288
Local Aid	784,662,987	687,993,772	22,096,487
Other Assistance	7,705,486	7,252,486	715,000
<b>TOTAL</b>	<u>\$800,308,924</u>	<u>\$702,654,936</u>	<u>\$ 24,546,775</u>
<b>State General Fund:</b>			
State Operations	\$ 4,626,500	\$ 4,135,298	\$ 205,763
Local Aid	707,248,390	610,677,793	20,653,487
Other Assistance	505,486	152,486	--
<b>TOTAL</b>	<u>\$712,380,376</u>	<u>\$614,965,577</u>	<u>\$ 20,859,250</u>
<b>FTE Positions</b>	182.0	178.0	5.0

Agency Request/Governor's Recommendation

In FY 1987, the State Department of Education is requesting expenditures of \$800.3 million, an increase of \$89.7 million over its FY 1986 estimates. Of the increase, \$579,882 is in state operations, \$88.7 million is in aid to local units, and \$453,000 is in other assistance.

For FY 1987, the Governor recommends expenditures of \$702.7 million, a reduction of \$97.7 million from the State Department's request and a reduction of \$6.1 million from his recommendation for the current year. The Governor's recommendation for the state operations portion of the budget (\$7.4 million) is an increase of \$106,952 over his estimate for the current year and deletes funding (\$66,271) for two existing positions.

Senate Subcommittee Recommendations

FY 1987. The Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. Add \$15,590 for salaries and wages as the result of recalculating KPERS benefits. Of that amount, \$8,203 would be from the State General Fund and \$7,387 would be from other funds.

2. Add \$67,417 from the State General Fund for the salaries and benefits of two positions deleted by the Governor in the consultative services program. The positions are currently filled.
3. Add \$62,921 for operating expenditures. The money would be for communications. Of the amount, \$48,001 would be from the State General Fund and \$14,920 would be from other funds.
4. Add \$50,848 from the federal Food Assistance Fund to the operating expenditures of the consultative services program and add two new positions (a School Food Service Specialist and a Clerk Typist II). The increase is in response to a request from the United States Department of Agriculture (USDA) that states, not the USDA, administer the summer food service program for children. The Subcommittee's recommendation would permit the expenditure of federal funds to administer the program at the state level. Of the amount, \$39,148 would be for salaries and \$11,700 would be for other operating expenditures.
5. Increase the expenditure limitation on the federal Educational Research Grants and Projects Fund from \$1.5 million to \$1,714,370, an increase of \$214,370, as the result of an increase in federal funding. In addition, the Subcommittee recommends that, instead of entering into contracts with school district personnel to work on special projects paid for from federal funds, the State Department begin administering the special projects as part of its agency operations. The effect of the change would be that 27 persons would be employed as unclassified special project employees who would work on special grants for which federal funding is available. (The employees would not be civil service employees and would not be counted in the Department's position limitation.) The reason for the change would be to give the Department greater control over these employees. Of the total amount of federal funding involved (\$1,174,370), \$629,149 would be for salaries, \$784,221 would be for other operating expenditures, and \$301,000 would be aid to local units.
6. Add one new position (an Account Clerk) to the vocational education program to assist in compiling reports required in order to receive federal vocational education funds. The salary for this new position would be \$16,000, of which half would be from the State General Fund and half from federal vocational education funds. The Subcommittee recommends that state aid for school district vocational education programs be reduced by \$8,000 and federal vocational aid to local units be reduced by \$8,000 to fund the position.
7. Increase expenditures from the State General Fund for capital outlay by \$39,142 as the result of reappropriating that amount from FY 1986.

8. Add \$10.0 million in general state aid to school districts, bringing to \$452,056,000 the total recommended. The Subcommittee's recommendation is consistent with action taken by the Senate with regard to S.B. 601.
9. Add \$4,905,000 from the State General Fund for transportation aid. The effect of the Subcommittee's action would be to recommend full funding of transportation costs, estimated to be \$44,205,000 in FY 1987.
10. Add \$4,929,127 from the State General Fund for special education. The effect of the Subcommittee's recommendation would be to fund special education excess costs at the 95 percent level, estimated to be \$79,621,127 in FY 1987. (The Subcommittee's recommendation takes into account the Senate's action on S.B. 601.)
11. Increase the expenditure limitation on aid to local units and other assistance from the federal Food Assistance Fund by \$3.4 million. The increase is the result of an increase in federal reimbursement rates and an expected increase in the number of meals to be served during the 1986-87 school year. (Of the increase, \$2,685,000 would be in aid to local units and \$715,000 would be in other assistance.)
12. Reduce vocational education aid to school districts from the State General Fund by \$43,000 and use the \$43,000 for the following purposes: (a) use \$8,000 of the money in the agency operations portion of the budget to fund half of the salary of a new Account Clerk position (see item 6 above); and (2) use \$35,000 of the money in the state operations portion of the budget to match federal funds used to coordinate the statewide activities of vocational student organizations.
13. Reduce federal vocational education aid to local units by \$43,000 and shift the money to the state operations portion of the budget to be used in the following ways: (a) use \$8,000 for half of the salary of a new Account Clerk position; and (b) use \$35,000 of the money in support of a program to coordinate the statewide activities of vocational student organizations.
14. Add \$211,860 from the State General Fund in aid to area vocational-technical schools.
15. Add \$400,500 from the State General Fund in postsecondary education aid.
16. The Subcommittee concurs with the Governor's recommendation for FY 1986 and FY 1987 with regard to the credit hour and out-district state aid programs for community colleges and Washburn University. It is the Subcommittee's intention that these state aid programs be fully funded. In the Governor's budget document, the Governor says "Should subsequent data indicate that these amounts are not sufficient to fund current formulas,



adjustments will be considered." The Subcommittee encourages the Governor to reexamine his recommendations and, if more recent information warrants, submit a Governor's budget amendment to fully fund the community college and Washburn University credit hour and out-district state aid programs in FY 1986 and FY 1987.

17. Add \$250,000 from the State General Fund for inservice education.

652.87

SUBCOMMITTEE REPORT

Agency: State Council on  
Vocational Education

Bill No. 523

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 183

Budget Pg. No. 3-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue			
Fund	\$ 120,635	\$ 113,715	\$ 171
FTE Positions	2.0	2.0	--

Senate Subcommittee Recommendations

FY 1986. The Subcommittee concurs with the Governor's recommendation of expenditures of \$119,527.

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

1. Add \$171 as the result of the recalculating KPERS benefits.

036.87

**SUBCOMMITTEE REPORT**

**Agency: Kansas Public Broad-  
casting Commission**

**Bill No. 523**

**Bill Sec. 8**

**Analyst: Holt**

**Analysis Pg. No. 186**

**Budget Pg. No. 3-61**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 2,500	\$ 2,500	\$ --
Local Aid	131,000	131,000	89,867
Other Assistance	511,000	511,000	54,193
TOTAL	<u>\$ 645,000</u>	<u>\$ 645,000</u>	<u>\$ 144,060</u>
FTE Positions	--	--	--

Agency Request/Governor's Recommendation

The 1985 Legislature approved for FY 1986 a budget of \$941,310, financed entirely from the State General Fund, for the operations of the Kansas Public Broadcasting Commission and for public television grants. The Governor concurs with the budget for FY 1986, as approved by the 1985 Legislature.

Passage of 1985 H.B. 2007 resulted in the replacement of the Kansas Public Television Board with the Kansas Public Broadcasting Commission, effective July 1, 1985. The composition of the Board's membership was changed and its jurisdiction expanded to include public radio broadcasting.

In that the Commission did not submit a budget request for FY 1987, the budget was prepared by the Director of the Budget in accordance with K.S.A. 75-3717(c). Expenditures of \$645,000 from the State General Fund are requested and recommended for FY 1987. Expenditures include \$2,500 for the Board's administrative activities; \$50,000 for postsecondary educational telecourses; \$375,000 for operating grants to the public television stations in Wichita, Topeka, and Kansas City; \$39,500 for matching support for replacement equipment; and \$178,000 for operating support of the Bunker Hill station. No funding was requested or recommended for grants to public radio stations.

Recommended expenditures for FY 1986 exceed by \$296,310 proposed expenditures for FY 1987 in that funding for the KTWU translator project and the KANZ-FM construction project are budgeted for the current fiscal year, and appropriations for the Bunker Hill station are \$225,000 in FY 1986, as opposed to expenditures of \$178,000 recommended for FY 1987.

Senate Subcommittee Recommendations

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

1. Reduce \$144,060 in FY 1986 and add the same amount to recommended FY 1987 expenditures. Expenditures of \$199,310 were reappropriated from FY 1985 to FY 1986 for the construction by KTWU (Topeka) of three translators in Pittsburg, Independence, and Emporia. In FY 1986 the station was only authorized federal funding for the construction of a 1,000 watt translator at Pittsburg. The station's share of funding the Pittsburg project is \$55,250. As the station will probably not be awarded construction grants for the other two translators in FY 1986, the Subcommittee recommends that this amount be expended in FY 1987, as discussed below.

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

1. Add \$144,060, the same amount as reduced in FY 1986, to partially fund the following projects:
  - a. \$7,193 in state matching support for a construction grant to KANZ-FM in Pierceville. The station intends to expend those funds and federal funds of \$21,579 which were awarded in August 1985 to build translator stations in Sharon Springs and St. Francis, and to purchase test equipment needed for translator maintenance;
  - b. \$47,000 for an operating grant for Bunker Hill to increase total expenditures to \$225,000, the same amount as was appropriated in FY 1985 and FY 1986; and
  - c. \$89,867 in state matching support for a construction grant to KHCC-FM in Hutchinson, pending receipt by the Kansas Public Broadcasting Commission of notification that federal funding for the project has been approved. The station intends to use federal and state funds to construct a new 100,000 watt public radio repeater station in north-central Kansas near Abilene.

SENATE SUBCOMMITTEE REPORT


Senate Bill No. 584

- Sec. 2 -- Commission on Civil Rights
- Sec. 3 -- Kansas Department of Economic Development
- Sec. 6 -- Kansas Soldiers' Home
- Sec. 17 -- Department of Human Resources
- Sec. 18 -- Secretary of State
- New Sections

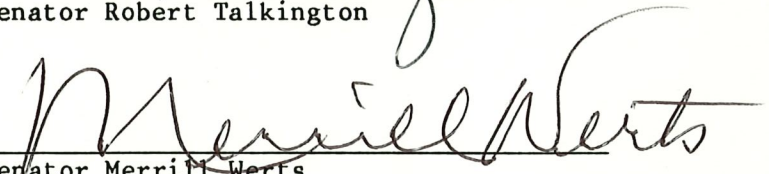
Senate Bill No. 524

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

  
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Senator Wint Winter, Chairman

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

  
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Senator Robert Talkington

  
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Senator Merrill Werts

**SUBCOMMITTEE REPORT**

**Agency: Kansas Commission on  
Civil Rights**

**Bill No. 584**

**Bill Sec. 2**

**Analyst: Holt**

**Analysis Pg. No. 871**

**Budget Pg. No. 1-85**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,021,023	\$ 961,048	\$ (12,793)
Special Revenue Fund	260,925	300,925	--
<b>TOTAL</b>	<u>\$ 1,281,948</u>	<u>\$ 1,261,973</u>	<u>\$ (12,793)</u>
 FTE Positions	 42.7	 42.7	 --

Agency Request/Governor's Recommendation

The 1985 Legislature approved an FY 1986 operating budget of \$1,281,948, of which \$1,021,023 is from the State General Fund, \$260,000 from federal funds, and \$925 from another special revenue source. This budget provides funding for the continued staffing level of 42.7 full-time positions. No changes from the approved amounts are requested.

The Governor recommends an FY 1986 operating budget of \$1,261,973, of which \$961,048 is from the State General Fund, \$300,000 from federal funds, and \$925 from another special revenue source. This recommendation provides funding for the continued staffing level of 42.7 full-time positions as requested. The Governor's recommendation for FY 1986 reflects reduced total expenditures of \$19,975, and \$59,975 from the State General Fund, below the agency's FY 1986 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee recommends the reappropriation of an additional \$12,793 from the State General Fund from FY 1986 to FY 1987 to reflect current year adjustments:

1. Add \$1,500 for pro tem and transcript expenditures for the Hearing Examiner's Office.
2. Reduce \$14,293 for actual and projected salary savings. This amount assumes an additional \$2,600 above recommended turnover savings which have already been realized and \$11,693 in projected savings for the salary and fringe benefits of the vacant Assistant Director position which the Subcommittee

proposes to eliminate in FY 1987. The Subcommittee requests that the agency report any further salary savings to its House counterpart.

058.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Commission on  
Civil Rights**

**Bill No. 524**

**Bill Sec. 2**

**Analyst: Holt**

**Analysis Pg. No. 871**

**Budget Pg. No. 1-85**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,130,135	\$ 692,172	\$ 3,906
Special Revenue Fund	302,433	583,827	--
<b>TOTAL</b>	<u>\$ 1,432,568</u>	<u>\$ 1,275,999</u>	<u>\$ 3,906</u>
 FTE Positions	 44.7	 41.0	 --

Agency Request/Governor's Recommendation

Expenditures of \$1,432,568 are requested for FY 1987 for the salaries of 44.7 full-time positions and associated expenditures. This amount would consist of \$1,130,135 from the State General Fund, \$109,112 more than the current year estimate of \$1,021,023; and \$302,433 from federal funds, \$42,433 more than the current year estimate of \$260,000. The requested total increase of \$150,620 from FY 1986 to FY 1987 is primarily due to the proposed addition of two full-time positions -- a Clerk Typist II and a Civil Rights Investigator I; increased funding for pro tem examiners, expert witnesses, and court reporter fees based on a corresponding projected increase in the number of hearings to be held in FY 1987; increased expenditures for rent, communications, and travel; and the purchase of a microcomputer for the Hearing Examiner's office.

The Governor recommends expenditures of \$1,275,999 for FY 1987 for the salaries and wages of 41.0 full-time positions and associated expenditures. This amount would consist of \$692,172 from the State General fund and \$583,827 from federal funds. The FY 1987 recommendation reflects a net increase of \$14,026 above recommended FY 1986 expenditures, largely due to a proposed increase in pro tem expenditures and rental expenditures to finance the move to the Santa Fe Building; however, such expenditures would be partly offset by salary savings resulting from the elimination of 1.7 FTE positions -- a full-time hearing examiner and a part-time law clerk.

Senate Subcommittee Recommendation

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

1. Reappropriate from FY 1986 \$12,793 from the State General Fund.



2. Restore the Hearing Examiner position, deleted by the Governor, but eliminate instead the Assistant Director position which has been vacant since September 20, 1985. The effect of this recommendation would be the addition of \$15,060 from the State General Fund for the differential in salaries and fringe benefits.
3. Reduce \$13,874 from the State General Fund to finance nonsalary operating expenditures requested by the agency for the Hearing Examiner's office at the A and B budget levels. Due to the proposed elimination of the Hearing Examiner position, the Governor's recommendation included increased contractual expenditures for pro tem examiners who would hear cases on an as-needed basis.
4. Restore \$2,720 from the State General Fund for KPERS to increase the contribution rate to 4.3 percent.
5. The Subcommittee learned that there is a dispute concerning rental expenditures for the agency's former office quarters on South Market Street in Wichita. It was alleged that the agency failed to pay a total of \$1,865.97 for higher rental rates and utilities for the months of July and August, 1985 and additional rent and utilities for September. The agency claims that it had never entered into a written contract obligating it to those terms. The Subcommittee urges the agency to resolve this dispute before the end of the 1986 Legislative Session.
6. The Subcommittee notes that the Governor's recommendation for FY 1986 and FY 1987 offsets State General Fund expenditures with federal funds. Recommended federal fund expenditures in both FY 1986 and FY 1987 would reduce the agency's federal fund balance from \$393,942 at the end of FY 1985 to \$49,029 at the end of FY 1987. Given that financing policy, the Subcommittee urges the agency to report to the House Ways and Means Committee any potential effects of Gramm-Rudman-Hollings on projected federal fund resources for FY 1987.
7. The Subcommittee was informed that the Legislative Post Audit Committee approved a request for an audit of the agency's processing of cases.

**SUBCOMMITTEE REPORT**

**Agency: Attorney General**

**Bill No. --**

**Bill Sec. --**

**Analyst: Howard**

**Analysis Pg. No. 878**

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

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,360,154	\$ 2,336,125	\$ (3,000)
Other Assistance	382,403	382,403	--
<b>TOTAL</b>	<u><u>\$ 2,742,557</u></u>	<u><u>\$ 2,718,528</u></u>	<u><u>\$ (3,000)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 2,114,514	\$ 2,103,754	\$ (3,000)
Other Assistance	--	--	--
<b>TOTAL</b>	<u><u>\$ 2,114,514</u></u>	<u><u>\$ 2,103,754</u></u>	<u><u>\$ (3,000)</u></u>
<b>FTE Positions</b>	54.5	54.5	--

Agency Request/Governor's Recommendation

The Attorney General requests \$2,742,557 in expenditures in FY 1986, including \$382,403 in tort claims. Of this amount, \$2,114,514 is from the State General Fund. The State General Fund total reflects the amount approved by the 1985 Legislature, including reappropriations of \$18,625 in the Litigation Costs Fund and \$990 in Additional Operating Expenses for Water Rights. During the current fiscal year, cuts in basic operations have been made and the savings reallocated to the litigation and criminal programs to cover projected shortfalls due to the large number of active cases. In addition, an Assistant Attorney General position in the antitrust subprogram was eliminated during the current fiscal year. The cuts in operating expenditures are also reflected in the FY 1987 budget request as they form the base for any projected increase to the current year.

For FY 1986 the Governor recommends \$2,718,528 of expenditures, a reduction of \$24,029 from the agency estimate. The Governor's recommendation includes a reduction of \$23,009 in contractual services, \$520 in commodities, and \$500 in capital outlay. Major items of reduction are communications, travel, and professional fees.

Senate Subcommittee Recommendation

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

1. Reappropriate \$3,000 in communications savings due to revised KANS-A-N rates to FY 1987.

082.86

**SUBCOMMITTEE REPORT**

**Agency: Attorney General**

**Bill No. 524**

**Bill Sec. 3**

**Analyst: Howard**

**Analysis Pg. No. 878**

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

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,223,989	\$ 2,033,439	\$ 1,774
Other Assistance	--	--	--
TOTAL	<u>\$ 2,223,989</u>	<u>\$ 2,033,439</u>	<u>\$ 1,774</u>
State General Fund:			
State Operations	\$ 1,982,447	\$ 1,790,711	\$ 1,518
Other Assistance	--	--	--
TOTAL	<u>\$ 1,982,447</u>	<u>\$ 1,790,711</u>	<u>\$ 1,518</u>
FTE Positions	53.5	53.5	--

Agency Request/Governor's Recommendation

For FY 1987, the Attorney General requests \$2,223,989, a reduction of \$518,568 from the FY 1986 request. Of this amount, \$1,982,447 is from the State General Fund. Excluding tort claims reflected in the current year estimate, the FY 1987 request is a decrease of \$136,165 or 5.8 percent below the current year. The reductions reflect the discontinuance of a case involving fraud in adult care homes in the criminal program, the elimination of an Assistant Attorney General in the litigation program, and a reduction in professional services throughout the agency. The FY 1987 request again includes funding in the amount of \$225,000 for water rights litigation with Colorado concerning the Arkansas River.

For FY 1987, the Governor recommends \$2,033,439 in operating expenditures, a reduction of \$190,550 from the agency request. The Governor does not recommend funding to continue water rights litigation with Colorado. The Governor's request would fund 53.5 FTE positions, a reduction of 1.0 FTE position, an Assistant Attorney General, from the current year. The Governor's recommendation also includes funds for rent and moving expenses for an anticipated move of the Attorney General's offices to the State Office Building.

Senate Subcommittee Recommendations

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

1. Add \$3,518 in State General Funds and \$256 in Special Revenue Funds to restore the KPERS contribution to 4.3 percent.
2. Reduce communications by \$2,000 to reflect revised KANS-A-N rates.
3. The Subcommittee wishes to express its support for the continuation of water rights litigation with Colorado. A brief was filed in the United States Supreme Court in December. For FY 1987 the Attorney General requests \$225,000 to continue the litigation. The Governor recommends no funds. The Attorney General has provided additional information to justify its expenditure request and the Governor is currently considering a budget amendment. This Subcommittee would expect a budget amendment from the Governor on this issue and recommends that such funds be included after the receipt of such a budget amendment.

082.87

**SUBCOMMITTEE REPORT**

Agency: Attorney General - KBI      Bill No. —      Bill Sec. —  
 Analyst: Howard      Analysis Pg. No. 885      Budget Pg. No. 4-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,012,113	\$ 5,846,828	\$ (6,000)
Special Revenue Fund	152,294	187,469	(6,000)
TOTAL	<u>\$ 6,164,407</u>	<u>\$ 6,034,297</u>	<u>\$ (12,000)</u>
FTE Positions	151.0	151.0	--

Agency Request/Governor's Recommendation

The Kansas Bureau of Investigation requests \$6,164,407 in expenditures for state operations in FY 1986, of which \$6,032,113 is from the State General Fund. The estimated expenditures equal the amount approved by the 1985 Legislature.

The Governor recommends \$6,034,297 in expenditures for state operations, a reduction of \$130,110 from the agency's revised estimate. Of this amount, \$5,846,828 is from the State General Fund. The Governor's recommendation makes major reductions in travel (\$81,014), communications (\$37,482), salaries and wages (\$7,583), and net other changes (\$4,031).

Senate Subcommittee Recommendations

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

1. Reappropriate \$12,000 in projected communications savings to FY 1987.
2. Shift \$6,000 from the Evidence Purchase and Investigation Fund to the State General Fund as a technical adjustment. The Governor shifted all funding for narcotics purchases to the Evidence Purchase and Investigation Fund. Inadvertently, \$6,000 in State General Funds budgeted for liability insurance, subscriptions, and training materials and memberships were also shifted.

**SUBCOMMITTEE REPORT**

**Agency:** Attorney General - KBI      **Bill No.** 524      **Bill Sec.** 4  
**Analyst:** Howard      **Analysis Pg. No.** 885      **Budget Pg. No.** 4-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 8,557,756	\$ 6,015,229	\$ 49,560
Special Revenue Fund	152,000	168,772	--
TOTAL	<u>\$ 8,709,756</u>	<u>\$ 6,184,001</u>	<u>\$ 49,560</u>
 FTE Positions	 197.0	 151.0	 2.0

Agency Request/Governor's Recommendation

For FY 1987, the Kansas Bureau of Investigation requests \$8,709,756, of which \$8,557,756 is from the State General Fund. This is an increase of \$2,545,349 or 41.3 percent over the current year estimated expenditures. The FY 1987 request would fund 197.0 FTE positions, an increase of 46.0 FTE positions.

The Governor recommends \$6,184,001 in expenditures in FY 1987, a reduction of \$2,525,755 from the agency request. Of this amount, \$6,015,229 is from the State General Fund. The Governor's request would fund 151.0 FTE positions, the same as in the current year. The major areas of reduction from the agency's request are in salaries and wages (\$1,392,677), capital outlay (\$678,960), and travel (\$263,662), with net other changes of \$190,456. The Governor does not recommend any of the new positions requested by the agency.

Senate Subcommittee Recommendations

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

1. Add \$4,793 in State General Funds to salaries and wages to restore a 4.3 percentage rate for KPERS.
2. Delete \$9,000 in communications to reflect revised rates.
3. Delete \$21,286 for agency use of DISC Information Systems due to systemwide recommendations reflecting DISC equipment acquisition at lower than anticipated costs and the reduction of the Computer Services Fund balance.

4. Add \$17,385 to establish a career ladder for criminalists. This would provide for the reallocation of Criminalists I, II, and III and the Crime Laboratory Administrator to salary ranges recommended by the Division of Personnel Services.
5. Add \$57,668 for salaries and wages and 2.0 FTE positions for two Special Agents I. The Subcommittee suggests that the agency use its judgment to determine where in the agency to utilize these positions based on their priorities and greatest need. Areas of consideration would include using the positions to compensate for man hours lost due to the Fair Labor Standards Act or as agent/accountants to develop in-house expertise in white collar crime or using one of these positions as a crime information representative.
6. The Subcommittee would suggest that S.B. 278 concerning forfeitures be monitored. If the bill passes, the Subcommittee suggests that the House Subcommittee reviewing the KBI consider the establishment of a separate forfeitures fund to trace these funds to the agency and consider possible use of those funds for budgetary needs of the Bureau.

082-4.87



SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission      Bill No. 524      Bill Sec. 5  
 Analyst: Rothe      Analysis Pg. No. 896      Budget Pg. No. 1-147

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 228,719	\$ 188,858	\$ 1,066
FTE Positions	6.0	5.0	--

Agency Request/Governor's Recommendation

The Commission requests \$228,719 for FY 1987, a \$39,731 (or 21 percent) increase over the revised FY 1986 estimate. Changes from estimated FY 1986 expenditures include increases of \$37,063 in salaries and wages (including \$21,197 for a new Report Examiner), \$4,535 for travel and subsistence, and \$2,792 for other increases. Decreases include \$4,527 in printing and \$132 for fees for other services.

The Governor recommends \$188,858 for FY 1987, a reduction of \$39,861 from the agency's request. Reductions include \$31,436 from salaries and wages, \$3,410 from travel and subsistence, \$1,465 from attorney services, and \$3,550 from other categories.

Senate Subcommittee Recommendations

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

1. Reappropriate \$2,000 from FY 1986 to FY 1987 to reflect a reduction in communications expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$4,267.

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

1. Add \$325 to restore the employer contribution rate for KPERS to 4.3 percent.

2. Add \$741 in out-of-state travel and subsistence for the Administrative Assistant to attend the Council on Governmental Ethics Laws Conference.

247.87

**SUBCOMMITTEE REPORT**

**Agency: Governor's Department**

**Bill No. 524**

**Bill Sec. 6**

**Analyst: Ahrens**

**Analysis Pg. No. 900  
(II)**

**Budget Pg. No. 1-13**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All State General Fund:			
State Operations	\$ 1,325,900	\$ 1,240,546	\$ 2,335
Other Assistance	10,000	10,000	--
TOTAL	<u>\$ 1,335,900</u>	<u>\$ 1,250,546</u>	<u>\$ 2,335</u>
 FTE Positions	 33.3	 33.3	 --

Agency Request/Governor's Recommendation

The Governor recommends \$1,250,546 of expenditures for the Governor's Department in FY 1987. The recommended total is \$30,575 less than estimated FY 1986 expenditures which are unchanged in total from the amount approved by the 1985 Legislature. The FY 1987 total is \$2,995 above actual FY 1985 expenditures.

Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1987 recommendation, but recommends the addition of \$2,335 in compliance with the Committee's directive to restore the KPERS employer contribution to the 4.3 percent certified rate.

The Subcommittee notes that S.B. 524 as introduced provides for the reappropriation of any unencumbered FY 1986 balances in the Administration and Governor's residence appropriation accounts, which is a return to the practice in FY 1982 and prior fiscal years. The Subcommittee believes that such reappropriations may provide a degree of flexibility for budget planning which is especially appropriate during the forthcoming change in the Office.

SUBCOMMITTEE REPORT

Agency: Department of Human Resources      Bill No. 584      Bill Sec. --

Analyst: Efirid      Analysis Pg. No. II-901      Budget Pg. No. 2-11

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 34,094,773	\$ 33,322,753	\$ (55,851)
Other Assistance	<u>180,640,111</u>	<u>177,707,051</u>	--
Subtotal--Operating	\$214,734,884	\$211,029,804	\$ (55,851)
Capital Improvements	<u>117,161</u>	<u>113,861</u>	--
TOTAL	<u>\$214,852,045</u>	<u>\$211,143,665</u>	<u>\$ (55,851)</u>
State General Fund:			
State Operations	\$ 2,477,579	\$ 2,447,003	\$ (2,038)
Other Assistance	<u>17,000</u>	<u>17,000</u>	--
TOTAL	<u>\$ 2,494,579</u>	<u>\$ 2,464,003</u>	<u>\$ (2,038)</u>
FTE Positions	1,048.5	1,048.5	--

Agency Request/Governor's Recommendations

The agency revises its estimate of unemployment insurance payments for the current fiscal year from \$175,100,000 to \$159,000,000. In addition, the agency requests an expenditure limitation adjustment increasing expenditures from \$10,520,779 to \$13,421,591 for the Title II-A Job Training (JTPA) program. A request to purchase a new \$990,000 computer for the agency also is included in the revised agency budget.

The Governor concurs with the revised estimate of unemployment insurance benefits in FY 1986. No change in the Title II-A expenditure limitation is recommended. Expenditure of \$945,000 to purchase a new agency computer is recommended in FY 1987 rather than the current fiscal year as requested.

Senate Subcommittee Recommendations

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

1. Reduce KANS-A-N expenditures to reflect staggered implementation of a KCC order, including \$55,851 from all funds and \$2,038 from the State General Fund.

Senate Committee Recommendation

The Committee concurs with the Subcommittee's recommendations.

296.86

SUBCOMMITTEE REPORT

Agency: Department of Human Resources      Bill No. 524      Bill Sec. 7

Analyst: Efird      Analysis Pg. No. II-901      Budget Pg. No. 2-11

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 35,401,660	\$ 34,799,163	\$ (770,763)
Other Assistance	<u>195,022,943</u>	<u>199,275,282</u>	--
Subtotal--Operating	\$230,424,603	\$234,074,445	\$ (770,763)
Capital Improvements	<u>153,561</u>	<u>99,561</u>	--
TOTAL	<u>\$230,578,164</u>	<u>\$234,174,006</u>	<u>\$ (770,763)</u>
<b>State General Fund:</b>			
State Operations	\$ 2,818,022	\$ 2,412,764	\$ 626
Other Assistance	<u>17,000</u>	<u>17,000</u>	--
TOTAL	<u>\$ 2,835,022</u>	<u>\$ 2,429,764</u>	<u>\$ 626</u>
FTE Positions	1,056.5	1,036.5	(12.0)

Agency Request/Governor's Recommendations

The agency requests 16.0 new FTE positions, primarily in Workers Compensation to help with a backlog of work. Financing is requested for \$360,000 more than in FY 1986 for part-time unemployment insurance claims examiners and \$556,051 for a 2 percent general salary adjustment. Reclassifications financing of \$163,784 also is requested. Unemployment insurance payments of \$180,000,000 in regular benefits is estimated.

The Governor recommends a reduction of 12.0 FTE positions in the Job Service due to lowered estimates of federal financing. The Governor's recommendations include \$945,000 for a new agency computer and \$54,440 for personal computers and equipment in Workers Compensation to help manage its workload. Financing of \$146,199 is recommended to establish new job classes for 293.5 FTE Employment Services personnel in unemployment insurance, job service, and work experience (WIN) in order to cross-train personnel in all three areas. The Governor concurs with the agency estimate of \$180,000,000 in regular unemployment insurance benefits payments in FY 1987.

Senate Subcommittee Recommendations

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

1. Reduce expenditures from \$945,000 to \$440,000 for a new computer and by proviso limit expenditures from the Special Employment

Security Fund to no more than \$440,000 for a new computer. The Subcommittee was told of significant price reductions for the type computer the agency plans to purchase. This recommendation allows acquisition of the basic computer without dual processor, additional channels, enhanced MIPS, or added memory which the agency's revised request includes. The Subcommittee takes this action in order to indicate its approval for acquisition of a new computer, as recommended by the Governor. However, since DISC has not completed its review of the agency's invitation for bid and has not approved the enhanced version of the computer, especially the dual processor, the Subcommittee feels that further information is needed before approving the agency's revised estimate of \$735,000 for the new computer. The Subcommittee's recommendation of establishing a proviso would require further legislative action to alter the expenditure limit of \$440,000 for the basic computer. Additional information from DISC and the agency should be provided before the proviso is changed.

2. Add the statutory KPERS rate of 4.3 percent. FY 1987 financing would include addition of \$66,530 from all funds and \$5,411 from the State General Fund.
3. Reduce KANSAN to reflect the staggered implementation of a KCC order in FY 1986 and to allow an 11 percent increase in FY 1987 over the revised current year estimate. The FY 1987 reductions include \$50,813 from all funds and \$1,873 from the State General Fund.
4. Delete 12.0 FTE vacant positions for savings in the following areas:

<u>Positions</u>	<u>All Funds</u>	<u>General Fund</u>
1.0 Legal	\$ (39,429)	\$(8,281)
3.0 Work Incentive	(68,154)	--
3.0 ESSI	(96,901)	--
5.0 Job Training	(82,365)	--
12.0 TOTAL	<u>\$(286,849)</u>	<u>\$(8,281)</u>

The Subcommittee received information from the agency about reductions in federal funds not related to Gramm-Rudman which the Governor apparently could not take into account in his recommendations due to the December 1985 decisions made by Congress.

The Work Incentive (WIN) program expects a 17.7 percent reduction (\$184,108 from the previous year) in its current federal grant. The same reductions will apply next fiscal year. The agency has placed a freeze on filling vacant positions in the WIN program and as of January 1986 had 5.0 vacancies. The Subcommittee recommendation deletes 3.0 in FY 1987.

Job Training (JTPA) expects an 11.0 percent reduction (\$1,181,746 below this year's funding) in its Title II-A funding. The Governor's estimate of FY 1987 financing included the \$1.2 million that will be lost. The Subcommittee believes that administrative reductions are necessary in order to maximize the use of funds for clients. As of January 1986 JTPA had 10.0 vacancies. The Subcommittee recommendation deletes 5.0 in FY 1987.

ESSI (the Employment Training Systems Institute) is not assured of funding after September 30, 1986. As of January 1986 ESSI had 3.0 vacancies. The Subcommittee recommendation deletes 3.0 in FY 1987.

5. The Subcommittee expresses concern about the projected reductions related to Gramm-Rudman which will reduce the amount of FUTA-financed federal grants in FY 1987. The FUTA tax is paid by Kansas employers for unemployment insurance and for the federal government to finance administration of the Employment Services programs at the national and state levels. The federal government provides grants to Kansas for administration of the Unemployment Insurance program, the Job Service program, and other employment services programs, but these grants have never equalled the amount of administrative tax paid by Kansas employers. Now, with implementation of reductions under Gramm-Rudman, Kansas' share of grants will be reduced and FUTA tax funds will be used to reduce the federal deficit rather than to pay administrative costs related to the Employment Services programs.
6. In concurring with the Governor's recommendations for reclassifications, the Subcommittee believes that in light of Gramm-Rudman reductions and other federal budget cuts which have reduced funding for the Employment Services programs in the past three years, the cross-training of staff to perform multiple jobs is critical to providing good public service for unemployment insurance applicants and job service clients.
7. The Subcommittee expresses concern about financing any cost-of-living increases which the Legislature may authorize for FY 1987. The Governor's FY 1987 expenditure recommendations for this agency maximize use of all available federal funds. The Governor's recommendations redistribute the 2 percent salary adjustment funds to finance other expenditures in FY 1987. Compounded by Gramm-Rudman reductions which have not been taken into account for FY 1987, the ability to finance any cost-of-living increases from federal funds in FY 1987 will require further budget adjustments, such as increasing the agency turnover rate above 3.0 percent.
8. For two partially federally-funded programs, Occupational Health and Safety (OHSA) and Veterans Services, State General Fund financing provides the other source of support. The Subcommittee notes that \$16,873 in reductions for OHSA federal funding are estimated for the October 1, 1985 to September 30, 1986 period.



-- a reduction of 9.1 percent from the Governor's estimate of federal financing. For Veterans Services, no reductions are estimated by the agency. The Subcommittee is concerned because 48 percent of the Veterans' Commission's other operating expenditures is financed by federal funds and any loss of federal financing would impact its operations. The Subcommittee urges that both programs be monitored because reductions in federal funds could have significant impacts on their operations.

9. Add \$5,369 from the State General Fund for other operating expenditures of Mexican-American Affairs.

Senate Committee Recommendations

The Committee concurs with the Subcommittee's recommendations.

296.87

**SUBCOMMITTEE REPORT**

**Agency:** Insurance Department

**Bill No.**

**Bill Sec.**

**Analyst:** Rampey

**Analysis Pg. No.** 940

**Budget Pg. No.** 1-127

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,912,730	\$ 6,893,323	\$ (60,000)
Local Aid	3,131,305	3,131,305	--
Other Assistance	24,140,108	24,140,108	--
TOTAL	<u>\$34,184,143</u>	<u>\$34,164,736</u>	<u>\$ (60,000)</u>
State General Fund:			
State Operations	\$ 3,684,942	\$ 3,665,535	\$ (60,000)
FTE Positions	137.0	137.0	--

Agency Request/Governor's Recommendation

The Insurance Department estimates it will spend \$34,184,143 in FY 1986, an increase of \$5,899,751 over actual expenditures in FY 1985. Most of the increase (\$5,030,949) is in the category of other assistance and is comprised of increased payments from the Workers' Compensation and Health Care Stabilization Funds. The state operations portion of the budget is expected to total \$6,912,730, of which \$3,684,942 is from the State General Fund. The number of FTE positions currently budgeted is 137.0, a net decrease of 2.0 FTE positions from the previous year.

The Governor recommends expenditures of \$34,164,736 for FY 1986, a reduction of \$19,407 from the Department's estimate. The reductions are all in the insurance regulation program that is funded from the State General Fund.

Senate Subcommittee Recommendations

FY 1986. The Senate Subcommittee concurs with the Governor, with the following exception:

1. Reduce expenditures from the State General Fund by \$60,000 and reappropriate that amount for use in FY 1987. The reduction is the result of savings in salaries and wages (\$50,000) and in other operating expenditures (\$10,000).

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 524

Bill Sec. 9

Analyst: Rampey

Analysis Pg. No. 940

Budget Pg. No. 1-127

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,498,594	\$ 7,198,801	\$ 50,552
Local Aid	3,256,557	3,256,557	--
Other Assistance	<u>26,343,738</u>	<u>26,343,738</u>	--
TOTAL	<u>\$37,098,889</u>	<u>\$36,799,096</u>	<u>\$ 50,552</u>
State General Fund:			
State Operations	\$ 3,857,594	\$ 3,660,347	\$ 3,982
FTE Positions	148.0	141.0	2.7

Agency Request/Governor's Recommendation

The Department is requesting authorization to spend \$37,098,889 in FY 1987, an increase of \$2,914,746 over the Department's estimate for FY 1986. The largest portion of the increase is in payments from the Health Care Stabilization Fund.

The amount requested for the state operations portion of the budget is \$7,498,594, an increase of \$585,864 over estimated expenditures for FY 1986. The amount of state operations that would be from the State General Fund is \$3,857,94, an increase of \$172,652.

The Department is requesting 11 new positions. These include six additions to the insurance regulation program and five new positions for the health care stabilization program.

For FY 1987, the Governor recommends expenditures of \$36,799,096, a reduction of \$299,793 from the Department's request. The Governor's recommendation includes funding for one new position for the insurance regulation program and three new positions for the health care stabilization program, increasing the number of authorized positions from 137.0 to 141.0 FTE. The Governor concurs with the Department's estimates of aid to local units and other assistance.

Senate Subcommittee Recommendations

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

1. Add the following 2.7 FTE positions: a Policy Examiner -- Law Clerk (.7 FTE) and a Clerk II (1.0) for the insurance regulation program and an Attorney (1.0 FTE) to work with the Health Care Stabilization Fund. No increase in funding would be involved for the first two positions because these positions are currently filled by temporary employees who are paid for from funds budgeted for temporary help. The Subcommittee's recommendation would simply make these employees permanent. The total amount of money involved for these salaries is \$30,490.

The request for the Attorney position was endorsed by the Health Care Stabilization Fund Board of Governors. The salary for this new position (\$43,551) would be paid for from the Health Care Stabilization Fund. The Subcommittee understands that the workload associated with the Fund has required the Department to use the services of an attorney who is assigned other duties in the Department and whose salary is paid for from the State General Fund. The Subcommittee's recommendation responds to the need for additional staff to administer the Fund and ensures that costs associated with the Fund are paid for from the Fund itself.

2. Delete \$3,563 from the State General Fund for the insurance regulation program. The deletion would provide for funding of other operating expenditures at an increase of 3.0 percent over similar costs in FY 1986.
3. Add \$10,564 as the result of recalculating KPERS benefits. Of that amount, \$7,545 would be from the State General Fund and \$3,019 would be from other funds.
4. The Subcommittee notes that balances of the Health Care Stabilization Fund declined in recent years until the enactment of legislation in 1985 authorizing the Insurance Commissioner to set the surcharge against health care providers at whatever amount is considered necessary to keep the Fund actuarially sound. As a consequence, the balance at the end of FY 1985 of \$9,085,660 reverses the downward trend of balances over the preceding years. As of March 1, 1986, the Fund balance exceeds \$18.6 million. The present surcharge being levied is 110 percent, compared to 80 percent in FY 1985 and 50 percent in FY 1984.
5. The Subcommittee acknowledges that the Insurance Department has requested \$20,000 from the State General Fund for FY 1987 to pay for an actuarial study to review and evaluate issues related to the availability and affordability of liability insurance in Kansas. Because the request was not part of the Department's original budget submission and was called to the Subcommittee's attention too late to be considered, the Subcommittee asks that the request be considered as part of the Department's review by the House Ways and Means Committee.
6. The Subcommittee calls attention to the fact that several bills currently before the Legislature could have an effect upon the

Insurance Department's operations and the programs it administers. It would be the Subcommittee's intention to consider additional changes to the agency's budget pending the outcome of this legislation.

331.87

**SUBCOMMITTEE REPORT**

Agency: Kansas Arts Commission      Bill No. 524      Bill Sec. 10  
 Analyst: Holt      Analysis Pg. No. 949      Budget Pg. No.1-81

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 378,310	\$ 288,983	\$ 588
Programming Grants	897,390	814,124	29,600
TOTAL	<u>\$ 1,275,700</u>	<u>\$ 1,103,107</u>	<u>\$ 30,188</u>
<b>State General Fund:</b>			
State Operations	\$ 292,148	\$ 218,865	\$ 588
Programming Grants	478,552	373,126	29,600
TOTAL	<u>\$ 770,700</u>	<u>\$ 591,991</u>	<u>\$ 30,188</u>
FTE Positions	11.0	8.0	

Agency Request/Governor's Recommendation

The agency's request for operating expenditures in FY 1987 totals \$1,275,000, of which \$770,700 is from the State General Fund. Total requested expenditures represent an increase of \$158,012 or 14.1 percent above the agency's current year estimate, which is largely attributable to the proposed addition of 3.0 FTE positions and associated operating expenses (\$75,897) and for requested increased expenditures for arts programming (\$66,403).

The Governor's recommendation for operating expenditures in FY 1987 totals \$1,103,107, of which \$591,991 is from the State General Fund. Total recommended expenditures represent an increase of \$1,556 or 0.1 percent above the Governor's current year recommendation. The FY 1987 recommendation reflects a continuation of ongoing activities at the present staffing level and a slight reduction (\$2,964) in funding for programming grants. No program expansions or enhancement are recommended for FY 1987.

FY 1986

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

1. Reappropriate an additional \$3,472 from FY 1986 to FY 1987, to be accomplished by reducing communications expenditures by that amount in FY 1986.

FY 1987

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments reflecting an addition of \$30,188 to the State General Fund.

1. Reappropriate an additional \$3,472 from FY 1986.
2. Add \$29,600 from the State General Fund for programming grants. The effect of this recommendation would be to increase total recommended State General Fund operating expenditures for FY 1987 by 5.0 percent and apply that addition to programming grants. This amount would increase total expenditures for programming grants to \$843,724, of which \$402,726 is from the State General Fund. The Subcommittee learned that the National Assembly of State Arts Agencies had informed the agency that, due to Gramm-Rudman-Hollings, federal funds are likely to be reduced by approximately 4.3 percent in FY 1986. The agency was also told to expect a reduction of 13 percent in its Basic State Grant in FY 1987. According to the agency, this could result in a reduction of \$46,500 of federal funds in FY 1987.
3. Reduce \$2,931 from the State General Fund for communications expenditures.
4. Restore \$519 from the State General Fund for KPERS to increase the contribution rate to 4.3 percent.
5. Add \$3,000 from the State General Fund for the purchase of a microcomputer. The agency was informed that its present arrangement, and that of other state arts commissions, for grants management with the Mid-America Arts Alliance (M-AAA) would be discontinued. Under that arrangement, the agency has been using an in-house terminal which is owned by M-AAA and linked to the mainframe computer at the M-AAA office in Kansas City. Due to this change in arrangements, the agency will have to discharge those functions itself; however, the microcomputer owned by the agency is already operating at 85 percent capacity. The Subcommittee believes that grants management is a vital part of the agency's responsibilities and, therefore, views this purchase as a necessity and not as a means of expanding its operations.
6. The Subcommittee notes that the agency's lease for office space is scheduled to expire on April 1, 1986. No decision has been made yet on the terms for a new lease. The Subcommittee urges the House Ways and Means Committee to address this issue.

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor	Bill No. 524	Bill Sec. 11
Analyst: Ahrens	Analysis Pg. No. 957 (II)	Budget Pg. No. 1-19

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All State General Fund:			
State Operations	\$ 102,400	\$ 100,647	\$ 135
 FTE Positions	 3.0	 3.0	 --

Agency Request/Governor's Recommendation

The Lieutenant Governor requests FY 1987 expenditures of \$102,400, a reduction of \$518 from the FY 1986 approved budget. The Governor recommends FY 1987 expenditures of \$100,647, a reduction of \$1,753 from the requested amount. Recommended reductions include \$1,408 for salary increases and \$345 for fringe benefits. The Governor also recommends a reduction of \$150 to the approved FY 1986 budget.

Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations for FY 1986 and FY 1987, but recommends the addition of \$135 for adjustment of the KPERS employer contribution. The Subcommittee also notes that S.B. 524 as introduced provides for the reappropriation of any unencumbered FY 1986 balance in the Operations line item. The Subcommittee believes that such reappropriation, which was customary practice for this agency prior to FY 1983, may provide a degree of flexibility in budget planning which is especially appropriate during the anticipated change in the office.



## SUBCOMMITTEE REPORT

Agency: Board of Tax Appeals

Bill No. 524

Bill Sec. 12

Analyst: Efird

Analysis Pg. No. II-958 Budget Pg. No. 1-171

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 723,952	\$ 664,705	\$ (3,707)
FTE Positions	15.0	15.0	--

### FY 1986 Agency Request/Governor's Recommendations

The agency estimates expenditures of \$4,261 less than its approved financing in FY 1986. The Governor concurs with the revised estimate and recommends reappropriation of savings to FY 1987.

### FY 1986 Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation and further reduces KANS-A-N expenditures by \$2,006 due to staggered implementation of the KCC order. The agency's FY 1987 reappropriated balance will increase by \$2,006.

### FY 1987 Agency Request/Governor's Recommendations

The Board requests FY 1987 program enhancements relative to statewide reappraisal, including a new attorney, additional space, equipment and contractual services. In addition, a series of Board meetings are projected in different locations of the state and additional travel and subsistence are sought to reimburse the Board members and staff who would attend.

The Governor recommends an additional attorney due to the projected increase in workload associated with the reappraisal process, special consultants for complex cases, and computer equipment. The Governor's recommended budget would increase expenditures \$37,779 over FY 1986, with \$28,277 for salaries and benefits, primarily for the new attorney.

### FY 1987 Senate Subcommittee Recommendations

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

1. Add the statutory KPERS rate of 4.3 percent: \$1,419.
2. Reduce KANS-A-N expenditures by \$2,288 in FY 1987 due to the staggered implementation of the KCC order in the current fiscal year and allowance for an 11 percent increase in FY 1987.

562.87

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 524

Bill Sec. 13

Analyst: Rothe

Analysis Pg. No. 961

Budget Pg. No. 1-21

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,368,271	\$ 1,335,410	\$ 2,295
UCC Fee Fund	436,381	429,303	801
Kansas Register			
Fee Fund	169,979	169,342	--
Other Special Funds	94,745	94,236	--
TOTAL	<u>\$ 2,069,376</u>	<u>\$ 2,028,291</u>	<u>\$ 3,096</u>
FTE Positions	61.0	61.0	--

Agency Request/Governor's Recommendation

The agency's FY 1987 budget request totals \$2,069,376, a \$20,221 decrease from the revised FY 1986 estimate and would maintain the same 61.0 FTE positions approved for the current fiscal year. The request includes \$1,368,271 from the State General Fund, which is \$4,947 less than the revised FY 1986 estimate. Principal changes include increases of \$34,611 in salaries and wages and \$20,848 in printing costs, and a decrease of \$106,209 in capital outlay.

The Governor recommends FY 1987 expenditures of \$2,028,291, a reduction of \$41,085 from the agency's request, including reductions of \$32,861 from the State General Fund and \$8,224 from special revenue funds.

Senate Subcommittee Recommendations

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

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

1. Add \$3,096 to restore the employer contribution rate for KPERS to 4.3 percent.

2. The Subcommittee notes that based upon expenditure trends to date, KANS-A-N costs will likely be more than the \$26,986 budgeted for FY 1986 and the \$27,400 budgeted for FY 1987. The Subcommittee recommends that other agency savings be used to absorb any KANS-A-N expenditure shortages for both fiscal years 1986 and 1987.
3. The Subcommittee notes that there will be an FY 1987 ending balance of \$370,000 to \$500,000 more than necessary in the Uniform Commercial Code (UCC) Fee Fund. The Subcommittee recommends that the following be considered to reduce the UCC balance (a) amend K.S.A. 84-9-405 and 407 to reduce UCC filing and search fees currently set at \$5 for each filing and \$3 for each search; (b) introduce legislation to allow the transfer of funds to the State General Fund. The Subcommittee further notes that while current laws do not allow the transfer of funds to the State General Fund, a precedent exists in that the Securities Commissioner of Kansas was allowed to transfer agency funds to the State General Fund.

622.87

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Soldiers' Home      **Bill No.** 546      **Bill Sec.** 14  
**Analyst:** Efird      **Analysis Pg. No.** II-966      **Budget Pg. No.** 2-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,574,780	\$ 1,178,424	\$ 2,907
General Fees Fund	1,692,637	1,801,063	18,765
Subtotal	<u>\$ 3,266,417</u>	<u>\$ 2,979,487</u>	<u>\$ 21,672</u>
<b>Capital Improvements:</b>			
Other Funds	\$ 118,000	\$ 110,000	\$ (15,000)
TOTAL	<u>\$ 3,385,417</u>	<u>\$ 3,089,487</u>	<u>\$ 6,672</u>
 FTE Positions	 141.8	 133.8	 --

FY 1986 Agency Request/Governor's Recommendations

The Governor recommends a technical adjustment in the agency's expenditure limitation for salaries and wages.

FY 1986 Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor and notes for the House Subcommittee a possible funding problem for salaries in FY 1986 due to lower salary turnover savings than budgeted for the first six months.

FY 1987 Agency Request/Governor's Recommendations

The agency requests additional staffing and financing for the operation of the institution, partly as a result of several studies conducted by other agencies and partly as a result of a shift in the type resident needing more attention. Additional staffing of 8.0 FTE positions and expenditures of \$324,906 are requested in FY 1987. Because of a decreasing fee fund balance, the agency requests an increase in financing of \$501,090 from the State General Fund and a decrease in financing of \$237,548 from the General Fees Fund.

The Governor recommends continued staffing and funding at present levels. An increase in FY 1987 expenditures amounting to \$31,902 over FY 1986 expenditures is included in the Governor's recommendations. A shift is recommended in financing which results in an increase of \$104,734 of State General Fund expenditures and a decrease of \$72,832 of General Fees Fund expenditures when compared with FY 1986 recommendations.

#### FY 1987 Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor with the following exceptions:

1. Add KPERs financing to restore the statutory rate of 4.3 percent: \$5,420 from all funds and \$2,907 from the State General Fund.

2. Note that the Governor's recommendation allows \$1,300 for KANSAN in FY 1986 and FY 1987, but that based on use to date, the funding understates projected actual expenses in FY 1986 by \$400 and in FY 1987 by \$587. The Subcommittee believes that the agency may shift funds from other line items.

3. Reduce, as recommended by the Joint Committee on State Building Construction, \$15,000 from the capital improvements budget for major maintenance and repair. The Subcommittee notes that the Governor's recommendations include \$35,000 for maintenance and repair in the agency's operating budget.

4. Add \$16,252 from the General Fees Fund in FY 1987 to finance the reclassification of a custodial worker position to a Registered Nurse I and of a hospital attendant position to a Licensed Practical Nurse in order to provide better medical care to persons in Walt Hall. The Subcommittee notes the shift of five staff positions to this dormitory and the closing of Pershing Hall in FY 1986 as an attempt by the agency to provide more attention to persons who are not able to enter the medical facility known as Halsey Hall because of the restrictions on the number of non-veterans who may be placed in Halsey Hall. The Subcommittee is concerned about the welfare of the residents placed in Walt Hall, especially since only a hospital supervisor and hospital attendants are assigned on a daily basis to that dormitory. By upgrading two existing positions, the Subcommittee believes that the needs of the residents in Walt Hall might be better served if they cannot be placed in Halsey Hall where medical attention is more readily available.

5. The Subcommittee reviewed the Post Audit report on the facility and strongly recommends, depending upon the outcome of proposed legislation to reorganize the Kansas Veterans' Commission and place the Soldiers' Home under its sole jurisdiction, that the appropriate authorities address the changing character of the facility's population and decide what levels of care and for how many residents should be provided at the facility, then to seek Executive and Legislative authorization. The Subcommittee is aware that non-veterans at the facility are the source of problems in both the health care and funding areas, and urges that the placement of non-veterans at the facility be subject to special attention by the appropriate authorities, especially since the alternative of private care nursing homes outside the facility may offer more appropriate placements for certain residents.

**SUBCOMMITTEE REPORT**

**Agency: State Treasurer**

**Bill No. —**

**Bill Sec. —**

**Analyst: Howard**

**Analysis Pg. No. 972**

**Budget Pg. No. 1-173**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,229,812	\$ 2,221,686	\$ (25,000)
Aid to Local Units	50,846,657	50,404,987	--
TOTAL	<u>\$53,076,469</u>	<u>\$52,626,673</u>	<u>\$ (25,000)</u>
<b>State General Fund:</b>			
State Operations	\$ 1,541,792	\$ 1,533,666	\$ (25,000)
Aid to Local Units	43,651,582	43,155,624	--
TOTAL	<u>\$45,193,374</u>	<u>\$44,689,290</u>	<u>\$ (25,000)</u>
<b>FTE Positions</b>	<b>54.0</b>	<b>54.0</b>	<b>--</b>

Agency Request/Governor's Recommendation

The State Treasurer requests FY 1986 expenditures of \$1,566,792 for state operations exclusive of debt service, and \$662,020 for debt service. These revised estimates are equal to the amount approved by the 1985 Legislature and would maintain the staffing level at 54.0 FTE positions.

The Governor recommends \$1,558,666 for state operations exclusive of debt service in FY 1986, a reduction of \$8,126 from the agency's revised estimate. The Governor's recommendation reduces agency expenditures in communications, printing, other contractual services, and office supplies.

Senate Subcommittee Recommendations

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

1. Reappropriate \$25,000 to FY 1987 for projected salary savings.

**SUBCOMMITTEE REPORT**

**Agency: State Treasurer**

**Bill No. 524**

**Bill Sec. 15**

**Analyst: Howard**

**Analysis Pg. No. 972**

**Budget Pg. No. 1-173**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,372,089	\$ 2,274,001	\$ (23,221)
Aid to Local Units	<u>52,884,942</u>	<u>52,431,173</u>	--
TOTAL	<u>\$55,257,031</u>	<u>\$54,705,174</u>	<u>\$ (23,221)</u>
<b>State General Fund:</b>			
State Operations	\$ 1,664,562	\$ 1,566,474	\$ (23,221)
Aid to Local Units	<u>45,659,942</u>	<u>45,151,008</u>	--
TOTAL	<u>\$47,324,504</u>	<u>\$46,717,482</u>	<u>\$ (23,221)</u>
 FTE Positions	 54.0	 54.0	 --

Agency Request/Governor's Recommendation

The State Treasurer requests FY 1987 expenditures for state operations of \$1,689,562 exclusive of debt service. Of the total, \$1,664,562 is from the State General Fund and \$25,000 is from the Unclaimed Property Contracts Fund. This represents an increase in State General Fund expenditures of 8.0 percent over the FY 1986 estimate of \$1,541,792. The agency request maintains the current level of staffing of 54.0 FTE positions. The agency's FY 1987 budget request estimates university debt service at \$682,527.

The Governor recommends FY 1987 expenditures for state operations of \$1,591,474 exclusive of debt service. Of the total, \$1,566,474 is from the State General Fund and \$25,000 is from the Unclaimed Property Contracts Fund. The Governor's recommendation is a reduction of \$98,088 from the agency request. The Governor's recommendation maintains the current staffing of 54.0 FTE positions. The major reductions to the agency request are in salaries and wages (\$36,237) and rents (\$50,000). Other reductions are scattered throughout the expenditure objects.

Senate Subcommittee Recommendations

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



1. Delete \$313 in communications to reflect revised KANS-A-N rates.
2. Delete \$1,500 in office supplies.
3. Delete \$3,000 in travel.
4. Delete \$18,408 in salaries and wages, a net figure reflecting the following recommendations of the Subcommittee:
  - a. Add \$2,689 to reflect a 4.3 percent KPERS rate.
  - b. Add \$3,903 for three allocations requested by the agency. The reallocations would be for two Account Clerks I to II (\$1,449), and an Accountant II to III (\$2,454).
  - c. Delete \$25,000 in projected salaries savings.
5. The Subcommittee would note that the State Treasurer has revised its fee structure in the bond registration subprogram to insure that the fiscal agency and bond registration subprograms generate sufficient fees to fund their operations. In addition, the State Treasurer plans to revise the Commission charge per bond paid by the issuing municipality from \$1.25 per bond to \$1.25 per \$1,000 of principal. In order to implement this proposed change, K.S.A. 10-505 would need to be amended. The Subcommittee would urge the State Treasurer to request the Legislature to introduce appropriate legislation.
6. The Subcommittee is interested in comparing the rates charged by the State Treasurer in the bond registration and fiscal agency subprograms with those charged in the private sector by commercial banks. The Subcommittee suggests that the House Subcommittee considering the State Treasurer's budget evaluate these rates as additional information is obtained.

SUBCOMMITTEE REPORT

Agency: Grant to Veterans of World  
War I

Bill No. 524

Bill Sec. 16

Analyst: Efird

Analysis Pg. No. II-979

Budget Pg. No. 1-179

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State General Fund: Other Assistance	\$ 2,000	\$ 2,000	\$ --

Agency Request/Governor's Recommendation

Funding of \$2,000 is requested. The Director of Accounts and Reports pays the grant upon presentation of a request by the Veterans of World War I, Department of Kansas. The organization reports a membership of 991 as of July 1, 1983, 825 as of July 1, 1984, and 686 as of July 1, 1985. The Governor concurs with the grant of \$2,000.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation for \$2,000.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 537

Bill Sec. 2

Analyst: Galligan

Analysis Pg. No. 719

Budget Pg. No. 3-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$17,177,140	\$14,994,007	\$ 763,153
General Fees Fund	<u>3,847,228</u>	<u>3,914,419</u>	<u>(10,158)</u>
General Use Funds	\$21,024,368	\$18,908,426	\$ 752,995
Other Funds	<u>5,739,490</u>	<u>5,739,490</u>	<u>0</u>
Subtotal	<u>\$26,763,858</u>	<u>\$24,647,916</u>	<u>\$ 752,995</u>
<b>Other Assistance:</b>			
State General Fund	\$ 36,059	\$ 33,700	\$ 0
General Fees Fund	0	0	0
Other Funds	<u>1,372,876</u>	<u>1,372,876</u>	<u>0</u>
Subtotal	<u>\$ 1,408,935</u>	<u>\$ 1,406,576</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$21,060,427</u>	<u>\$18,942,126</u>	<u>\$ 752,995</u>
Total Operating Expenditures	\$28,172,793	\$26,054,492	\$ 752,995
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 46,026
Educational Building Fund	760,000	100,000	0
Other Funds	<u>1,015,000</u>	<u>575,000</u>	<u>0</u>
Subtotal	<u>\$ 1,775,000</u>	<u>\$ 675,000</u>	<u>\$ 46,026</u>
GRAND TOTAL	<u>\$29,947,793</u>	<u>\$26,729,492</u>	<u>\$ 799,021</u>
<b>FTE Positions:</b>			
Classified	298.4	294.4	2.0
Unclassified	<u>319.1</u>	<u>315.6</u>	<u>1.0</u>
TOTAL	<u>617.5</u>	<u>610.0</u>	<u>3.0</u>

Agency Request/Governor's Recommendations

The requested educational and general operating budget for FY 1987 totals \$25,197,497 which is \$2,053,940 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 totals \$21,060,427 and includes \$12,095,678 for unclassified salaries and benefits, \$3,790,388 for classified salaries and benefits, \$3,448,100 for OOE and \$891,130 for utilities. The total general use request for FY 1987 is 9.7 percent greater than the approved FY 1986 general use budget. The request includes a 7 percent increase of the classified, unclassified and student salary bases. An additional one percent increase of the employer contribution to the unclassified employees' retirement program is also requested. Increases of 7 percent and 5 percent are

requested for OOE and utilities, respectively. A total of \$695,806 is requested for program improvements.

The Governor's recommendation for the educational and general operating budget for FY 1987 totals \$23,103,028 which is composed of \$18,942,126 of general use funds and \$4,160,902 of restricted use funds. The recommended general use expenditure level is \$260,243 less than the amount approved for the current fiscal year. The Governor's recommendation does not include any general salary increase, but does include funding for the classified employees' pay plan step movement. The recommendation also includes a 2 percent increase of the OOE base and funding for utilities at the level of FY 1985 actual expenditures.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$30,000 and 1.0 FTE classified position for support of the campus telephone system.
  - b. Addition of \$330,669 to provide a 3 percent salary increase for unclassified employees.
  - c. Addition of \$93,931 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - d. Addition of \$30,830 to provide a 4 percent increase for the student wage base. The Committee recommends continuation of the separate student salaries and wages line item.
  - e. Addition of \$55,565 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - f. The Committee recommends that one-half of the amount reappropriated from the utility account at the end of FY 1986 be used for energy conservation projects and that any unexpended FY 1986 energy conservation funds be reappropriated for expenditure during FY 1987.
  - g. The Committee requests an interim study of the funding and mission of higher education in Kansas.
2. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to provide multi-year funding for the Sheridan Coliseum renovation project in the following amounts: FY 1987 \$100,000; FY 1988 \$150,000; FY 1989 \$1,500,000 FY 1990 \$2,162,000. Funding for the final two years of

construction of the project would be contingent upon the availability of private funds pledged for the project. (The appropriation for this project is contained in SB 522.)

3. Addition of \$110,000 and 2.0 FTE positions for the proposed Off-Campus Instruction Centers. The Subcommittee notes that the establishment of satellite programs on the campuses of community colleges is spreading throughout the Regents' system and recommends that it be included among the practices examined in the study of the financing and mission of higher education in the state.
4. Addition of \$102,000 for the University's academic computer program improvement. The amount would be sufficient for the University to establish two computer labs in Martin Allen Hall.
5. Shift \$10,158 of expenditures from the General Fees Fund to the State General Fund based upon the University's estimate of receipts after spring enrollment and the beginning balance anticipated after the release of \$5,490 from the fees fund as a one-time expenditure during FY 1986. (The fee release authorization is contained in Senate Bill No. 584.)

246.87

**SUBCOMMITTEE REPORT**

**Agency: Emporia State University**

**Bill No. 537**

**Bill Sec. 5**

**Analyst: Galligan**

**Analysis Pg. No. 753**

**Budget Pg. No. 3-23**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$17,625,373	\$15,793,326	\$ 599,461
General Fees Fund	3,904,564	3,874,221	0
Interest on Endowment	35,000	35,000	0
General Use Funds	<u>\$21,564,937</u>	<u>\$19,702,547</u>	<u>\$ 599,461</u>
Other Funds	5,214,707	5,214,707	0
Subtotal	<u>\$26,779,644</u>	<u>\$24,917,254</u>	<u>\$ 599,461</u>
<b>Other Assistance:</b>			
State General Fund	\$ 36,197	\$ 33,829	\$ 0
General Fees Fund	0	0	0
Other Funds	1,369,000	1,369,000	0
Subtotal	<u>\$ 1,405,197</u>	<u>\$ 1,402,829</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$21,601,134</u>	<u>\$19,736,376</u>	<u>\$ 599,461</u>
Total Operating Expenditures	\$28,184,841	\$26,320,083	\$ 599,461
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 9,698
Educational Building Fund	546,700	350,000	0
Other Funds	41,500	41,500	0
Subtotal	<u>\$ 588,200</u>	<u>\$ 391,500</u>	<u>\$ 9,698</u>
GRAND TOTAL	<u>\$28,773,041</u>	<u>\$26,711,583</u>	<u>\$ 609,159</u>
<b>FTE Positions:</b>			
Classified	278.6	277.1	0.5
Unclassified	341.5	337.4	2.0
TOTAL	<u>620.1</u>	<u>614.5</u>	<u>2.5</u>

**Agency Request/Governor's Recommendation**

The requested educational and general operating budget for FY 1987 totals \$25,583,726 which is \$1,813,869 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 includes \$12,648,693 for unclassified salaries and benefits, \$4,023,583 (8.6 percent) for classified salaries and benefits, \$3,249,946 for OOE and \$887,748 for utilities. The total general use request for FY 1987 is 8.9 percent greater than the approved FY 1986 general use budget. The request includes 7 percent increases for the classified, unclassified, and student salary and OOE bases and a 5 percent increase for

utilities. In addition, the University requests that the state contribution to the unclassified employees' retirement program be increased from six to seven percent. A total of \$558,581 is requested for program improvements.

The Governor's recommendation for the educational and general operating budget for FY 1987 totals \$23,718,968 which is composed of \$19,736,376 of general use funds and \$3,982,592 of restricted use funds. The recommended general use expenditure level is \$85,641 less than the amount approved for the current fiscal year. The recommendation does not include any general salary increase, but does include funds for the classified employees' pay plan step movement. A two percent increase of the OOE base is recommended for FY 1987 and funding for utilities is recommended at the level actually expended in FY 1985.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. The Subcommittee reviewed the University's request for support for the new telephone system for both fiscal years 1986 and 1987 and information provided by DISC in regard to the need for additional staffing. The Subcommittee notes a lack of information with which to determine the cost savings and cost avoidance that the University will experience as a result of the installation of the system, and has some questions about the type of positions, i.e., administrative or maintenance that would best meet the needs of the University. In light of this, the Subcommittee recommends that the University develop cost comparisons of the old and new systems and reexamine the type of position that would best meet its needs. The Subcommittee would consider such data during the 1987 Session.
  - b. Addition of \$345,904 to provide a 3 percent salary increase for unclassified employees.
  - c. Addition of \$92,783 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - d. Addition of \$29,488 to provide a 4 percent increase for the student wage base. The Committee recommends continuation of the separate student salaries and wages line item.
  - e. Addition of \$54,061 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.

- f. The Committee recommends that one-half of the amount reappropriated from the utilities account at the end of FY 1986 be used for energy conservation projects and that any unexpended FY 1986 energy conservation funds be reappropriated for expenditure in FY 1987.
  - g. The Committee requests an interim study of the funding and mission of higher education in Kansas. This Subcommittee requests that the study specifically include examination of the apparent duplication of graduate programs in the Regents' system.
  - h. Consistent with the systemwide decision, the Subcommittee reviewed the University's request for a 1986 supplemental appropriation to pay retirants' accumulated sick leave. In denying the requested supplemental, the Subcommittee notes that the \$90,100 estimated for expenditure during the current fiscal year would not be a significant increase over the amount actually expended for the same purpose during FY 1985 (\$88,721) when the University was able to shift \$163,571 from salaries and wages to OOE.
2. The Subcommittee learned that the University has reduced its estimate of the amount necessary to match new NDSL funds during FY 1987 from \$27,740 to \$5,000. The Subcommittee is of the opinion that the University should take advantage of the availability of loan funds for which there is demand. If additional funds are available and in demand, the Subcommittee would consider increasing the transfer authorization.
  3. Addition of \$30,347 and 1.0 FTE unclassified position for the Second Field Teaching Program in Math, Science and Computer Science.
  4. Addition of \$46,878 and 1.5 FTE positions for the program to improve the preparation and in-service training of school counselors.
  5. The Subcommittee notes with concern that the University does not currently have plans to participate in the joint electronic library catalog project of KU, KSU, and PSU. The Subcommittee is supportive of joint ventures of the type proposed by the three Universities and would encourage participation by Emporia State.
  6. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to fund the renovation of the electrical system in Plumb Hall and parking lot improvements during FY 1987.



**SUBCOMMITTEE REPORT**

**Agency: Pittsburg State University**

**Bill No. 537**

**Bill Sec. 6**

**Analyst: Galligan**

**Analysis Pg. No. 765**

**Budget Pg. No. 3-57**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$18,114,655	\$15,379,390	\$ 854,899
General Fees Fund	<u>3,922,400</u>	<u>4,600,767</u>	<u>(134,435)</u>
General Use Funds	\$22,037,055	\$19,980,157	\$ 720,464
Other Funds	<u>4,069,428</u>	<u>4,069,428</u>	<u>0</u>
Subtotal	<u>\$26,106,483</u>	<u>\$24,049,585</u>	<u>\$ 720,464</u>
<b>Other Assistance:</b>			
State General Fund	\$ 35,557	\$ 33,231	\$ 0
General Fees Fund	0	0	0
Other Funds	<u>1,457,241</u>	<u>1,457,241</u>	<u>0</u>
Subtotal	<u>\$ 1,492,798</u>	<u>\$ 1,490,472</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$22,072,612</u>	<u>\$20,013,388</u>	<u>\$ 720,464</u>
Total Operating Expenditures	\$27,599,281	\$25,540,057	\$ 720,464
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	265,500	227,000	0
Other Funds	0	0	0
Subtotal	<u>\$ 265,500</u>	<u>\$ 227,000</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u><b>\$27,864,781</b></u>	<u><b>\$25,767,057</b></u>	<u><b>\$ 720,464</b></u>
<b>FTE Positions:</b>			
Classified	271.9	264.4	1.0
Unclassified	<u>323.8</u>	<u>317.8</u>	<u>2.0</u>
<b>TOTAL</b>	<u><b>595.7</b></u>	<u><b>582.2</b></u>	<u><b>3.0</b></u>

**Agency Request/Governor's Recommendation**

The requested educational and general operating budget for FY 1987 totals \$25,584,709 which is \$1,567,697 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 includes \$13,220,806 for unclassified salaries and benefits, \$4,317,498 for classified salaries and benefits, \$3,056,079 for OOE and \$906,777 for utilities. The total general use request for FY 1987 is 8.3 percent greater than the approved FY 1986 general use budget. The request includes 7 percent salary increases for the classified, unclassified and student salary bases and OOE and a 5 percent increase for utilities. The University also requests a 1 percent increase of the employer contribution to the unclassified employees' retirement program. A total of \$1,074,884 is requested for program improvements for FY 1987.

The Governor's recommendation for the educational and general operating budget for FY 1987 totals \$23,303,785 which is composed of \$20,013,388 of general use funds and \$3,290,397 of restricted use funds. The recommended general use expenditure level is \$474,126 less than the amount approved for the current fiscal year. The recommendation does not include funds for a general salary increase nor the additional retirement contribution, but does include funds for classified employees' pay plan step movement. The Governor recommends a 2 percent increase of OOE expenditures and additional utility expenditures in anticipation of electricity rate increases.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$350,751 to provide a 3 percent salary increase for unclassified employees.
  - b. Addition of \$101,392 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - c. Addition of \$22,232 to provide a 4 percent increase for the student wage base. The Committee recommends continuation of the separate student salaries and wages line item.
  - d. Addition of \$53,840 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - e. The Committee recommends that unexpended FY 1986 energy conservation funds be reappropriated for expenditure during FY 1987.
  - f. The Committee requests an interim study of the funding and mission of higher education in Kansas.
2. The Subcommittee reviewed the University's request for funds to establish a Center of Excellence and notes that the Legislative Commission on Kansas Economic Development is currently considering a proposal that would create an Institute of Applied Science and Technology Transfer into which the attributes of the University might better be incorporated. The Subcommittee is of the opinion that a Center of Excellence should be the focus of basic research efforts which the University is not prepared to undertake, but is supportive of the concept of establishing the University as a center for technology transfer for those areas in which it has established its expertise. The Subcommittee notes that such a

concept is included in 1986 House Bill No. 3034 which has been recommended for passage by the House Committee on Communication, Computers and Technology. While the Subcommittee does not recommend funding to establish the Center of Excellence, it does recommend addition of \$70,463 and 2.0 FTE unclassified positions for one each Electronics Engineering Technology and Plastics Engineering Technology professor positions.

3. Addition of \$70,000 to enable the University to add ten student work stations and purchase equipment for the electronics laboratory. The Subcommittee is of the opinion that this capital support is an important adjunct to the recommendation for an additional position for the department.
4. Addition of \$49,000 and 1.0 FTE classified position to enable the University to convert records of its library holdings to a computer readable form so that it can participate in the joint library catalog project proposed by the University of Kansas and Kansas State University.
5. Addition of \$2,786 for the Academic Service Centers to provide the increases for that program that were included in the Committee's systemwide decisions. In making this recommendation, the Subcommittee notes that the establishment of outreach programs, fondly dubbed the Enrollment Adjustment Reversal Procedure, on the campuses of community colleges is spreading throughout the Regents' system and recommends that the practice be included among those examined in the study of the financing and mission of higher education in the state.
6. Shift of expenditure of \$134,435 from the General Fees Fund to the State General Fund during FY 1987 based upon the University's revised fee estimates after spring enrollment and the reduced FY 1987 beginning balance due to the one-time release of \$45,339 for expenditure during FY 1986. (Authorization for the current year fee release is included in S.B. 584.)

SUBCOMMITTEE REPORT

FY 1987

SENATE BILL NO. 537

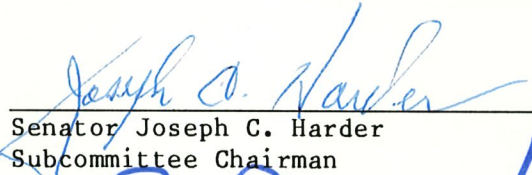
Sec. 3 -- Kansas State University

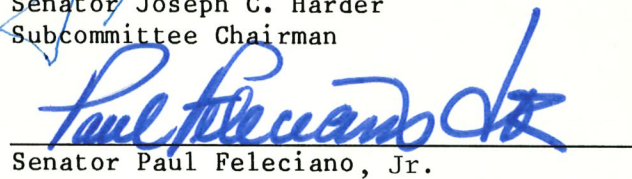
Sec. 4 -- Kansas State University Veterinary Medical Center

FY 1986

SENATE BILL NO. 584

New Section -- Kansas State University Veterinary Medical Center

  
\_\_\_\_\_  
Senator Joseph C. Harder  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

**Agency: Kansas State University**

**Bill No. 537**

**Bill Sec. 3**

**Analyst: Galligan**

**Analysis Pg. No. 729**

**Budget Pg. No. 3-35**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 88,087,508	\$ 77,223,758	\$ 3,147,933
General Fees Fund	17,348,593	17,716,378	(345,504)
Land Grant Funds	6,840,699	6,840,699	0
Interest	110,000	110,000	0
General Use Funds	<u>\$112,386,800</u>	<u>\$101,890,835</u>	<u>\$ 2,802,429</u>
Other Funds	<u>52,689,212</u>	<u>52,689,212</u>	<u>0</u>
Subtotal	<u>\$165,076,012</u>	<u>\$154,580,047</u>	<u>\$ 2,802,429</u>
<b>Aid to Local Units:</b>			
Special Revenue	\$ 48,908	\$ 48,908	\$ 0
<b>Other Assistance:</b>			
State General Fund	\$ 138,873	\$ 129,788	\$ 0
General Fees Fund	192	192	0
Land Grant Funds	0	0	0
Other Funds	<u>6,379,761</u>	<u>6,379,761</u>	<u>0</u>
Subtotal	<u>\$ 6,518,826</u>	<u>\$ 6,509,741</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$112,525,865</u>	<u>\$102,020,815</u>	<u>\$ 2,802,429</u>
Total Operating Expenditures	\$171,643,746	\$161,138,696	\$ 2,802,429
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 89,384
Educational Building Fund	7,833,400	7,127,000	0
Other Funds	<u>7,649,975</u>	<u>7,649,975</u>	<u>0</u>
Subtotal	<u>\$ 15,483,375</u>	<u>\$ 14,776,975</u>	<u>\$ 89,384</u>
GRAND TOTAL	<u>\$187,127,121</u>	<u>\$175,915,671</u>	<u>\$ 2,891,813</u>
<b>FTE Positions:</b>			
Classified	1,884.7	1,864.1	1.5
Unclassified	<u>2,227.6</u>	<u>2,200.4</u>	<u>1.0</u>
TOTAL	<u>4,112.3</u>	<u>4,064.5</u>	<u>2.5</u>

Agency Request/Governor's Recommendation

The requested educational and general operating budget for FY 1987 totals \$155,002,725 which is \$12,747,274 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 includes \$68,753,350

for unclassified salaries and benefits, \$19,213,985 for classified salaries and benefits, \$18,052,867 for OOE and \$4,846,305 for utilities. The total general use request for FY 1987 is 10.6 percent greater than the approved FY 1986 general use budget. The request includes 7 percent salary increases for classified, unclassified and student employees and OOE and a 5 percent increase of the utility budget. The University also requests an additional 1 percent employer contribution to the unclassified employees retirement program. A total of \$3,822,464 is requested for program improvements.

The Governor's recommendation for expenditures from restricted and general use funds for FY 1987 totals \$144,497,675 which is \$2,242,224 more than the revised budget for FY 1986. The general use portion of the recommendation totals \$102,020,815 and consists of \$82,069,473 for personnel expenditures and \$19,951,342 for other operating expenditures including utilities. The recommendation includes funds for pay plan step movement for classified employees, a 2 percent increase to the OOE base budget and utility expenditures equal to those made in FY 1985.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$70,000 and 2.5 FTE positions for support of the campus telephone system.
  - b. Addition of \$1,839,548 to provide a 3 percent salary increase for unclassified employees.
  - c. Addition of \$431,879 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. In addition, the Subcommittee recommends that \$99,934 be provided for a 1 percent salary increase for the employees of the Cooperative Extension Service who participate in the federal retirement program.
  - d. Addition of \$61,032 to provide a 4 percent increase for the student wage base. The Committee recommends continuation of the separate student salaries and wages line item.
  - e. Addition of \$300,036 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - f. The Committee recommends that one-half of the amount reappropriated from the utilities FY 1986 be used for energy conservation projects.
  - g. The Committee requests an interim study of the funding and mission of higher education in Kansas.

2. Shift \$345,504 of expenditures from the General Fees Fund to the State General Fund based on the University's revised estimate of receipts after spring enrollment. The Subcommittee notes that the spring estimate of receipts is \$447,858 less than that made in the fall which was the basis for the Governor's recommendation.
3. The Subcommittee reviewed the Governor's recommendation for utility expenditures for the current fiscal year and notes that it does not include the \$43,823 that was appropriated by the 1985 Legislature for support of Nichols Hall. The Subcommittee recommends that the Legislature give favorable consideration to a Governor's Budget Amendment for that amount.
4. The Subcommittee learned from the University that the required match for the Center of Excellence appropriation for FY 1986 had not yet been secured but is anticipated during this fiscal year. The Subcommittee therefore recommends that its counterpart in the House Ways and Means Committee review the Center's expenditures to determine whether the amount recommended by the Governor for reappropriation will be available at the end of FY 1986.
5. The Subcommittee does not recommend any new program improvements at this time because Kansas State is in a period of transition with a new president to be hired soon and the Dean of Agriculture in his first year with the University. The Subcommittee is reluctant to fund new programs until the new administration has an opportunity to develop and articulate its direction for the institution. In addition, the Subcommittee notes that the Legislative Commission on Kansas Economic Development has targeted agriculture as a major area of study and wishes to have an opportunity to review those recommendations before providing resources for new or expanded programs.
6. The Subcommittee reviewed the University's estimate of the reduction of federal land grant funds that is expected as a result of recent Congressional action including enactment of P.L. 99-177, the Gramm-Rudman bill. The estimated reduction for FY 1986 totals \$417,789 and for FY 1987 totals \$666,976. The Subcommittee recognizes the magnitude of these reductions, but is of the opinion that the current status of state resources does not permit the Legislature to compensate for them.

**SUBCOMMITTEE REPORT**

**Agency: Kansas State University Veterinary  
Medical Center**

**Bill No. 537**

**Bill Sec. 4**

**Analyst: Galligan**

**Analysis Pg. No. 745**

**Budget Pg. No. 3-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 6,843,562	\$ 5,658,255	\$ 372,430
General Fees Fund	2,066,590	2,076,904	(35,314)
Hospital Revenue	1,065,000	1,065,000	0
General Use Funds	\$ 9,975,152	\$ 8,800,159	\$ 337,116
Other Funds	345,151	345,151	0
<b>Total Operating Expenditures</b>	<u>\$10,320,303</u>	<u>\$ 9,145,310</u>	<u>\$ 337,116</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 20,378
<b>GRAND TOTAL</b>	<u>\$10,320,303</u>	<u>\$ 9,145,310</u>	<u>\$ 357,494</u>
<b>FTE Positions:</b>			
Classified	133.4	127.4	2.0
Unclassified	88.4	88.4	0.0
<b>TOTAL</b>	<u>221.8</u>	<u>215.8</u>	<u>2.0</u>

Agency Request/Governor's Recommendation

The requested educational and general operating budget for FY 1987 totals \$10,320,303 which is \$1,179,724 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 totals \$9,975,152 and includes \$4,317,615 for unclassified salaries and benefits, \$2,492,106 for classified salaries and benefits, \$2,012,874 for OOE and \$1,050,874 for utilities. The total general use request for FY 1987 is 13.6 percent greater than the approved FY 1986 general use budget. The request includes 7 percent increases for the classified, unclassified and student wage bases. An additional 1 percent employer contribution to the unclassified employees' retirement program is also requested. A 7 percent increase is requested for OOE and a 5 percent increase is requested for utilities. A total of \$591,125 is requested for program improvements.

The Governor's recommendation for the educational and general operating budget for FY 1987 totals \$9,145,310 which is composed of \$8,800,159 of general use funds and \$345,151 of restricted use funds. The recommended general use expenditure level is \$22,704 more than the amount approved for the current fiscal year. The recommendation does not include any general salary increase, but does include funds for classified employees' pay plan step movement. A 2 percent



increase is recommended for OOE and funds for utilities are recommended at the level of actual expenditures during FY 1985.

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$107,534 to provide a 3 percent salary increase for unclassified employees.
  - b. Addition of \$31,964 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - c. Addition of \$3,801 to provide a 4 percent increase for the student wage base. The Committee recommends continuation of the separate student salaries and wages line item.
  - d. Addition of \$35,897 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - e. The Committee recommends that one-half of the amount reappropriated from the utility account at the end of FY 1986 be used for energy conservation projects and that unexpended energy conservation funds at the end of FY 1986 be reappropriated for expenditure during FY 1987.
  - f. The Committee requests an interim study of the funding and mission of higher education in Kansas.
2. Addition of \$157,920 and 2.0 FTE classified positions to upgrade existing faculty, hire a cardiologist, and add technical positions and operating expenditures to continue the Center's progress toward the goals established in the 1966 master plan. The Subcommittee notes that the Board of Regents increased tuition for veterinary medical students by 26.4 percent for FY 1987 and that the increased receipts are estimated to equal the amount budgeted for this program improvement.
3. Addition of the Rapid Focal Florescent Inhibition Test to the list of restricted fee accounts. The account would be the repository for fees collected for a rabies test administered by the Center.
4. Shift \$35,314 of expenditures from the General Fees Fund to the State General Fund in FY 1987 to accommodate the shift of \$73,692 from the State General Fund to the fee fund in FY 1986 based upon the revised fee estimates after spring enrollment. The ending

balances in the fee fund both years would be \$10,000.  
(Authorization for the FY 1986 shift is contained in S.B. 584.)

367-3.87


SUBCOMMITTEE REPORT

S.B. 584

Section 12 -- University of Kansas Medical Center  
Section 15 -- State Board of Regents

S.B. 537

Section 9 -- University of Kansas Medical Center  
Section 10 -- State Board of Regents

  
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Senator Gus Bogina, Chairman

  
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Senator Frank Gaines

  
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Senator Bob Talkington

**SUBCOMMITTEE REPORT**

**Agency: University of Kansas  
Medical Center**

**Bill No. 584**

**Bill Sec. 9**

**Analyst: Goering**

**Analysis Pg. No. 809**

**Budget Pg. No. 3-85**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86 *</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 57,928,231	\$ 55,908,651	\$ (615,332)
General Fees Fund	5,481,241	5,481,241	--
Hospital Revenue Fund	70,875,867	71,488,420	--
General Use Funds	<u>\$134,285,339</u>	<u>\$132,878,312</u>	<u>\$ (615,332)</u>
Hospital Fund	1,795,087	1,795,087	(21,040)
Other Funds	35,634,982	33,734,982	1,639,000
Restricted Use Funds	<u>\$ 37,430,069</u>	<u>\$ 35,530,069</u>	<u>\$ 1,617,960</u>
Subtotal	<u>\$171,715,408</u>	<u>\$168,408,381</u>	<u>\$ 1,002,628</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 442,808	\$ 1,370,567	\$ --
Educational Building			
Fund	1,670,620	1,670,620	--
Hospital Fund	1,530,532	1,530,532	--
Other Funds	2,291,323	2,561,057	(269,734)
Subtotal	<u>\$ 5,935,283</u>	<u>\$ 7,132,776</u>	<u>\$ (269,734)</u>
TOTAL	<u>\$177,650,691</u>	<u>\$175,541,157</u>	<u>\$ 732,894</u>
<b>FTE Positions:</b>			
Classified	3,010.4	3,006.4	--
Unclassified	1,464.0	1,463.0	--
TOTAL	<u>4,474.4</u>	<u>4,469.4</u>	<u>--</u>

\* As revised on January 3, 1986.

Agency Request/Governor's Recommendation

The University requests a total of \$171,715,408 to finance operating expenditures in FY 1986. That amount includes \$1,629,787 requested as supplemental expenditures from general use funds. The general use increase includes \$438,759 in FY 1985 State General Fund utility savings reappropriated for energy conservation projects in FY 1986. Also included is \$115,000 to finance payments to retiring employees for accumulated sick leave, and \$215,857 and 5.0 FTE positions to begin operating the state-owned telephone system in FY 1986. These amounts are requested in conjunction with similar requests made by other Regents' institutions. The University requests \$461,928 to finance an unanticipated increase in the cost of hospital liability insurance and

\$150,625 to finance a cost increase for undergraduate medical student liability insurance. A sum of \$217,427 is requested to purchase liability insurance for state-supported residents for the last quarter of FY 1986. Finally, the University's revised request assumes expenditure of \$30,191 in fringe benefit savings that were identified in June, 1986 but were not lapsed during Finance Council action on FY 1986 salary budgets. The University also requests a supplemental expenditure of \$300,000 from restricted use funds, financed by a transfer from the Hospital Revenue Fund, to allow purchase of a one-year supply of electrodes for the lithotripter.

The Governor's FY 1986 recommendation includes a net increase of \$222,760 in general use operating expenditures above the current approved budget. The Governor recommends an increase of \$612,553 in Hospital Revenue Fund expenditure authority to finance the requested supplementals of \$461,928 for hospital liability insurance and \$150,625 for medical student liability coverage. The Governor also concurs with the University's revised request to expend \$30,191 from the State General Fund previously identified as fringe benefit savings. Partially offsetting those recommendations is a proposed reduction of \$419,984 in State General Fund utilities expenditures. The Governor recommends a transfer of \$300,000 from the Hospital Revenue Fund to finance electrode purchases, but does not recommend the associated expenditure increase.

#### Senate Subcommittee Recommendation

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

1. Add \$52,500 in one-time-only general use expenditures to initiate operation and maintenance of the new telecommunications system in FY 1986.
2. Insert language in the appropriation bill to ensure that medical students will be deemed self-insured by the state. The Subcommittee also recommends that the University terminate the insurance contract for medical students effective May 1, 1986. The Subcommittee anticipates that the University will obtain a refund for the period May 1-September 30, which will be credited to the State General Fund.
3. Reduce the transfer recommended by the Governor from the Hospital Revenue Fund to the Restricted Fees Fund for lithotripter supplies from \$300,000 to \$189,000. The Subcommittee also recommends adding \$189,000 in restricted use expenditures to appropriately adjust the FY 1986 budget to reflect the cost of purchasing a one-year supply of electrodes for the lithotripter.
4. Reduce by \$90,000 the general use expenditures recommended by the Governor for medical malpractice coverage for medical residents. This adjustment retains \$8,474 to be used to finance legal fees associated with defending claims filed against medical residents in FY 1986.

5. Reduce fringe benefits financed from general use funds by \$30,191, to reflect savings in the separate line items for medical residents (\$29,702) and the medicine, ethics, and socioeconomics of health (M.E.S.H.) program (\$489) which the State Finance Council was unable to lapse in considering salary plan financing in June, 1985.
6. Reduce expenditures for the M.E.S.H. program by \$95,211, reflecting savings as a result of delayed implementation of this new medical school curriculum.
7. Reduce expenditures for medical resident stipend support by \$221,676, reflecting actual savings to date and projecting additional savings for the remainder of the current fiscal year.
8. Reduce general use expenditures for the Medical Scholarship Program by \$225,610, reflecting the University's revised FY 1986 estimate submitted in early January.
9. Reduce general use expenditures for purchase of liability insurance for allied health and nursing students from \$18,944 to \$13,800, for savings of \$5,144.
10. Reduce by \$150,000 the budgeted transfer from the Hospital Revenue Fund to the Restricted Fees Fund account for patient air ambulance services, due to the delayed implementation of this contractual program. This adjustment also decreases restricted use expenditures by \$150,000.
11. Increase the transfer recommended by the Governor from the Hospital Revenue Fund to the Restricted Fees Fund by \$1,600,000, to reflect the estimated level of transfers in FY 1986 as recommended by the Board of Regents in December, 1985. This adjustment also increases restricted use expenditures by \$1,600,000.
12. Reduce University of Kansas Hospital Fund expenditures for lease-purchase payments for the magnetic resonance imaging system by \$21,040, reflecting the actual annual payment of \$468,960.
13. Reappropriate the general use savings identified above to reduce FY 1987 appropriations from the State General Fund.
14. Reduce debt service expenditures by \$269,734 to coincide with the University's revised estimates submitted on January 3, 1986, following the refunding of outstanding bonds on the clinical facility and the parking garage.

SUBCOMMITTEE REPORT

Agency: University of Kansas  
 Medical Center

Bill No. 537

Bill Sec. 9

Analyst: Goering

Analysis Pg. No. 809

Budget Pg. No. 3-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 87*</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 71,554,390	\$ 45,586,188	\$ 7,661,119
General Fees Fund	5,765,396	5,828,468	200,000
Hospital Revenue Fund	70,285,696	81,733,956	(4,115,044)
General Use Funds	<u>\$147,605,482</u>	<u>\$133,148,612</u>	<u>\$ 3,746,075</u>
Hospital Fund	2,130,000	490,000	280,760
Other Funds	37,410,978	36,260,975	--
Restricted Use Funds	<u>\$ 39,540,978</u>	<u>\$ 36,750,975</u>	<u>\$ 280,760</u>
Subtotal	<u>\$187,146,460</u>	<u>\$169,899,587</u>	<u>\$ 4,026,835</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ 209,992
Educational Building Fund	--	--	--
Hospital Fund	2,400,000	1,100,000	--
Other Funds	4,306,454	2,571,439	(114,985)
Subtotal	<u>\$ 6,706,454</u>	<u>\$ 3,671,439</u>	<u>\$ 95,007</u>
TOTAL	<u>\$193,852,914</u>	<u>\$173,571,026</u>	<u>\$ 4,121,842</u>
<b>FTE Positions:</b>			
Classified	3,031.1	3,009.4	11.3
Unclassified	1,554.9	1,463.0	83.2
TOTAL	<u>4,586.0</u>	<u>4,472.4</u>	<u>94.5</u>

\* As revised on January 3, 1986.

Agency Request/Governor's Recommendation

The FY 1987 operating budget request of the University of Kansas Medical Center, as revised on January 3, 1986, totals \$187,146,460, of which \$147,605,482 would be from general use funds and \$39,540,978 from restricted use funds. The University requests a total of 50.40 FTE new positions and a one-time increase in the position authority of 66.21 FTE. The FY 1987 general use request includes \$2,269,921 to increase the unclassified salary base by 7 percent; \$2,952,197 to increase the classified salary base by 7 percent; \$43,713 to increase the student salary base by 7 percent; \$258,925 to increase the employer contribution to the TIAA retirement program from 6 percent to 7

percent; \$263,169 to increase the utilities base by 5 percent; and \$2,177,748 to increase the other operating expenditure base by 7 percent. Those increases are requested in conjunction with other Regents' institutions.

In addition, the Medical Center requests \$468,310 to increase state support for salaried medical residents by 7 percent; \$97,574 to increase contractual support for 74 Wichita residents by 7 percent; \$750,000 to finance holiday pay and overtime compensation for hospital personnel; \$91,329 and 3.0 FTE positions for operation of the kidney stone lithotripter; \$50,000 for providing organ transplant services to indigent Kansans; \$56,804 and 2.0 FTE social worker positions for the hospital; \$61,337 and 1.5 FTE positions to continue and expand genetic services; \$77,495, 1.0 FTE position, and \$660,000 from the Hospital Fund to modernize a cardiac catheterization laboratory; \$116,784 and 5.0 FTE positions to shift the neonatal ICU laboratory to the hospital; \$58,327 and 3.0 FTE positions to expand Rehabilitation Medicine services; \$15,904 and 1.2 FTE positions to provide assistance to hospital patients and visitors; \$746,260 to replace and improve the hospital's computerized billing system; \$77,539 to convert certain patient records to microfilm; \$57,111, 2.0 FTE positions, and \$300,000 from the Hospital Fund to begin offering intra-operative radiation therapy; \$680,000 from the Hospital Fund to replace the older of the institution's two C.T. scanners; \$510,000 and 10.0 FTE positions to facilitate recruitment of clinical faculty; \$604,566 and 3.0 FTE positions for continued development of the Center on Aging and the Center on Environmental Health; \$70,000 and 1.0 FTE faculty position to expand the Department of Preventive and Occupational Medicine; \$170,040 to increase general use support for the animal care unit; \$92,378 and 2.7 FTE positions to add a section in geriatric medicine at the School of Medicine -- Wichita; \$339,619 and 15.0 FTE positions to operate the state-owned telephone system; \$1,100,567 to finance the additional cost of purchasing liability insurance for medical residents in lieu of self-insuring for basic liability; and a \$450,000 general use base budget increase to offset restricted use expenditures for debt service on the proposed new animal care facility. The institution also requests \$2,637,900 for the Medical Scholarship Program, of which \$2,143,383 would be from the State General Fund and \$494,517 from the Medical Scholarship Repayment Fund. The request would finance 50 new scholarships in FY 1987.

The University also requests a total of \$6,706,454 for capital improvements, including \$2,831,454 for debt service payments. Funding is requested to initiate construction of a new animal care and research facility (\$1,000,000); to plan a second parking facility (\$200,000); to plan a center for physical fitness (\$200,000); to begin updating and correcting the hospital's heating, ventilation, and air conditioning system (\$800,000); to improve parking lots (\$75,000); to modify and expand the neonatal intensive care unit (\$500,000); and to complete renovation of the inpatient pediatrics unit (\$1,100,000).

The Governor recommends \$169,899,587 to finance FY 1987 operating expenditures. The Governor's recommendation assumes a funding shift of \$10.2 million from the State General Fund to the Hospital Revenue Fund effective FY 1987. The recommendation provides a net increase of \$270,300 in general use operating expenditures compared to the Governor's FY 1986 recommendation. Included in the FY 1987 recommended budget is an increase of \$888,580 to finance salary step movement for classified personnel; \$609,962 to provide a 2 percent



increase in other operating expenditures; and \$91,329 and 3.0 FTE positions for operation of the kidney stone lithotripter. Offsetting these increases is a total reduction in general use expenditures of \$1,319,571 from the FY 1986 recommended budget. That reduction includes a recommended reduction of \$239,000 below the requested expenditure level for the Medical Scholarship Program, assuming 25 new scholarships would be awarded in FY 1987 rather than the statutory maximum of 50.

The Governor's budget also includes \$3,671,439 for capital improvements, including \$2,496,439 for debt service, \$1,100,000 to complete renovation of the inpatient pediatrics unit, and \$75,000 for parking lot improvements.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Add \$130,000 and 4.3 FTE classified positions for support of the campus telephone system.
  - b. Add \$1,080,791 to provide a 3 percent salary increase for unclassified employees.
  - c. Add \$249,316 to provide an additional 1 percent employer contribution to the TIAA retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - d. Add \$25,154 to provide a 4 percent increase for the student wage base, and establish a separate line item for student salaries.
  - e. Add \$609,962 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - f. The Committee recommends that one-half of the amount reappropriated from the utilities account at the end of FY 1986 (\$419,984) be used for energy conservation projects and that unexpended FY 1986 energy conservation funds be reappropriated for expenditure during FY 1987. This adjustment adds \$209,992 in State General Fund expenditures for capital improvements in FY 1987.
2. The Subcommittee recommends introduction of legislation proposed by the State Board of Regents and the University to amend 1985 S.B. 362, to return to the policy of purchasing private liability insurance to cover basic liability for medical students. Pending passage of this legislation, the Subcommittee

takes no action to fund the \$1,100,567 in additional general use expenditures anticipated by the agency to be required to purchase private insurance coverage in FY 1987.

3. Delete \$25,373 in general use expenditures for medical student liability insurance. The Subcommittee also recommends insertion of language in the appropriation bill to make it clear to other training institutions that the state self-insures its medical students.
4. Add \$288,872 in general use expenditures to provide a 4 percent stipend increase for salaried medical residents.
5. Add \$55,757 in general use expenditures to increase contractual support for Wichita residents by 4 percent.
6. Add \$480,405 in general use expenditures to finance the anticipated increased cost of hospital liability insurance in FY 1987, assuming continuation of a 110 percent surcharge for the Health Care Stabilization Fund. This adjustment includes a 4 percent OOE increase above the total amount recommended for FY 1986, consistent with the Committee's systemwide recommendations. The additional amount is in excess of the \$418,184 included in the Committee's systemwide OOE recommendation for FY 1987, for a total of \$898,589.
7. Reduce \$18,526 in general use expenditures for classified salaries, based upon recalculating shrinkage in accordance with the Legislature's past policy of 3 percent for nursing services and 5 percent for all other classified personnel.
8. Reduce by \$42,080 the transfer to be made on July 1, 1986 from the Hospital Revenue Fund to the University of Kansas Hospital Fund for lease-purchase payments on the magnetic resonance imaging (MRI) system. This adjustment reflects an annual lease-purchase cost of \$468,960 rather than the \$490,000 budgeted in the Governor's recommendations for FY 1986 and FY 1987.
9. Reduce Hospital Fund expenditures for lease-purchase of the magnetic resonance imaging system by \$21,040.
10. Add \$50,999 in general use expenditures and 3.0 FTE unclassified positions to finance the second phase of development for the two Centers on Interdisciplinary Studies.
11. The Subcommittee reviewed the status of the Center on Aging initially funded in FY 1986 and learned that a Center director has not yet been selected. The Subcommittee urges the University to seek input from representatives of the geriatric community in establishing the Center and recruiting the director.
12. Reduce general use OOE expenditures by \$5,350 for liability insurance coverage for allied health and nursing students, based upon a 4 percent increase above the FY 1986 premium payment of

\$13,800. The adjustment reduces the amount of \$19,702 included in the Committee's recommended OOE budget for this insurance premium in FY 1987.

13. Add \$402,681 in general use expenditures, 12.95 FTE unclassified and 2.0 FTE classified positions. This adjustment reflects the transfer of the Occupational Therapy Department from the Lawrence campus to the Kansas City campus. The Subcommittee also recommends adjustments in General Fees Fund receipts and transfers to reflect payment of tuition by occupational therapy students to help support the program. The amount of tuition anticipated to be transferred to the Lawrence campus will be reduced by \$200,000 and the expenditure limitation for the fund increased by an equal amount.
14. The Subcommittee concurs with the Governor regarding the Medical Scholarship program. However, the Subcommittee recommends that the 1986 Legislature review the program, with any expenditure adjustments to be included in the Omnibus bill.
15. Decrease Hospital Revenue Fund receipts projected by the Governor by \$2,100,000. This adjustment reduces FY 1987 projected revenues to the level anticipated by the University and the Board of Regents in December, 1985.
16. Increase anticipated transfers from the Hospital Revenue Fund to the Restricted Fees Fund by \$1,600,000, consistent with the University's revised projection in December.
17. The Subcommittee recommends that the expenditure level for the Hospital Revenue Fund be adjusted to retain a \$1,000,000 projected balance at the end of FY 1987. The Governor's recommendation would have left a balance forward to FY 1988 of \$2,029,284. Reducing the ending balance allows an offsetting reduction in State General Fund appropriations necessary for FY 1987.
18. Delete \$43,600 in general use expenditures recommended by the Governor as a permanent addition to the OOE base for hospital equipment. This sum was approved a year ago for items to be purchased on one-time-only basis to initiate two new and improved program.
19. Reduce general use expenditures for resident liability coverage by \$108,643. This adjustment retains \$10,000 for potential legal costs associated with residents which may be incurred based on current law. The recommendation also assumes continuation of the present 110 percent surcharge for the Health Care Stabilization Fund.
20. Technical revisions to provisos as recommended by the Governor in the University's appropriations bill to provide authority to

transfer Hospital Revenue Fund money to a restricted fee account for the purpose of financing FY 1987 purchases of electrodes for the lithotripter.

21. The Subcommittee learned that the University announced a hospital discount program for University of Kansas employees in October, 1985. The Subcommittee recommends that the Secretary of Administration consider making such a discount available to all state employees. However, the Subcommittee does not approve of making such a discount available solely to University of Kansas employees.
22. Reduce debt service expenditures recommended by the Governor by \$114,985, reflecting the University's revised projections for FY 1987 following the refunding of bonds on the clinical facility and the parking garage.
23. The Subcommittee has reviewed the University's proposal to finance the request for construction of a new \$5,210,000 animal research facility. The Subcommittee recommends passage of legislation to authorize the issuance of revenue bonds to finance such a facility. However, the Subcommittee does not recommend or support the appropriation of State General Fund moneys to enable payment of debt service on the proposed facility. The Subcommittee is aware that \$1.0 million has been released from bond reserve accounts formerly required to be maintained before the University refunded bonds on the clinical facility and the parking garage. The Subcommittee notes that this sum could be used either as a reserve for the proposed bond issuance, or to reduce the amount necessary to be financed from revenue bonds.
24. The Subcommittee supports passage of legislation authorizing the issuance of revenue bonds to finance construction of a second parking facility. The debt services on those bonds would be financed entirely from parking revenues and would therefore have no general use fund impact.
25. Add \$151,800 from the University of Kansas Hospital Fund to finance the first year of a five-year lease-purchase agreement on equipment to improve one of the University's two cardiac catheterization laboratories. The Subcommittee also recommends \$50,000 as a one-time-only general use expenditure for minor space modifications, and \$6,846 and 1.0 FTE unclassified position to add a lab clinician for the last three months of FY 1987.
26. Add \$116,784 in general use expenditures and 5.0 FTE classified positions to shift funding for the neonatal ICU laboratory from the Pediatrics Department to the hospital. This adjustment is anticipated to generate an additional \$154,392 in income to the Hospital Revenue Fund in FY 1987.

27. Add \$400,000 in general use expenditures for holiday and overtime compensation for classified hospital personnel.
28. Add \$150,000 from the University of Kansas Hospital Fund to finance the first year of a five-year lease-purchase agreement for the upgrade of the University's older C.T. scanner.
29. Add 66.21 FTE unclassified positions to ensure that FTE assignments to unclassified personnel are consistent with the extent of their contribution to state activities.
30. The Subcommittee suggests that the House review the University's requests to establish a \$510,000 general use pool to finance new clinical faculty and to implement a new hospital computer system at a one-time-only general use cost of \$746,260. The Subcommittee reserves the right to review these and other requested program improvements during conference committee action and/or during consideration of the Omnibus bill.

682-3.87

HOSPITAL REVENUE FUND

	FY 1986			FY 1987		
	Agency Request*	Gov. Rec.	Senate Subcommittee	Agency Request*	Gov. Rec.	Senate Subcommittee
Balance From Prior Year	\$11,877,657	\$11,877,657	\$ 11,877,657	\$ 7,937,790	\$11,025,237	\$ 9,686,237
<b>Plus: Receipts:</b>						
Care and Hospitalization	\$81,885,000	\$83,985,000	\$ 83,985,000	\$83,035,000	\$85,135,000	\$ 83,035,000
New Program Revenues	--	--	--	2,243,151	918,000	1,072,392
Sale of Meals	960,000	960,000	960,000	1,010,000	1,010,000	1,010,000
Other Charges/Recoveries	555,000	555,000	555,000	555,000	555,000	555,000
Subtotal - Receipts	<u>\$83,400,000</u>	<u>\$85,500,000</u>	<u>\$ 85,500,000</u>	<u>\$86,843,151</u>	<u>\$87,618,000</u>	<u>\$ 85,672,392</u>
Total Available	<u>\$95,277,657</u>	<u>\$97,377,657</u>	<u>\$ 97,377,657</u>	<u>\$94,780,941</u>	<u>\$98,643,237</u>	<u>\$ 95,358,629</u>
<b>Less: Transfers:</b>						
To Hospital Fund	\$ 2,514,000	\$ 2,514,000	\$ 2,514,000	\$ 4,530,000	\$ 1,590,000	\$ 1,849,720
To Clinical Facility Debt Service Fund	1,850,000	1,850,000	1,850,000	1,890,000	1,890,000	1,890,000
To Restricted Fees Fund	12,100,000	10,500,000	11,839,000	13,000,000	11,400,000	13,000,000
Subtotal - Transfers	<u>\$16,464,000</u>	<u>\$14,864,000</u>	<u>\$ 16,203,000</u>	<u>\$19,420,000</u>	<u>\$14,880,000</u>	<u>\$ 16,739,720</u>
<b>Less: Expenditures</b>	<u>\$70,875,867</u>	<u>\$71,488,420</u>	<u>\$ 71,488,420</u>	<u>\$70,285,696</u>	<u>\$81,733,953</u>	<u>\$ 77,618,909</u>
Balance Forward	<u>\$ 7,937,790</u>	<u>\$11,025,237</u>	<u>\$ 9,686,237</u>	<u>\$ 5,075,245</u>	<u>\$ 2,029,284</u>	<u>\$ 1,000,000</u>

\* As revised by State Board of Regents on December 20, 1985.

**SUBCOMMITTEE REPORT**

**Agency: Board of Regents**

**Bill No. 584**

**Bill Sec. 10**

**Analyst: Galligan**

**Analysis Pg. No. 859**

**Budget Pg. No. 3-69**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,221,326	\$ 1,154,826	\$ (7,000)
Other Funds	245	245	0
Subtotal	<u>\$ 1,221,571</u>	<u>\$ 1,155,071</u>	<u>\$ (7,000)</u>
<b>Aid to Local Units:</b>			
Federal Aid	\$ 255,761	\$ 255,761	\$ 0
<b>Other Assistance:</b>			
State General Fund	\$ 4,945,300	\$ 4,945,300	\$ 0
Other Funds	854,986	854,986	0
Subtotal	<u>\$ 5,800,286</u>	<u>\$ 5,800,286</u>	<u>\$ 0</u>
<b>Total Operating Expenditures</b>	<b>\$ 7,277,618</b>	<b>\$ 7,211,118</b>	<b>\$ (7,000)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 490,300	\$ 490,300	\$ (490,300)
Subtotal	<u>\$ 490,300</u>	<u>\$ 490,300</u>	<u>\$ (490,300)</u>
<b>GRAND TOTAL</b>	<b><u>\$ 7,767,918</u></b>	<b><u>\$ 7,701,418</u></b>	<b><u>\$ (497,300)</u></b>
<b>FTE Positions</b>	<b>16.0</b>	<b>17.0</b>	<b>0.0</b>

Senate Subcommittee Recommendations

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

1. Reduction of \$5,000 from the amount budgeted for KANS-A-N expenditures for the current year consistent with the Committee's decision for all agencies. The amount reduced from the current year would be reappropriated to offset the FY 1987 appropriation.
2. Reduction of \$2,000 from the amount budgeted for travel during FY 1986 with the savings reappropriated to FY 1987. The reduction would leave \$42,000 for travel expenditures during FY 1986.

3. Addition of a proviso to the supplemental appropriation for presidential search expenses that would allow reimbursement of either individuals or a university foundation for allowable expenditures and use of the funds for official hospitality. The Subcommittee also recommends that any unexpended balance remaining at the end of FY 1986 be reappropriated for expenditure during FY 1987.
4. Reduction of \$1.5 million from the State General Fund major maintenance accounts of the Board office and the institutions with the amount reappropriated to FY 1987.

561.86



**SUBCOMMITTEE REPORT**

**Agency: Board of Regents**

**Bill No. 537**

**Bill Sec. 10**

**Analyst: Galligan**

**Analysis Pg. No. 859**

**Budget Pg. No. 3-69**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,493,625	\$ 1,287,838	\$ 131,127
Other Funds	0	0	0
Subtotal	<u>\$ 1,493,625</u>	<u>\$ 1,287,838</u>	<u>\$ 131,127</u>
Other Assistance:			
State General Fund	\$ 5,650,000	\$ 4,975,000	\$ 50,000
Other Funds	841,621	841,621	0
Subtotal	<u>\$ 6,491,621</u>	<u>\$ 5,816,621</u>	<u>\$ 50,000</u>
Total Operating Expenditures	<u>\$ 7,985,246</u>	<u>\$ 7,104,459</u>	<u>\$ 181,127</u>
Capital Improvements:			
State General Fund	\$ 4,000,000	\$ 2,500,000	\$ 1,500,000
Subtotal	<u>\$ 4,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 1,500,000</u>
GRAND TOTAL	<u>\$11,985,246</u>	<u>\$ 9,604,459</u>	<u>\$ 1,681,127</u>
FTE Positions	17.0	17.0	(1.0)

Agency Request/Governor's Recommendation

The Board's request for FY 1987 totals \$11,985,246 which includes \$4,000,000 for major repair and maintenance projects on the campuses that was appropriated by the 1985 Legislature. The amount requested for operating expenditures totals \$7,985,246 which is 14.0 percent more than the operating budget approved for FY 1986. The request includes addition of one position to the Board's staff, a 7 percent increase of salaries for the classified and unclassified employees, a 1 percent increase of the employer contribution to the unclassified employees' retirement program and increases for the State Scholarship, Tuition Grant, and optometry education programs. A new honors program for junior and senior high school students and publication of a student education guide are also requested for FY 1987. A total of \$25,000 is requested for presidential search expenses.

The Governor's recommendation for FY 1987 totals \$9,604,459 of which \$2,500,000 is for major maintenance projects on the campuses. Under the Governor's recommendation, \$1.5 million of the \$4.0 million appropriated by the 1985 Legislature for major maintenance projects would be lapsed. The requested new research associate position is recommended for FY 1987. The recommendation does not include funds for a general salary increase for the employees of the Board nor does it include the requested increase of the employer contribution to

the unclassified employees' retirement program. The optometry education seat purchase program would be expanded to permit students to attend the University of Missouri at St. Louis as well as the University of Houston. The number of new osteopathic scholarships would be reduced from 10 to 5 for a total of 35 scholarships during FY 1987. The governor does not recommend an increase of the amount available for the Tuition Grant program, but does recommend a \$125,000 increase of the amount available for the State Scholarship program to implement the \$1,000 maximum award enacted by the 1985 Legislature. The Governor does not recommend the Regents' Honors program nor the publication of the student educational guide. The requested presidential search funds are included in the Governor's recommendation for FY 1987.

#### Senate Subcommittee Recommendations

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

1. Addition of \$15,737 to provide a 3 percent salary increase for the Board's unclassified employees consistent with the Committee's systemwide decisions.
2. Deletion of \$3,835 and one FTE position for a Research Associate. The Subcommittee recommends that the Board contract for development of its automated data base rather than add a permanent position to its staff.
3. Deletion of \$3,750 from the amount recommended for communication expenditures consistent with the Committee's decision regarding KANS-A-N expenditures for all agencies.
4. Addition of \$94,968 for the requested Regents' Honors program.
5. Addition of \$20,000 for publication of the student educational guide.
6. Addition of \$50,000 to provide for 5 additional new osteopathic scholarships for FY 1987. The amount would permit the Board to award a total of 10 new scholarships during FY 1987 and maintain the program at the level of 4 scholarships approved for FY 1986. The Subcommittee recommends introduction of legislation that would establish a separate fund for receipt of osteopathic scholarship repayments.
7. Addition of \$4,341 to make technical adjustments to the fringe benefit calculations.
8. Addition of \$3,666 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program consistent with the Committee's systemwide decision.

9. Addition of \$1.5 million for major maintenance projects on the campuses. The Subcommittee learned that \$7 million is available for major maintenance and energy conservation projects during the current fiscal year and is of the opinion that a total of \$1.5 million will be available for reappropriation at the end of FY 1986.

561.87

SUBCOMMITTEE REPORTS

FY 1986

S.B. 584  
Sections 13, New  
Wichita State University  
Kansas Technical Institute

FY 1987

S.B. 537  
Sections 8 and 11  
Wichita State University  
Kansas Technical Institute

S.B. 522  
Section 5  
Wichita State University

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

  
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Senator David Kerr

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 537

Bill Sec. 8

Analyst: Galligan

Analysis Pg. No. 795

Budget Pg. No. 3-93

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$41,245,493	\$35,483,231	\$ 802,368
General Fees Fund	<u>11,865,002</u>	<u>12,846,446</u>	<u>554,860</u>
General Use Funds	\$53,110,495	\$48,329,677	\$ 1,357,228
Other Funds	<u>16,995,136</u>	<u>16,995,136</u>	<u>0</u>
Subtotal	<u>\$70,105,631</u>	<u>\$65,324,813</u>	<u>\$ 1,357,228</u>
<b>Other Assistance:</b>			
State General Fund	\$ 83,995	\$ 78,500	\$ 0
Other Funds	<u>3,570,000</u>	<u>3,570,000</u>	<u>0</u>
Subtotal	<u>\$ 3,653,995</u>	<u>\$ 3,648,500</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$53,194,490</u>	<u>\$48,408,177</u>	<u>\$ 1,357,228</u>
Total Operating Expenditures	<u>\$73,759,626</u>	<u>\$68,973,313</u>	<u>\$ 1,357,228</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 133,792
Educational Building Fund	4,992,700	4,600,000	0
Other Funds	<u>895,200</u>	<u>895,200</u>	<u>0</u>
Subtotal	<u>\$ 5,887,900</u>	<u>\$ 5,495,200</u>	<u>\$ 133,792</u>
GRAND TOTAL	<u>\$79,647,526</u>	<u>\$74,468,513</u>	<u>\$ 1,491,020</u>
<b>FTE Positions:</b>			
Classified	631.9	615.1	2.0
Unclassified	<u>947.1</u>	<u>907.5</u>	<u>5.0</u>
TOTAL	<u>1,579.0</u>	<u>1,522.6</u>	<u>7.0</u>

Agency Request/Governor's Recommendation

The requested educational and general operating budget (including both restricted and general use funds) for FY 1987 totals \$70,299,870 which is \$4,096,854 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 includes \$32,172,312 for unclassified salaries and benefits, \$9,063,665 for classified salaries and benefits, \$8,226,320 for OOE and \$2,656,821 for utilities. The total general use request for FY 1987 is 10.4 percent greater than the approved FY 1986 general use budget. The request includes a 7 percent increase of the classified, unclassified and student salary bases and OOE and a 5 percent increase of the utility base. A 1 percent increase of the employer contribution to the unclassified employees' retirement program is also included in the request. In addition to those systemwide requests, the University requests a total of \$1,889,166 for program improvements.

The Governor recommends expenditure of \$65,513,557 of general and restricted use funds during FY 1987. The recommended general use expenditure of \$48,408,177 is \$308,041 more than the recommended general use expenditure for FY 1986. The recommendation includes \$38,563,374 for personnel and \$9,844,803 for OOE. The recommendation does not include any general salary increases, but does include funds for the classified employees' pay plan step movement. The recommendation also includes a 2 percent increase for OOE, an increase of the utility base to finance anticipated electricity rate increases and funding for the maintenance and support of new buildings.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$30,000 and 1.0 FTE classified positions for support of the campus telephone system.
  - b. Addition of \$851,469 to provide a 3 percent salary increase for unclassified employees.
  - c. Addition of \$220,944 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - d. Addition of \$40,692 to provide a 4 percent increase for the student wage base and continuation of the separate student salaries and wages line item.
  - e. Addition of \$140,456 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - f. The Committee recommends that one-half of the amount reappropriated from the utilities account at the end of FY 1986 be used for energy conservation projects and that unexpended FY 1986 energy conservation funds be reappropriated for expenditure during FY 1987.
  - g. The Committee requests an interim study of the funding and mission of higher education in Kansas.
2. A shift of two positions from classified to unclassified for the Director of Purchasing and the Publications Coordinator. The Subcommittee learned that the positions were filled as unclassified during the current fiscal year.

3. The Subcommittee learned that the University has proposals before the Board of Regents that would create new PhD. programs in Chemistry, Mathematics and Geology. The Subcommittee defers action on the request for additional faculty and support for the physical sciences and industrial psychology until the Board makes its decision on the new programs.
4. Addition of \$20,903 and 1.0 FTE unclassified position for an equipment manager for the newly created research equipment pool.
5. Addition of \$34,810 and 2.0 FTE classified positions for library assistants.
6. Addition of 1.0 FTE classified position to enable the University to employ a maintenance technician at the computing center for maintenance of microcomputers.
7. Addition of \$17,954 and 1.0 FTE unclassified position for two graduate assistants to begin the computer programming for an automated degree checksheet that would be used by academic advisors.
8. The Subcommittee recommends that the House Subcommittee review the request for additional funding for the Center for Entrepreneurship in light of the report of the Legislative Commission on Kansas Economic Development that will be issued on March 19.
9. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction with the exception of its recommendation for expenditure of \$171,000 to begin preliminary planning for a new science classroom and laboratory building. The Subcommittee recommends that the preliminary planning be delayed for one year so that there would not be a delay between preliminary and final planning as would apparently be the case under the current recommendation.
10. Shift expenditure of \$554,860 from the State General Fund to the General Fees Fund based on the University's revised estimate of receipts after spring enrollment.
11. Addition of one FTE unclassified position as a technical adjustment.
12. In regard to the University's request for additional restricted use positions, the Subcommittee notes that the State Finance Council has authority to increase the position limitation and therefore recommends that if additional grant funds are obtained by the University it should approach the Finance Council for any necessary additional positions.

SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute

Bill No. 584

Bill Sec. New

Analyst: Calligan

Analysis Pg. No. 851

Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,173,063	\$ 3,135,689	\$ 38,850
General Fees Fund	346,924	287,099	(25,949)
General Use Funds	\$ 3,519,987	\$ 3,422,788	\$ 12,901
Other Funds	200,820	267,995	0
Subtotal	<u>\$ 3,720,807</u>	<u>\$ 3,690,783</u>	<u>\$ 12,901</u>
<b>Other Assistance:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
General Fees Fund	0	0	0
Other Funds	160,000	160,000	0
Subtotal	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$ 3,519,987</u>	<u>\$ 3,422,788</u>	<u>\$ 12,901</u>
Total Operating Expenditures	\$ 3,880,807	\$ 3,850,783	\$ 12,901
<b>Capital Improvements:</b>			
State General Fund	\$ 58,769	\$ 62,657	\$ 0
Educational Building Fund	223,648	223,648	0
Other Funds	0	0	0
Subtotal	<u>\$ 282,417</u>	<u>\$ 286,305</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$ 4,163,224</u>	<u>\$ 4,137,088</u>	<u>\$ 12,901</u>
<b>FTE Positions:</b>			
Classified	38.5	38.5	0.0
Unclassified	54.0	54.0	0.0
TOTAL	<u>92.5</u>	<u>92.5</u>	<u>0.0</u>

Senate Subcommittee Recommendations

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

1. Appropriation of \$38,850 from the State General Fund to offset the shortfall of general fee revenue during the current fiscal year. The recommendation is based on the revised revenue estimates made after spring enrollment and would maintain the general use expenditure level established by the 1985 Legislature.



SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute

Bill No. 537

Bill Sec. 11

Analyst: Galligan

Analysis Pg. No. 851

Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87*</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,372,387	\$ 3,041,203	\$ 158,880
General Fees Fund	300,000	315,386	0
General Use Funds	\$ 3,672,387	\$ 3,356,589	\$ 158,880
Other Funds	282,429	282,429	0
Subtotal	<u>\$ 3,954,816</u>	<u>\$ 3,639,018</u>	<u>\$ 158,880</u>
<b>Other Assistance:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
General Fees Fund	0	0	0
Other Funds	160,000	160,000	0
Subtotal	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$ 3,672,387</u>	<u>\$ 3,356,589</u>	<u>\$ 158,880</u>
Total Operating Expenditures	<u>\$ 4,114,816</u>	<u>\$ 3,799,018</u>	<u>\$ 158,880</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 1,037
Educational Building Fund	100,000	0	0
Other Funds	0	0	0
Subtotal	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 1,037</u>
GRAND TOTAL	<u>\$ 4,214,816</u>	<u>\$ 3,799,018</u>	<u>\$ 159,917</u>
<b>FTE Positions:</b>			
Classified	39.5	39.5	0.5
Unclassified	53.0	50.0	2.0
TOTAL	<u>92.5</u>	<u>89.5</u>	<u>2.5</u>

\* Includes \$7,462 for Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendation

The requested general use operating budget for FY 1987 totals \$3,672,387 which is \$234,624 more than the approved budget for FY 1986. The request for FY 1987 includes \$1,902,216 for unclassified salaries and benefits, \$667,097 for classified salaries and benefits, \$907,440 for OOE and \$161,434 for utilities. The total general use request for FY 1987 is 6.8 percent greater than the approved FY 1986 general use budget. The request includes a 7 percent increase for classified, unclassified and students' salaries and OOE and a 5 percent increase for utilities. The request also includes a 1 percent increase of the employer contribution to the unclassified employees' retirement program. The

Institute also requests a total of \$109,547 for servicing the new technology center, and adding an electronics technician, a secretary and a development officer to the staff.

The Governor's recommendation for the general use operating budget for FY 1987 totals \$3,349,127 which is \$73,661 less than the amount recommended for the current fiscal year. The recommendation does not include a general salary increase nor the requested increase of the employer contribution to the unclassified employees' retirement program. The Governor recommends a 2 percent increase of the OOE base and utility expenditures at the same level actually expended during FY 1985, plus the amount appropriated for the new classroom building. The new technician position is recommended for FY 1987.

#### Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$52,577 to provide a 3 percent salary increase for unclassified employees.
  - b. Addition of \$14,885 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - c. Addition of \$1,279 to provide a 4 percent increase for the student wage base and continuation of the separate student salaries and wages line item.
  - d. Addition of \$16,848 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - f. The Committee recommends that one-half of the amount reappropriated at the end of FY 1986 from the utilities account be used for energy conservation projects and that any unexpended FY 1986 energy conservation funds be reappropriated for expenditure during FY 1987.
  - g. The Committee requests an interim study of the funding and mission of higher education in Kansas.
2. Addition of \$32,098 and 1.0 FTE unclassified position as requested for an electronics technician to provide maintenance support for instructional and telecommunication equipment.
3. Addition of \$33,554 and 1.0 FTE unclassified position as requested to establish the position of Development Officer. The Subcommittee recommends that the funding and the position be

outside the base in accordance with the Institute's proposal to phase out general use support of the position within three years.

4. Addition of \$7,639 and 0.5 FTE classified position to provide clerical support for the Adult/Continuing Education program. The Subcommittee learned that the Institute currently has a half-time position assigned to these duties supported from restricted use funds. The general use support provided by this recommendation would enable the position to be full-time.
5. The Subcommittee concurs with Governor's Budget Amendment No. 1 for a total of \$7,462 which consists of \$3,898 for unemployment insurance and \$3,564 for new building support.
6. The Subcommittee is of the opinion that continuation of the planning for renovation of the aeronautical technology laboratory would be timely, but is reluctant to recommend the funding in light of the Joint Committee on State Building Construction's recommendation. The Subcommittee recognizes that the Building Committee's decisions take into consideration the availability of funds and all of the projects requested for the Regents' system.
7. The Subcommittee recommends that the Board of Regents continue to monitor the tuition charges at the Institute to insure that students support an appropriate portion of their educational costs.
8. The Subcommittee strongly recommends that the Institute undertake improvement of its academic advising activities in order to improve retention and services to students. The Subcommittee anticipates that the addition of the Development Officer to the staff would be of assistance in this effort by eliminating the Director of Student Service's involvement with alumni activities. In anticipation of the impact that improved advising would have on retention and therefore on enrollment, the Subcommittee does not recommend an adjustment of the FY 1987 General Fee Fund expenditure limitation.

SUBCOMMITTEE REPORTS

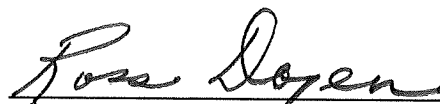
FY 1986

S.B. 584  
Section 11  
University of Kansas

FY 1987

S.B. 537  
Section 7  
University of Kansas

S.B. 522  
Section 4  
University of Kansas

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

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

**SUBCOMMITTEE REPORT**

**Agency: University of Kansas**

**Bill No. 584**

**Bill Sec. 11**

**Analyst: Galligan**

**Analysis Pg. No. 777**

**Budget Pg. No. 3-81**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 81,179,022	\$ 81,585,106	\$(1,000,000)
General Fees Fund	28,804,084	27,999,312	1,226,326
Interest on Endowment	35,000	35,000	0
General Use Funds	<u>\$110,018,106</u>	<u>\$109,619,418</u>	<u>\$ 226,326</u>
Other Funds	60,576,787	59,470,594	0
Subtotal	<u>\$170,594,893</u>	<u>\$169,090,012</u>	<u>\$ 226,326</u>
<b>Other Assistance:</b>			
State General Fund	\$ 154,210	\$ 154,210	\$ 0
General Fees Fund	0	0	0
Other Funds	7,756,902	7,756,902	0
Subtotal	<u>\$ 7,911,112</u>	<u>\$ 7,911,112</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$110,172,316</u>	<u>\$109,773,628</u>	<u>\$ 226,326</u>
Total Operating Expenditures	<u>\$178,506,005</u>	<u>\$177,001,124</u>	<u>\$ 226,326</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,566,097	\$ 1,544,097	\$ 0
Educational Building Fund	2,080,742	2,080,942	0
Other Funds	1,235,314	1,110,314	0
Subtotal	<u>\$ 4,882,153</u>	<u>\$ 4,735,353</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$183,388,158</u>	<u>\$181,736,477</u>	<u>\$ 226,326</u>
<b>FTE Positions:</b>			
Classified	1,945.9	1,944.9	0
Unclassified	<u>2,257.2</u>	<u>2,257.2</u>	<u>0</u>
TOTAL	<u>4,203.1</u>	<u>4,202.1</u>	<u>0</u>

Senate Subcommittee Recommendations

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

1. Consistent with the Committee's systemwide decision, addition of \$226,326 from the General Fees fund as a one-time expenditure during FY 1986.
2. Shift of \$1,000,000 of expenditures during the current fiscal year from the State General Fund to the General Fees Fund. The shift is based on the University's revised estimate of receipts after spring enrollments.

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 537

Bill Sec. 7

Analyst: Galligan

Analysis Pg. No. 777

Budget Pg. No. 3-81

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 92,248,737	\$ 79,227,643	\$ 4,091,122
General Fees Fund	29,277,311	31,026,478	(889,344)
Interest on Endowment	<u>35,000</u>	<u>35,000</u>	<u>0</u>
General Use Funds	\$121,561,048	\$110,289,121	\$ 3,201,778
Other Funds	63,003,288	62,818,515	0
Subtotal	<u>\$184,564,336</u>	<u>\$173,107,636</u>	<u>\$ 3,201,778</u>
<b>Other Assistance:</b>			
State General Fund	\$ 165,005	\$ 154,210	\$ 0
General Fees Fund	0	0	0
Other Funds	<u>8,299,885</u>	<u>8,299,885</u>	<u>0</u>
Subtotal	<u>\$ 8,464,890</u>	<u>\$ 8,454,095</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$121,726,053</u>	<u>\$110,443,331</u>	<u>\$ 3,201,778</u>
Total Operating Expenditures	<u>\$193,029,226</u>	<u>\$181,561,731</u>	<u>\$ 3,201,778</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 109,276
Educational Building Fund	2,344,000	1,600,000	0
Other Funds	<u>8,140,500</u>	<u>8,140,500</u>	<u>0</u>
Subtotal	<u>\$ 10,484,500</u>	<u>\$ 9,740,500</u>	<u>\$ 109,276</u>
GRAND TOTAL	<u>\$203,513,726</u>	<u>\$191,302,231</u>	<u>\$ 3,311,054</u>
<b>FTE Positions:</b>			
Classified	1,973.0	1,952.4	4.5
Unclassified	<u>2,304.8</u>	<u>2,256.2</u>	<u>(0.95)</u>
TOTAL	<u>4,277.8</u>	<u>4,208.6</u>	<u>3.55</u>

Agency Request/Governor's Recommendation

The requested educational and general operating budget (including both restricted and general use funds) for FY 1987 totals \$169,404,136 which is \$13,137,840 more than the revised budget for FY 1986. The general use portion of the request for FY 1987 includes \$72,689,828 for unclassified salaries and benefits, \$21,551,666 for classified salaries and benefits, \$19,428,423 for OOE and \$6,574,986 for utilities. The total general use request for FY 1987 is 10.7 percent greater than the approved FY 1986 general use budget. The request includes funds to provide 7 percent increases to the classified, unclassified and student wage bases and OOE and a 5 percent increase for utilities. A 1 percent increase

of the employer contribution to the unclassified employees' retirement program is also included in the request. A total of \$4,446,967 is requested for program improvements.

The Governor recommends total restricted and general use fund expenditures of \$158,178,677 for FY 1987. The general use fund portion of that amount totals \$110,443,331 which includes \$86,860,554 for personnel and \$23,582,777 for OOE. The recommendation does not include a general salary increase nor does it include an increase of the employer contribution to the unclassified retirement program. The recommendation includes funds for the classified employees' pay plan step movement and a 2 percent increase for OOE. The amount recommended for utility expenditures is equal to the amount actually expended during FY 1985 plus amounts approved for support of new buildings. The Governor recommends a total of \$327,024 for program improvements. The amount includes \$92,737 from the State General Fund for the Law Enforcement Training Center to supplement the special revenue funds that support its operation.

#### Senate Subcommittee Recommendation

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$150,000 and 5.0 FTE classified positions for support of the campus telephone system.
  - b. Addition of \$1,922,790 to provide a 3 percent salary increase for unclassified employees.
  - c. Addition of \$517,295 to provide an additional 1 percent employer contribution to the unclassified employees' retirement program. The Committee recommends introduction of the legislation necessary to permit the additional employer contribution.
  - d. Addition of \$54,392 to provide a 4 percent increase for the student wage base and continuation of the separate student salaries and wages line item.
  - e. Addition of \$334,264 to provide a 2 percent increase for OOE on a one-time basis for FY 1987.
  - f. The Committee recommends that one-half of the amount reappropriated from the utilities account at the end of FY 1986 be used for energy conservation projects and that unexpended energy conservation funds be reappropriated at the end of FY 1986.
  - g. The Committee requests an interim study of the funding and mission of higher education in Kansas.

2. Addition of \$288,020 and 5.0 FTE unclassified positions for base support for new distinguished professor positions.
3. Addition of \$157,436 and 4.5 FTE positions to implement the second year of the Bachelor of Science in Computer Engineering program.
4. Addition of \$180,262 and 4.0 FTE unclassified positions for development of economic modeling capability for the state.
5. Shift of \$889,344 of expenditures from the General Fees Fund to the State General Fund to accommodate adjustments made in FY 1986 and elimination of a \$200,000 transfer from KUMC for the occupational therapy program during FY 1987.
6. Reduction of \$402,681 and 14.95 FTE positions due to the transfer of the occupational therapy program from Lawrence to the Kansas City campus during the current fiscal year.

682.87

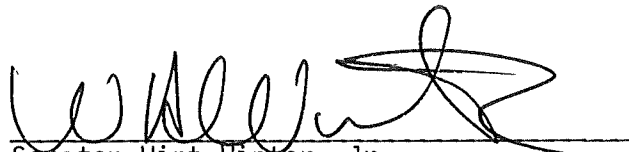


SUBCOMMITTEE REPORT

Senate Bill Nos. 584 and 759

Sections Pertaining to:

Department of Economic Development




Senator Wint Winter, Jr.,  
Chairman



Senator Merrill Werts



Senator Paul Feleciano, Jr.



Senator Robert V. Talkington

**SUBCOMMITTEE REPORT**

**Agency: Department of Economic  
Development**

**Bill No. 584**

**Bill Sec. 3, 4**

**Analyst: West**

**Analysis Pg. No. 918**

**Budget Pg. No. 1-105**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 5,806,995	\$ 5,718,184	\$ 52,000
Local Aid	18,354,849	18,354,849	--
Other Assistance	<u>30,000</u>	<u>30,000</u>	--
Subtotal - Operating	<u>\$24,191,844</u>	<u>\$24,103,033</u>	<u>\$ 52,000</u>
Capital Improvements	<u>50,000</u>	<u>50,000</u>	--
<b>TOTAL</b>	<b><u>\$24,241,844</u></b>	<b><u>\$24,153,033</u></b>	<b><u>\$ 52,000</u></b>
<b>State General Fund:</b>			
State Operations	\$ 4,764,443	\$ 4,679,143	\$ 52,000
Other Assistance	30,000	30,000	--
Local Aid	<u>80,000</u>	<u>80,000</u>	--
<b>TOTAL</b>	<b><u>\$ 4,874,443</u></b>	<b><u>\$ 4,789,143</u></b>	<b><u>\$ 52,000</u></b>
<b>FTE Positions</b>	<b>73.0</b>	<b>70.0</b>	<b>--</b>

Agency Request/Governor's Recommendations

FY 1986. The agency proposes an FY 1986 budget of \$24,241,844 including \$4,874,443 from the State General Fund. The FY 1986 budget estimate provides \$5,806,995, including \$4,764,443 from the State General Fund, for state operations, \$18,354,849, including \$80,000 from the State General Fund, for federal and state aid to local units of government, \$30,000 from the State General Fund for other assistance, and \$50,000 from federal sources for capital improvements. The FY 1986 estimate is an increase of \$739,992 for state operations and \$85,000 for local aid above the expenditure estimate at the close of the 1985 Legislature. Of the increase for state operations, \$665,406 is for university high-tech research project grants reappropriated from FY 1985. The agency requests an expenditure limitation increase of \$34,836 for the federal Small Cities Community Development Block Grant Administration Fund. The agency has also received a \$40,000 grant from the Economic Development Administration, U.S. Department of Commerce, to perform planning activities relating to economic development and \$85,000 from the Department of Housing and Urban Development for a pilot program to provide housing for 15 homeless persons or families in Johnson and Wyandotte counties.

The Governor recommends a total FY 1986 budget of \$24,153,033 including \$4,789,143 from the State General Fund. The FY 1986 recommendation provides \$5,718,184, including \$4,679,143 from the State General Fund, for state operations. The FY 1986 state operations recommendation represents a decrease of

\$88,811 from the agency's estimate for several objects of expenditure. The Governor concurs with the expenditure of \$665,406 of reappropriations for high-tech research grants. The Governor's recommendation concurs with the FY 1986 estimates for federal and state aid to local units of government, other assistance, and capital improvements.

Senate Subcommittee Recommendations

FY 1986. The Senate Subcommittee concurs with the budget recommendations of the Governor, with the following adjustments:

1. The Subcommittee concurs with the Committee's previous action of adding \$40,000 from the State General Fund for consulting services.
2. Add \$6,000 from the State General Fund for travel for the Travel, Tourism, and Film Services Division. This will reduce the Division's reappropriation for FY 1987 from \$23,328 to \$17,328.
3. Add \$6,000 from the State General Fund for travel for the Community Development Division. This will reduce the Division's reappropriation for FY 1987 from \$16,563 to \$10,563.

300.86

**SUBCOMMITTEE REPORT**

**Agency:** Dept. of Economic Development      **Bill No.** 759      **Bill Sec.** 2  
**Analyst:** West      **Analysis Pg. No.** 918      **Budget Pg. No.** 1-105

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 7,048,898	\$ 4,352,927	\$ 732,727
Local Aid	19,418,772	16,605,000	(1,605,000)
Other Assistance	20,000	20,000	--
<b>TOTAL</b>	<u>\$26,487,670</u>	<u>\$20,977,927</u>	<u>\$ (872,273)</u>
<b>State General Fund:</b>			
State Operations	\$ 6,014,738	\$ 3,447,826	\$ 802,583
Other Assistance	20,000	20,000	--
Local Aid	280,000	--	--
<b>TOTAL</b>	<u>\$ 6,314,738</u>	<u>\$ 3,467,826</u>	<u>\$ 802,583</u>
<b>FTE Positions</b>	82.0	75.0	(2.0)

Agency Request/Governor's Recommendations

For FY 1987 the agency requests total budget authority of \$26,487,670. The budget request provides \$7,048,898 for state operations, \$19,418,772 for federal and state aid to local units of government, and \$20,000 from the State General Fund for other assistance. The state operations request would be funded by \$6,014,738 from the State General Fund, \$517,994 from federal funds, and \$516,166 from other funding sources. The local aid request would be funded by \$19,138,772 from federal funds and \$280,000 from the State General Fund.

The Governor recommends total budget authority for FY 1987 of \$20,977,927. The FY 1987 recommendation provides \$4,352,927 from state operations, \$16,605,000 for federal aid to local units of government, and \$20,000 from the State General Fund for other assistance. The state operations recommendation would be financed by \$3,447,826 from the State General Fund, \$435,638 from federal funds, and \$469,463 from other funding sources. The Governor's FY 1987 recommendation would be increased by \$3,040,000 for state operations and \$200,000 for other assistance if additional State General Fund revenues are made available.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the budget as submitted by the Governor with the following adjustments:

1. Add \$5,584 (\$4,690 State General Fund, \$894 other funds) to reflect a 4.3 percent rate for KPERS.
2. Add \$100,000 from the State General Fund to fund support for interim studies associated with the Joint Legislative Commission on Economic Development.
3. Add \$610,000 from the State General Fund for the Advanced Technology Research Matching Grant program. The Subcommittee notes that of the \$1,275,406 cash balance available at the start of FY 1986, \$363,024 had been committed for projects in FY 1985 and that the Commission has approved further projects totaling \$656,889 as of March, 1986. This appropriation continues the program at the same level as FY 1986.
4. Add \$10,000 from the State General Fund for an increase in the contract with the Kansas Association of Broadcasters. The Subcommittee notes with pleasure the increase in exposure of the new commercials for Kansas. The Subcommittee recommends that \$5,000 of the recommended increase be held by the Secretary of Economic Development contingent upon the Kansas Association of Broadcasters further penetration of the Kansas City and Wichita markets.
5. Add \$80,000 from the State General Fund for printing and advertising services for the Tourism Division. This addition continues funding for the Division at the same level as FY 1986.
6. Add \$6,000 from the State General Fund with a corresponding reduction in the amount reappropriated from FY 1986 for the Tourism Division to reflect the Subcommittee's adjustments to FY 1986.
7. Add \$6,000 from the State General Fund with a corresponding reduction in the amount reappropriated from FY 1986 for the Community Development Division to reflect the Subcommittee's adjustments to FY 1986.
8. Delete \$2,107 and 1.0 FTE position associated with the Community Resources Act (CRA) grant administration. The Subcommittee recommends that the Department continue previous years' practice of contracting for administration of the CRA grants.
9. The Subcommittee reviewed a request by the Department for an additional \$25,000 (total \$65,000) for the second year of the Mainstreet program. The additional funds requested by the Department would allow the Department to avoid having to raise matching funds themselves at a great cost of existing personnel time. The Subcommittee concurs with the Governor's recommendation of \$40,000 for the addition of five cities for the Mainstreet program and defers making a recommendation at this time regarding the agency's request for additional funding pending resolution of state funding issues.

10. The Subcommittee recommends that the federally funding Housing program be transferred from the Department of Economic Development to the Department of Social and Rehabilitation Services. The Subcommittee notes that H.B. 2951 could serve as an appropriate vehicle for the necessary statutory changes to K.S.A. 74-5013a to enact this recommendation. The Subcommittee recommends the deletion of 1.0 FTE position, \$70,750 in state operations, and \$1,605,000 in aid to local units from the budget of the Department of Economic Development with the same amounts to be added to the Department of Social and Rehabilitation Services at a later time.
  
11. The Subcommittee notes that there are several bills recommended by the Joint Legislative Commission on Economic Development which may have dramatic impact on the budget of this agency. The Subcommittee has reviewed the Joint Commission's recommendations and notes the following additional sums may need to be added, although further review may identify some savings. The Subcommittee does not include these items for funding at this time pending passage of these bills and/or resolution of state funding issues.

SUMMARY OF ECONOMIC DEVELOPMENT INITIATIVES FUNDING INCREASE

<u>Program</u>	<u>Amount</u>
Investment Budget:	
Industrial Advertising	\$900,000
Special Consulting and Research	250,000
Field Office Expansion (13.0 FTE)	350,000
Kansas Industry Training	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
Joint Legislative Commission on Economic Development:	
Expand Japanese Office Contract	\$125,000
Trade Division	125,000
Existing Industry Division Expansion	120,000
Small Business Development Center Grants	350,000
Certified Cities Program	30,000
Mainstreet Program	25,000

12. The Subcommittee also notes that if additional State General Fund revenues are not raised, cuts of as much as 10 percent may be required from the Governor's original recommendations. At the Subcommittee's request, the Department has provided where these cuts could be made. These include elimination of the state's contractual representation in Japan, the two existing field offices, funding for grants under the Community Resource Act, the Mainstreet program, and the PRIDE program. A list of these cuts is as follows:

10 PERCENT BUDGET REDUCTION IN THE GOVERNOR'S  
RECOMMENDED FY 1987 BUDGET

Administration Division	
Printing	\$ 2,500
Travel	1,700
Industrial Development Division	
Contractual Representation in Japan	\$ 45,000
Sister-State Coordinator for Sister State Relationship with Henan Province -- People's Republic of China	
Salary for Sister State Coordinator	25,663
Travel	3,000
Directory of Kansas Manufacturing Firms in Export	7,240
Export Assistance to Kansas Manufacturers/Local Service	3,400
Kansas Job Shop Directory	2,200
Developing Kansas -- A Cooperative Effort of KDED, the Kansas Cavalry and the Kansas Industrial Developers Association	8,500
Industry Appreciation Week Promotion	2,000
Memberships and Participation in the Kansas Industrial Developers Association and the Kansas Chamber of Commerce Executives Association	1,155
Small Business Division	
Two Field Offices (Garden City and Hill City; two FTE; travel)	\$ 70,115
Travel and Tourism Division	
Tourism Advertising Contract with the Kansas Broadcasters Association	\$ 20,000
Positions for the South Haven Tourist Information Centers	37,103
Membership dues for Travel Industry Association of Kansas, and Kansas Society of Associate Executives	1,050
Community Development Division	
Community Resource Act Funding	\$ 41,600
Mainstreet Program Funding	40,000
One FTE Plus Operating Funds for the PRIDE program	35,264
Membership Dues for the National Mainstreet Program and the Kansas Downtown Development Association	245
TOTAL	<u>\$347,735</u>

SENATE SUBCOMMITTEE REPORT

H.B. 2801

New Sec. -- Board of Mortuary Arts  
New. Sec. -- Board of Pharmacy

H.B. 2717

- SEC. 2 -- ABSTRACTERS' BOARD OF EXAMINERS
- SEC. 3 -- BOARD OF ACCOUNTANCY
- SEC. 4 -- STATE BANK COMMISSIONER
- SEC. 5 -- BOARD OF BARBER EXAMINERS
- SEC. 6 -- BEHAVIORAL SCIENCES REGULATORY BOARD
- SEC. 7 -- STATE BOARD OF HEALING ARTS
- SEC. 8 -- KANSAS STATE BOARD OF COSMETOLOGY
- SEC. 9 -- STATE DEPARTMENT OF CREDIT UNIONS
- SEC. 10 -- KANSAS DENTAL BOARD
- SEC. 11 -- STATE BOARD OF MORTUARY ARTS
- SEC. 12 -- KANSAS BOARD OF EXAMINERS IN FITTING AND DISPENSING OF HEARING AIDS
- SEC. 13 -- CONSUMER CREDIT COMMISSIONER
- SEC. 14 -- BOARD OF NURSING
- SEC. 15 -- BOARD OF EXAMINERS IN OPTOMETRY
- SEC. 16 -- STATE BOARD OF PHARMACY
- SEC. 17 -- KANSAS REAL ESTATE COMMISSION
- SEC. 18 -- SAVINGS AND LOAN DEPARTMENT
- SEC. 19 -- OFFICE OF THE SECURITIES COMMISSIONER OF KANSAS
- SEC. 20 -- STATE BOARD OF TECHNICAL PROFESSIONS
- SEC. 21 -- STATE BOARD OF VETERINARY EXAMINERS



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Senator David Kerr, Chairman



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Senator Michael Johnston



**SUBCOMMITTEE REPORT**

Agency: Abstracters' Board of  
Examiners

Bill No. 2717

Bill Sec. 2

Analyst: Holt

Analysis Pg. No. 15

Budget Pg. No. 1-181

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 14,001	\$ 13,013	\$ 497
State General Fund	--	--	--
F.T.E. Positions	--	--	--

House Subcommittee Recommendation

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

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

1. Addition of \$497 for the salary (\$460) and fringe benefits (\$37) of the Executive Secretary to increase total salary expenditures with fringe benefits to \$5,271. Although the Executive Secretary is responsible for administering the activities of the agency, the position is paid only slightly more than the temporary secretarial assistance.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 12,429	\$ 14,030	\$ 14,697
Net Receipts	13,340	13,340	12,980
Total Funds Available	<u>\$ 25,769</u>	<u>\$ 27,370</u>	<u>\$ 27,677</u>
Less: Expenditures	11,739	12,673	13,510
Ending Balance	<u>\$ 14,030</u>	<u>\$ 14,697</u>	<u>\$ 14,167</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

016.87

**SUBCOMMITTEE REPORT**

**Agency:** Board of Accountancy

**Bill No.** --

**Bill Sec.** --

**Analyst:** Timmer

**Analysis Pg. No.** 17

**Budget Pg. No.** 1-183

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 150,295	\$ 148,588	\$ 1,729
F.T.E. Positions	2.7	2.7	--

Agency Request/Governor's Recommendation

The agency estimates FY 1986 expenditures to be \$150,295 for FY 1986, a reduction of \$5,697 from the approved budget. The Governor recommends an expenditure of \$148,588, a further reduction of \$1,707.

House Subcommittee Recommendation

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

1. Addition of \$229 for the reclassification of a Clerk Typist II to a Secretary I. The Subcommittee understands that the Division of Personnel has approved the reclassification for the last six months of FY 1986.
2. The Subcommittee expresses concern that a microcomputer purchased by the Board in June, 1984 is not being used effectively and that much of the Board's data has not yet been entered into the computer. The Subcommittee notes that \$1,000 was added to the FY 1986 budget during the 1985 Session for the purpose of hiring temporary data entry help. The temporary staff was hired in the summer, however, much data entry still must be done. Therefore, the Subcommittee recommends the addition of \$1,500 for the purpose of hiring temporary data entry staff during FY 1986 to complete the data entry before the end of the fiscal year. The Subcommittee will not recommend any more funding for temporary data entry staff in FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>House FY 86 Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,729	\$ 150,317	\$ (1,500)
F.T.E. Positions	--	2.7	--

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

1. Deletion of \$1,500 from temporary staff. The Subcommittee does not believe the data entry work can be completed in FY 1986 and recommends that funding for FY 1987 be provided.

028.86

**SUBCOMMITTEE REPORT**

**Agency: Board of Accountancy**

**Bill No. 2717**

**Bill Sec. 3**

**Analyst: Timmer**

**Analysis Pg. No. 17**

**Budget Pg. No. 1-183**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 161,603	\$ 150,592	\$ (165)
FTE Positions	2.7	2.7	--

House Subcommittee Recommendation

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

1. Addition of \$351 for the reclassification of a Clerk Typist II to a Secretary I which was approved by the Division of Personnel and accomplished in FY 1986.
2. Reduction of \$1,016 from rents to accurately reflect the rent needed for seven months in the Santa Fe Building as well as five months in the Board's present location. The Governor's recommendation was based on more square feet of space in the Santa Fe Building than the Board will occupy.
3. Reduction of \$1,000 from temporary staff. The Subcommittee notes that funding of \$1,500 was added for FY 1986 for temporary data entry staff and that the data entry work should be computed in FY 1986.
4. Addition of \$1,500 to fund a Positive Enforcement program for the last half of FY 1987. The Subcommittee believes that the proposed program for peer review of CPA's and firms which do audit work is meritorious and that the Board should complete development of the program and be prepared to implement it in January 1987. The Subcommittee's recommendation would provide funding for approximately 30 reviews at an estimated cost of \$50 each.
5. The Subcommittee was informed that the Board proposes to increase the fee for a biennial permit to practice to \$80, an increase of \$10. The Subcommittee concurs with the proposed increase to become effective in FY 1987. The Subcommittee does not recommend that the increase should be implemented in the last half of FY 1986.

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 47,502	\$ 44,978	\$ 32,781
Net Receipts	127,509	138,120	140,748
Total Funds Available	\$ 175,011	\$ 183,098	\$ 173,529
Less: Expenditures	130,033	150,317	150,427
Ending Balance	<u>\$ 44,978</u>	<u>\$ 32,781</u>	<u>\$ 23,102</u>

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>House FY 87 Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ (165)	\$ 150,427	\$ 2,245
FTE Positions	--	2.7	--

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

1. Addition of \$1,000 for temporary staff to allow the Board a total of \$1,500 for temporary staff in FY 1987. The Subcommittee is of the opinion that the data entry work cannot be completed in FY 1986 and the additional funding for FY 1987 would allow the work to be finished.
2. Addition of \$1,110 in travel to allow the Board to send a representative to a regional association meeting and one other association meeting.
3. Addition of \$135 to allow a 4.3 percent KPERS rate.
4. The Subcommittee expresses concern about the declining fee fund balances. The Subcommittee recommends that the proposed permit fee increase be put into effect in late FY 1986 which is the beginning of the next cycle of biennial permits. The Subcommittee notes that increasing the permit fee in FY 1986 will require all permit holders to pay the increased fee as well as result in an increase to the fee fund balance.

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 16,922	\$ 2,170,510	\$ 7,024
State General Fund	--	--	--
FTE Positions	1.0	68.0	--

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

1. Add \$4,655 to restore a 4.3 percentage rate for KPERS.
2. Add \$2,369 for salary and fringe benefits to increase the salary of the Bank Commissioner to \$43,000. The Subcommittee makes this recommendation with the intent that the salaries of the Bank Commissioner and Securities Commissioner be equal at a level of \$43,000.



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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 271,156	\$ 138,536	\$ 25,170
Net Receipts	<u>1,572,828</u>	<u>1,943,162</u>	<u>2,228,418</u>
Total Funds Available	\$ <u>1,843,984</u>	\$ <u>2,081,698</u>	\$ <u>2,253,588</u>
Less: Expenditures	<u>1,705,448</u>	<u>2,056,528</u>	<u>2,177,534</u>
Ending Balance	\$ <u><u>138,536</u></u>	\$ <u><u>25,170</u></u>	\$ <u><u>76,054</u></u>

094.87

SUBCOMMITTEE REPORT

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

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 70,316	\$ 137
FTE Positions	--	2.5	--

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

1. Add \$137 to restore the employer contribution rate for KPERS to 4.3 percent.

The fee fund analysis, based on the Senate Subcommittee's adjustments for FY 1987, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 41,083	\$ 44,262	\$ 47,304
Net Receipts	71,060	73,560	72,825
Total Funds Available	\$ 112,143	\$ 117,822	\$ 120,129
Less: Expenditures	67,881	70,518	70,453
Ending Balance	\$ 44,262	\$ 47,304	\$ 49,676

100.87

**SUBCOMMITTEE REPORT**

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

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

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

House Subcommittee Recommendation

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

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

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

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

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 8,658	\$ 136,431	\$ 144
State General Fund	--	--	--
FTE Positions	--	3.0	--

The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. Add \$144 to reflect a 4.3 percentage rate for KPERS.
2. The Subcommittee notes the possibility that the regulation of additional professional groups may be placed under the Board's jurisdiction during the 1986 Session. Should this occur the Board would incur additional expenses which should be addressed in the Omnibus Appropriations bill.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 80,584	\$ 43,238	\$ 66,156
Net Receipts	<u>70,509</u>	<u>150,339</u>	<u>102,160</u>
Total Funds Available	\$ 151,092	\$ 193,577	\$ 168,316
Less: Expenditures	<u>107,855</u>	<u>127,421</u>	<u>136,575</u>
Ending Balance	<u>\$ 43,238</u>	<u>\$ 66,156</u>	<u>\$ 31,741</u>

102.87

**SUBCOMMITTEE REPORT**

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

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

House Subcommittee Recommendation

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

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

1. Add \$2,500 for an additional peer review committee. There are presently three peer review committees charged with reviewing complaints against licensees and making recommendations to the Board (one committee each for medical doctors, osteopathic doctors, and chiropractic doctors). Each committee consists of three doctors who meet once a month. Information presented by the Board indicates a backlog of cases to be reviewed, consisting primarily of complaints against medical doctors. (At the present time, 56 cases concerning medical doctors are pending, 7 against osteopathic doctors, and 13 against chiropractic doctors.) The Subcommittee's recommendation would provide funding for per diem compensation, travel expenses, and other costs associated with the appointment of an additional peer review committee to deal with cases involving medical doctors.
  
2. In addition to its recommendation concerning peer review committees, the Subcommittee wishes to comment upon a recommendation of the Governor's with which it concurs. The Governor recommends the addition of five new positions to the Board's staff, positions that will enhance the Board's ability to become more active in its review, investigation, and prosecution of complaints against licensees. The Governor's recommendations are specifically aimed at increasing the Board's ability to handle malpractice complaints. A main component of the Governor's recommendation is the creation of a new position, a full-time physician-administrator, who will manage the Board office. The

Governor includes \$66,026 (salary and benefits) in his budget for this position.

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

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

House Committee Recommendation

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

1. Add \$11,664 for partitions to be used in the Board's new office in the Santa Fe Building.
2. At the end of the second paragraph of item 2 above, delete the sentence that reads "The Subcommittee supports H.B. 2881 that would make the statutory changes to implement the Governor's recommendations and urges that it be passed."

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 414,642	\$ 435,504	\$ 463,998
Net Receipts	407,690	548,319	731,490
Total Funds Available	\$ 822,332	\$ 983,823	\$ 1,195,488
Less: Nonreportable Expenditures	1,678	--	--
Less: Expenditures	385,150	519,825	693,262
Ending Balance	<u>\$ 435,504</u>	<u>\$ 463,998</u>	<u>\$ 502,226</u>

House Committee of the Whole

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



Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 14,164	\$ 693,262	\$ 6,471
FTE Positions	--	15.0	--

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

1. Add \$997 as the result of recalculating KPERS benefits.
2. Add \$1,500 for two computer terminals.
3. The Subcommittee agrees with the Governor and the House that the Board's staff should be strengthened by the addition of a new administrative position to head the Board's office. It was the Governor's recommendation that this position be filled by a physician who would also be a member of the Board. The Governor's recommendations would have been implemented by H.B. 2881, which is presently in the House Judiciary Committee. The salary for this new position as recommended by the Governor and concurred with by the House would be \$66,026 (including benefits).

While agreeing that the new position should be added, the Subcommittee does not think the position should necessarily be filled by a physician, nor does it think the position should be held by a Board member. The primary qualification the Subcommittee envisions is that the person not be affiliated or identified with groups or professional associations of persons who are regulated by the Board. If it is necessary to recruit outside Kansas to find someone with the independence necessary in order to perform the job, the Subcommittee encourages the Board to do so.

The Subcommittee also recommends that the salary and benefits for this position be increased to \$70,000 (an increase of \$3,974 over what is presently in the budget) so that the Board will be able to attract the most qualified applicant.

To implement its recommendations, the Subcommittee asks that legislation be introduced to create a new administrative position in the unclassified service to strengthen the Board's ability to deal with unprofessional or unqualified practitioners, particularly in the area of medical malpractice. The legislation should not specify that this person be a

physician but should state that this person shall not be a member of the Board.

4. The Subcommittee was informed by the Board that additional funds may be necessary in connection with a three-year project begun in FY 1986 to upgrade the Board's data processing system in conjunction with the Board of Nursing and the Board of Pharmacy. At this time, the Board is unsure how much new money may be needed. The Subcommittee has told the Board to work with the Division of Informations Systems and Communications to get an estimate of additional funds that may be necessary and to come back to the Legislature with that information for consideration in the Omnibus Bill.

An analysis of the Board's fee fund, as adjusted by the Subcommittee, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 414,642	\$ 435,504	\$ 463,998
Net Receipts	407,690	548,319	731,490
Total Funds Available	\$ 822,332	\$ 983,823	\$ 1,195,488
Less: Nonreportable Expenditures	1,678	--	--
Less: Expenditures	385,150	519,825	699,733
Ending Balance	<u>\$ 435,504</u>	<u>\$ 463,998</u>	<u>\$ 495,755</u>

105.87

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology

Bill No. 2801

Bill Sec. NA

Analyst: Rothe

Analysis Pg. No. 37

Budget Pg. No. 1-189

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 246,113	\$ 244,564	\$ 857
FTE Positions	8.0	8.0	--

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendation.

149.86

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology

Bill No. 2717

Bill Sec. 8

Analyst: Rothe

Analysis Pg. No. 37

Budget Pg. No. 1-189

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,611	\$ 260,430	\$ 400
FTE Positions	--	8.0	--

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

1. Add \$400 to restore the employer contribution rate for KPERS to 4.3 percent.

The fee fund analysis, based on the Senate Subcommittee's adjustments for FY 1987, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 36,642	\$ 67,510	\$ 101,391
Net Receipts	<u>277,389</u>	<u>279,302</u>	<u>281,262</u>
Total Funds Available	\$ 314,031	\$ 346,812	\$ 382,653
Less: Expenditures	<u>246,521</u>	<u>245,421</u>	<u>260,830</u>
Ending Balance	<u>\$ 67,510</u>	<u>\$ 101,391</u>	<u>\$ 121,823</u>

**SUBCOMMITTEE REPORT**

**Agency:** Dept. of Credit Unions      **Bill No. --**      **Bill Sec. --**  
**Analyst:** Howard      **Analysis Pg. No. 40**      **Budget Pg. No. 1-103**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 333,107	\$ 331,229	\$ (3,715)
FTE Positions	9.0	9.0	--

House Subcommittee Recommendation

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

1. Delete \$3,715 in salaries and wages to reflect anticipated savings due to the vacancy in the administrator's position due to the recent death of the former administrator. It is anticipated that the position will remain empty for at least six weeks.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>
Beginning Balance	\$ 182,565	\$ 213,770
Net Receipts	344,656	316,966
Total Funds Available	\$ 527,221	\$ 530,736
Less: Expenditures	313,451	327,514
Ending Balance	<u>\$ 213,770</u>	<u>\$ 203,222</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

159.86



**SUBCOMMITTEE REPORT**

Agency: Dept. of Credit Unions      Bill No. 2717      Bill Sec. 9  
 Analyst: Howard      Analysis Pg. No. 40      Budget Pg. No. 1-103

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 343,066	\$ 334,618	\$ --
FTE Positions	9.0	9.0	--

House Subcommittee Recommendation

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

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 182,565	\$ 213,770	\$ 203,222
Net Receipts	344,656	316,966	316,000
Total Funds Available	\$ 527,221	\$ 530,736	\$ 519,222
Less: Expenditures	313,451	327,514	334,618
Ending Balance	<u>\$ 213,770</u>	<u>\$ 203,222</u>	<u>\$ 184,604</u>

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee with the following adjustment:

1. Increase the expenditure authority by \$3,244 for the purchase of partitions for office space in the Santa Fe Building.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 3,244	\$ 337,862	\$ 5,511
State General Fund	--	--	--
FTE Positions	--	9.0	--

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

1. Add \$724 to restore a 4.3 percentage rate for KPERS.
2. Add \$4,787 in salaries and wages to increase the base salary of the Credit Union Administrator to \$34,000. This recommendation reflects the Subcommittee's intent that the salaries of the Credit Union Administrator, Savings and Loan Commissioner, and Consumer Credit Commissioner be increased and standardized at \$34,000

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 182,565	\$ 213,770	\$ 203,222
Net Receipts	344,656	316,966	316,000
Total Funds Available	\$ 527,221	\$ 530,736	\$ 519,222
Less: Expenditures	313,451	327,514	343,373
Ending Balance	<u>\$ 213,770</u>	<u>\$ 203,222</u>	<u>\$ 175,849</u>

159.87

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board

Bill No. 2717

Bill Sec. 10

Analyst: Hunn

Analysis Pg. No. 42

Budget Pg. No. 1-191

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 113,475	\$ 109,556	\$ (4,833)
FTE Positions	1.5	1.5	--

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (4,833)	\$ 104,723	\$ 4,228
FTE Positions	--	1.5	--

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

1. Addition of \$2,700 in FY 1986 and \$4,170 in FY 1987 for investigative services, to restore the amounts requested by the Board. The Subcommittee notes that these expenditures have been cyclical in the past, but that the Board has experienced increased investigative expenses recently which are expected to continue into FY 1987.
2. Addition of \$58 to reflect a 4.3 percent employer contribution to KPERS.

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 152,627	\$ 158,755	\$ 154,342
Net Receipts	<u>104,647</u>	<u>101,080</u>	<u>101,480</u>
Total Funds Available	\$ 257,274	\$ 259,835	\$ 255,822
Less: Expenditures	<u>98,519</u>	<u>105,493</u>	<u>108,951</u>
Ending Balance	<u>\$ 158,755</u>	<u>\$ 154,342</u>	<u>\$ 146,871</u>

167.87

**SUBCOMMITTEE REPORT**

**Agency: Board of Mortuary Arts**

**Bill No. 2717**

**Bill Sec. 11**

**Analyst: Holt**

**Analysis Pg. No. 45**

**Budget Pg. No. 1-197**

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

House Subcommittee Recommendation

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

Senate Subcommittee Recommendation

FY 1986. The Senate Subcommittee concurs with the recommendation of the House with the following adjustments, the effect of which would be to increase the agency's expenditure limitation to \$97,213.

1. Add \$1,500 to finance the salary expenditures associated with the retirement of an Inspector-Investigator.
2. Add \$290 to pay for a parking stall for a state car used by the new Inspector-Investigator who, unlike his predecessor, operates out of the agency's office in Topeka and therefore needs access to parking.

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (1,056)	\$ 97,889	\$ 158
State General Fund	--	--	--
TOTAL	<u>\$ (1,056)</u>	<u>\$ 97,889</u>	<u>\$ 158</u>
FTE Positions	--	3.0	--

FY 1987. The Senate Subcommittee concurs with the recommendation of the House with the following adjustments:

1. Add \$158 to restore the contribution rate for KPERs to 4.3 percent.
2. The fee fund analysis below reflects House adjustments to expenditures in FY 1987 and recommended Senate Subcommittee adjustments to expenditures in FY 1986 and FY 1987:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 31,642	\$ 38,130	\$ 32,983
Net Receipts	96,054	92,066	96,418
Total Funds Available	<u>\$ 127,696</u>	<u>\$ 130,196</u>	<u>\$ 129,401</u>
Less: Expenditures (including refunds)	89,566	97,213	98,047
Ending Balance	<u>\$ 38,130</u>	<u>\$ 32,983</u>	<u>\$ 31,354</u>

**SUBCOMMITTEE REPORT**

**Agency: Board of Examiners for  
Hearing Aids**

**Bill No. 2717**

**Bill Sec. 12**

**Analyst: Rampey**

**Analysis Pg. No.**

**Budget Pg. No. 1-195**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 10,410	\$ 9,948	\$ --
FTE Positions	--	--	--

House Subcommittee Recommendation

FY 1986. The Subcommittee concurs with the agency estimate and Governor's recommendation of \$8,910, which is the amount approved by the 1985 Legislature.

FY 1987. The Subcommittee concurs with the Governor's recommendation of \$9,948.

An analysis of the agency's fee fund reflecting the Subcommittee's recommendation is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 30,904	\$ 29,580	\$ 24,970
Net Receipts	4,964	4,300	4,300
Total Funds Available	\$ 35,868	\$ 33,880	\$ 29,270
Less: Expenditures	6,288	8,910	9,948
Ending Balance	\$ 29,580	\$ 24,970	\$ 19,322

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole

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



Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

266.87

SUBCOMMITTEE REPORT

Agency: Consumer Credit Commissioner

Bill No. 2717

Bill Sec. 13

Analyst: Rothe

Analysis Pg. No. 49

Budget Pg. No. 1-87

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

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

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

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

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,081	\$ 284,052	\$ 5,596
FTE Positions	--	8.0	--

The Senate Subcommittee concurs with the Houses' recommendation with the following exceptions:

1. Add \$493 to restore the employer contribution rate for KPERS to 4.3 percent.
2. Add \$5,103 to increase the salary of the Commissioner. The recommendation would result in a base salary increase from \$29,724 to \$34,000. The addition would also provide \$487 for KPERS for four months for the Commissioner who is eligible to join KPERS on February 18, 1987.
3. The Subcommittee discovered that due to an agency error, the requested fee fund balances for fiscal years 1986 and 1987 are erroneously high. The Subcommittee notes that while the corrected balances are adequate, the agency may wish to reconsider its intent to reduce license fees from \$150 to \$100 for FY 1987.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 256,278	\$ 292,396	\$ 239,692
Net Receipts	329,345	298,113	229,413
Total Funds Available	\$ 585,623	\$ 590,509	\$ 469,105
Less: Expenditures	293,227	350,817	354,648
Ending Balance	<u>\$ 292,396</u>	<u>\$ 239,692</u>	<u>\$ 114,457</u>

454.87

SUBCOMMITTEE REPORT

Agency: Board of Nursing

Bill No. 2717

Bill Sec. 14

Analyst: Howard

Analysis Pg. No. 52

Budget Pg. No. 1-199

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 480,562	\$ 445,852	\$ --
FTE Positions	11.0	11.0	--

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee with the following adjustment:

1. Increase the expenditure limitation by \$14,985 to finance partitions for the agency's office space in the Santa Fe Building. This shifts funding for the partitions from the Property Contingency Fund to the agency's fee fund.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 14,985	\$ 460,837	\$ 682
State General Fund	--	--	--
FTE Positions	--	11.0	--

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

1. Add \$682 to reflect a 4.3 percentage rate for KPERS.
2. The Subcommittee recommends that legislation be introduced to provide the Board authority to collect fees for workshops and/or educational conferences and to set up a permanent Education Conference fund for the deposit of such funds. Currently the Board relies on other providers to conduct such workshops; this legislation would provide a mechanism for the Board of Nursing to defray the cost of offering educational conferences through fee collection from participants.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 95,891	\$ 185,562	\$ 224,211
Net Receipts	451,357	489,720	433,884
Total Funds Available	\$ 547,248	\$ 675,282	\$ 658,095
Less: Expenditures	361,686	451,071	461,519
Ending Balance	<u>\$ 185,562</u>	<u>\$ 224,211</u>	<u>\$ 196,576</u>

482.87

**SUBCOMMITTEE REPORT**

Agency: Board of Examiners in Optometry    Bill No. 2717    Bill Sec. 15  
 Analyst: Howard    Analysis Pg. No. 56    Budget Pg. No. 1-201

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 20,751	\$ 20,437	--
FTE Positions	.3	.3	--

House Subcommittee Recommendations

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

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

1. The Subcommittee has reviewed a report submitted by the Board concerning the number of complaints it has received in FY 1985 and FY 1986 (to date), the origin and the status. The Subcommittee wishes to note that although hearing fees have been low in the current fiscal year, the requested expenditure authority of \$7,000 should not be reduced because of the difficulty in predicting the number or expense of future complaints. We suggest that future subcommittees monitor these complaints to determine any change in the filing trend.
  
2. The Subcommittee notes that the agency's ending balance for FY 1985 totals \$47,919. The estimated ending balance for FY 1986 totals \$50,130 and for FY 1987 totals \$46,013. The Subcommittee believes these balances are unjustifiably high in light of estimated operating expenditures. The Governor's recommendation for FY 1987 reduces fees for and renewal of licenses from \$60 to \$50. However, the projected revenue for FY 1987 would still exceed expenditures if a large majority of the \$7,000 budgeted for hearing costs is not utilized. The balance would then actually show a net increase in FY 1987 notwithstanding the higher fees. This subcommittee recommends that the agency set its fees at a level designed to generate operating revenue at an amount equal to the estimated expenditures less any amounts budgeted for hearings. As a result the balance would begin to decline each year by an amount equal to the difference between the amount budgeted for hearing costs and the amount actually expended.

3. The Subcommittee wishes to note the reduction in communications costs in FY 1987, \$150 lower than FY 1986. The reduction reflects the recommendation by this subcommittee in 1985 that the agency mail rules and roster booklets only every other year to existing members upon the printing of the new booklet.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 36,306	\$ 47,919	\$ 50,130
Net Receipts	24,180	23,692	16,320
Total Funds Available	\$ 60,486	\$ 71,611	\$ 66,450
Less: Expenditures	12,567	21,481	20,437
Ending Balance	<u>\$ 47,919</u>	<u>\$ 50,130</u>	<u>\$ 46,013</u>

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 20,437	\$ --
State General Fund	--	--	--
FTE Positions	--	.3	--

The Senate Subcommittee concurs with the recommendations of the House.

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



<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 36,306	\$ 47,919	\$ 50,130
Net Receipts	24,180	23,692	16,320
Total Funds Available	\$ 60,486	\$ 71,611	\$ 66,450
Less: Expenditures	12,567	21,481	20,437
Ending Balance	<u>\$ 47,919</u>	<u>\$ 50,130</u>	<u>\$ 46,013</u>

488.87

**SUBCOMMITTEE REPORT**

**Agency: Board of Pharmacy**

**Bill No. 2717**

**Bill Sec. 16**

**Analyst: West**

**Analysis Pg. No. 59**

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

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

House Subcommittee Recommendations

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

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

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

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

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

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

House Committee Recommendation

The Committee concurs with the budget as submitted by the Subcommittee, with the following adjustment:

1. Add \$3,645 for the purchase of partitions for the Board's office at the Santa Fe Building.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 269,591	\$ 4,000
State General Fund	--	--	--
FTE Positions	--	6.0	--

FY 1986. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. The Subcommittee received an appeal from the Board for a supplemental appropriation of \$7,000 for attorney fees due to an increase in the number of hours being billed by the Board's contractual attorney. The Subcommittee recommends an increase of \$3,500 for attorney fees and further recommends that the Board review the role and use of the current attorney and report back to the Committee for consideration of any required adjustments prior to the end of the fiscal year.
2. Add \$500 for KANS-A-N based on the Board's communication expenditures to date.
3. Amend H.B. 2801 -- 1986 Supplementals, to provide for an expenditure limitation increase for the Board of Pharmacy from \$271,747 to \$273,591 in light of the previous recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 5,103	\$ 265,433	\$ 891
State General Fund	--	--	--
FTE Positions	--	6.0	--

FY 1987. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. Add \$391 to reflect a 4.3 percentage rate for KPERS.
2. Add \$500 for KANS-A-N expenditures.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 89,949	\$ 147,231	\$ 121,741
Net Receipts	<u>271,943</u>	<u>248,101</u>	<u>249,713</u>
Total Funds Available	\$ 361,892	\$ 395,332	\$ 371,454
Less: Expenditures	<u>214,661</u>	<u>273,591</u>	<u>266,324</u>
Ending Balance	<u>\$ 147,231</u>	<u>\$ 121,741</u>	<u>\$ 105,130</u>

531.87

**SUBCOMMITTEE REPORT**

**Agency:** Real Estate Commission

**Bill No.** 2717

**Bill Sec.** 17

**Analyst:** Hunn

**Analysis Pg. No.**

**Budget Pg. No.** 1-205

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 446,539	\$ 400,324	\$ 19,022
FTE Positions	13.0	12.0	--

Agency Request/Governor's Recommendation

The Commission requests expenditures of \$446,539 in FY 1987. Included in the request are two new positions -- a Special Investigator III to conduct specialized investigations of real estate transaction complaints and a Secretary II. The Commission also requests that four clerical and one administrative position be reclassified.

The Governor recommends expenditures of \$400,324 in FY 1987, a reduction of \$46,215 from the Commission's request. The Governor's recommendation includes funding for the Special Investigator position, but deletes the requested reclassifications and additional secretarial position. Reductions were also made in the areas of rents, travel, and professional services.

House Subcommittee Recommendation

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

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

1. The Subcommittee recommends \$7,541 for reclassifications requested by the Commission. These reclassifications have already been approved by the Division of Personnel. The duties of the Commission's clerical staff have changed significantly as a result of a new computerized data system and the reclassifications are recommended to reflect those changes.
2. The Subcommittee recommends the addition of a Secretary II position as requested, and the deletion of a Clerk Steno II position that is currently vacant. The net addition for the Secretary II position is \$3,106.

3. The Subcommittee recommends the addition of \$3,775 to upgrade the unclassified Director's salary to a level comparable to other fee agencies with similar-size budgets and responsibilities. The addition would upgrade the base salary from the current \$26,328 to \$29,700 and increase fringe benefit costs accordingly.
  
4. The Subcommittee recommends the addition of \$4,600 for travel. The Commission anticipates increased travel expenditures for investigations and travel expenditures for the first six months of FY 1986 indicate a higher level of travel than recommended by the Governor. The Subcommittee notes that the Commission's staff does significant amounts of traveling and recommends the Commission investigate the possibility of getting a motor pool vehicle assigned specifically to the Commission.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 24,693	\$ 53,986	\$ 122,231
Net Receipts	<u>288,855</u>	<u>429,088</u>	<u>400,700</u>
Total Funds Available	\$ 313,548	\$ 483,074	\$ 522,931
Less: Expenditures	<u>259,562</u>	<u>360,843</u>	<u>419,346</u>
Ending Balance	<u>\$ 53,986</u>	<u>\$ 122,231</u>	<u>\$ 103,585</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 19,022	\$ 419,346	\$ 3,164
FTE Positions	--	12.0	--

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

1. Addition of \$2,566 including fringe benefits to upgrade the Executive Director's base salary from the \$29,700 recommended by the House to \$31,992, as requested by the Commission. The Subcommittee notes the increase would bring the director's salary more in line with salaries paid to real estate agency directors in other states and with fee agencies of similar size in Kansas.
2. Addition of \$598 to provide a 4.3 percent employer's contribution to KPERS.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 24,693	\$ 53,986	\$ 122,231
Net Receipts	288,855	429,088	400,700
Total Funds Available	\$ 313,548	\$ 483,074	\$ 522,931
Less: Expenditures	259,562	360,843	422,510
Ending Balance	<u>\$ 53,986</u>	<u>\$ 122,231</u>	<u>\$ 100,421</u>

549.87

SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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



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

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

House Committee Recommendation

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

1. Add \$2,916 in expenditure authority for the cost of partitions in the Santa Fe Building.
2. Add \$11,607 in expenditure authority to increase the salary of the Commissioner to the same level as the Bank Commissioner and Securities Commissioner to achieve parity among the financial fee agencies.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 14,523	\$ 199,515	\$ (7,290)
State General Fund	--	--	--
FTE Positions	--	5.5	--

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

1. Add \$362 to restore a 4.3 percentage rate for KPERS.

2. Delete \$7,652 from salaries and wages to reflect a salary level of \$34,000 for the Commissioner. The Subcommittee does not concur with the recommendation of the House to increase the salary level to that of the Bank Commissioner. Instead the Subcommittee recommends an increase to \$34,000 for the Savings and Loan Administrator, Credit Union Commissioner, and Consumer Credit Commissioner.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 103,778	\$ 158,619	\$ 164,776
Net Receipts	199,336	187,769	174,904
Total Funds Available	\$ 303,114	\$ 346,388	\$ 339,680
Less: Expenditures	144,495	181,612	192,225
Ending Balance	\$ 158,619	\$ 164,776	\$ 147,455

597.87

SUBCOMMITTEE REPORT

Agency: Office of Securities  
Commissioner

Bill No. 2717

Bill Sec. 19

Analyst: Howard

Analysis Pg. No. 70

Budget Pg. No. 1-169

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 952,564	\$ 791,806	\$ --
FTE Positions	22.0	19.0	--

House Subcommittee Recommendation

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

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

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 500,993	\$ 500,000	\$ 500,000
Net Receipts	<u>737,792</u>	<u>811,300</u>	<u>863,800</u>
Total Funds Available	\$ 1,238,785	\$ 1,311,300	\$ 1,363,800
Less: Expenditures	691,864	769,267	791,806
Transfer to State General Fund	<u>46,921</u>	<u>42,033</u>	<u>71,994</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 791,806	\$ 765
State General Fund	--	--	--
FTE Positions	--	19.0	--

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

1. Add \$630 to restore a 4.3 percentage rate for KPERS.
2. Add \$135 to the Commissioner's salary to establish a base salary of \$43,000 for the Securities Commissioner. This recommendation reflects the Subcommittee's intent to standardize and equalize the salaries of the Bank Commissioner and Securities Commissioner at \$43,000.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 500,993	\$ 500,000	\$ 500,000
Net Receipts	737,792	811,300	863,800
Total Funds Available	\$ 1,238,785	\$ 1,311,300	\$ 1,363,800
Less: Expenditures	691,864	769,267	792,571
Transfer to State General Fund	46,921	42,033	70,229
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

625.87

**SUBCOMMITTEE REPORT**

**Agency:** Board of Technical Professions      **Bill No.** 2717      **Bill Sec.** 20  
**Analyst:** Holt      **Analysis Pg. No.** 77      **Budget Pg. No.** 1-207

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

House Subcommittee Recommendations

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

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

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

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

House Committee Recommendation

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

Senate Subcommittee Recommendation

FY 1986. The Senate Subcommittee concurs with the recommendation of the House.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (8,759)	\$ 223,733	\$ (403)
State General Fund	--	--	--
TOTAL	<u>\$ (8,759)</u>	<u>\$ 223,733</u>	<u>\$ (403)</u>
FTE Positions	--	4.0	--

FY 1987. The Senate Subcommittee concurs with the recommendation of the House with the following adjustments:

1. Add \$197 to restore the contribution rate for KPERS to 4.3 percent.
2. Reduce \$600 for travel expenditures which appear to be overstated.
3. The fee fund analysis below reflects House adjustments and recommended Senate Subcommittee adjustments to expenditures in FY 1987:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 267,238	\$ 274,965	\$ 267,654
Net Receipts	188,672	182,313	208,927
Total Funds Available	\$ 455,910	\$ 457,278	\$ 476,581
Less: Expenditures (including refunds)	180,945	189,624	223,330
Ending Balance	<u>\$ 274,965</u>	<u>\$ 267,654</u>	<u>\$ 253,251</u>

663.87

**SUBCOMMITTEE REPORT**

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

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

Agency Request/Governor's Recommendations

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

House Subcommittee Recommendation

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

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,000	\$ 49,531	\$ 36
FTE Positions	--	0.8	--



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

1. Addition of \$36 to reflect a 4.3 percent employers contribution to KPERS.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 44,542	\$ 79,057	82,192
Net Receipts	<u>69,796</u>	<u>46,800</u>	<u>53,800</u>
Total Funds Available	\$ 114,338	\$ 125,857	\$ 135,992
Less: Expenditures	<u>35,281</u>	<u>43,665</u>	<u>49,567</u>
Ending Balance	<u>\$ 79,057</u>	<u>\$ 82,192</u>	<u>\$ 86,425</u>


700.87


HOUSE BILL NO. 2801 -- SUPPLEMENTAL APPROPRIATIONS BILL

Sec. 14 -- Kansas Highway Patrol

HOUSE BILL NO. 2758 -- FY 1987 APPROPRIATIONS BILL

Sec. 2 -- Kansas Highway Patrol

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

  
\_\_\_\_\_  
Senator August Bogina

  
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Senator Robert Talkington

  
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Senator Frank Gaines

**SUBCOMMITTEE REPORT**

**Agency: Highway Patrol**

**Bill No. 2801**

**Bill Sec. NA**

**Analyst: Rothe**

**Analysis Pg. No. 101**

**Budget Pg. No. 4-45**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$22,076,105	\$21,609,524	\$ (22,166)
Aid to Local Units	214,000	214,000	--
Subtotal Operating	<u>\$22,290,105</u>	<u>\$21,823,524</u>	<u>\$ (22,166)</u>
Capital Improvements	31,077	31,077	--
TOTAL	<u><u>\$22,321,182</u></u>	<u><u>\$21,854,601</u></u>	<u><u>\$ (22,166)</u></u>
<b>State General Fund:</b>			
State Operations	\$19,247,001	\$18,908,385	\$ (22,166)
Aid to Local Units	214,000	214,000	--
Subtotal Operating	<u>\$19,461,001</u>	<u>\$19,122,385</u>	<u>\$ (22,166)</u>
Capital Improvements	31,077	31,077	--
TOTAL	<u><u>\$19,492,078</u></u>	<u><u>\$19,153,462</u></u>	<u><u>\$ (22,166)</u></u>
<b>FTE Positions:</b>			
Uniformed Trooper	414.0	414.0	--
Capitol Area Security	65.5	65.5	--
All Other	117.0	117.0	--
TOTAL	<u><u>596.5</u></u>	<u><u>596.5</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

The agency's revised FY 1986 request for operating expenditures exceeds by \$241,554 the level of spending approved by the 1985 Legislature. The increase is due entirely to supplemental salary and fringe benefit requests.

The Governor's recommendation of \$21,823,524 in FY 1986 operating expenditures is a reduction of \$466,581 from the agency's revised estimate. The recommendation includes \$188,527 of the supplemental requests. However, the Governor recommends reductions in other expenditures which more than offset these increases. Reductions by program include \$59,376 from Capitol Area Security, \$8,023 from Emergency Medical Services, \$337,871 from the Highway Patrol program, and \$61,311 from the Turnpike Patrol. Reductions by object include \$151,902 from salaries, \$132,348 from vehicle supplies, \$48,275 from communications, \$45,908 from rents, and \$88,148 from other objects.

House Subcommittee Recommendations

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

1. Add \$2,000 for data processing equipment for the KHP-Operations program inventory system.
2. Add \$9,170 for EMS data processing needs based on expenditures to date. Before the EMS Division transferred to KHP, its data processing services were handled by the Department of Health and Environment. Actual costs were not known by the Division.
3. Add \$2,350 for EMS remodeling costs. Remodeling work was initiated in FY 1985, was approved by Architectural Services in September, 1985, and was billed in FY 1986. Remodeling costs were not anticipated by EMS for FY 1986 and funds were not encumbered from FY 1985 for this purpose.
4. Delete \$35,686 in gasoline expenditures from the KHP-Operations program. The recommendation is based upon a reduction in gasoline prices from \$1.08 per gallon to \$.98 per gallon for the final six months of FY 1986.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Total FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (22,166)	\$21,587,358	\$ 117,183
Aid to Local Units	--	214,000	--
Subtotal - Operating	\$ (22,166)	\$21,801,358	\$ 117,183
Capital Improvements	--	31,077	--
TOTAL	\$ (22,166)	\$21,832,435	\$ 117,183
<b>State General Fund:</b>			
State Operations	\$ (22,166)	\$18,886,219	\$ 117,183
Aid to Local Units	--	214,000	--
Subtotal - Operating	\$ (22,166)	\$19,100,219	\$ 117,183
Capital Improvements	--	31,077	--
TOTAL	\$ (22,166)	\$19,131,296	\$ 117,183
<b>FTE Positions:</b>			
Uniformed Trooper	--	414.0	--
Capitol Area Security	--	65.5	--
All Other	--	117.0	--
TOTAL	--	596.5	--

The Senate Subcommittee concurs with the recommendations of the House for FY 1986 with the following adjustments:

1. The Subcommittee recommends a technical adjustment to the agency's appropriations bill to accurately reflect the House's recommendations. The adjustment involves increasing the operating expenditure reappropriation by \$33,686 to a total of \$147,023.
2. Add \$117,183 from the State General Fund to salaries and wages for separations pay in the KHP -- Operations program. Lapse \$117,183 from State General Fund operating expenditure reappropriations.

**SUBCOMMITTEE REPORT**

Agency: Highway Patrol

Bill No. 2758

Bill Sec. 3

Analyst: Rothe

Analysis Pg. No. 101

Budget Pg. No. 4-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$23,604,474	\$21,493,721	\$ (127,076)
Aid to Local Units	574,000	154,000	60,000
Subtotal Operating	<u>\$24,178,474</u>	<u>\$21,647,721</u>	<u>\$ (67,076)</u>
Capital Improvements	264,300	--	--
TOTAL	<u><u>\$24,442,774</u></u>	<u><u>\$21,647,721</u></u>	<u><u>\$ (67,076)</u></u>
<b>State General Fund:</b>			
State Operations	\$20,602,146	\$18,615,123	\$ (135,676)
Aid to Local Units	574,000	154,000	60,000
Subtotal Operating	<u>\$21,176,146</u>	<u>\$18,769,123</u>	<u>\$ (75,676)</u>
Capital Improvements	264,300	--	--
TOTAL	<u><u>\$21,440,446</u></u>	<u><u>\$18,769,123</u></u>	<u><u>\$ (75,676)</u></u>
<b>FTE Positions:</b>			
Uniformed Trooper	423.0	418.0	1.0
Capitol Area Security	66.5	65.5	--
All Other	<u>123.0</u>	<u>118.0</u>	<u>--</u>
TOTAL	<u><u>612.5</u></u>	<u><u>601.5</u></u>	<u><u>1.0</u></u>

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$24,178,474, an increase of \$1,888,369 (8.5 percent) over the revised FY 1986 estimate. Of the increase, \$985,566 is attributed to salaries and wages, \$360,000 to State Aid to Local Units (Emergency Medical Services), \$329,386 to capital outlay, and \$213,417 to other operating expenditures. The requested increase includes \$353,961 in salaries and \$162,777 in supplies for 16 new positions, \$41,471 for overtime pay for Troopers, and \$617,150 for Emergency Medical Services (EMS) initiatives.

The Governor recommends \$21,647,721 of operating expenditures for FY 1987, a reduction of \$2,530,753 from the agency's request. The recommendation includes \$18,769,123 from the State General Fund, a reduction of \$2,407,023, and \$2,878,598 from special revenue funds, a \$123,730 reduction. Of the reductions, \$944,036 is attributable to salaries and wages, \$734,084 to capital outlay, \$420,000 to State Aid to Local Units, \$119,105 to motor vehicle parts and supplies, and \$313,528 to all other. The recommendation includes five new positions, no overtime pay for Troopers, and no funds for requested EMS initiatives.

House Subcommittee Recommendations

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

1. Add \$44,303 for 1.0 FTE additional Trooper for the KHP-Operations program. The recommendation includes \$25,463 for salaries and wages, and \$18,840 for supplies.
2. Add \$21,299 for body armor in the KHP-Operations program. The recommendation would provide for 39 new vests and for the refurbishment of 156 vests on hand.
3. Add \$8,600 (\$6,880 from federal funds, \$1,720 from Motor Carrier Safety Assistance Program funds) for computer software and equipment. The recommendation would allow the MCSAP program to access "Safety Net," an interactive data base for the national MCSAP office in Washington, D.C.
4. Add \$2,000 to replace redundant storage of data and manual filing procedures with automated files in the Notices to Appear System (KHP-Data Processing program).
5. Add \$7,400 for EMS data processing needs.
6. Add \$60,000 from State Aid to Local Units funding for the purchase of EMS training equipment.
7. Delete \$142,748 from gasoline costs in the KHP-Operations program. The recommendation is based upon a reduction in gasoline prices from \$1.04 per gallon to \$.84 per gallon. The Committee further recommends the approval by the Joint Committee on State Building Construction of two bulk fuel tanks requested by KHP for western Kansas (Hays and Garden City). The Subcommittee notes that KHP has agreed to share usage of the gasoline tanks with the Kansas Department of Transportation, the Park and Resources Authority, and the Kansas Fish and Game Commission.
8. Delete \$10,600 from the KHP-Operations program for 50 Rueger rifles.
9. Delete \$57,330 from the amount requested for new automobile purchases. The recommendation is based on the elimination of five of the 102-requested new replacement automobiles.
10. The Subcommittee has reviewed the "KHP Manpower Allocation Model for Field Trooper Positions" resulting from a November, 1985, Legislative Division of Post Audit report. The Subcommittee recommends that the Model be studied by the appropriate committee during the 1986 Legislative Session, or be assigned as a 1986 interim study.

11. The Subcommittee concurs with the Governor's recommendation to eliminate \$24,930 requested for the Time and Activity Reporting System in the KHP-Data Processing program. In lieu of providing additional mainframe time and disk storage, the Subcommittee recommends that the agency investigate the more efficient and less costly use of IBM minicomputer programs (IBM 36 system) now available and adaptable to handle Time and Activity Reports and expense reports. The Subcommittee notes that the use of the minicomputer programs would provide both timely and accurate management reports for use by supervisors and management personnel.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (127,076)	\$21,366,645	\$ 103,756
Aid to Local Units	60,000	214,000	40,000
Subtotal - Operating	\$ (67,076)	\$21,580,645	\$ 143,756
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$ (67,076)</b>	<b>\$21,580,645</b>	<b>\$ 143,756</b>
<b>State General Fund:</b>			
State Operations	\$ (135,767)	\$18,479,447	\$ 101,755
Aid to Local Units	60,000	214,000	40,000
Subtotal - Operating	\$ (75,676)	\$18,693,447	\$ 141,755
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$ (75,676)</b>	<b>\$18,693,447</b>	<b>\$ 141,755</b>
<b>FTE Positions:</b>			
Uniformed Trooper	1.0	419.0	2.0
Capitol Area Security	--	65.5	--
All Other	--	118.0	--
<b>TOTAL</b>	<b>1.0</b>	<b>602.5</b>	<b>2.0</b>

The Senate Subcommittee concurs with the recommendations of the House for FY 1987 with the following exceptions:



1. Add \$9,514 to restore the employer contribution rate for KPERS to 4.3 percent.
2. Add \$10,600 to the KHP -- Operations program for 50 Rueger rifles deleted by the House.
3. Add \$57,330 to the KHP -- Operations program for five vehicle replacements deleted by the House.
4. Add \$88,606 for 2.0 FTE additional Troopers for the KHP -- Operations program. The recommendation includes \$51,426 for salaries and wages, and \$37,180 for supplies.
5. Add \$16,683 for reallocations in the KHP -- Operations program. The recommendation includes \$7,045 to reallocate an Administrative Officer I to an Administrative Officer III, and \$9,638 to reallocate ten Communication Operators I to Communication Operators II. The Subcommittee also recognizes the need for clerical salary adjustments but defers further action until completion of the Secretarial/Clerical Study by the Division of Personnel Services.
6. Add \$100,000 from State Aid to Local Units to begin expansion of the EMS communications system. The recommendation would provide for the development of a prioritized area of the state to be chosen by EMS.
7. Delete \$60,000 from State Aid to Local Units for the purchase of EMS training equipment.
8. Delete \$64,237 from gasoline costs in the KHP -- Operations program. The reduction is based upon a reduction in gasoline prices to \$.75 per gallon.
9. Delete \$14,740 from the State General Fund in data processing services due to lower than expected charges for users of DISC computer services. The recommendation is based on a systemwide recommendation by the House Ways and Means Committee.
10. The Subcommittee defers a recommendation on the agency's capital improvement request until addressed by the Joint Committee on State Building Construction.
11. The Subcommittee reviewed the agency's request to provide a two-range salary spread between all ranks within the KHP career ladder. The request includes \$90,267 for a one-step (2.5 percent) pay increase, or \$178,149 for a two-step (5 percent) pay increase, for classified ranks above Troopers. The Subcommittee recommends that the request be addressed in the Omnibus bill.

SENATE SUBCOMMITTEE REPORT

House Bill No. 2759

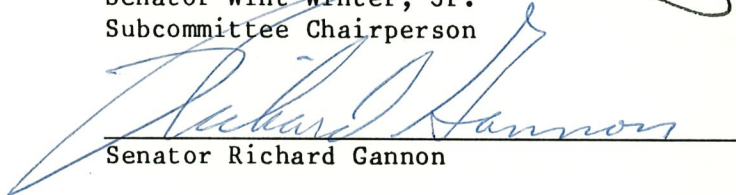
- Sec. 2 -- Youth Center at Topeka
- Sec. 3 -- Youth Center at Beloit
- Sec. 4 -- Youth Center at Atchison
- Sec. 5 -- Kansas Neurological Institute
- Sec. 6 -- Larned State Hospital
- Sec. 7 -- Osawatomie State Hospital
- Sec. 8 -- Rainbow Mental Health Facility
- Sec. 9 -- Parsons State Hospital and Training Center
- Sec. 10 -- Norton State Hospital
- Sec. 11 -- Topeka State Hospital
- Sec. 12 -- Winfield State Hospital and Training Center

House Bill No. 2801

- Sec. 10 -- Kansas Neurological Institute
- Sec. 11 -- Osawatomie State Hospital
- Sec. 12 -- Parsons State Hospital and Training Center
- Sec. 13 -- Norton State Hospital



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Richard Gannon

SENATE SUBCOMMITTEE SYSTEMWIDE RECOMMENDATIONS  
MENTAL HEALTH AND MENTAL RETARDATION INSTITUTIONS

1. The Subcommittee reviewed the FY 1987 fee fund ending balances included in the Governor's recommendations. The recommended balances would be equivalent to an estimated one week of receipts, compared to a one month's balance typically budgeted by the Legislature in past years. The Subcommittee believes it is impossible to predict fee fund receipts at this level of accuracy, and notes the potential for funding shortfalls under the Governor's recommendations. The Subcommittee recommends shifts be made from fee fund financing to State General Fund financing in each institution's budget to provide a projected one month ending balance in each fee fund. The Subcommittee does not believe that attempts to minimize State General Fund usage justify imprudent budgetary practices, and recommends that SRS request a Governor's Budget Amendment on the fee funds.
2. The Subcommittee learned that the Governor's recommendations in various areas of the hospitals' budgets provide only minimal or no inflationary increases. In particular, it would appear that the utilities budgets, which at some institutions are left at FY 1985 actual expenditure levels, may be inadequate and would require a supplemental appropriation for FY 1987. While the Subcommittee is aware of the limited resources of the State General Fund, it does not believe that budgeting an agency so that supplemental funding requests are almost inevitable is reasonable.
3. The Subcommittee reviewed projected federal Title XIX receipts for the eight institutions. Revised projections indicate that Title XIX receipts may not be as great as projected in the Governor's budget recommendations. The Subcommittee notes that recent projections would leave an ending balance in the central Title XIX fund of approximately \$35,000, or only 0.1 percent of the fund's estimated total receipts. The Governor's budget projected an ending balance of \$792,433. The Subcommittee notes the potential for a shortfall in this fund in FY 1986 and recommends adjustments be made during the Omnibus Session if shortfalls are projected at that time.

The Subcommittee also reviewed projected Title XIX receipts for FY 1987 and notes a potential shortfall in FY 1987 also. In previous years, significant carryforward balances were projected for the Title XIX central fund and some balance was budgeted to allow for shortfalls in projections or audit adjustments. The Subcommittee recommends that Title XIX receipts be re-evaluated early in the 1987 Legislative Session and that the institutions' FY 1986 budget submissions reflect revised projections of Title XIX receipts for FY 1987.

4. The Subcommittee reviewed SRS long-range plans for the mental retardation institutions which provide for reducing institutional populations. The Subcommittee believes it is important for the Legislature to develop a long-range program regarding the institutions and that adoption of such a program should assist the state in future negotiations with the state and federal regulatory agencies. The Subcommittee recommends consideration of a plan that will allow reductions in institutional staffing through attrition as populations at those institutions are reduced. The

Subcommittee also recommends that SRS evaluate methods to reduce the number of buildings utilized at the state institutions to provide further cost savings.

5. The Subcommittee reviewed the costs of various types of service options for the mentally retarded. The Subcommittee notes that private ICF/MR facilities appear to be a cost-effective alternative and recommends that consideration be given to increasing reimbursement rates for private ICF/MRs to encourage development of more of these facilities to allow further reductions in institutional populations. Attachment 1 shows the daily costs for the various service alternatives.

D86-56

ATTACHMENT 1

STATE GENERAL FUND

INSTITUTION	ACTUAL FY 1985	COST PER DAY PER CLIENT	SENATE SUB FY 1986	COST PER DAY PER CLIENT	SENATE SUB FY 1987	COST PER DAY PER CLIENT
WINFIELD	\$8,766,541	\$48.9	\$9,449,506	\$52.7	\$10,027,326	\$56.0
KNI	7,339,597	\$51.6	9,263,851	\$65.1	8,900,108	\$62.5
PARSONS	4,967,482	\$47.8	6,236,159	\$59.9	5,926,972	\$57.0
NORTON	2,913,643	\$52.9	3,219,205	\$60.8	3,078,309	\$70.3
TOTAL-MR	\$23,987,263	\$49.6	\$28,168,721	\$58.9	\$27,932,715	\$59.6

ALL FUNDS

INSTITUTION	ACTUAL FY 1985	COST PER DAY PER CLIENT	SENATE SUB FY 1986	COST PER DAY PER CLIENT	SENATE SUB FY 1987	COST PER DAY PER CLIENT
WINFIELD	\$16,589,353	\$92.6	\$18,326,271	\$102.3	\$19,379,342	\$108.1
KNI	13,882,307	\$97.5	15,920,210	\$111.9	16,606,689	\$116.7
PARSONS	9,907,839	\$95.2	11,341,054	\$109.0	11,818,081	\$113.6
NORTON	5,709,739	\$103.6	6,183,602	\$116.8	6,184,064	\$141.2
TOTAL-MR	\$46,089,238	\$95.2	\$51,779,137	\$108.2	\$53,988,176	\$115.2

PRIVATE ICF/MRS

	COST PER DAY PER CLIENT	
	SGF	TOTAL
SMALL (15 BEDS OR LESS)		
ambulatory	\$26.84	\$53.67
non-ambulatory	\$34.00	\$68.00
LARGE (MORE THAN 15 BEDS)	\$22.67	\$45.33

SRS ESTIMATE OF COMMUNITY-  
BASED CARE (ADULT RESIDENTIAL  
AND DAY PROGRAM)

\$43.00

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SUBCOMMITTEE REPORT

Agency: Youth Center at Topeka      Bill No. 2759      Bill Sec. 2  
 Analyst: Rothe      Analysis Pg. No. 325      Budget Pg. No. 4-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,745,908	\$ 5,589,259	\$ 476,755
General Fee Fund	51,839	52,281	--
Federal Education Aid	145,585	124,775	--
Subtotal - Operating	<u>\$ 6,943,332</u>	<u>\$ 5,766,315</u>	<u>\$ 476,755</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 509,000	\$ 495,200	\$ --
TOTAL	<u>\$ 7,452,332</u>	<u>\$ 6,261,515</u>	<u>\$ 476,755</u>
FTE Positions	213.0	200.0	--

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$6,943,332, an increase of \$1,227,905 (or 21.5 percent) over the FY 1986 estimate of \$5,715,427. Of the increase, 62.7 percent is attributed to a proposed change in education funding, 32.2 percent to salaries and wages, and 7.4 percent to other operating expenditures. The request includes \$6,745,908 from the State General Fund.

The Governor recommends operating expenditures of \$5,766,315 for FY 1987, a reduction of \$1,177,017 from the agency's request. Most of the reduction is from education expenditures (\$680,823), salaries and wages (\$374,135), capital outlay (\$42,827), and utilities (\$29,188). The recommendation includes \$5,589,259 from the State General Fund.

House Subcommittee Recommendation

FY 1986. The Subcommittee recommends that \$60,000 from the State General Fund be reappropriated from FY 1986 to FY 1987 to reflect a reduction in utility expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$103,503.

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

1. Delete \$50,000 from the State General Fund in utility savings.

2. Add \$8,572 from the State General Fund for capital outlay costs. The recommendation includes \$1,800 for dictaphones, \$900 to replace school furnishings and equipment, \$5,572 to replace cottage furnishings and equipment, and \$300 for a sewing machine.
3. Pursuant to the attached page, add \$518,183 from the State General Fund for education costs. The Subcommittee further recommends that a bill be introduced to amend K.S.A. 72-978 to preclude distributions to school districts for services provided pursuant to a contract for special education services between a school district and a youth center under the control of the Commissioner of Youth Services of the Department of Social and Rehabilitation Services.
4. The Subcommittee recommends that any land owned by the agency and not used for institutional purposes be sold and that proceeds be deposited in the agency's General Fee Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

FY 1986. The Senate Subcommittee concurs with the House's recommendation for FY 1986 with the following adjustment:

1. Add \$35,000 for salaries and wages due to an unusually low turnover rate of 1.3 percent through February and to separation expenses of \$19,804. The Subcommittee recommends that the \$60,000 recommended by the House to be reappropriated to FY 1987 due to utility savings be reduced to \$25,000. The recommendation would result in a total reappropriation to FY 1987 of \$68,503.

FY 1987.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 476,755	\$ 6,066,014	\$ 47,377
General Fee Fund	--	52,281	--
Federal Education Aid	--	124,775	--
Subtotal - Operating	<u>\$ 476,755</u>	<u>\$ 6,243,070</u>	<u>\$ 47,377</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 495,200	\$ (495,200)
TOTAL	<u>\$ 476,755</u>	<u>\$ 6,738,270</u>	<u>\$ (447,823)</u>
FTE Positions	--	200.0	--

The Senate Subcommittee concurs with the House's recommendation for FY 1987 with the following adjustments:

1. Delete \$495,200 of State Institutions Building Funds. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to approve no capital improvement projects at the youth center for FY 1987.
2. Add \$47,377 from the State General Fund for education costs based on a categorical aid rate of \$12,496. The recommendation is keyed to the budget limitation of 2 to 4 percent as contained in S.B. 601 as amended by the House. The Subcommittee concurs with the House's recommendation that all education program funds be appropriated from the State General Fund directly to the youth centers. Currently, categorical aid funds are appropriated as State General Funds to the Kansas State Department of Education (KSDE) which distributes the funds to the school districts contracting with the youth centers. Further, the Subcommittee reminds the Conference Committee to make sure that a corresponding decrease is made in the FY 1987 State General Fund appropriation to KSDE.



YOUTH CENTER EDUCATION PROGRAM RECOMMENDATION -- FEBRUARY 26, 1986

The House Subcommittee notes that youth center education programs were originally funded totally through Social and Rehabilitation Services. With the revision of the state special education categorical aid program beginning in FY 1985, that program became an important component of funding for education services provided by the youth centers. Since 1978, the majority of the teachers in youth center education programs have been certified in special education and virtually all students entering the youth centers have been labeled special education Personal and Social Adjustment (PSA). Thus the programs that school districts have provided pursuant to the contracts with the youth centers have generated state special education categorical aid funds for such districts. This special education categorization has been possible because the state identification criteria for the PSA are more liberal than the federal identification criteria found in P.L. 94-142. On May 1, 1986, the state definition will change to one which is more structured and which has more restrictive identification criteria. Thus many of the youth center students will no longer meet criteria for identification as PSA students. Preliminary estimates indicate that 36 percent of the Youth Center at Atchison students, 24 percent at Beloit, and 61 percent at Topeka will be classified as exceptional students for whom special education services must be provided.

Changes in the estimated rate of categorical aid during the fiscal year create an administrative problem for the youth centers. As a result there may be significant reductions in the amount of such aid that might be available for the support of such programs. This creates difficulty in implementing the financial arrangements in the contracts with school districts for payment of services.

The Subcommittee recommends that all education program funds be appropriated from the State General Fund directly to the youth centers, thus eliminating the need for the categorical aid estimates and resulting uncertainties regarding funding. The youth centers would continue to contract with the local school district. Youth center education programs would remain under KSDE regulations for accredited schools. (The schools must remain accredited in order for a student's credits to be accepted by other public schools and so that graduated students are automatically eligible to attend any state university.)

**SUBCOMMITTEE REPORT**

Agency: Youth Center at Beloit      Bill No. 2759      Bill Sec. 3  
 Analyst: Rothe      Analysis Pg. No. 332      Budget Pg. No. 4-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,570,665	\$ 2,771,595	\$ 265,342
General Fee Fund	20,000	62,677	--
Federal Education Aid	66,670	66,670	--
Subtotal - Operating	<u>\$ 3,657,335</u>	<u>\$ 2,900,942</u>	<u>\$ 265,342</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 234,600	\$ 214,500	\$ --
TOTAL	<u>\$ 3,891,935</u>	<u>\$ 3,115,442</u>	<u>\$ 265,342</u>
FTE Positions	101.0	98.0	--

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$3,657,335, an increase of \$775,933 (or 26.9 percent) over the FY 1986 estimate of \$2,881,402. Of the increase, 71.4 percent is attributed to a proposed change in education funding, 18 percent to salaries and wages, 3.9 percent to medical contracts, and 6.7 percent to other operating expenditures. The request includes \$3,570,665 from the State General Fund.

The Governor recommends operating expenditures of \$2,900,942 for FY 1987, a reduction of \$756,393 from the agency's request. Most of the reduction is from education expenditures (\$509,313), salaries and wages (\$114,174), and capital outlay (\$91,913). The recommendation includes \$2,771,595 from the State General Fund.

House Subcommittee Recommendation

FY 1986. The Subcommittee recommends that \$16,000 from the State General Fund be reappropriated from FY 1986 to FY 1987 to reflect a reduction in utility expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$117,975.

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

1. Delete \$13,000 from the State General Fund in utility savings.

2. Add \$12,950 from the State General Fund for capital outlay costs. The recommendation includes \$1,000 for cottage furnishings and equipment, \$600 for two sewing machines, \$1,000 for a washer and dryer, \$350 for a shampoo chair, and \$10,000 for a mini-van to replace a vehicle with approximately 100,000 miles of use.
3. Pursuant to the attached page, add \$265,392 from the State General Fund for education costs. The Subcommittee further recommends that a bill be introduced to amend K.S.A. 72-978 to preclude distributions to school districts for services provided pursuant to a contract for special education services between a school district and a youth center under the control of the Commissioner of Youth Services of the Department of Social and Rehabilitation Services.
4. The Subcommittee recommends that any land owned by the agency and not used for institutional purposes be sold and that proceeds be deposited in the agency's General Fee Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

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

FY 1987.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 265,342	\$ 3,036,937	\$ 24,293
General Fee Fund	--	62,677	--
Federal Education Aid	--	66,670	--
Subtotal - Operating	<u>\$ 265,342</u>	<u>\$ 3,166,284</u>	<u>\$ 24,293</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ 214,500	\$ (202,400)
TOTAL	<u>\$ 265,342</u>	<u>\$ 3,380,784</u>	<u>\$ (178,107)</u>
FTE Positions	--	98.0	--

The Senate Subcommittee concurs with the House's recommendation for FY 1987 with the following adjustments:

1. Delete \$202,400 from the State Institutions Building Fund. The Subcommittee concurs with the Joint Committee on State Building Construction's recommendation to delete \$214,500 to replace the school's heating and air conditioning system and to add \$12,100 to replace the school's intercom and master clock system.
2. Add \$24,293 from the State General Fund for education costs based on a categorical aid rate of \$12,496. The recommendation is keyed to the budget limitation of 2 to 4 percent as contained in S.B. 601 as amended by the House. The Subcommittee concurs with the House's recommendation that all education program funds be appropriated from the State General Fund directly to the youth centers. Currently, categorical aid funds are appropriated as State General Funds to the Kansas State Department of Education (KSDE) which distributes the funds to the school districts contracting with the youth centers. Further, the Subcommittee reminds the Conference Committee to make sure that a corresponding decrease is made in the FY 1987 State General Fund appropriation to KSDE.
3. The Subcommittee reviewed the agency's medical request to provide all residents with examinations and corrective action by a contracted physician, dentist, and optometrist. The Subcommittee believes that professional health care providers should make decisions regarding patient referrals based on concern for the health and welfare of the residents. The Subcommittee recommends that the Youth Center at Beloit continue the current practice of referring residents for treatment only when a problem is indicated. However, if the agency can demonstrate that medical needs are not being met, a supplemental appropriation should be approved by the 1987 Legislature.

**SUBCOMMITTEE REPORT**

**Agency: Youth Center at Atchison Bill No. 2759**

**Bill Sec. 4**

**Analyst: Rothe**

**Analysis Pg. No. 339**

**Budget Pg. No. 4-83**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,810,695	\$ 3,318,764	\$ 269,437
General Fee Fund	20,000	36,374	--
Federal Education Aid	57,229	65,509	--
Subtotal - Operating	<u>\$ 3,887,924</u>	<u>\$ 3,420,647</u>	<u>\$ 269,437</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 110,600</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL	<u>\$ 3,998,524</u>	<u>\$ 3,420,647</u>	<u>\$ 269,437</u>
<b>FTE Positions</b>	<b>120.5</b>	<b>119.5</b>	<b>--</b>

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$3,887,924, an increase of \$527,740 (or 15.7 percent) over the FY 1986 estimate of \$3,360,184. Of the increase, 62.4 percent is attributed to a proposed change in education funding, 24.6 percent to salaries and wages, 8.4 percent to capital outlay, and 4.7 percent to other operating expenditures. The request includes \$3,810,695 from the State General Fund.

The Governor recommends operating expenditures of \$3,420,647 for FY 1987, a reduction of \$467,277 from the agency's request. The recommendation includes \$3,318,764 from the State General Fund.

House Subcommittee Recommendation

FY 1986. The Subcommittee recommends that \$24,302 from the State General Fund be reappropriated from FY 1986 to FY 1987 to reflect a reduction in utility expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$28,634.

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

1. Delete \$20,000 from the State General Fund in utility savings.
2. Add \$19,700 from the State General Fund for capital outlay costs. The recommendation includes \$9,000 to replace furniture

in Sycamore Cottage, and \$10,700 for a station wagon to replace a 1973 Chevrolet Chevelle with approximately 99,000 miles of use.

3. Pursuant to the attached page, add \$269,737 from the State General Fund for education costs. The Subcommittee further recommends that a bill be introduced to amend K.S.A. 72-978 to preclude distributions to school districts for services provided pursuant to a contract for special education services between a school district and a youth center under the control of the Commissioner of Youth Services of the Department of Social and Rehabilitation Services.
4. The Subcommittee recommends that any land owned by the agency and not used for institutional purposes be sold and that proceeds be deposited in the agency's General Fee Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

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

FY 1987.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 269,437	\$ 3,588,201	\$ 24,662
General Fee Fund	--	36,374	--
Federal Education Aid	--	65,509	--
Subtotal - Operating	<u>\$ 269,437</u>	<u>\$ 3,690,084</u>	<u>\$ 24,662</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ --	\$ 6,000
TOTAL	<u>\$ 269,437</u>	<u>\$ 3,690,084</u>	<u>\$ 30,662</u>
FTE Positions	--	119.5	--

The Senate Subcommittee concurs with the House's recommendation for FY 1987 with the following adjustments:

1. Add \$6,000 from the State Institutions Building Fund, as recommended by the Joint Committee on State Building Construction, to replace a combination electric stove and double convection oven.
2. Add \$24,662 from the State General Fund for education costs based on a categorical aid rate of \$12,496. The recommendation is keyed to the budget limitation of 2 to 4 percent as contained in S.B. 601 as amended by the House. The Subcommittee concurs with the House's recommendation that all education program funds be appropriated from the State General Fund directly to the youth centers. Currently, categorical aid funds are appropriated as State General Funds to the Kansas State Department of Education (KSDE) which distributes the funds to the school districts contracting with the youth centers. Further, the Subcommittee reminds the Conference Committee to make sure that a corresponding decrease is made in the FY 1987 State General Fund appropriation to KSDE.

355.87

**SUBCOMMITTEE REPORT**

**Agency: Kansas Neurological  
Institute**

**Bill No. 2801**

**Bill Sec. 10**

**Analyst: Hunn**

**Analysis Pg. No. 345**

**Budget Pg. No. 6-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 9,418,591	\$ 9,216,678	\$ (76,827)
General Fees Fund	442,336	442,336	--
Title XIX	5,947,986	5,947,986	--
Other Funds	274,037	274,037	--
Subtotal - Operating	<u>\$16,082,950</u>	<u>\$15,881,037</u>	<u>\$ (76,827)</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 75,000	\$ 80,196	\$ --
TOTAL	<u>\$16,157,950</u>	<u>\$15,961,233</u>	<u>\$ (76,827)</u>
FTE Positions	751.5	751.5	--

House Subcommittee Recommendations

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

1. The Subcommittee notes that KNI projects some salary savings in FY 1986 and recommends a portion of these savings be used to fund five direct care positions for the second half of FY 1986 that were deleted in the Governor's recommendations. These direct care positions were approved by the Finance Council in the 1985 interim and the Subcommittee recommends these positions be retained to ensure KNI will continue to meet Medicaid standards. The Subcommittee also recommends the amount of supplemental funding for KNI be reduced by \$34,000 based on these projected turnover savings.
2. Reappropriate \$36,791 in projected food savings to reduce FY 1987 State General Fund appropriations.
3. Reappropriate \$16,036 in projected utility savings to reduce FY 1987 State General Fund appropriations.
4. The Subcommittee found that KNI had recently purchased approximately \$50,000 of furniture for resident units that has proved to be defective. KNI is returning this furniture to the



manufacturer who has not agreed to the return and has hired an attorney to pursue the matter. Until this matter is resolved with the manufacturer, the \$50,000 involved cannot be released and KNI has no funding to purchase the necessary furniture at the next lowest bid. The Subcommittee supports KNI's actions in this matter and recommends projected savings in food and utilities be utilized to purchase the needed furniture prior to the release of funds under the first contract.

5. The Subcommittee recommends the addition of \$10,000 for office furniture for the new professional staff approved by the Finance Council and recommended by the Governor. This amount was shifted to FY 1987 by the Governor's recommendations. The Subcommittee notes the furniture purchases are necessary in FY 1986 and recommends reduction of \$10,000 for capital outlay in FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (76,827)	\$ 9,139,851	\$ 124,000
General Fees Fund	--	442,336	--
Title XIX	--	5,947,986	--
Other Funds	--	274,037	--
Subtotal - Operating	<u>\$ (76,827)</u>	<u>\$15,804,210</u>	<u>\$ 124,000</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 80,196	\$ --
TOTAL	<u>\$ (76,827)</u>	<u>\$15,884,406</u>	<u>\$ 124,000</u>
FTE Positions	--	751.5	--

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

1. The Subcommittee recommends the addition of \$124,000 for salaries and wages due to lower than projected turnover savings. This amount is necessary to allow KNI to keep direct care positions filled for the remainder of the year. A recent federal survey cited KNI for inadequate active treatment on the evening shift and the Subcommittee believes it is important to keep the direct care positions filled to correct those deficiencies. A Governor's budget amendment has been requested on this item.

363.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Neurological  
Institute**

**Bill No. 2759**

**Bill Sec. 5**

**Analyst: Hunn**

**Analysis Pg. No. 345**

**Budget Pg. No. 6-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 9,980,451	\$ 8,754,523	\$ 61,293
General Fees Fund	535,585	663,290	
Title XIX	6,636,079	6,886,967	
Other Funds	240,616	240,616	
Subtotal	<u>\$17,392,731</u>	<u>\$16,545,396</u>	<u>\$ 61,293</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 542,400	\$ --	\$ 25,000
TOTAL	<u>\$17,935,131</u>	<u>\$16,545,396</u>	<u>\$ 86,293</u>
<b>FTE Positions</b>	<b>762.5</b>	<b>743.5</b>	<b>- 5.0</b>

House Subcommittee Recommendations

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

1. The Subcommittee recommends \$67,924 for reinstatement of the five direct care positions deleted by the Governor's recommendations to ensure that KNI will continue to meet Medicaid standards. The Subcommittee notes that full-year funding of these positions may not be necessary, however, in the event that the population at KNI is reduced in FY 1987. The Subcommittee recommends that direct care staffing levels be reevaluated by the 1987 Legislature to determine if changes should be made at that time. Federal officials are now conducting a survey at KNI and the Subcommittee recommends the Senate review the results of the federal survey when that information is available.
2. The Subcommittee recommends the addition of \$3,369 to provide for the reinstatement of two existing positions deleted by the Governor's recommendations, but deletion of two alternative positions selected by the agency. The two positions recommended for reinstatement are a social worker and a social services administrator and the alternative positions recommended for deletion are a Director of Chaplaincy Services and a radiology technician. KNI plans to investigate the possibility of contracting

for all religious services or seeking volunteers from the community. The Subcommittee recommends the other institutions also investigate alternatives in the provision of religious services.

3. The Subcommittee notes that KNI plans to send two LPNs to training to become respiratory therapists in FY 1987. The Subcommittee recommends that only one LPN be trained each year to minimize time spent away from KNI and to ensure adequate nursing coverage on the units.
4. The Subcommittee recommends \$10,000 in capital outlay expenditures be shifted to FY 1986 for the purchase of office furniture for the professional staff added during the 1985 interim.
5. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for capital improvements which includes \$25,000 to replace KNI's dishwashing machine.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 61,293	\$ 8,815,816	\$ 84,292
General Fees Fund	--	663,290	(55,810)
Title XIX	--	6,886,967	--
Other Funds	--	240,616	5,800
Subtotal - Operating	<u>\$ 61,293</u>	<u>\$16,606,689</u>	<u>\$ 34,282</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 25,000	\$ 25,000	\$ --
TOTAL	<u>\$ 86,293</u>	<u>\$16,631,689</u>	<u>\$ 34,282</u>
FTE Positions	5.0	748.5	--

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

1. Delete \$112 for communications to reflect systemwide decisions on KANS-A-N expenditures.
2. Add \$34,394 to reflect a 4.3 percent employer's contribution to KPERS.
3. The Subcommittee concurs with the House recommendation to delete the Chaplain position at KNI. The Subcommittee recommends SRS review the possibility of using chaplain trainees at Topeka State Hospital to provide religious services at KNI.
4. The Subcommittee reviewed KNI's proposal to send two LPNs to training to become respiratory therapists. The Subcommittee is concerned that staff could allow KNI to pay for this training and then leave state service and that perhaps a contractual agreement should be made requiring a minimum service commitment from such employees. The Subcommittee also recommends KNI investigate the possibility of filling future LPN vacancies with trained respiratory therapists as an alternative to providing training for existing staff.
5. Shift \$55,810 from fee fund expenditures to State General Fund expenditures to provide a projected one month ending balance in the fee fund, in accordance with the Subcommittee's systemwide recommendations.
6. Shift \$5,800 from State General Fund financing to federal Chapter I financing to maximize the use of available federal funds for the special education program.

363.87

SUBCOMMITTEE REPORT

Agency: Larned State Hospital

Bill No. —

Bill Sec. --

Analyst: Timmer

Analysis Pg. No. 356

Budget Pg. No. 6-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$21,261,548	\$21,224,428	\$ (50,464)
Capital Improvements	231,543	231,543	--
TOTAL	<u>\$21,493,091</u>	<u>\$21,455,971</u>	<u>\$ (50,464)</u>
<b>State General Fund:</b>			
State Operations	\$18,695,090	\$18,657,970	\$ (50,464)
Capital Improvements	--	--	--
TOTAL	<u>\$18,695,090</u>	<u>\$18,657,970</u>	<u>\$ (50,464)</u>
FTE Positions	874.0	874.0	--

House Subcommittee Recommendations

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

1. Reduction of \$14,130 from the food budget based on expenditures to date and revised expenditure estimates. The recommendation allows \$565,000 for food expenditures in FY 1986.
2. Reduction of \$55,000 from the hospital's utility budget to allow \$643,105 for utility costs in FY 1986.
3. Reduction of \$4,054 from drugs to allow \$216,000 for drugs and other professional supplies in FY 1986.
4. Addition of \$7,500 to communications. The Subcommittee understands that Larned is in the process of installing a new telephone system and that one-time equipment purchase costs are being incurred. Therefore, this additional funding should not be included in the base communications budget.
5. Addition of \$12,000 to fully fund the existing school contract for FY 1986.
6. Addition of \$7,000 to repairing and servicing based on expenditures to date.
7. Reduction of \$3,780 from other supplies, materials, and parts based on expenditures to date.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (50,464)	\$21,173,964	\$ --
Capital Improvements	--	231,543	--
TOTAL	<u>\$ (50,464)</u>	<u>\$21,405,507</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (50,464)	\$18,607,506	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ (50,464)</u>	<u>\$18,607,506</u>	<u>\$ --</u>
FTE Positions	--	874.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

410.86

**SUBCOMMITTEE REPORT**

**Agency: Larned State Hospital**

**Bill No. 2759**

**Bill Sec. 6**

**Analyst: Timmer**

**Analysis Pg. No. 356**

**Budget Pg. No. 6-47**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$23,569,421	\$21,744,000	\$ (93,247)
Capital Improvements	711,225	254,500	4,625
<b>TOTAL</b>	<u>\$24,280,646</u>	<u>\$21,998,500</u>	<u>\$ (88,622)</u>
<b>State General Fund</b>			
State Operations	\$20,836,165	\$18,881,954	\$ (93,247)
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$20,836,165</u>	<u>\$18,881,954</u>	<u>\$ (93,247)</u>
<b>FTE Positions</b>	893.0	874.0	--

House Subcommittee Recommendations

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

1. Reduction of \$14,181 for food to allow a total of \$575,000 for food purchases in FY 1987.
2. Reduction of \$3,823 from drugs and other professional supplies to allow a total of \$224,000 for these purchases in FY 1987.
3. Reduction of \$13,641 from communication. The recommendation allows an 11 percent increase to revised KANS-A-N expenditures for FY 1986 and includes no adjustment for usage.
4. Reduction of \$1,552 from maintenance materials and supplies to allow \$180,000 for these expenses in FY 1987.
5. Reduction of \$4,150 from Other Supplies Materials and Parts to allow \$310,000 for these purchases in FY 1987.
6. Reduction of \$55,900 from utilities to allow a total of \$675,260 for utility costs in FY 1987.
7. The Subcommittee was informed that all students currently involved in Larned's Special School are being evaluated to determine whether they are appropriately placed in special education classes or whether they should be placed in a regular academic environment. Larned has traditionally placed all children and adolescents receiving treatment at the hospital in the special education setting as well as all youths placed in the Youth Center



at Larned. According to Department of Education officials, possibly as many as one-half of the Youth Center's students may no longer be eligible for special education due to inappropriate placement in Special Education. As a result of this change, teachers who teach regular academic classes will no longer be eligible for categorical aid reimbursement which will reduce categorical aid to the school program and require offsetting increases in funding from the State General Fund. At this time, the Subcommittee does not have complete information on the fiscal impacts of these changes and therefore makes no recommendations. The Subcommittee does express concern about the situation and urges the hospital and Department of Education to make all information available to the Senate Subcommittee so informed recommendations may be made at the earliest possible date. The Subcommittee understands that the hospital must comply with the school district's deadline of April 10, 1986 for notification of all teachers for renewal of their FY 1987 contracts.

8. The Subcommittee notes that Larned requested 14.0 FTE additional Registered Nurse positions in response to accreditation survey deficiencies cited in March, 1985. The Governor did not recommend any of the additional positions and the Subcommittee concurs with the Governor at this time. However, the Subcommittee was informed that the Medicare survey team will be at the hospital February 26-28, 1986 and that more information on staffing needs will be available after that survey. The Subcommittee hopes the survey results will be made available to the Senate Subcommittee as soon as possible so Registered Nurse staffing requirements may be reviewed.
9. The Subcommittee concurs with the recommendations of the Joint Committee on Building construction and recommends the following projects, to be funded from the State Institutions Building Fund:

1. Planning for New Patient Treatment Facility	\$164,000
2. Enclose Beers Building Fire Escape	65,000
3. Install Acoustical Ceilings -- Dillon Building	20,000
4. Replace EEG/EKG Equipment	<u>10,125</u>
	\$259,125
10. The Subcommittee endorses the policy of identifying specific salary and wage costs such as temporary and intermittent and overtime and requests that all Mental health institutions follow that policy in all future budget requests.
11. The Subcommittee notes that the Governor's recommendations include an ending fee fund balance equivalent to one week's revenues. The Subcommittee is of the opinion that a one-week balance may not be sufficient and could cause funding problems should revenue not meet projections. The Subcommittee highlights this as an area for review by the Senate Subcommittee, when more actual FY 1986 revenue information is available.

12. The Subcommittee strongly supports the idea of inmate labor as proposed at Topeka State and recommends that Larned also explore the possibilities of a similar program.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (93,247)	\$21,650,753	\$ 211,460
Capital Improvements	4,625	259,125	(164,000)
TOTAL	<u>\$ (88,622)</u>	<u>\$21,909,878</u>	<u>\$ 47,460</u>
State General Fund:			
State Operations	\$ (93,247)	\$18,788,707	\$ 211,460
Capital Improvements	--	--	--
TOTAL	<u>\$ (93,247)</u>	<u>\$18,788,707</u>	<u>\$ 211,460</u>
FTE Positions	--	874.0	--

Senate Subcommittee Recommendations

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

1. Addition of \$127,500 from the State General Fund for the school contract. As discussed in item number 7 of the House Subcommittee report, the hospital has learned that up to 50 percent of the students from the Youth Center will no longer be classified as special education students, a change which will result in significant reductions in categorical aid to the school. The Senate Subcommittee's recommendation will allow the school contract to be fully funded in FY 1987.
2. Addition of \$3,000 for the implementation of a patient reinforcement program. The Subcommittee believes that the proposed program, which will allow a patient to be rewarded for good behavior, has merit and should be implemented on a trial basis. The Subcommittee also requests that the Division of Mental Health and Retardation Services report to the 1987 Legislature regarding the progress of the program.
3. Addition of \$53,460 to allow a KPERS rate of 4.3 percent.

4. Addition of \$20,000 for a pharmacy computer. The Subcommittee learned that both Larned and Topeka State requested \$30,000 for a pharmacy computer system but the Governor funded a system at Topeka State only. The Subcommittee believes that the proposed computer system will be good for both hospital pharmacies.
5. Add \$7,500 to allow "discharge funding" for hospital patients who are ready to leave the hospital but who do not have enough money for the required deposits on apartments and utilities. The Subcommittee intends that the funding should be used for the patient's first month living expenses only and also that requests a report on the program and its expenditures be made to the 1987 Legislature.
6. Deletion of \$164,000 from the State Institutions Building Fund for the final planning of a new patient treatment facility. The Subcommittee acknowledges the need for a new building to replace Rush and Pinel Buildings at Larned but also notes that the Division's long-range plan would reduce institutional populations. The Subcommittee believes that the adult population at Larned could be reduced if community placements were available and recommends that the Division seriously investigate increased community facilities before constructing a new 90-bed facility. The Subcommittee is of the opinion a smaller facility could be sufficient if the hospital's populations were reduced. In order to allow placement of 25 adult patients in community facilities, the Subcommittee recommends that \$100,000 from the State General Fund be added to the Division of Mental Health and Retardation Services budget to allow grants to be awarded for community beds.
7. Addition of \$14,000 in federal Title I funds and deletion of \$14,000 from the State General Fund to allow maximum use of federal funds in the school contract.

**SUBCOMMITTEE REPORT**

**Agency: Osawatomie State  
Hospital**

**Bill No. --**

**Bill Sec. --**

**Analyst: Timmer**

**Analysis Pg. No. 366**

**Budget Pg. No. 6-51**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$15,183,852	\$15,105,211	\$ (43,999)
Capital Improvements	<u>2,125,739</u>	<u>2,125,739</u>	<u>--</u>
TOTAL	<u>\$17,309,591</u>	<u>\$17,230,950</u>	<u>\$ (43,999)</u>
<b>State General Fund:</b>			
State Operations	\$11,050,485	\$10,939,604	\$ (4,943)
Capital Improvements	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL	<u>\$11,050,485</u>	<u>\$10,939,604</u>	<u>\$ (4,943)</u>
<b>FTE Positions</b>	<b>604.5</b>	<b>604.5</b>	<b>--</b>

House Subcommittee Recommendation

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

1. Reduction of \$20,000 from the utilities budget based on usage and expenditures to date. This reduction allows a total of \$720,682 for utility expenditures in FY 1986.
2. Reduction of \$20,000 from the food budget, based on food costs and average daily census to date, to allow a total of \$357,946 for food purchases in FY 1986.
3. Reduction of \$2,000 from communications based on revised expenditure projections.
4. Reduction of \$5,934 from temporary and intermittent labor to allow a total of \$65,000 for FY 1986. The Subcommittee endorses Osawatomie's policy of identifying temporary labor costs specifically and requests that all mental health institutions follow that policy for temporary staff costs as well as overtime.

5. The Subcommittee was informed of shortfalls in the Osawatomie school budget due to adjustments in Title I funding made by the Governor's recommendations. The Subcommittee understands that transfer of available Title I funds to Osawatomie from other SRS institutions may fund the shortfall. The Subcommittee recommends these adjustments be made but also believes that clear, concise information must be made available from the Division of Mental Health and Retardation Services regarding Title I, how it is earned by an institution, Division distribution policies, account balances, and all other pertinent information. The adjustments for FY 1986 will result in an increase in State General Funds of \$42,991 and a decrease in the Title I recommendation of \$39,056.
  
6. The Subcommittee notes that fee fund revenue to date is not at projected levels. The Subcommittee suggests that fee fund revenues and projections be reviewed by the Senate Subcommittee when additional information is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (43,999)	\$15,061,212	\$ --
Capital Improvements	--	<u>2,125,737</u>	--
TOTAL	<u>\$ (43,999)</u>	<u>\$17,186,949</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (4,934)	\$10,939,604	\$ 257,364
Capital Improvements	--	--	--
TOTAL	<u>\$ (4,934)</u>	<u>\$10,939,604</u>	<u>\$ 257,364</u>

Senate Subcommittee Recommendations

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

1. The Subcommittee concurs with the House recommendations regarding increased Title I funding for the Osawatomie school contract but does not concur with the transfer of funds from other state institutions.
  
2. Addition of \$257,364 from the State General Fund and an offsetting reduction in the hospital fee fund due to shortages in fee fund collections. The Subcommittee learned that fee fund

collections from patient revenue were overestimated by the institution in its budget submission and also that patient revenue is significantly below projections for several reasons including fewer patients with insurance and less Medicare revenue than expected.

3. The Subcommittee expresses concern over the fact that HMO's are not covering the expenses of patients insured by them who have been admitted to a state hospital. The Subcommittee learned that particularly at Osawatomie and Larned this has affected the patient revenue collected by the institution. The Subcommittee recommends the introduction of legislation which will require the HMO to pay for all patient expenses, even when the patient is not recommended for admission to the facility by the patient's primary care physician. H.B. 2809, which would accomplish the Subcommittee's recommendation, is currently in the House Insurance Committee although the Subcommittee learned action will not likely be taken on it.

494.86

## SUBCOMMITTEE REPORT

Agency: Osawatomie State  
Hospital

Bill No. 2759

Bill Sec. 7

Analyst: Timmer

Analysis Pg. No. 366

Budget Pg. No. 6-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$16,744,988	\$15,220,516	\$ (38,419)
Capital Improvements	1,546,500	1,782,200	(592,180)
TOTAL	<u>\$18,291,488</u>	<u>\$17,002,716</u>	<u>\$ (630,599)</u>
State General Fund:			
State Operations	\$12,715,493	\$11,218,482	\$ 13,877
Capital Improvements	--	--	--
TOTAL	<u>\$12,715,493</u>	<u>\$11,218,482</u>	<u>\$ 13,877</u>
FTE Positions	625.5	594.0	--

### House Subcommittee Recommendation

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

1. Reduction of \$1,642 from communications which allows a total communications budget of \$74,483 and includes an 11 percent KANS-A-N increase over revised FY 1986 expenditure projections.
2. Reduction of \$9,500 from patient labor. The Subcommittee's recommendation allows \$45,000 for patient labor in FY 1987.
3. Reduction of \$5,317 from temporary and intermittent help to allow \$67,500 for temporary staff in FY 1987.
4. Reduction of \$14,694 from the dietary budget based on revised FY 1986 food cost estimates.
5. The Subcommittee concurs with the Governor's recommendation to reduce the adult population at Osawatomie by 25 beds and in general supports the policy of reducing institutional beds. The Subcommittee expresses concern, however, that no funding is provided by the Governor's recommendations to allow for the provision of services for these patients in community facilities. The Subcommittee recommends that \$100,000 be included in the SRS budget to allow grants to be provided which would allow

community centers to implement programs to provide services for the 25 patients who will no longer be served by Osawatomie State Hospital. Also, although the Governor's recommendation eliminates the Young Adult program, the Subcommittee understands that the Hospital would prefer to retain that program and reduce beds in another adult program. The Subcommittee concurs with the Hospital's proposal.

6. Reduction of \$52,296 from federal Chapter 1 funds and an increase of \$52,296 from State General Fund, to be transferred from other SRS institutions, to fund shortfalls in Osawatomie's Chapter 1 budget. The Subcommittee understands that these funding shifts will not increase total State General Fund expenditures for the SRS institutions and will allow full funding of the Osawatomie school and other SRS institution programs.
7. Reduction of \$7,266 from utilities based on revised FY 1986 projections. The recommendation still provides a 16.5 percent increase for electricity generated by the Wolf Creek Power Plant.
8. The Subcommittee concurs with the Joint Committee on Building Construction and recommends \$444,520 for the razing of Main Building and rerouting of the utility tunnel.
9. The Subcommittee strongly supports the idea of inmate labor as proposed at Topeka State Hospital and recommends that Osawatomie also explore the possibilities of a similar program on the hospital grounds.
10. The Subcommittee notes that the Governor's recommendations provide a fee fund ending balance equivalent to one week's revenue. The Subcommittee believes this balance may be inadequate and highlights this as an area the Senate Subcommittee may wish to review when additional actual information on FY 1986 receipts is available.



House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>House Rec.</u>	<u>Senate Subcommittee Rec.</u>
All Funds:			
State Operations	\$ (38,419)	\$15,182,097	\$ 618,976
Capital Improvements	(592,180)	1,190,020	60,000
TOTAL	<u>\$ (630,599)</u>	<u>\$16,372,117</u>	<u>\$ 678,976</u>
State General Fund:			
State Operations	13,877	\$11,232,359	\$ 700,986
Capital Improvements	--	--	--
TOTAL	<u>\$ 13,877</u>	<u>\$11,232,359</u>	<u>\$ 700,986</u>
FTE Positions	--	594.0	14.0

Senate Subcommittee Recommendations

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

1. Addition of \$518,536 and 14.0 FTE Direct Care positions to provide for 20 adolescent inpatient beds. The Subcommittee concurs with the Governor's recommendation to reduce Osawatomie adult population by 25 beds and notes that \$100,000 has been added to the Division of Mental Health and Retardation Services budget to provide community facilities for those patients. The Subcommittee learned, however, that the state has a need for more inpatient beds for adolescents and makes the following recommendation to address this need. The Subcommittee's recommendation would include expenditures as listed below:

Expenditures

14.0 FTE Direct Care and Professional Positions	\$269,651
Other Operating Expenditures (Food, Drugs, etc.)	31,389
School teachers, paraprofessionals and psychologist (6.4 FTE)	157,496
Employee Dorm Renovation for School Use	60,000
TOTAL EXPENDITURES	<u>\$518,536</u>

The Subcommittee's recommendation would be financed as listed below. The Subcommittee understands that the State Institutions Building Fund balance as recommended by the Joint Committee on Building Construction is sufficient to fund this additional renovation.

Financing

Medicaid	\$233,119
Fee Fund	26,802
State General Fund	198,615
State Institutions Building Fund	60,000
TOTAL	<u>\$518,536</u>

3. Addition of \$502,371 from the State General Fund and reduction of \$341,931 from the hospital fee fund. The Subcommittee's recommendations allow a one month fee fund ending balance and reduction of expenditures from the fee fund based on revised projections for revenue in FY 86 and FY 87.
4. The Subcommittee could not reach agreement regarding the House recommendation of \$444,520 from the State Institutions Building Fund for the razing of Main Building (\$209,000) and construction and rerouting of the utilities tunnel under the building (\$235,520). The Subcommittee is not comfortable with the cost estimate of the project and questions whether \$209,000 would be required for the razing. The Subcommittee discussed the possibility of delaying the razing for a year while an additional study of the feasibility of saving the building be conducted. The Subcommittee noted that there is a significant need for SIBF funds for construction funds, or matching state funds, for small community facilities and that the \$444,520 could be used for such a purpose. Also, the Subcommittee believes that the Historical Society must have the first choice of any items from the building the Society might consider of value or historical significance.

494.87

**SUBCOMMITTEE REPORT**

**Agency: Rainbow Mental Health  
Facility**

**Bill No. --**

**Bill Sec. --**

**Analyst: Timmer**

**Analysis Pg. No. 376**

**Budget Pg. No. 6-55**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,521,922	\$ 3,405,518	\$ --
Capital Improvements	347,741	347,741	--
<b>TOTAL</b>	<u>\$ 3,869,663</u>	<u>\$ 3,753,259</u>	<u>\$ --</u>
<b>State General Funds:</b>			
State Operations	\$ 2,096,292	\$ 1,979,888	\$ --
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$ 2,096,292</u>	<u>\$ 1,979,888</u>	<u>\$ --</u>
<b>FTE Positions</b>	115.0	115.0	--

Agency Request/Governor's Recommendation

The agency requests an operating budget of \$3,521,922 for FY 1986 as was approved by the 1985 Legislature. The agency has implemented a program in conjunction with the community mental health centers whereby the centers screen all patients before admission. If short-term treatment is indicated, 21 days or less, the patient is admitted to Rainbow. If longer-term treatment is required the patient is referred to Osawatomie State Hospital. The program will increase the number of admissions to Rainbow and decrease the average length of stay.

The Governor recommends expenditures of \$3,752,259 for operations in FY 1986, a reduction of \$116,404 from the agency's request.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendation and makes the following observations:

1. While the Subcommittee concurs with the Governor's spending reductions of \$116,404 for FY 1986, they acknowledge that these reductions will make Rainbow's FY 1986 budget very austere and careful budget management will be required if the hospital is to be able to absorb the reductions.

- The Subcommittee notes the hospital fee fund collections through February 15, 1986 have not been near projected levels. Although hospital staff believe receipts will increase in the next few months, the Subcommittee notes that significant increases will be required if projections are to be reached.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ --	\$ 3,405,518	54,110
Capital Improvements	--	347,741	--
TOTAL	<u>\$ --</u>	<u>\$ 3,753,259</u>	<u>\$ 54,110</u>
<b>State General Funds:</b>			
State Operations	\$ --	\$ 1,979,888	\$ 54,110
Capital Improvements	--	--	--
TOTAL	<u>\$ --</u>	<u>\$ 1,979,888</u>	<u>\$ 54,110</u>
FTE Positions		115.0	--

Senate Subcommittee Recommendations

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

- Addition of \$54,110 from the State General Fund to the hospital's operating budget. The Subcommittee notes that the reduction of \$116,404 made by the Governor's recommendations does not provide sufficient funding for necessary expenditures. The Subcommittee also notes that a Governor's Budget Amendment has been requested to address the shortfall and believes it should be approved.
- The Subcommittee notes that fee fund revenue is still not at projected levels but that hospital staff still believe they will be able to collect the projected amount. The Subcommittee expresses concern about the level of receipts being collected and notes that it may be necessary to review this item during the Omnibus Session.

**SUBCOMMITTEE REPORT**

**Agency: Rainbow Mental Health  
Facility**

**Bill No. 2759**

**Bill Sec. 8**

**Analyst: Timmer**

**Analysis Pg. No. 376**

**Budget Pg. No. 6-55**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,755,733	\$ 3,519,249	\$ --
Capital Improvements	639,600	633,100	--
TOTAL	<u>\$ 4,395,333</u>	<u>\$ 4,152,349</u>	<u>\$ --</u>
<b>State General Funds:</b>			
State Operations	\$ 2,264,973	\$ 1,674,375	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ 2,264,973</u>	<u>\$ 1,674,375</u>	<u>\$ --</u>
FTE Positions	119.0	117.0	--

Agency Request/Governor's Recommendation

Rainbow requests an operating budget of \$3,755,733 for FY 1987 and capital improvement funding of \$639,600 from the State Institutions Building Fund. The agency requests 4.0 FTE new positions; a Registered Nurse III and an Activity Therapist I to provide additional weekend and evening staffing and an Accountant II and a Data Operator IV to provide additional staffing for the business office operations. The agency's request would allow for the continuation of all existing programs including the recent emphasis on short-term care for the adult patients.

The Governor recommends an operating budget of \$3,519,249 for Rainbow and also recommends funding from the State Institutions Building Fund for the remodeling of the Activity Therapy space and for the planning of the remodeling of the school area. The recommendations fund two new FTE positions, the Accountant II and the Registered Nurse III.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations and makes the following observations:

1. The Governor's recommendation includes a fee fund ending balance equivalent to one week's revenue. The Subcommittee is of the opinion this balance may not be sufficient and highlights it as an area which may be reviewed by the Senate Subcommittee when more actual FY 1986 revenue information is available.
2. The Subcommittee endorses the policy of identifying specific salary and wage costs such as temporary and intermittent staff and overtime. The Subcommittee requests that all Mental Health institutions follow that policy.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 3,519,249	\$ 6,938
Capital Improvements	--	633,100	--
TOTAL	<u>\$ --</u>	<u>\$ 4,152,349</u>	<u>\$ 6,938</u>
State General Funds:			
State Operations	--	1,674,375	41,786
Capital Improvements	--	--	--
TOTAL	<u>\$ --</u>	<u>\$ 1,674,375</u>	<u>\$ 41,786</u>
FTE Positions	--	117.0	--

Senate Subcommittee Recommendations

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

1. Addition of \$6,938 from the State General Fund to provide a KPERS rate of 4.3 percent.
2. Addition of \$34,848 from the State General Fund to offset fee fund expenditures and allow a balance equivalent to one month's patient revenue.

## SUBCOMMITTEE REPORT

Agency: Parsons State Hospital

Bill No. 2801

Bill Sec. 12

Analyst: Hunn

Analysis Pg. No. 384

Budget Pg. No. 6-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,306,168	\$ 6,145,772	\$ 23,222
General Fees Fund	574,489	574,489	85,087
Title XIX	4,326,000	4,326,000	
Other Funds	119,319	119,319	
Subtotal - Operating	<u>\$11,325,976</u>	<u>\$11,165,580</u>	<u>\$ 108,309</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 993,247	\$ 993,247	\$
TOTAL	<u>\$12,319,223</u>	<u>\$12,158,827</u>	<u>\$ 108,309</u>
FTE Positions	478.5	478.5	--

### House Subcommittee Recommendations

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

1. The Subcommittee concurs with the Governor's recommendation for funding 74 additional staff in FY 1986. The agency has filled all but two of these positions and has not experienced turnover savings at the level provided in the Governor's recommendations. The Governor's recommendations reduced the amount of supplemental funding for the new positions by \$158,396 from the agency's request. The Subcommittee recommends reinstatement of \$77,064 of the amount requested by the agency based on revised turnover projections.
2. The Subcommittee projects savings in the areas of food and utilities based on expenditures for the first six months but notes that these savings are projected to be offset by increased expenditures incurred in meeting safety and sanitation standards in response to Medicaid surveys. A net increase of \$11,245 for other operating expenditures is recommended.
3. The Subcommittee recommends the addition of \$20,000 for the purchase of resident furniture to respond to cited deficiencies in the Medicaid survey.

4. The Subcommittee notes that Parsons has collected fee fund receipts in FY 1986 in excess of the amount projected in the Governor's recommendations. The Subcommittee recommends that fee fund expenditures for FY 1986 be increased by \$85,087 and that State General Fund expenditures be reduced by a corresponding amount.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

The House Committee of the Whole concurs with the House Committee Recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations			
State General Fund	\$ 23,222	\$ 6,168,994	\$ 67,165
General Fees Fund	85,087	659,576	--
Title XIX	--	4,326,000	--
Other Funds	--	119,319	--
Subtotal -- Operating	<u>\$ 108,309</u>	<u>\$ 11,273,889</u>	<u>\$ 67,165</u>
Capital Improvements			
SIBF	\$ --	\$ 993,247	\$ --
TOTAL	<u>\$ 108,309</u>	<u>\$ 12,267,136</u>	<u>\$ 67,165</u>
F.T.E.	--	478.5	--

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

1. The Subcommittee recommends the addition of \$67,165 for salaries and wages due to lower than projected turnover savings. A Governor's Budget amendment is anticipated for this item. This amount is necessary to allow Parsons to keep direct care positions filled for the remainder of the year. Parsons is expecting a federal survey this spring, and the Subcommittee believes it is important that all direct care positions are filled when federal surveyors arrive.



**SUBCOMMITTEE REPORT**

**Agency:** Parsons State Hospital      **Bill No.** 2759      **Bill Sec.** 9  
**Analyst:** Hunn      **Analysis Pg. No.** 384      **Budget Pg. No.** 6-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 7,024,514	\$ 5,898,499	\$ 132,572
General Fees Fund	625,961	756,802	(45,000)
Title XIX	4,837,232	5,064,366	--
Other Funds	91,800	91,800	--
Subtotal	<u>\$12,579,507</u>	<u>\$11,811,467</u>	<u>\$ 87,572</u>
<b>Capital Improvements:</b>			
State Institutional Building Fund	\$ 1,004,200	\$ 194,300	\$ --
TOTAL	<u>\$13,583,707</u>	<u>\$12,005,767</u>	<u>\$ 87,572</u>
<b>FTE Positions</b>	495.0	478.5	8.0

House Subcommittee Recommendations

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

1. The Subcommittee recommends funding for the Group Home program requested by Parsons. The Subcommittee recommends \$132,572 for eight direct care staff and operating expenditures for the group home, which is to be located off the hospital's grounds in the community to prepare residents for more independent living and eventual movement to community programs. The Subcommittee feels this program will be cost-effective in the long run as it will facilitate reductions in the institution's population.
2. The Subcommittee reviewed the agency's request for a Management Analyst IV to develop and implement a computerized information system for the institution. The Subcommittee believes significant cost savings could be realized at all four institutions if more tasks such as recording resident progress and monitoring programs were computerized. The Subcommittee recommends the Management Analyst IV position be budgeted in the Division of Mental Health and Retardation Service's central office to provide computer assistance to all institutions. The Subcommittee recommends this position be based at Parsons, however, in accordance with the Subcommittee's recommendations last year that computer applications be tested as pilot projects at Parsons before implementation at other institutions.

3. The Subcommittee notes that, historically, a transfer of funds has been made from the University of Kansas budget for the UAF to Parsons State Hospital. The transfer was originally intended to compensate the hospital for overhead costs incurred on behalf of the two university buildings located on Parsons institutional grounds. The funds transferred have not been utilized as originally intended and instead have been utilized primarily to purchase equipment or other items for the UAF, rather than the hospital. The Subcommittee therefore sees no purpose to the transfer and recommends it be eliminated to reduce unnecessary bookkeeping. The recommendation would have the effect of offsetting reductions in receipts and expenditures in FY 1987 of \$45,000.
4. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for capital improvements of \$194,300 to renovate one resident cottage.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
State Operations			
State General Fund	\$ 132,572	\$ 6,031,071	\$ (104,554)
General Fees Fund	(45,000)	711,802	(36,578)
Title XIX	--	5,064,366	--
Other Funds	--	91,800	59,719
Subtotal -- Operating	<u>\$ 87,572</u>	<u>\$ 11,899,039</u>	<u>\$ (81,413)</u>
Capital Improvements			
SIBF	--	\$ 194,300	\$ --
TOTAL	<u>\$ 87,572</u>	<u>\$ 12,093,339</u>	<u>\$ (81,413)</u>
F.T.E. Positions	8.0	486.5	(8.0)

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

1. Delete \$455 in communications expenditures to reflect systemwide decisions on KANS-A-N expenditures.

2. Add \$24,095 to reflect a 4.3 percent employer's contribution to KPERS.
3. Shift \$36,578 from fee fund financing to State General Fund financing, in accordance with systemwide decisions.
4. Increase federal Chapter I expenditures by \$27,519 to allow Parsons to hire two vocational teachers to correct deficiencies cited by the State Department of Education in their school program. Also, shift \$32,200 from State General Fund financing to federal Chapter I financing to maximize the use of available federal funds for the special education program.
4. Delete \$132,572 and eight positions recommended by the House for the proposed group home program. The Subcommittee believes that, in light of the SRS long range plans to reduce institutional populations, this program may be unnecessary at Parsons at this time. SRS plans to make significant reductions in the populations at Winfield and Norton and the Subcommittee questions why transitional group home programs were not requested for those institutions. The Subcommittee recommends that SRS re-evaluate the concept of state-operated group home programs and provide cost-benefit data on such programs. The Subcommittee is not rejecting the concept of state operated group homes, but feels the proposal should be studied further, and in conjunction with the SRS long range plan for the institutions.

507.87

**SUBCOMMITTEE REPORT**

**Agency: Norton State Hospital**

**Bill No. 2801**

**Bill Sec. 13**

**Analyst: Hunn**

**Analysis Pg. No. 396**

**Budget Pg. No. 6-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,448,121	\$ 3,328,582	\$ (73,792)
General Fees Fund	404,980	404,980	--
Title XIX	2,559,417	2,559,417	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ 6,412,518</u>	<u>\$ 6,292,979</u>	<u>\$ (73,792)</u>
<b>Capital Improvements:</b>			
SIBF	<u>\$ 96,012</u>	<u>\$ 62,966</u>	<u>\$ --</u>
<b>TOTAL</b>	<u>\$ 6,508,530</u>	<u>\$ 6,355,945</u>	<u>\$ (73,792)</u>
 FTE Positions	 291.0	 283.0	 (21.0)

House Subcommittee Recommendations

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

1. The Subcommittee recommends a total of 7.7 new positions in FY 1986, rather than the 28.7 positions recommended by the Governor. The Subcommittee recommends the following positions: 5 Qualified Mental Retardation Professionals (QMRPs), to provide one QMRP for each ward; 1 Development Training Specialist IV; 1 Activity Therapist Aide II; 1 Sheltered Workshop Technician I; 0.7 FTE for a Registered Nurse III to provide full-year funding of an RN required to maintain hospital licensure, and deletion of one vacant social worker position. The total amount recommended for these positions is \$96,595.

In addition to these permanent positions, the Subcommittee recommends \$98,748 to allow Norton funding for 18 Health Service Workers (direct care trainees) for the last six months of FY 1986. These direct care trainees would not be included in the position limitation and it is anticipated that these trainees would be hired to fill vacancies or be terminated as future reductions in Norton's population would allow these additional staff to be phased out during FY 1987. The Subcommittee notes that Norton has hired 18 trainee staff to respond to active

treatment deficiencies cited in the agency's last Medicaid survey. Norton will be resurveyed in the next several weeks and the Subcommittee recommends the additional staff to allow Norton to retain Medicaid certification. The total amount recommended in supplemental funding for the 7.7 positions and 18 Health Service Workers is \$195,343, a reduction of \$73,792 from the Governor's recommendation.

2. The Subcommittee reviewed other operating expenditures and did not find projected savings at this time. The Subcommittee recommends the Senate review expenditures when additional data is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (73,792)	\$ 3,254,790	\$ (35,585)
General Fees Fund	--	404,980	--
Title XIX	--	2,559,417	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ (73,792)</u>	<u>\$ 6,219,187</u>	<u>\$ (35,585)</u>
Capital Improvements:			
SIBF	<u>\$ --</u>	<u>\$ 62,966</u>	<u>\$ --</u>
TOTAL	<u>\$ (73,792)</u>	<u>\$ 6,282,153</u>	<u>\$ (35,585)</u>
 FTE Positions	 (21.0)	 262.0	 --

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

1. The Subcommittee recommends the reappropriation of \$35,585 in projected salary and wage savings to reduce FY 1987 State General Fund appropriations.

585.86

**SUBCOMMITTEE REPORT**

**Agency: Norton State Hospital**

**Bill No. 2759**

**Bill Sec. 10**

**Analyst: Hunn**

**Analysis Pg. No. 396**

**Budget Pg. No. 6-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,374,565	\$ 3,365,744	\$ (245,707)
General Fees Fund	319,769	338,119	--
Title XIX	2,419,597	2,822,752	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ 7,113,931</u>	<u>\$ 6,526,615</u>	<u>\$ (245,707)</u>
Capital Improvements:			
SIBF	<u>\$ 654,900</u>	<u>\$ --</u>	<u>\$ 72,000</u>
TOTAL	<u>\$ 7,768,831</u>	<u>\$ 6,526,615</u>	<u>\$ (173,707)</u>
 FTE Positions	 298.0	 283.0	 (21.0)

House Subcommittee Recommendations

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

1. The Subcommittee recommends continuation of only the 7.7 positions noted in the FY 1986 subcommittee report rather than the 28.7 positions recommended by the Governor. The Subcommittee also recommends funding for the equivalent of 9 FTE Health Service Workers. The Subcommittee notes the need for continuation of these direct care staff in the first half of FY 1987, but recommends these direct care staff be phased out as Norton's population is reduced. These staffing recommendations result in a reduction of \$240,949 from the Governor's recommendations.
2. The Subcommittee found that the special grants program developed for Norton by the 1985 Legislature has been successful in reducing Norton's population. The Subcommittee recommends a budgeted census of 130 for Norton for FY 1987 and a population at the end of FY 1987 of 120 residents. The Subcommittee believes Norton can retain Medicaid certification without additional permanent direct care staff if the population is reduced to 120 residents.

The Subcommittee recommends the identified savings in Norton's budget be used for a special grants program budgeted through the Division of Mental Health and Retardation Services to provide for a reduction of at least 20 residents in Norton's population by the end of FY 1987.

3. The Subcommittee recommends reduction of \$14,058 in food for FY 1987 based on the recommended reduction in population.
4. The Subcommittee notes that Norton is attempting to maximize the efficient use of their buildings and consolidate activities into one building where possible. The Subcommittee recommends Norton continue to consolidate functions to allow savings in utility and maintenance costs in unused buildings or portions of buildings. Although a recent Medicaid survey cited shortages of custodial staff, the Subcommittee feels that this issue may be addressed through more efficient use of building space and a reduction of the population at Norton.
5. The Subcommittee recommends that \$10,700 recommended by the Governor for a station wagon be used instead to purchase furniture for resident units which the Subcommittee feels is a higher priority. The Subcommittee also recommends an additional \$9,300 to provide a total of \$20,000 for additional furniture purchases, beyond the level recommended by the Governor. Recent Medicaid surveys have cited deficiencies in furniture on the units.
6. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction on capital improvements, which includes \$59,200 for replacement of laundry equipment, \$6,300 to replace a refrigerator in the cafeteria, and \$6,500 to replace a food warming cabinet.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### House Committee of the Whole

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



Senate Subcommittee Recommendations

Expenditure Summary	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (245,707)	\$ 3,120,037	\$ (41,728)
General Fees Fund	--	338,119	(55,116)
Title XIX	--	2,822,752	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ (245,707)</u>	<u>\$ 6,280,908</u>	<u>\$ (96,844)</u>
Capital Improvements:			
SIBF	<u>\$ 72,000</u>	<u>\$ 72,000</u>	<u>\$ --</u>
TOTAL	<u>\$ (173,707)</u>	<u>\$ 6,352,908</u>	<u>\$ (96,844)</u>
FTE Positions	(21.0)	262.0	(1.0)

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

1. The Subcommittee reviewed the reduction in population at Norton recommended by the House, which provided for a census of 120 residents at the end of FY 1987. The Subcommittee believes further savings can be achieved at Norton if the population is reduced even further. The agency has stated that one building used for training programs at Norton could possibly be closed if the population were reduced to 108 residents. The Subcommittee believes that reductions in institutional populations are desirable and could be cost effective if significant reductions in populations occur and fewer buildings are used at the institutions. The Subcommittee recommends that the population at Norton be reduced to 108 residents by the end of FY 1987 and that the FY 1987 budget be based on an average census of 120 residents. The Subcommittee recommends that special grants funds in the SRS budget be utilized to accomplish this reduction in the population. The Subcommittee recommends the following reductions in Norton's FY 1987 budget based on an average census of 120 residents:

- a. Delete \$40,291 in funding for the equivalent of 3.0 FTE direct care staff. This adjustment would still allow Norton to maintain the 1:6 direct care staffing level that is authorized at the other institutions. The Subcommittee recommends that Norton's FY 1988 budget submission be based on six fewer direct care positions, as the census would be reduced to 108 at the end of FY 1987. Deleting funding for 3.0 FTE direct care staff reflects phasing out six positions over fiscal year 1987.
- b. The Subcommittee recommends one QMRP position recommended by the House be deleted. The Subcommittee notes that a total of four QMRPs for 108 residents provides a caseload similar to the caseloads at the other institutions. The amount deleted is \$26,714.
- c. The Subcommittee recommends that Norton review all other positions at the institution and determine whether additional staff reductions could be made in dietary, laundry, maintenance, administrative, clerical, and professional staff. The Subcommittee recommends that Norton's FY 1988 budget request reflect any reductions in staff for these areas that are identified. Norton's preliminary assessments indicate that at minimum, one speech pathologist, one lab technician, one painter, one laundry worker, and two food service workers could be phased out. The Subcommittee recommends that Norton begin planning for the phasing out of these positions and any others identified.
- d. The Subcommittee recommends the following reductions in operating expenditures based on an average census of 120 residents and partially closing one building.

Food	\$ 13,597
Pharmaceuticals	10,950
Utilities	9,321
Supplies	9,126
TOTAL	<u>\$ 42,994</u>

- 2. The Subcommittee recommends a reduction of \$55,116 in fee fund expenditures and a corresponding increase in State General Fund expenditures in FY 1987 to allow a one month projected ending balance, in accordance with the Subcommittee's systemwide recommendations and to reflect the recommended reduction in population.

3. The Subcommittee recommends the addition of \$13,394 to reflect a 4.3 percent employer's contribution to KPERS.
4. The Subcommittee recommends the reduction of \$239 in communications expenditures to reflect systemwide decisions regarding KANS-A-N budgets.

585.87

**SUBCOMMITTEE REPORT**

**Agency:** Topeka State Hospital      **Bill No.** --      **Bill Sec.** --  
**Analyst:** Timmer      **Analysis Pg. No.** 407      **Budget Pg. No.** 6-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$16,763,147	\$16,581,237	\$ (20,000)
Capital Improvements	197,682	197,682	--
<b>TOTAL</b>	<u>\$16,960,829</u>	<u>\$16,778,919</u>	<u>\$ (20,000)</u>
<b>State General Fund:</b>			
State Operations	\$11,218,851	\$10,652,535	\$ (20,000)
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$11,218,851</u>	<u>\$10,652,535</u>	<u>\$ (20,000)</u>
<b>FTE Positions</b>	659.0	659.0	--

House Subcommittee Recommendation

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

1. Reduction of \$9,000 from the communications budget based on expenditures to date and the revised KANS-A-N rate increase projections. A total of \$185,260 is recommended for communications expenditures.
2. Reduction of \$9,000 from the utilities budget based on expenditures to date.
3. Reduction of \$2,000 from professional services also based on expenditures to date.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (20,000)	\$16,561,237	\$ 76,405
Capital Improvements	--	197,682	--
TOTAL	<u>\$ (20,000)</u>	<u>\$16,758,919</u>	<u>\$ 76,405</u>
<b>State General Fund:</b>			
State Operations	\$ (20,000)	\$10,632,535	\$ 157,096
Capital Improvements	--	--	--
TOTAL	<u>\$ (20,000)</u>	<u>\$10,632,535</u>	<u>\$ 157,096</u>
FTE Positions	--	659.0	--

Senate Subcommittee Recommendations

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

1. Addition of \$76,405 from the State General Fund to fully fund the operating budget of the hospital. The Subcommittee's recommendation will restore cuts made by the House Subcommittee in the utilities budget as well as other areas of the operating budget which were reduced by the Governor's recommendations.
2. Addition of \$80,691 from the State General Fund to offset fee fund shortfalls.

664.86

**SUBCOMMITTEE REPORT**

Agency: Topeka State Hospital      Bill No. 2759      Bill Sec. 11  
 Analyst: Timmer      Analysis Pg. No. 407      Budget Pg. No. 6-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$18,497,585	\$16,978,415	\$ (1,892)
Capital Improvements	945,500	--	--
<b>TOTAL</b>	<u>\$19,443,085</u>	<u>\$16,978,415</u>	<u>\$ (1,892)</u>
<b>State General Fund:</b>			
State Operations	\$12,829,904	\$11,292,721	\$ (1,892)
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$12,829,904</u>	<u>\$11,292,721</u>	<u>\$ (1,892)</u>
<b>FTE Positions</b>	<b>662.0</b>	<b>652.5</b>	<b>1.0</b>

House Subcommittee Recommendation

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

1. Reduction of \$9,715 from the communications budget based on revised FY 1986 projected expenditures and an 11 percent increase in KANS-A-N costs. No adjustment for usage is made.
2. Reduction of \$2,177 from professional drug and medical supplies based on revised FY 1986 projected expenditures.
3. Addition of 1 FTE position and \$15,000 to provide a supervisory position for a program to employ pre-release inmate labor on the hospital grounds. The Subcommittee understands that the hospital and the Topeka Pre-Release Center had reached agreement on a program which would allow 15 permanent party inmates, located at the Pre-Release Center, to be used to provide additional grounds maintenance, snow removal, and similar services. The agreement required that the Hospital provide 3 FTE supervisors for the inmates. The Hospital's FY 1987 budget request included the reclassification of three maintenance positions in order to provide the supervisors. The Governor's recommendation deleted 2 FTE and all salary and wage funding for those positions and left one position. The Subcommittee's recommendation provides one more supervisor and requests that the Hospital reclassify another position to provide the third supervisor.

The Subcommittee strongly endorses the proposed arrangement between the Hospital and the Pre-Release Center and commends them for instigating an arrangement which promises significant benefit to both institutions. The Subcommittee also believes that it may be possible in the future to assign inmates to other work areas, such as the laundry and exterior painting, and encourages the Hospital and Pre-Release Center to explore any additional job possibilities. The Subcommittee sympathizes with concerns expressed that existing staff should not be replaced with inmate labor, and believes that this program can be initiated without jeopardizing current Hospital staff jobs.

4. Reduction of \$5,000 from the utilities budget based on revised FY 1986 estimated expenditures to allow \$803,867 for utilities in FY 1987.
5. The Subcommittee concurs with the recommendations of the Joint Committee on Building Construction and does not recommend funding for any capital improvement projects at Topeka State in FY 1987.
6. The Subcommittee notes that the Governor's FY 1987 fee fund recommendations include an ending balance equivalent to one week's revenue. The Subcommittee is of the opinion that this balance may not be sufficient and could cause funding problems for the Hospital should revenue not meet projections. The Subcommittee highlights this as an area for review by the Senate Subcommittee, especially when more actual FY 1986 revenue information is available.
7. The Subcommittee endorses the policy of identifying specific salary and wage costs such as temporary and intermittent staff and overtime and requests that all Mental Health institutions follow that policy in all future budget requests.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (1,892)	\$16,976,523	\$ 15,252
Capital Improvements	--	--	--
TOTAL	<u>\$ (1,892)</u>	<u>\$16,976,523</u>	<u>\$ 15,252</u>
<b>State General Fund:</b>			
State Operations	\$ (1,892)	\$11,290,829	\$ 160,987
Capital Improvements	--	--	--
TOTAL	<u>\$ (1,892)</u>	<u>\$11,290,829</u>	<u>\$ 160,987</u>
FTE Positions	1.0	653.5	1.0

Senate Subcommittee Recommendations

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

1. Addition of \$41,827 from the State General Fund to provide a 4.3 percent KPERS rate.
2. Addition of \$15,000 from the State General Fund and 1 FTE position to provide the third supervisor required to implement the program which will allow 15 inmates from the Pre-Release Center to do maintenance and ground work on the hospital grounds as discussed in item 3 of the House Subcommittee report.
3. Deletion of \$41,575 from the psychiatric residency training program, a recommendation which will allow a total of \$400,000 for the contract with the Karl Menninger School of Psychiatry. The Subcommittee learned that the contract has not been negotiated for several years but rather based on the amount appropriated by the Legislature and that the contract amount has increased by a rate of 4 to 10 percent in each of the last three years.

The Subcommittee also requests a Post Audit study of the program to include review of its cost effectiveness, the impact it may have on the quality of care at the hospital, recruitment history of participants in the program, and the appropriateness of a similar program at other state hospitals. The Subcommittee is of the opinion that if the program is beneficial to Topeka State it would also be beneficial for the other three state institutions. If it is not found to be a good use of state resources at Topeka State the elimination of the program should be investigated.

4. The Subcommittee learned that Topeka State operates a chaplain training program involving three trainees on the hospital grounds. The Subcommittee strongly supports the provision of



chaplaincy services to state hospital patients of all faiths but question the appropriateness of providing state funding for a training program for chaplain trainees. The Subcommittee, therefore, requests a Post Audit study of chaplain training programs at the state institutions as well as chaplain training programs outside state facilities.

5. Addition of \$145,735 from the State General Fund to offset fee fund expenditures and provide a fee fund ending balance equivalent to one month's patient revenue.

664.87

**SUBCOMMITTEE REPORT**

Agency: Winfield State Hospital      Bill No. NA      Bill Sec. NA  
 Analyst: Hunn      Analysis Pg. No. 417      Budget Pg. No. 6-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 9,719,321	\$ 9,219,506	\$ 30,000
General Fees Fund	1,161,554	1,161,554	
Title XIX	7,455,377	7,455,377	
Other Funds	259,834	259,834	
Subtotal-Operating	<u>\$18,596,086</u>	<u>\$18,096,271</u>	<u>\$ 30,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 156,750	\$ 359,327	\$ --
TOTAL	<u>\$18,752,836</u>	<u>\$18,455,598</u>	<u>\$ 30,000</u>
FTE Positions	833.0	833.0	--

House Subcommittee Recommendations

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

1. The Subcommittee supports Winfield's proposal to establish a University Affiliated Program with Wichita State University and recommends the two agencies accelerate the development of this joint program. The Subcommittee notes the value of the University Affiliated Program at Parsons and believes the establishment of a University Affiliated Program at Winfield would enhance the institution's ability to attract and retain qualified professional staff.
2. During their review of Winfield's budget and during the 1985 interim, the Subcommittee met with Dr. Richard Saunders of the University Affiliated Facility at Parsons who has been serving as consultant to Winfield since the federal survey last spring. The Subcommittee wishes to commend Dr. Saunders for his invaluable contribution in developing active treatment programs at Winfield.
3. The Subcommittee notes that salary and wage projections for Winfield indicate that the Governor's recommendation may not be sufficient to allow the institution to keep all direct care positions filled for the remainder of the year. Winfield does,

however, have several vacancies in professional positions which could offset the potential shortfall. The Subcommittee recommends the Senate review salary and wage expenditures when additional payroll data is available.

4. The Subcommittee recommends the addition of \$30,000 in supplemental funding for medical supplies for the 12-bed respiratory therapy unit recently established. This adjustment would restore the amount deleted by the Governor's recommendations. Prior to the establishment of this unit, these patients had been treated at local hospitals and the costs charged to the patients medical card. While the new unit results in additional expenditure for the institution, there should be some offsetting savings in Medicaid expenditures in the SRS budget. The Subcommittee recommends the Division of Mental Health and Retardation Services monitor the expenditures incurred for this unit, and report to the 1987 Legislature on its cost-effectiveness.
5. The Subcommittee reviewed utility and food expenditures for the first six months and does not project savings in these areas at this time. The Subcommittee recommends the Senate review these areas when additional data is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 30,000	\$ 9,249,506	\$ 200,000
General Fees Fund	--	1,161,554	--
Title XIX	--	7,455,377	--
Other Funds	--	259,834	--
Subtotal - Operating	<u>\$ 30,000</u>	<u>\$18,096,271</u>	<u>\$ 200,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ 359,327	\$ --
TOTAL	<u>\$ 30,000</u>	<u>\$18,485,598</u>	<u>\$ 200,000</u>
FTE Positions	--	833.0	--

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

1. The Subcommittee recommends the addition of \$200,000 for salaries and wages due to lower than expected turnover savings. A Governor's Budget Amendment is anticipated on this item. The Subcommittee believes this amount is necessary to allow direct care positions to remain filled for the remainder of the fiscal year. Federal surveyors are expected at Winfield this spring and the Subcommittee believes that it is important that direct care positions remain filled. The agency has requested a Governor's Budget Amendment totaling \$403,846, but the Subcommittee believes that request can be reduced to the recommended \$200,000 based on difficulties the agency has had in filling certain professional positions and projected savings in other operating expenditures.
2. The Subcommittee reviewed Winfield's proposal to establish a University Affiliated Program with Wichita State University and the University of Kansas Medical Center at Wichita. The Subcommittee supports Winfield's goal of attracting and retaining qualified professional staff, but feels this goal can be accomplished more efficiently without development of a potentially costly new program. The UAF program at Parsons State Hospital is already well established and has a national reputation. Given the proximity of this program to Winfield the Subcommittee believes it would be inefficient and unnecessary to establish a new separate university affiliated program. Faculty members and staff of the Parsons' UAF have been working closely with the state institutions over the past year to help solve active treatment and training problems and Dr. Saunders of the UAF has been acting program director and has provided ongoing consultation at Winfield. In addition, the Developmental Disabilities Council recently made a \$100,000 grant to the Parsons' UAF so the UAF could develop and implement training programs for the professional staff at the state institutions. H.B. 2664 introduced by the Interim Committee on Public Health and Welfare would expressly allow the Secretary of SRS to request assistance from the Parsons' UAF for the state institutions. That interim report had also recommended that the Parsons' UAF become more involved at all four state institutions for the mentally retarded. The Subcommittee also supports greater involvement of the Parsons' UAF at Winfield and recommends the UAF and SRS study ways to maximize the Parsons' UAF services to the state institutions.

Winfield would like to establish a fully accredited UAF program, which would be required to meet staffing and facility standards. Although the UAF proposal is still in the planning stages, Winfield is planning to use hospital staff for the UAF. The Subcommittee believes that Winfield should be focusing all efforts of its staff on meeting active treatment requirements in light of recent threats of decertification by the federal government. Also, the Subcommittee notes the contrast to the Parsons' UAF, in which no hospital

employees are directly involved and which is primarily federally funded. It does not appear that federal funding would be available for the proposed program at Winfield at this time.

The Subcommittee does support Winfield's use of Wichita State University and the Medical Center at Wichita as resources to provide consultation in areas where Winfield's staff does not have the necessary expertise, but believes this relationship can be accomplished through a simple contractual agreement for certain faculty or physician services. The Subcommittee believes that more creative approaches to Winfield's goals can be accomplished without adding a new separate program which would place unnecessary demands on the state's resources.

713.86

**SUBCOMMITTEE REPORT**

Agency: Winfield State Hospital      Bill No. 2759      Bill Sec. 12  
 Analyst: Hunn      Analysis Pg. No. 417      Budget Pg. No. 6-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$11,013,387	\$ 9,725,319	\$ 21,000
General Fees Fund	1,062,321	1,305,819	
Title XIX	7,671,041	8,022,838	
Other Funds	241,970	262,439	
Subtotal-Operating	<u>\$19,988,719</u>	<u>\$19,316,415</u>	<u>\$ 21,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 634,000</u>	<u>\$ 86,600</u>	<u>\$ 115,400</u>
TOTAL	<u>\$20,622,719</u>	<u>\$19,403,015</u>	<u>\$ 136,400</u>
FTE Positions	833.0	853.0	--

House Subcommittee Recommendations

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

1. The Subcommittee concurs with the Governor's recommendations to add 20 direct care staff at Winfield in FY 1987. Agency officials anticipate the return of federal officials at Winfield and the additional staff is considered necessary to meet active treatment standards. The Subcommittee notes, however, that a long range plan is being developed to reduce the population at Winfield and that direct care staffing levels should be reduced proportionately when that reduction in population occurs. The Subcommittee also recommends that the Division of Mental Health and Retardation Services provide monthly status reports on movements between or from institutions to the Legislative Research Department.
2. The Subcommittee recommends the addition of \$21,000 in FY 1987 for medical supplies for continuation of the respiratory therapy unit. The Subcommittee recommends this area of expenditure be reviewed by the 1987 Legislature to determine what level of annual expenditures are necessary for this unit.

3. The agency requested to the Subcommittee higher expenditures in the area of consultant services. The Subcommittee concurs with the Governor's recommendation in this area and recommends that the agency rely more on the professional staff of the institution rather than hiring outside consultants where possible.
4. The Subcommittee notes that Winfield has experienced increased expenditures for disposable briefs. Winfield states that they are monitoring this area to ensure that residents briefs are not being changed too frequently and they also plan to switch to a new brief that has the added feature of "moisture indicators" to maximize efficient procedures in this area. The Subcommittee recommends this area of expenditure be reevaluated by the 1987 Legislature to determine if there may be savings.
5. The Subcommittee notes that the Governor's recommendations deleted \$3,000 for a wheelchair scale. The Subcommittee recommends the addition of this item and a corresponding reduction in the amount recommended for replacement of beds. The Subcommittee found that without this equipment, nonambulatory residents would have to be transported to another building for monthly weight checks. The Subcommittee feels the \$3,000 scale would be efficient and cost-effective.
6. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction which includes \$80,000 to upgrade resident living areas, \$120,000 to replace the institution's X-ray machine, and \$2,000 for trees.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 21,000	\$ 9,746,319	\$ 281,007
General Fees Fund	--	1,305,819	(242,711)
Title XIX	--	8,022,838	--
Other Funds	--	262,439	3,631
Subtotal - Operating	<u>\$ 21,000</u>	<u>\$19,337,415</u>	<u>\$ 41,927</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 115,400	\$ 202,000	\$ --
TOTAL	<u>\$ 136,400</u>	<u>\$19,539,415</u>	<u>\$ 41,927</u>
FTE Positions	--	--	--

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

1. The Subcommittee recommends the addition of \$41,927 to provide a 4.3 percent employee's contribution to KPERS.
2. The Subcommittee recommends a shift of \$242,711 from fee fund financing to State General Fund financing to provide a one-month projected ending balance for the fee fund in accordance with the Subcommittee's systemwide recommendations.
3. Shift of \$3,631 from State General Fund financing to federal Chapter I financing to maximize use of available federal funds for the special education program.



## HOUSE SUBCOMMITTEE

### SYSTEMWIDE RECOMMENDATIONS

#### Mental Retardation Institutions

The Subcommittee reviewed recent regulatory activities at the mental retardation institutions, staffing increases made during the 1985 interim and recommended by the Governor, and the long-range plans for the institutions in their budgetary deliberations. The Subcommittee makes the following conclusions and recommendations:

1. In April, 1985, federal officials visited Winfield State Hospital and cited deficiencies in the areas of protection from harm for the residents and in active treatment. The 1985 Legislature authorized 102 additional positions for Winfield to address these cited deficiencies. Winfield was recertified in September, 1985 by federal officials for continued receipt of federal Medicaid funds. Agency officials anticipate a resurvey by federal officials in the spring of 1986.

Following the federal survey at Winfield, surveys were conducted at the other three mental retardation institutions by the Kansas Department of Health and Environment and deficiencies in provision of adequate active treatment were cited at each facility. Parsons and KNI received Finance Council authorization to hire additional staff during the 1985 interim. KNI was recertified in November, 1985 for continued receipt of Medicaid funds. Parsons is scheduled to be resurveyed by KDHE in February, 1986 to determine whether active treatment is being satisfactorily provided. Norton did not request Finance Council action during the interim session, but has begun hiring additional direct care trainee staff. Norton will also be resurveyed in February, 1986. Norton, Parsons, and KNI are requesting significant supplemental funding in FY 1986 for new positions. Federal surveyors started a survey at KNI on February 19, 1986, and have not yet visited Parsons or Norton.

2. The Subcommittee held joint meetings with the Senate Subcommittee for the institutions during November and December, 1985. The Subcommittee reviewed staffing at all four mental retardation institutions. The Subcommittee also held a conference call with Colorado officials and reviewed useful information regarding that state's experience with federal officials. The Subcommittee also met with officials of the Kansas University Affiliated Facility at Parsons who have been extensively involved with staffing and program changes at the institutions. With the additional staff authorized by the Finance Council and recommended by the Governor, Kansas mental retardation institutions appear to be staffed at a level comparable to other states. Additional staff authorized generally provides for an overall ratio of one direct care staff for every six residents. This staffing level appears

necessary to meet Medicaid active treatment standards as interpreted by state and federal review teams.

3. The Subcommittee toured Kansas Neurological Institute and met with the other three superintendents and found that all four institutions have developed active treatment programs. The Subcommittee believes that all four institutions are now providing active treatment as required by federal Medicaid regulations, and that further increases in direct care staff beyond the level recommended in the Subcommittee's reports would be unwarranted. The Subcommittee commends the institutions' staffs for their dedication in providing active treatment to residents of the institutions.
4. The Subcommittee requested and received from Dr. Saunders, of the University Affiliated Facility at Parsons, statistics on a pilot project at Winfield analyzing the effect of additional supervisory staff on the need for direct care staff. Dr. Saunders' preliminary results indicate that an additional supervisory position on a unit may reduce the number of direct care staff necessary to provide active treatment. The Subcommittee recommends Dr. Saunders continue his study and report the final results to the Legislature. The Subcommittee recommends that the Division of Mental Health and Retardation Services also present a cost benefit analysis on any recommendations made as a result of the study.
5. The Subcommittee believes that reducing institutional populations is the long-range optimal strategy for the mental retardation institutions. The Subcommittee notes that for each unit of residents moved from an institution, corresponding numbers of direct care staff can be reduced. The Subcommittee also notes that federal surveyors may soon be reviewing the institutions to determine if residents are appropriately placed. The Subcommittee recommends special grants programs to reduce institutional populations and operating costs and address any potential questions of inappropriate placement prior to federal surveys in that area. Recommendations for each institution and the Division of Mental Health and Retardation Services reflect this systemwide recommendation.
6. The Subcommittee reviewed fee fund projections for each institution. The Governor's recommendations provide only approximately a one week balance at the end of FY 1987, substantially below the one month balance typically budgeted. The Subcommittee notes that based on receipts to date for FY 1986, the institutions may experience fee fund shortfalls in FY 1987. The Subcommittee recommends the Senate review fee fund receipts when additional data is available.
7. The Subcommittee also reviewed projections for federal Medicaid receipts and found that at this time it appears that Medicaid receipts may be significantly less than projected in the Governor's recommendations. The Subcommittee recommends that the Division

of Mental Health and Retardation Services request a Governor's Budget Amendment to provide revised estimates of federal Medicaid receipts for the four institutions.

SUBCOMMITTEE REPORT


House Bill No. 2760

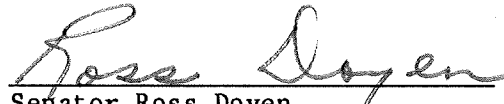
Sec. 2 -- Homestead Property Tax Refunds

Sec. 3 -- Social and Rehabilitation Services


Sec. 4 -- Department of Health and Environment

Sec. 5 -- Department on Aging

  
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Senator August Bogina, Jr.  
Chairman

  
\_\_\_\_\_  
Senator Ross Doyen

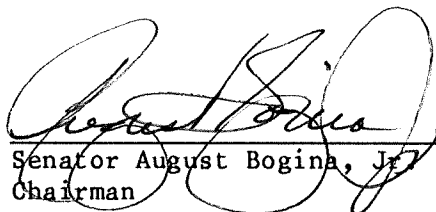
  
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Senator Frank Gaines

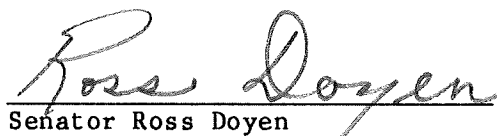
  
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Senator Robert Talkington

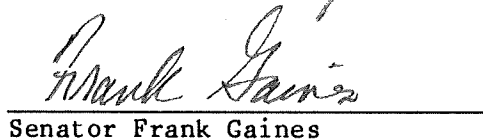
SUBCOMMITTEE REPORT

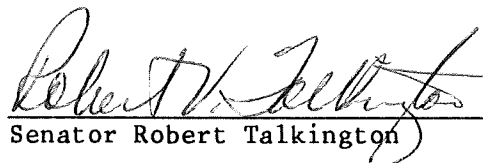
Sections of House Bill No. 2801  
Pertaining to:

Social and Rehabilitation Services  
Department of Health and Environment  
Department on Aging

  
\_\_\_\_\_  
Senator August Bogina, Jr.  
Chairman

  
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Senator Ross Doyen

  
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Senator Frank Gaines

  
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Senator Robert Talkington

**SUBCOMMITTEE REPORT**

**Agency:** Department of Revenue      **Bill No.** 2760      **Bill Sec.** 2  
                 Homestead Property Tax

**Analyst:** Efird      **Analysis Pg. No.** I-429      **Budget Pg. No.** 2-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
Other Assistance: State General Fund	\$ 8,200,000	\$ 8,200,000	--

FY 1986 Agency Request/Governor's Recommendation

The consensus estimate of November 1985 is \$8,200,000 and the Governor concurs with the estimated payments.

FY 1986 House Subcommittee Recommendation

The Subcommittee concurs with the \$8,200,000 estimate of payments in FY 1986.

FY 1987 Agency Request/Governor's Recommendations

The consensus estimate of November 1985 is \$8,200,000. The Governor concurs with the estimate for payments in FY 1987.

FY 1987 House Subcommittee Recommendations

The Subcommittee concurs with the \$8,200,000 estimate of payments in FY 1987.

FY 1986 and FY 1987 House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

FY 1986 and FY 1987 Senate Subcommittee Recommendation

The Subcommittee concurs with the House.

SUBCOMMITTEE REPORT

Agency: Department of Social and  
Rehabilitation Services

Bill No. 2801

Bill Sec. 4

Analyst: Hauke

Analysis Pg. No. 430

Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 113,978,362	\$ 112,409,055	\$ 309,391
Local Aid	16,556,377	16,556,377	--
Other Assistance	405,981,303	407,451,085	--
Subtotal - Operating	<u>\$ 536,516,042</u>	<u>\$ 536,416,517</u>	<u>\$ 309,391</u>
Capital Improvements	3,702,959	3,768,082	--
TOTAL	<u>\$ 540,219,001</u>	<u>\$ 540,184,599</u>	<u>\$ 309,391</u>
State General Fund:			
State Operations	\$ 48,037,516	\$ 46,618,825	\$ (11,948)
Local Aid	13,420,025	13,420,025	--
Other Assistance	195,337,190	195,222,241	--
Subtotal - Operating	<u>\$ 256,794,731</u>	<u>\$ 255,261,091</u>	<u>\$ (11,948)</u>
Capital Improvements	--	--	--
TOTAL	<u>\$ 256,794,731</u>	<u>\$ 255,261,091</u>	<u>\$ (11,948)</u>

House Subcommittee Recommendations

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

1. The Subcommittee learned that during FY 1985 approximately \$799,897 less was expended from the Social Service Block Grant than was available for expenditure. As a consequence that amount is available for expenditure during FY 1986 and was not included in the resource computations upon which the revised budget is based. The Subcommittee recommends use of this funding as follows:
  - a. to offset shortages in the homemaker program of \$230,903 which are further detailed in Item No. 2.
  - b. to offset less than anticipated turnover savings of \$95,943 in social services field operations, which are further detailed in Item No. 3; and
  - c. use of the remaining \$473,051 to minimize Social Service Block Grant reductions, that will result from Gramm-Rudman during FY 1986.

2. The Subcommittee reviewed expenditures associated with the Homemaker Program, which is an important factor in containing nursing home costs. Salary expenditures are exceeding the Governor's revised FY 1986 budget by \$332,097 at a minimum. Travel and subsistence expenditures appear to be below budget by \$101,194, partially offsetting the salary and wage deficit. The net deficit is \$230,903 when salary and travel expenditures are combined. As mentioned in Item No. 1, the Subcommittee recommends that this deficit be financed, using the Social Service Block Grant carryover funds. In financing this deficit, the Subcommittee notes that total nursing home expenditures in the Governor's revised FY 1986 medical budget are \$116,312 less than the approved FY 1986 budget. The success of the Homemaker program is directly related to preventing nursing home placements.
3. The Subcommittee reviewed area office social service staff expenditures. Salary expenditures will exceed the revised FY 1986 budget by \$126,764. Those salary expenditures are partially offset by estimated savings of \$30,821 in the travel and subsistence budget. The Subcommittee recommends that the net deficit of \$95,943 be financed with FY 1985 carryforward Social Service Block Grant Funding.
4. The Subcommittee reviewed area office Income Maintenance expenditures. A minimum FY 1986 salary and wage deficit of \$384,331 appears in this category, due to less than anticipated turnover. The Subcommittee highlights this as an area which may require attention at a later date. The Subcommittee notes that SRS has implemented a hiring freeze in this category, the financial impact of which is not yet known. Income Maintenance is the first line of defense against fraud and abuse. Therefore, the Department should place a high priority on filling these positions, over all others.
5. The Subcommittee reviewed expenditures in Area Office Administration. A minimum salary and wage deficit of \$109,064 will occur, however, savings of \$126,519 in the telecommunications budget, largely due to KANS-A-N savings will offset this deficit. The Subcommittee recommends that the FY 1986 budget be reduced by the net savings of \$17,455, of which \$11,948 is from the State General Fund.
6. The Subcommittee reviewed expenditures in the Governor's revised FY 1986 recommendations for AFDC cash assistance. Recent computations were reviewed, including expenditure data on March 1 assistance checks. The most recent projection would forecast a deficit of approximately \$929,000, of which \$464,500 would be from the General Fund. The Subcommittee highlights this as an area that may require further review. Nevertheless, the deficit appearing at this time is approximately 1 percent of the total AFDC budget. The Subcommittee believes that a minor reduction in caseloads could erase this deficit and recommends we keep our fingers crossed.



7. The Subcommittee reviewed FY 1986 Medical Assistance expenditures in great detail, including the \$9,958,493 supplemental appropriation in the Governor's revised recommendation. Based upon actual expenditures through February, it appears possible that the Medical budget will exceed the revised FY 1986 budget. However, the share of expenditures attributable to state funds appears relatively close to the budget. Nevertheless, this expenditure category should be closely-monitored throughout remaining months of the fiscal year.
  
8. A deficit of approximately \$1,474,170 appears in the General Assistance Program, based upon expenditures through March 1. This estimated deficit is 12.6 percent of the revised FY 1986 budget, a proportion that is unlikely to be recovered due to minor caseload reductions which typically occur during the spring.
  - a. The Subcommittee observes a deficit totaling \$801,550 in the General Assistance Unrestricted program, which may need to be addressed during the remainder of this legislative session.
  
  - b. The Subcommittee observes a TGA deficit of \$672,620 in the absence of programmatic changes. The Subcommittee is recommending two programmatic changes, as discussed in the FY 1987 report. The Subcommittee recommends that those programmatic changes be implemented on May 1. The abovementioned TGA deficit would be reduced by \$367,539 due to limiting TGA to a program of six months duration, based upon data indicating that 43 percent of TGA clients had been recipients for more than six months. The deficit would be further reduced by \$20,430, based upon data indicating that 4.2 percent of recipients had not been Kansas residents for at least six months. Once these adjustments are made, the Subcommittee observes that the TGA deficit could be reduced to approximately \$284,651. Nevertheless, a deficit appears in both programs which may need to be addressed during the remainder of this legislative session.

House Committee Recommendations

The House Ways and Means Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments*</u>
<b>All Funds:</b>			
State Operations	\$ 309,391	\$ 112,718,446	\$ 665,898
Aid to Local Units		16,556,377	(85,275)
Other Assistance		407,451,085	6,615,435
Subtotal - Operating	\$ 309,391	\$ 536,725,908	\$ 7,196,058
Capital Improvements		3,768,082	--
<b>TOTAL</b>	<b>\$ 309,391</b>	<b>\$ 540,493,990</b>	<b>\$ 7,196,058</b>
<b>State General Fund:</b>			
State Operations	\$ (11,948)	\$ 46,606,877	\$ 388,692
Aid to Local Units	--	13,420,025	--
Other Assistance	--	195,222,241	3,407,153
Subtotal - Operating	\$ (11,948)	\$ 255,249,143	\$ 3,795,845
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$ (11,948)</b>	<b>\$ 255,249,143</b>	<b>\$ 3,795,845</b>

\* Includes adjustments contained in Governor's Budget Amendment No. 3, which recommended increase of state operations by \$761,841 (\$388,692 State General Fund) and increase of assistance programs by \$6,732,863 (\$3,703,525 State General Fund).

Senate Subcommittee Recommendations

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

1. The Subcommittee concurs with Governor's Budget Amendment No. 3 concerning the General Assistance program. This adds \$1,818,377 from the State General Fund in FY 1986 to finance higher than anticipated caseloads in both the Transitional General Assistance and General Assistance Unrestricted categories.
  - a. The Subcommittee's recommendations concerning Transitional General Assistance are incorporated in the FY 1987 report. The Subcommittee recommends that programmatic changes concerning Transitional General Assistance become effective July 1, 1986, rather than May 1, 1986 as recommended by the House.

2. The Subcommittee concurs with Governor's Budget Amendment No. 3, concerning the Medical Assistance program. This recommendation adds \$3,553,183 to the Medical Assistance Program during FY 1986, of which \$817,176 is from the State General Fund.
3. The Subcommittee reviewed Governor's Budget Amendment No. 3 concerning Aid to Dependent Children (ADC). The Governor had recommended an increase of \$1,361,303, of which \$683,374 is from the State General Fund. The Subcommittee also reviewed a FY 1986 projection by the Legislative Research Department concerning ADC, showing a deficit of \$1,725,092, of which \$862,546 is from the State General Fund. The Subcommittee believes the Legislative Research Department projection overstates expenditures during March and April. However, the Governor's recommendations fail to include the impact of a January 1, 1986 grant increase. Consequently, the Subcommittee recommends that the AFDC budget be increased by \$1,543,198, of which \$771,600 is from the State General Fund.
4. The Subcommittee reviewed the Governor's recommendations concerning use of \$384,598 in state funds to partially offset the impact of federal funding reductions resulting from Gramm-Rudman-Hollings. The Subcommittee concurs with the Governor's estimate that during FY 1986 \$384,598 in federal funds will not be received. However, the Subcommittee is not recommending that the state finance any of those items recommended by the Governor. The Subcommittee makes the following observations concerning the specific items recommended by the Governor.
  - a. Community Service Grants. The Governor had recommended \$91,918 from the General Fund for this program. The Subcommittee notes that to date no state dollars have been expended for this program.
  - b. Alcohol and Drug Abuse Grants. The Subcommittee observes that the approved FY 1986 budget for substance abuse grants from all funding sources is an increase of \$778,050 to FY 1985 expenditures. Consequently, the \$64,725 reduction, due to Gramm-Rudman is a decrease of the increase for this program.
  - c. Community Mental Health Block Grant. SRS has typically made grants from this fund from grant awards authorized in a previous quarter or fiscal year. Denying the Governor's recommendation of \$85,275 does not require the agency to reduce any grant awards during the current fiscal year.

- d. Day Care/Foster Care. The Governor recommends \$142,680 to replace Social Service Block Grants in these programs. In reviewing this request, the Subcommittee learned that the agency will underspend its FY 1986 day care budget by approximately \$200,000 to \$300,000. The Subcommittee believes this underspending eliminates the need to supplement funding for this item.
  - e. Social Service Block Grant Funds. Governor's Budget Amendment No. 3 mentions \$799,897 from the Social Service Block Grant, which was an unobligated balance from the previous fiscal year. This amount had also been cited by the House. The Subcommittee recommends that this balance be utilized to partially reduce the impact of Gramm-Rudman during FY 1986.
5. The Subcommittee reviewed the House recommendation to use \$95,943 from the Social Service Block Grant to offset less than anticipated turnover in local office social services programs. The Subcommittee finds that expenditures in this subprogram have declined, subsequent to the House recommendation. Consequently, the Subcommittee does not recommend this expenditure.
6. The Subcommittee reviewed recommendations contained in Governor's Budget Amendment No. 3 concerning less than expected turnover in several categories of state operations. The Subcommittee concurs with Governor's Budget Amendment No. 3 and recommends FY 1986 additions to the various subprograms listed below.

<u>Subprogram</u>	<u>General Fund Increase</u>	<u>Total Increase</u>
Area Office Administration	\$ 26,440	\$ 48,060
Income Maintenance - Field Operations	157,020	269,183
Homemaker	99,979	262,882
Adult Medical Services	55,737	132,200
Family Support	49,516	49,516
Total	<u>\$ 388,692</u>	<u>\$ 761,841</u>

**SUBCOMMITTEE REPORT**

**Agency: Department of Social and  
Rehabilitation Services**

**Bill No. 2760**

**Bill Sec. 3**

**Analyst: Hauke**

**Analysis Pg. No. 430**

**Budget Pg. No. 2-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87*</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$127,232,498	\$113,950,183	\$ (171,451)
Local Aid	20,412,933	16,568,799	--
Other Assistance	417,231,774	406,678,236	9,295,943
Subtotal - Operating	<u>\$564,877,205</u>	<u>\$537,197,218</u>	<u>\$ 9,124,492</u>
Capital Improvements	9,191,910	1,170,713	--
TOTAL	<u>\$574,069,115</u>	<u>\$538,367,931</u>	<u>\$ 9,124,492</u>
<b>State General Fund:</b>			
State Operations	\$ 55,620,133	\$ 47,512,921	\$ 21,614
Local Aid	17,226,508	13,420,025	--
Other Assistance	208,222,959	192,800,526	7,564,326
Subtotal - Operating	<u>\$281,069,600</u>	<u>\$253,733,472</u>	<u>\$ 7,585,940</u>
Capital Improvements	--	--	--
TOTAL	<u>\$281,069,600</u>	<u>\$253,733,472</u>	<u>\$ 7,585,940</u>
FTE Positions	3,011.4	2,872.9	3.0

\* Includes impact of Governor's Budget Amendment No. 1.

House Subcommittee Recommendations

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

1. In accordance with the maintenance goals described in Item No. 3 of the SRS systemwide report, the Subcommittee recommends partial restoration of the Transitional General Assistance Program. The Subcommittee believes the program should be truly transitional and therefore recommends that TGA benefits be limited to six months in a 12-month period, a change that will allow a FY 1987 expenditure reduction totaling \$1,612,202, of which \$848,430 would be cash assistance and \$763,772 would be medical assistance.

The Subcommittee recommends imposition of a six-month residency requirement on the TGA program, as a condition of eligibility. This change allows a FY 1987 expenditure reduction totaling \$339,871, of which \$178,859 would be cash assistance and \$161,012 would be medical assistance. Complete restoration of the TGA program would require expenditure of \$6.8 million. The

Subcommittee's recommendations involve FY 1987 expenditure of \$4,878,600 from the General Fund, of which \$2,719,930 is cash assistance and \$2,158,670 is medical assistance. A table following this report details the Subcommittee recommendations concerning TGA.

2. The Subcommittee learned that the federal government has imposed a 50 percent matching requirement on administration of the commodity distribution program known as TEFAP, effective January 1, 1987. On its tours of soup kitchens, the Subcommittee learned that the commodities are an important source of nutrition to many low income individuals. The Subcommittee recommends expenditure of \$90,144 from the General Fund during FY 1987 to finance this matching requirement. Although considered administration, the portion of this program reflected in the state budget is actually contractual costs associated with transporting and storing commodities.
3. Consistent with its recommendations concerning employment the Subcommittee observes the need for an effective day care program. Accordingly, the Subcommittee recommends that the day care budget be increased by \$738,628 from the State General Fund. Of this amount, the Subcommittee is recommending that \$194,788 be expended for a 5 percent increase in day care reimbursement rates and \$543,840 be expended to increase the number of day care slots by 330. The Subcommittee believes the rate increase will facilitate assuring the availability of day care facilities for SRS clients. The additional slots will assist in keeping low-income persons from the assistance rolls or allow employment of ADC parents.
4. In accordance with its recommendations concerning employment, the Subcommittee believes that the Jobs Club programs should be given additional emphasis. Therefore, the Subcommittee recommends an increase of \$120,000 in expenditures from the General Fund for the Jobs Club program. The Subcommittee learned that a problem for the Jobs Club staff surrounds the need to purchase remedial education services or supplies for clients, to facilitate their employment. Therefore, the Subcommittee recommends that \$60,000 of the increase it is recommending be expended for remedial education services or supplies. The Subcommittee recommends that the remaining \$60,000 be expended for 3.0 FTE positions to expand the Jobs Club program, with emphasis on a mobile jobs club that would serve several small offices .
5. Consistent with its recommendations concerning Income Maintenance, the Subcommittee reaffirms the need for an effective fraud and abuse prevention program. Accordingly, the Subcommittee recommends addition of \$100,000, of which \$57,910 is from the General Fund and \$42,090 is from federal funds to the Income Maintenance staffing activities. The Subcommittee believes this funding is necessary to allow filling of income maintenance positions, which are important in fraud discovery.

6. As detailed in its goals concerning Medical Services, the Subcommittee believes the overall percentile limit or fifth capitation is unduly restrictive on the reimbursement of nursing homes. The Subcommittee is recommending that this fifth cap be phased out over a two-year period. Accordingly, the Subcommittee recommends addition of \$822,965 in FY 1987, of which \$411,483 would be from the State General Fund. Additionally, SRS reserve days are not paid if a facility has more than five vacant beds, a policy that is probably appropriate for smaller nursing homes. Nevertheless, this policy, contained in agency service manuals, is unduly restrictive on a few very large homes. The Subcommittee recommends that the agency pursue a less restrictive policy for homes having more than 200 beds.
7. In accordance with its goal of moving toward financing needs established in the minimum subsistence budget, the Subcommittee recommends a 3 percent increase in cash grants for ADC and Unrestricted General Assistance clients. This recommendation is implemented as follows:
  - a. increase the AFDC budget by \$2,640,270, of which \$1,320,135 is from the State General Fund; and
  - b. Increase the General Assistance budget by \$215,480, from the State General Fund.
8. The Subcommittee notes the adoption of the data processing recommendations of the Subcommittee on the Department of Administration and commends the Subcommittee for their excellent efforts. Therefore, the FY 1987 SRS data processing budget is reduced by \$186,217, of which \$105,957 is from the State General Fund.
9. The Subcommittee endorses Governor's Budget Amendment No. 1, concerning SRS. This budget amendment reduces the Medical Assistance Budget by \$718,312, of which \$359,156 is from the General Fund, due to delayed implementation of 24-hour licensed nursing care in adult care homes. That amendment increases the AFDC budget by \$616,590, of which \$308,295 is from the General Fund to reflect annualization of a FY 1986 mid-year cash grant increase. The net impact of Governor's Budget Amendment No. 1 is a \$101,722 decrease, of which \$50,861 is from the State General Fund.
10. The Subcommittee reviewed KANS-A-N telecommunications expenditures and recommends a decrease of \$205,234 to the Area Administration Communications budget, of which \$140,483 is from the General Fund. This recommendation is consistent with systemwide recommends made by the Subcommittee reviewing Department of Administration expenditures.

SUBCOMMITTEE REPORT

Agency: SRS -- Mental Health and Retardation Services Bill No. 2760 Bill Sec. 3

Analyst: Hauke Analysis Pg. No. 430 Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,328,385	\$ 2,108,611	\$ 31,736
Aid to Local Units	20,412,933	16,568,799	1,100,000
Other Assistance	407,663	394,390	20,000
Subtotal-Operating	<u>\$23,148,981</u>	<u>\$19,071,800</u>	<u>\$ 1,151,736</u>
Capital Improvements	9,071,600	1,100,000	953,000
TOTAL	<u>\$32,220,581</u>	<u>\$20,171,800</u>	<u>\$ 2,104,736</u>
<b>State General Fund:</b>			
State Operations	\$ 1,572,880	\$ 1,372,786	\$ 31,736
Aid to Local Units	17,226,508	13,420,025	1,100,000
Other Assistance	407,663	394,390	20,000
Subtotal-Operating	<u>\$19,207,051</u>	<u>\$15,187,201</u>	<u>\$ 1,151,736</u>
Capital Improvements	--	--	--
TOTAL	<u>\$19,207,051</u>	<u>\$15,187,201</u>	<u>\$ 1,151,736</u>
FTE Positions	30.5	27.5	1.0

House Subcommittee Recommendations

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

1. The Subcommittee forwards its financial recommendations having carefully reviewed the report of the Special Committee on Ways and Means on Proposal No. 57. The Subcommittee wishes to highlight the major programmatic recommendations of that interim report and endorse those recommendations.
  - a. SRS Annual Reports. The Subcommittee recommends that SRS individually evaluate all institutional clients on an annual basis. In this evaluation the agency shall identify specific patients having the potential to be served in a less restrictive environment and the costs associated with moving them to a less restrictive setting. This report should be available prior to the start of each legislative session.



- b. Integrated Planning Process. The Subcommittee believes a significant problem exists in the coordination of waiting lists at community facilities, when the needs of outbound institutional clients and other community clients are combined. The Subcommittee recommends that SRS implement an integrated planning model, which would feature a combined statewide waiting list of both outbound institutional clients and persons on community facility waiting lists. The planning process should feature involvement of community facility representatives in preparing individual program plans (IPPs) for outbound institutional clients. Finally the planning process should begin for outbound institutional clients at least 24 months prior to their release and assurances should be given that those clients receive service on or before the conditional release date contained in the IPP. The Subcommittee believes such a model should be initiated immediately for mentally retarded clients and at a later date for programs serving the mentally ill.
  - c. Special Education Transitional Planning. The Subcommittee observes that no formal process exists to provide for the orderly transition of mentally retarded persons from special education programs to community programs for adults. The Subcommittee recommends that SRS and the State Department of Education cooperate to develop a planning model for such transition. This plan should be developed to provide continuity of services to persons leaving the present special educational system. The Subcommittee recommends that SRS present the model prior to the beginning of the 1987 Legislature. The Subcommittee notes that a similar planning model would be established by H.B. 2330, which was passed by the House Ways and Means Committee.
2. The Subcommittee received testimony from several community based service organizations and believes that a quiet crisis is developing within the service delivery mechanism for mentally ill and mentally retarded clients. The community organizations are faced with considerable waiting lists, of which 750 are within the community and 236 are outbound from state institutions. Additionally, pressures are placed upon the organizations by the needs of approximately 2,600 clients who will graduate from special education programs during the next five years. These pressures are enhanced by decreased federal funding. The Subcommittee believes that certain of those pressures can be reduced by better coordination and planning, which is addressed by the recommendations contained in item 1. Additionally, financial considerations are addressed by the Subcommittee in recommendations listed in the paragraphs which follow.

3. The Subcommittee believes the formula for distributing state aid to community organizations, contained in K.S.A. 65-4401 et seq., is no longer the best method of distributing assistance to community mental retardation facilities. The Subcommittee believes that aid to community mental retardation facilities can be more effectively distributed through a grant mechanism based upon numbers of clients served, rather than based upon eligible income. Therefore, the Subcommittee recommends the following:
  - a. That legislation be introduced deleting from K.S.A. 65-4401 et seq. all references to community mental retardation.
  - b. That legislation be introduced providing for grants to community mental retardation facilities, based upon full-time equivalent clients served and a daily per diem rate per client. SRS would define full-time clients and establish a statewide per diem payment rate. Quarterly grants would be made based upon reports showing actual clients served in the previous quarter. SRS would prorate the daily rate if estimated clients served would exceed funds available.
  - c. That during FY 1987 the \$5,216,286 recommended by the Governor for K.S.A. 65-4401 distribution be increased by \$175,000 and appropriated as a \$5,391,286 line item. Upon passage of the legislation requested in item b, the Subcommittee would recommend FY 1987 expenditure in accordance with the new financing mechanism. However, during FY 1987 the legislation should contain a "hold harmless" provision specifying that no community center receive less funding that it received during calendar year 1985.
4. The Subcommittee recommends that during FY 1987, the Governor's recommendations of \$230,996 for special purpose grants to community mental retardation organizations be increased by \$650,000 and appropriated as a separate \$880,996 line item for special purpose mental retardation assistance. The Subcommittee recommends that this additional funding be utilized to promote deinstitutionalization of mentally retarded clients presently served by state hospitals.
5. The Subcommittee recommends that during FY 1987 the Governor's recommendations of \$7,747,023 for aid to community mental health organizations be increased by \$175,000 for a total appropriation of \$7,922,023. This would finance state aid to community mental health at approximately 38.9 percent of eligible income.

6. The Subcommittee recommends that during FY 1987 the Governor's recommendations of \$225,720 for special purpose grants to community mental health organizations be increased by \$100,000 and appropriated as a separate \$325,720 line item for special purpose mental health assistance. The Subcommittee recommends that this additional funding be utilized to finance community grants for implementing services to 25 clients who will no longer be served by Osawatomie State Hospital.
7. The Subcommittee recommends that the Governor's FY 1987 recommendation of \$298,741 for handicapped guardianship grants be increased by \$20,000 for a total of \$318,741. Additionally the Subcommittee endorses H.B. 2906, which will reduce guardianship costs by self insuring a mandatory bond. The Subcommittee believes the \$20,000 it is recommending, combined with H.B. 2906 savings will assist in financing additional guardians. The Subcommittee is also recommending that the agency maximize use of client resources wherever appropriate.
8. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction concerning the systemwide accounts. These recommendations increase the Governor's recommendations from the State Institutions Building Fund as follows:

<u>Account</u>	<u>Gov. Rec.</u>	<u>Bldg. Comm. Rec.</u>	<u>Increase</u>
Systemwide Major Maintenance	\$ 880,000	\$ 1,606,475	\$726,475
Systemwide Roofing	--	100,000	100,000
Emergency Maintenance	220,000	347,000	127,000
TOTAL	<u>\$1,100,000</u>	<u>\$ 2,053,475</u>	<u>\$953,475</u>

9. During its review, the Subcommittee discussed the issue of staff training at the mental retardation institutions. The Subcommittee learned that there are currently several different job categories for direct care staff at the four institutions. These job categories include Psychiatric Aides, Developmental Training Specialists, Program Technicians, Health Service Workers, Hospital Attendants, Activity Therapist Aides, and Sheltered Workshop Technicians. The Subcommittee found there was not coordination for training of these different levels of staff across the four institutions and believes there is a need for consolidation of the categories into a single job classification which would more appropriately reflect the staffing needs of the institutions to provide active treatment under the new interpretations of federal Medicaid regulations. The Subcommittee requests that the Division of Mental Health and Retardation Services, in cooperation with the Division of Personnel Services, study the issue of training and job classification for direct care staff. The study should address the following issues: (1)

appropriateness of existing job classifications, (2) consolidation of existing job classifications into a single job class which would allow career movement and licensure, and (3) direct care training programs, including academic and on-the-job training. The Subcommittee notes that each of the four institutions has unique populations and needs and any proposed job class should provide sufficient flexibility to meet those needs. The Subcommittee recommends that the results of this study be reported to the Legislature no later than January 12, 1987.

10. During the 1985 interim, the Subcommittee discussed with SRS the Home and Community Based Services (HCBS) program. The HCBS program is a Medicaid waiver program which allows Medicaid reimbursement for community placement of Medicaid eligible clients who would otherwise be placed in an adult care home or an institution. The program was developed to reduce overall institutional costs and allow clients to remain at home or in the community. The Subcommittee supports the use of the Medicaid waiver program to allow individuals to be served at the community level and to allow the costs to the state of such programs to be reduced by receipt of federal Medicaid funding. The Subcommittee recommends that SRS expand the Medicaid waiver program for mentally retarded and mentally ill clients.

11. The Subcommittee believes significant cost savings could be realized at all state institutions if more tasks such as recording resident progress and monitoring programs were computerized. The Subcommittee recommends \$31,736 from the State General Fund for a Management Analyst IV position in the MHRS central office to provide computer assistance to all institutions. The Subcommittee recommends this position be based at Parsons, allowing pilot projects to be tested at Parsons before implementation at other institutions. The Subcommittee suggests that the Senate review possible vacant positions within MHRS to finance this addition.

House Committee Recommendations

The House Ways and Means Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

1. The House Committee of the Whole added \$100,000 from the General Fund for special purpose grants to community mental retardation centers. This addition results in a total of \$980,996 for the special purpose grants, when combined with the \$230,996 recommended by the Governor and the \$650,000 added by the House Ways and Means Committee.
2. The House Committee of the Whole added \$91,091, of which \$45,546 is from the General Fund. This funding is to increase reimbursements for Intermediate Care Facilities for the Mentally Retarded, serving 15 or fewer clients, by 3 percent.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments*</u>
<b>All Funds:</b>			
State Operations	\$ (139,715)	\$113,810,468	\$ 84,980
Aid to Local Units	1,200,000	17,768,799	(100,000)
Other Assistance	9,407,034	416,085,270	2,978,247
Subtotal - Operating	<u>\$10,467,319</u>	<u>\$547,664,537</u>	<u>\$ 2,963,227</u>
Capital Improvements	953,475	2,124,188	--
TOTAL	<u>\$11,420,794</u>	<u>\$549,788,725</u>	<u>\$ 2,963,227</u>
<b>State General Fund:</b>			
State Operations	\$ 53,350	\$ 47,566,271	\$ 53,009
Aid to Local Units	1,200,000	14,620,025	(100,000)
Other Assistance	7,629,872	200,430,398	2,284,658
Subtotal - Operating	<u>\$ 8,883,222</u>	<u>\$262,616,694</u>	<u>\$ 2,237,667</u>
Capital Improvements	--	--	--
TOTAL	<u>\$ 8,883,222</u>	<u>\$262,616,694</u>	<u>\$ 2,237,667</u>
FTE Positions	4.0	2,876.9	(3.0)

\* Includes adjustments contained in Governor's Budget Amendment No. 3, which recommend increase of state operations by \$58,873.

Senate Subcommittee Recommendations

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

1. The Subcommittee recommends a State General Fund deletion of \$100,000 in amounts recommended by the House for special purpose grants to community programs serving the mentally retarded.
2. The Subcommittee reviewed the House recommendations concerning aid to community mental health and mental retardation, distributed through K.S.A. 65-4401. The Subcommittee concurs with the total addition of \$350,000 for these aid programs. However, the Subcommittee recommends that the two programs be financed at an equal percentage of eligible income. Accordingly, the Subcommittee recommends shift of \$172,948 from aid to community mental retardation to aid to community mental health. This recommendation finances both programs at 39.74 percent of eligible income. (Note: The House recommendations would finance mental health at 38.9 percent and mental retardation at 41.1 percent of eligible income.)
3. The Subcommittee concurs with Governor's Budget Amendment No. 3 concerning addition of a Fee Fund at the Kansas Vocational Rehabilitation Unit (VRU). This Fee Fund would be utilized to pay VRU clients who work in the food service operation at Washburn University. The clients would be paid from funds deposited by Washburn. It is estimated that approximately \$6,000 annually would be expended from this Fund.
4. The Subcommittee concurs with Governor's Budget Amendment No. 3 concerning addition of \$52,873 and 3.0 FTE Hearing Examiners in the federally funded Disability Determination Service. However, the Subcommittee recommends that these positions be Special Project Workers, to assure that they be discontinued if federal funds are not available. Further, the Subcommittee reviewed information from the Division of the Budget indicating that a Gramm-Rudman reduction of approximately \$53,000 will impact the Disability Determination Service. Therefore, these positions can be added without increasing expenditure limitations.
5. The Subcommittee reviewed the recommendation in Governor's Budget Amendment No. 3 to replace \$362,004 in Gramm-Rudman reductions with financing from the State General Fund. The Subcommittee acknowledges that those reductions will occur. However, the Subcommittee does not recommend that they be replaced with General Fund money.
6. The Subcommittee reviewed the House recommendation (item 1 of House report) concerning the Transitional General Assistance program. The Subcommittee concurs with the overall recommendation that the program should be retained. However, the Subcommittee is not concurring with the programmatic recommendations of the House. The Subcommittee recommendations add \$521,291 to the House recommendation, of which \$274,335 is cash assistance and \$246,956

is medical assistance. The Subcommittee's recommendations are displayed in tabular form following this narrative. The Subcommittee's programmatic recommendations are as follows:

- a. The Subcommittee learned that a United States Supreme Court decision concerning General Assistance in Montana generally precludes durational residency requirements for all types of assistance. Therefore, the Subcommittee recommends restoration of \$339,871 (\$178,859 in cash assistance and \$161,012 in medical assistance) and deletion of the House recommendation that TGA only be available to persons living in Kansas six months or more.
  - b. The Subcommittee reviewed the House recommendation that an individual not be a TGA recipient for more than six months in any 12-month period. The Subcommittee recommends that this limitation be extended by three months, allowing an individual to be eligible for nine months in a 12-month period. To finance this recommendation, the Subcommittee recommends restoration of \$181,420 (\$95,476 in cash assistance and \$85,944 in medical assistance).
7. The Subcommittee reviewed the House recommendations (item 3 of House report) concerning day care. The Subcommittee agrees with the House that locating day care slots is a problem, due to the SRS reimbursement schedule. The Subcommittee concurs with the total day care budget recommended by the House. However, the Subcommittee recommends \$423,750 for 250 new day care slots, rather than 330 slots recommended by the House. The Subcommittee also recommends \$314,878 for an 8 percent day care rate increase, rather than the 5 percent recommended by the House. The Subcommittee's recommendations total \$738,628, which was the amount added by the House.
  8. The Subcommittee reviewed the House recommendations (item 4 of House report) concerning the Jobs Club program. The Subcommittee concurs with the House recommendation to spend \$60,000 for remedial education or supplies. The Subcommittee deletes \$60,000 from the General Fund for three new positions to expand the Jobs Club to additional areas of the state.
  9. The Subcommittee concurs with the House recommendation (item 6 of House report) that the overall percentile or fifth capitation on nursing home reimbursements is unduly restrictive. The Subcommittee received new information from SRS indicating that the total cost of removing this capitation is \$2,629,358, rather than \$1,645,930 as reported in the SRS budget. Nevertheless, the Subcommittee believes this limit should be removed during FY 1987. The Subcommittee recommends an increase to the House recommendation of \$1,806,393 (\$903,196 from the State General Fund), resulting in a total of \$2,629,358 (\$1,314,679 General Fund) to remove this limitation.

10. The Subcommittee concurs with the House recommendation (item 7 of House report) to provide a 3 percent cash grant increase for recipients of Aid to Dependent Children and General Assistance Unrestricted. The Subcommittee recommends addition of a proviso specifying that this increase is related to energy assistance costs. Such a proviso is instrumental in causing cash grant increases to be exempt from Food Stamp computations. Otherwise, cash grant increases decrease an individuals receipt of food stamps. The Subcommittee notes that amounts in the budget for ADC and GA may be insufficient, since it has become necessary to increase the FY 1986 budgets for these cash assistance programs.
11. The Subcommittee reviewed the House recommendation (item 7 of House MHRS report) for handicapped guardianship grants. The Subcommittee recommends that the appropriation for these grants be increased by \$62,000 from the General Fund for a total of \$380,741.
12. The Subcommittee recommends that the Secretary of Social and Rehabilitation Services delay implementation of any changes in the delivery of services to clients who are in the Home and Community Based Services program until the Kansas Legislature has an opportunity to determine the long-term effect of requiring that providers of nonmedical attendant care, respite care, and other services be employees of a licensed or public agency. In view of the fact that the Legislature is considering the enactment of legislation that would authorize the provision of in-home services to the elderly on a sliding-scale fee basis and in-home services for the victims of Alzheimer's and related diseases and their families, any decision to set requirements for the providers of services has ramifications far beyond those relating to the HCBS and Alternate Services Program. Cost and the amount of service that can be provided within the confines of limited state financial resources should also receive careful consideration prior to the implementation of any policy change that would prevent individual providers from providing services to SRS clients and other Kansans.

The Subcommittee recognizes that the Secretary believes there are legal implications connected with the provision of services under the HCBS program. However, the Subcommittee believes there are avenues which have not yet been adequately explored by SRS to resolve such issues.

13. The Subcommittee discussed the agency's Child Support Enforcement program. The Subcommittee learned that certain disagreements exist between the Judicial Branch and SRS, particularly concerning the role of SRS and the court trustees. The Subcommittee also learned that some disagreement exists concerning the appropriateness of fees charged. The Subcommittee recommends that the two agencies negotiate to resolve these differences and issue a joint



report concerning their negotiations, prior to the 1987 Legislative Session. The Subcommittee directs staff to send a copy of this Subcommittee recommendation to the Secretary of SRS and the Judicial Administrator's Office.

14. The Subcommittee recommends addition of \$177,080 (of which \$113,009 is from the State General Fund) to finance employer KPERS contributions at the certified rate of 4.3 percent, rather than 4.0 percent contained in the Governor's recommendations. (Note: Detailed working papers concerning the financing of this recommendation can be obtained from the Legislative Research Department.)
15. The Subcommittee recommends addition of \$687,467 (of which \$573,171 is State General Fund) to finance a 3 percent rate increase for reimbursements to foster care providers.
16. The Subcommittee recommends \$200,000 from the State General Fund to finance an additional substance abuse project dedicated to serving juvenile substance abusers.
17. The Subcommittee recommends \$25,000 from the State General Fund to finance services provided to handicapped preschool children, who are Kansas residents, by the Crippled Children's Nursery School in Kansas City, Missouri.

TRANSITIONAL GENERAL ASSISTANCE  
SUBCOMMITTEE RECOMMENDATIONS

	<u>House Recommendation</u>		<u>Senate Subcommittee</u>	
	<u>Person Mo.</u>	<u>Expenditure</u>	<u>Person Mo.</u>	<u>Expenditure</u>
<u>Cash Assistance</u>				
Revised FY 1986 estimate	52,000	\$ 5,073,169	52,000	\$5,073,169
Minus Governor's 25% Shift to GAU		<u>(1,325,950)</u>		<u>(1,325,950)</u>
Net Cash Assistance Cost		3,747,219		3,747,219
Minus 6 or 9 month limitation	(8,638)	(848,430)	(7,666)	(752,954)
Minus 6 months residency requirement	<u>(1,821)</u>	<u>(178,859)</u>	<u>--</u>	<u>--</u>
Recommended Restoration		\$ 2,719,930		\$ 2,994,265
Person Months Total	41,541		44,334	
<u>Medical Assistance</u>				
Estimate of FY 1987 TGA Medical Cost		\$ 4,111,274		\$ 4,111,274
Minus Governor's Shift to GAU		<u>(1,027,820)</u>		<u>(1,027,820)</u>
Net Medical Cost		3,083,454		3,083,454
Minus 6 or 9 month limitation at \$88.42 monthly	(8,638)	(763,772)	(7,666)	(677,828)
Minus 6 months residency requirement	<u>(1,821)</u>	<u>(161,012)</u>	<u>--</u>	<u>--</u>
Recommended Restoration		\$ 2,158,670		\$ 2,405,626
Total Expenditure		\$ 4,878,600		\$ 5,399,891

628.87

SRS REIMBURSEMENTS  
ADULT CARE HOMESEffective October 1, 1985

<u>Cost Center</u>	<u>Skilled Nursing Facility</u>	<u>Intermediate Care Facility</u>	<u>Intermediate MR (Large)</u>	<u>Intermediate MR (Small)</u>
Administration	\$5.43	\$4.24	\$5.42	\$9.87
Property	9.22	7.51	9.05	12.45
Room and Board	14.23	11.03	12.21	10.70
Health Care	<u>23.28</u>	<u>16.90</u>	<u>24.96</u>	<u>28.55</u>
Sum	\$52.16	\$39.68	\$51.64	\$61.57
Overall Limit	\$47.39	\$33.96	\$45.33	\$53.67

C86-47/RH

**SUBCOMMITTEE REPORT**

**Agency: Department of Health  
and Environment**

**Bill No. --**

**Bill Sec. --**

**Analyst: Timmer**

**Analysis Pg. No. 481**

**Budget Pg. No. 6-1**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$25,828,866	\$25,872,007	\$ 3,716
Aid to Local Units	6,518,654	6,529,917	--
Other Assistance	8,500,000	8,500,000	--
TOTAL	<u>\$40,847,526</u>	<u>\$40,901,921</u>	<u>\$ 3,716</u>
State General Fund:			
State Operations	\$13,978,432	\$13,635,140	\$ --
Aid to Local Units	1,294,432	1,294,432	--
Other Assistance	--	--	--
TOTAL	<u>\$15,272,864</u>	<u>\$14,929,581</u>	<u>\$ --</u>
FTE Positions	606.23	604.23	--

Agency Request/Governor's Recommendation

The Department requests a total budget of \$40,847,430 for FY 1986 with 606.2 FTE positions as was approved by the 1985 Legislature. Funding includes \$15,272,864 (37 percent) from the State General Fund and \$25,574,566 from federal and fee revenue sources. The agency requests no supplemental appropriations for FY 1986. The request includes \$16,228,229 for salaries and wages and \$9,600,637 for other operating expenditures.

The Governor recommends a total budget of \$40,901,924 of which \$14,929,958 is from the State General Fund, a reduction of \$343,283 from the agency's request. The recommendation includes new expenditure authority of \$386,424 due to receipt of new federal funds. The Governor's recommendation makes no adjustments to aid to local units or other assistance.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Expenditure limitation increase of \$3,716 to allow expenditure of \$46,966 from the federal Early Childhood Developmental Services Grant. The increase will allow the Department to spend carryover funds from FY 1985.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

#### House Committee of the Whole Recommendations

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

#### Senate Subcommittee Recommendations

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

1. Expenditure limitation increase of \$37,477 to the federal Underground Storage Tank Grant program.

264.86

**SUBCOMMITTEE REPORT**

**Agency:** Department of Health  
and Environment

**Bill No.** 2760

**Bill Sec.** 4

**Analyst:** Timmer

**Analysis Pg. No.** 481

**Budget Pg. No.** 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$37,058,801	\$28,716,697	\$ (92,500)
Aid to Local Units	10,624,385	7,222,455	190,000
Other Assistance	<u>11,008,770</u>	<u>9,958,770</u>	--
TOTAL	<u>\$58,691,956</u>	<u>\$45,897,922</u>	<u>\$ 97,500</u>
<b>State General Fund:</b>			
State Operations	\$17,947,710	\$13,438,997	\$ (92,500)
Aid to Local Units	4,448,893	1,149,432	190,000
Other Assistance	<u>1,050,000</u>	--	--
TOTAL	<u>\$23,446,603</u>	<u>\$14,588,429</u>	<u>\$ 97,500</u>
<b>FTE Positions</b>	<b>736.0</b>	<b>626.7</b>	<b>(1.0)</b>

Agency Request/Governor's Recommendation

Health and Environment requests a total budget of \$58,691,956 for 736.0 FTE positions. The request is a 43.7 percent increase over the FY 1986 budget and includes 129.8 new positions. The request includes \$23,446,603 (39.9 percent) from the State General Fund and \$35,245,353 from other funding sources. The agency requests \$19,750,155 for salaries and wages and \$17,308,646 for other operating expenditures.

The Governor recommends a total budget of \$45,897,922, a 12.2 percent increase over FY 1986. The recommendation includes \$16,701,162 for salaries and wages for 626.7 FTE positions and \$12,015,535 for other operating expenditures. The recommendation includes \$14,588,429 from the State General Fund, a reduction of \$341,152 from the FY 1986 recommendation. Other funding sources provide \$31,309,493 to the budget, an increase of \$5,337,527 over FY 1986, due mainly to increased federal environmental funding and additional Women, Infants, and Children nutrition program funding.

House Subcommittee Recommendations

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

1. The Subcommittee recommends that a proviso be added to the line item appropriation for "Aid to Local Units -- Child Care Licensure Inspection" which will allow KDHE to contract with private contractors to obtain licensure services when the local units of government are not willing to provide the licensure services. The Subcommittee understands that approximately \$6,000 will be shifted from Aid to Local Units to state operations to implement the contracts.
2. The Subcommittee concurs with the Governor's recommended appropriation format for the federal grants which limits the state operations expenditure and provides "no limit" appropriations for other expenditures such as grants to local units. The Subcommittee notes that federal funding levels are extremely difficult to predict and this format provides the Department with flexibility while limiting the state operations funding.
3. The Subcommittee learned that the Department will be moving some bureaus to the Santa Fe Building in FY 1987, and that Building 321 is to be vacated in March, 1987. However, the Subcommittee understands that remodeling of the cafeteria area in Building 740 (old hospital building) will have to be completed before Building 321 can be abandoned. The Subcommittee understands that supplemental funding of \$29,000 is included in the Department of Administration's budget for FY 1986 to plan the remodeling of Building 740 and that construction funds are included in the Department of Administration's FY 1987 budget. The Subcommittee recommends that the projects be funded.
4. During the 1985 Session, the Subcommittee approved several new federally funded positions for the Department with the proviso that they all be in the unclassified service so that if the federal funding was no longer available the positions would be deleted. The Subcommittee understands that a category of "limited term appointment" exists within the classified state service and that positions in this category can be directly related to a particular purpose such as continued existence of a federal grant. The Subcommittee notes that this category may appropriately be used for the federally funded positions at Health and Environment and recommends that the positions approved for FY 1986 and any additional federally funded positions approved for FY 1987 be placed in the category "limited term appointment." The Subcommittee concurs with the Governor's recommendation of 25 new federally funded positions for FY 1987.
5. The Subcommittee recommends that a proviso be added to the Preventive Health Block Grant which requires that the grant made to the Crime Victims Reparation Board for rape prevention programs be not less than \$35,952, the amount of the current grant. The Subcommittee believes that the rape prevention program is very important and that it should be held harmless from any funding reductions due to Gramm-Rudman-Hollings or any other federal funding cuts.

6. The Subcommittee recommends that one Public Health Nurse III position be reinstated to the Well Family Health Program to coordinate the Migrant Health Program. The Governor's recommendations deletes all positions in the Southwest Regional Migrant Health Office and requires migrant health services to be provided through contracts with local providers. The Subcommittee's recommendation allows for the coordination of the program by the public health nurse and for the provision of services through contractual arrangements.
7. The Subcommittee recommends the introduction of a bill which will allow the Secretary to collect license and application fees from retail food stores currently being inspected by the Department. The Subcommittee understands that the Department conducts inspections of food stores under the authority of the Kansas Food, Drug, and Cosmetic Act for environmental sanitation, product adulteration, and misbranding. The Department does not, however, have licensing authority. The Subcommittee recommends that an across-the-board license fee of \$40 be collected and notes that approximately \$160,000 in fee revenue could be generated. The Subcommittee also recommends that an application fee not to exceed \$100 be collected as a part of the licensing program. The Subcommittee notes that the inspections are already being done and the recommendations would allow the State to collect fees for that work.
8. The Subcommittee held a public hearing for the Preventive Health Block Grant and Maternal and Child Health Block Grant on February 19, 1986, in order to meet federal public hearing requirements.
9. The Subcommittee recommends the introduction of a bill to amend K.S.A. 65-3407(c) to allow the Secretary to establish fees to cover the costs of the solid waste storage, treatment, processing, or disposal area permit program. Fees would be established through rules and regulations and based on the quantity of materials to be processed. The Subcommittee recommends that all facilities, with the exception of state agencies, be subject to the provisions of the bill and that a cap of \$2,500 per year for a facility or area permit be included in the bill. The Subcommittee understands that the current fee for a permit is \$50 and that it applies only to private facilities. In addition, the Subcommittee understands that all facilities, private and publicly owned, are currently monitored and that the monitoring program costs an estimated \$64,000 a year.
10. The Subcommittee recommends that \$190,000 from the State General Fund be added to the "Aid to Local Units -- General Public Health Programs" to provide a total of \$1,044,506 for these programs in FY 1987.



11. The Subcommittee concurs with the Governor's recommendation of 2.5 additional FTE to be assigned to the Data Processing Department. The Subcommittee recommends the deletion of \$60,072 and two FTE, an Architect III and an Environmental Technician III, to offset the recommended positions.
12. The Subcommittee recommends that the Power Generating Facility Fee Fund be abolished effective at the close of FY 1987 and that any balance be transferred to the State General Fund in keeping with previous transfers of fee funds to the State General fund. The Subcommittee understands that the final transfer of \$18,050 necessary to repay the loan made from the State General Fund to the fee fund in FY 1979 and 1980 will be completed in FY 1987. The Subcommittee believes that the monitoring program currently being conducted by the Department is duplicative and unnecessary.

The Subcommittee therefore recommends these changes in the Power Generating Facility monitoring activities:

- a. Elimination of all monitoring activities currently conducted by the Secretary and introduction of legislation which would require the utilities to conduct monitoring activities as directed by the Secretary;
  - b. Separation of all nuclear and coal fired monitoring activities and introduction of legislation to accomplish that separation.
  - c. Implementation of a random desk audit program to be conducted by Health and Environment. The Department would be responsible for the oversight of all monitoring activities conducted by the utilities through audits of the paperwork which will be maintained by the utilities.
13. The Subcommittee recommends the introduction of a bill which will amend K.S.A. 65-204 to allow the cap for a county mill levy for the funding of local health departments to be raised to 2 mills from the current .5 mills. The Subcommittee also recommends that a protest petition of 10 percent be included in the bill. The Subcommittee heard testimony from representatives from local health departments describing funding difficulties under the 12-year-old limit and requesting these statutory changes.
  14. Addition of a proviso to the hazardous waste cleanup fund to allow the fund to be used for water cleanup activities.

15. The Subcommittee recommends the deletion of \$32,428 from the State General Fund for data processing costs. The Subcommittee notes that the House Subcommittee which reviewed the Department of Administration budget identified savings in the DISC budget which will impact other state agencies through the reduction of data processing charges.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations and makes the following observations:

1. Hearings on the proposed prenatal care program and funding for it were held during the Subcommittee's deliberations and further discussion occurred during the Committee's review of the Subcommittee report. The Committee notes that adequate prenatal care provides proven health benefits to both the mother and child, as well as savings in health care costs to the families, and in some cases, the state. The Committee expresses its support for the concept of the proposed prenatal care program while noting that no funding is available at this time due to the state's fiscal situation.

House Committee of the Whole Recommendations

The House Committee of the Whole concurs with the House Committee Recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (92,500)	\$28,624,197	\$ 205,341
Aid to Local Units	190,000	7,412,455	988,000
Other Assistance	--	9,958,770	--
TOTAL	<u>\$ 97,500</u>	<u>\$45,995,422</u>	<u>\$1,193,341</u>
State General Fund:			
State Operations	\$ (92,500)	\$13,346,497	\$ (33,582)
Aid to Local Units	190,000	1,339,432	988,000
Other Assistance	--	--	--
TOTAL	<u>\$ 97,500</u>	<u>\$14,685,929</u>	<u>\$ 954,418</u>
FTE Positions	(1.0)	625.7	1.0

Senate Subcommittee Recommendations

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

1. Addition of \$42,501 from the State General Fund to allow a KPERS rate of 4.3 percent.
2. Addition of \$488,000 from the State General Fund to the Aid to Local Units - General Public Health Programs. The Subcommittee's recommendation allows total funding of \$1,532,506 for the general health programs in the local health departments.
3. Addition of \$500,000 from the State General Fund to implement the Prenatal Collaboration Care Project. The Subcommittee's recommendation would not include any additional staff or operating expense funding. All funds are to be distributed to local units which will implement the program.
4. Transfer of \$200,000 from the State General Fund to the Hazardous Waste Clean-up Fund to allow a total transfer of \$500,000. The Subcommittee notes that the House included a proviso on the fund which will allow the Secretary to clean up polluted water with these funds. While the Subcommittee concurs with that recommendation it does request a report from the Department to the 1987 Legislature outlining the activities involving Hazardous Waste Cleanup Funds, especially as related to water cleanup.
5. The Subcommittee recommends that the Rape Prevention program administered by the Crime Victims Reparations Board be conducted through a contractual arrangement with the Department rather than the transfer currently in effect. The Subcommittee concurs with the House recommendation that the program should be funded at a level not less than \$35,592, but believes that a contractual arrangement will allow the Department better oversight of the program as is required by federal audit requirements.
6. The Subcommittee concurs with the House recommendation regarding the collection of license and application fees from food retail stores currently inspected by Health and Environment. The Subcommittee also recommends that the Department contract with local agencies to conduct the inspections whenever possible and that the local units be reimbursed at a rate of 80 percent of the collected fees with 20 percent to be deposited in the State General Fund.
7. The Subcommittee recommends that legislation be introduced which will allow local units which conduct food service and lodging inspections to be reimbursed at 80 percent of the fees. Local units are currently reimbursed at 60 percent.

8. The Subcommittee notes that House Ways and Means Committee has recommended the deletion of a transfer of \$25,000 from the Corporation Commission's Conservation Fee Fund to the Department for the completion of a study of the Sandstone Aquifer and concurs with that deletion. The House Committee noted that the Sandstone study was inappropriate use of Conservation Fee Fund moneys. The Senate Subcommittee concurs and does not add any funding for the study.
9. The Subcommittee recommends an increase in the expenditure limitation for the federal Venereal Disease Control Project Fund for state operations from \$49,386 to \$102,201, based on increased federal funding available to the Department. The Subcommittee also recommends two additional FTE positions, an Epidemiologist and a V.D. Control Field Representative, be in the limited term appointment classified service and funded from the increased funding.
10. The Subcommittee recommends the increase of the expenditure limitation on the Federal Air Quality Program Fund from \$738,597 to \$818,705 and three additional FTE positions also as limited term appointments. The three positions, an Environmental Engineer II, an Environmental Technician IV, and an Environmental Technician III will be involved in programs to help control toxic and hazardous chemicals in the air.
11. The Subcommittee recommends expenditure limitation increases on the EPA Permit Strategy Grant - federal from \$20,000 to \$60,000 and the EPA Pre-NPL Existing Sites Fund from \$84,000 to \$150,000 based on additional federal funding available to the Department.
12. The Subcommittee recommends deletion of six FTE positions and \$210,575 from the State General Fund. The Subcommittee recommends that all positions funded by the State General Fund which have been vacant for over three months be deleted.

The Subcommittee also recommends that three FTE positions which are funded from federal sources and which have been vacant for over three months be placed on limited term appointments.

13. The Subcommittee recommends the addition of \$134,492 from the State General Fund and two FTE positions to the Health Facilities program. The Subcommittee believes that the Secretary should implement a program of review of hospital records for the purpose of identifying substandard services from hospitals and physicians. Currently, the Secretary licenses all hospitals in Kansas but does not do quality reviews of any which are accredited by the Joint Commission on Hospital Accreditation. The Subcommittee's recommendation would provide staff to allow reviews of all hospitals, accredited and nonaccredited. It is the Subcommittee's intention that findings of substandard health services would be

reported by the Secretary to the Board of Healing Arts for further action. The Subcommittee's recommendation would allow salary and wage funding for two Registered Nurses with masters degrees as well as funding for contractual services as needed from consulting physicians and pharmacists. The recommended expenditures are as follows:

Salary (2 FTE)	\$ 86,372
Travel	18,120
Physician Contract	25,000
Pharmacist	<u>5,000</u>
TOTAL	\$134,492

14. The Subcommittee expressed concern about several areas of health service provision where the Department of Social and Rehabilitation Services, local health departments, and the Department of Health and Environment were apparently not coordinating efforts and working together. The Subcommittee directed the Secretaries of SRS and Health and Environment to discuss the disputed areas and reach agreement. The following, as submitted by the Secretary of SRS after consultation with the Secretary of Health and Environment, address the problem areas of Primary Care Networks, Prenatal Care, Immunizations, and the Crippled and Chronically Ill Children's Program.

"It is the intent of the Department of Health and Environment, local health departments and the Department of Social and Rehabilitation Services to assure good health care for the citizens of Kansas, assure maximum participation in preventive and remedial health care services and utilize tax dollars in the most economical manner.

To implement this, the Department of Social and Rehabilitation Services had done the following:

1. Family planning services, available to all recipients, do not require a referral from the primary care physician.
2. Payment for services to diagnose and treat sexually transmitted diseases will be broadened July 1, 1986 and will not require a referral from the primary care physician.
3. Care of pregnant women and newborns.
  - (a) Payment for the medical component of prenatal care was expanded from two to five local health departments January 1, 1986. These departments are in Johnson, Wyandotte, Leavenworth, Shawnee and Sedgwick counties. When a woman goes to the health department prior to eligibility for Medical Assistance, care is provided. When the woman is determined eligible for Medical Assistance and chooses a primary care physician, the care at the health department will continue, because by agreement the PCN doctor is not to interrupt ongoing care. Arrangements for delivery may be made by the recipient and local health department without interruption. Following completion of her pregnancy care she returns to the primary care physician.
  - (b) Beginning July 1, 1986, SRS will reimburse local health departments for the educational components of good prenatal care, such as nutrition, exercise and good health habits. The intent is to decrease the incidence of high risk pregnancies. This service will not require a primary care physician referral.
  - (c) Payment to local health departments for visits to the homes of newborns within 2 weeks of birth was implemented February, 1985. This service does not require a primary care referral.
4. Immunizations are not currently exempt from a primary care referral, but this will be done as soon as computer system changes can be made.
5. I believe that an interagency agreement regarding the Kansas Crippled and Chronically Ill Children's Program is important as it will lessen the confusion between the department. KCCICP staff have the basic information regarding each handicapped child to share with the primary physician when requesting a referral for

specialty care. There should be no interruption in ongoing continuity of care, by agreement of the primary physician, however, if there are questions or problems securing a referral, the physician in the Division of Medical Programs will help resolve them.

I feel with the expanded services described above involving the local health departments and private physicians and the interagency agreement with KCCICP our mutual goals will be met."

264.87

**SUBCOMMITTEE REPORT**

**Agency:** Department on Aging

**Bill No.** 2801

**Bill Sec.** 3

**Analyst:** Holt

**Analysis Pg. No.** 500

**Budget Pg. No.** 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,098,289	\$ 1,089,076	\$ (24,903)
Other Assistance	10,942,196	10,676,553	(165,664)
TOTAL	<u>\$12,040,485</u>	<u>\$11,765,629</u>	<u>\$ (190,567)</u>
<b>State General Fund:</b>			
State Operations	\$ 519,461	\$ 510,998	\$ (7,908)
Other Assistance	1,428,495	1,208,002	7,908
TOTAL	<u>\$ 1,947,956</u>	<u>\$ 1,719,000</u>	<u>\$ 0</u>
FTE Positions	28.3	28.3	--

House Subcommittee Recommendations

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

1. Shift \$7,908 from the State General Fund from agency operations to the OAA Nutrition program. This would be accomplished by making the following adjustments:
  - a. Reduce \$2,323 (\$2,059 from the State General Fund; \$264 from federal funds) for capital outlay expenditures. Expenditures for the key telephone system were less than the agency had anticipated.
  - b. Add \$768 (\$672 from the State General Fund; \$96 from federal funds) for a maintenance agreement for the agency's key telephone system.
  - c. Reduce \$1,775 from the State General Fund for office space rental expenditures.
  - d. Reduce \$6,346 from the State General Fund for salary savings.
  - e. Add \$1,600 from the State General Fund for professional services (Administration Program).



2. Shift \$2,555 in JTPA federal funds from operations to other assistance. This shift results from salary savings.
3. Add \$38,645 in federal USDA funds to reflect a restoration of \$36,802 in reimbursements and an increase in the number of OAA meals to be reimbursed under the Subcommittee's FY 1986 proposal for financing the OAA Nutrition program.
4. The Subcommittee notes that due to Gramm-Rudman-Hollings, federal Older Americans Act (OAA) funds will be reduced by \$229,212 in FY 1986. This reduction includes \$14,440 for agency administration. Due to current fiscal constraints, the Subcommittee recommends that this shortfall not be offset by additional State General Fund support and that the agency develop a contingency plan to address retrenchment.

#### House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation. The Committee recommends that legislation be introduced to increase by \$10,000 the expenditure limitation on the training programs -- federal fund from \$35,649 to \$45,649, effective upon publication in the Kansas Register. The proposed increase is presently included in 1986 H.B. 2801 (the supplemental appropriations bill), but the agency's federal expenditure authority for the additional \$10,000 in training funds is scheduled to terminate on March 31, 1986. The agency believes that H.B. 2801 will not be enacted by that time. The effect of the House Committee's recommendation to introduce legislation to expedite the increase in the expenditure limitation on training programs is to strike such language from 1986 H.B. 2801, Section 3(a).

#### Senate Subcommittee Recommendation

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

1. Addition of \$129,519 from the State General Fund to offset reduced federal fund expenditures due to Gramm-Rudman-Hollings. This amount, coupled with \$43,173 from the State General Fund in FY 1987, was included in a Governor's Budget Amendment to finance additional Older Americans Act home-delivered and congregate meals in FY 1986. (The agency's OAA Nutrition program is planned and financed on a federal fiscal year basis; therefore, expenditures from both fiscal years could be applied to the current year OAA Nutrition program.) The effect of the Subcommittee's recommendation, totaling \$172,692 in both fiscal years, is to fund 3,696,673 meals in FY 1986. This is an addition of 105,798 meals above the number recommended by the House and 114,636 above the number recommended by the Governor. (See chart on the nutrition programs included in the FY 1987 Senate Subcommittee Report.) The Senate Subcommittee notes that its highest priority is the service of home-delivered meals and requests that the agency direct its funding efforts accordingly.

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 36,306	\$ 47,919	\$ 50,130
Net Receipts	24,180	23,692	16,320
Total Funds Available	\$ 60,486	\$ 71,611	\$ 66,450
Less: Expenditures	12,567	21,481	20,437
Ending Balance	<u>\$ 47,919</u>	<u>\$ 50,130</u>	<u>\$ 46,013</u>

488.87

**SUBCOMMITTEE REPORT**

**Agency: Board of Pharmacy**

**Bill No. 2717**

**Bill Sec. 16**

**Analyst: West**

**Analysis Pg. No. 59**

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

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

House Subcommittee Recommendations

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

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

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

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

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

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

House Committee Recommendation

The Committee concurs with the budget as submitted by the Subcommittee, with the following adjustment:

1. Add \$3,645 for the purchase of partitions for the Board's office at the Santa Fe Building.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 269,591	\$ 4,000
State General Fund	--	--	--
FTE Positions	--	6.0	--

FY 1986. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. The Subcommittee received an appeal from the Board for a supplemental appropriation of \$7,000 for attorney fees due to an increase in the number of hours being billed by the Board's contractual attorney. The Subcommittee recommends an increase of \$3,500 for attorney fees and further recommends that the Board review the role and use of the current attorney and report back to the Committee for consideration of any required adjustments prior to the end of the fiscal year.
2. Add \$500 for KANS-A-N based on the Board's communication expenditures to date.
3. Amend H.B. 2801 -- 1986 Supplementals, to provide for an expenditure limitation increase for the Board of Pharmacy from \$271,747 to \$273,591 in light of the previous recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 5,103	\$ 265,433	\$ 891
State General Fund	--	--	--
FTE Positions	--	6.0	--

FY 1987. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. Add \$391 to reflect a 4.3 percentage rate for KPERS.
2. Add \$500 for KANS-A-N expenditures.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 89,949	\$ 147,231	\$ 121,741
Net Receipts	<u>271,943</u>	<u>248,101</u>	<u>249,713</u>
Total Funds Available	\$ 361,892	\$ 395,332	\$ 371,454
Less: Expenditures	<u>214,661</u>	<u>273,591</u>	<u>266,324</u>
Ending Balance	<u>\$ 147,231</u>	<u>\$ 121,741</u>	<u>\$ 105,130</u>

531.87

**SUBCOMMITTEE REPORT**

**Agency:** Real Estate Commission

**Bill No.** 2717

**Bill Sec.** 17

**Analyst:** Hunn

**Analysis Pg. No.**

**Budget Pg. No.** 1-205

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 446,539	\$ 400,324	\$ 19,022
FTE Positions	13.0	12.0	--

Agency Request/Governor's Recommendation

The Commission requests expenditures of \$446,539 in FY 1987. Included in the request are two new positions -- a Special Investigator III to conduct specialized investigations of real estate transaction complaints and a Secretary II. The Commission also requests that four clerical and one administrative position be reclassified.

The Governor recommends expenditures of \$400,324 in FY 1987, a reduction of \$46,215 from the Commission's request. The Governor's recommendation includes funding for the Special Investigator position, but deletes the requested reclassifications and additional secretarial position. Reductions were also made in the areas of rents, travel, and professional services.

House Subcommittee Recommendation

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

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

1. The Subcommittee recommends \$7,541 for reclassifications requested by the Commission. These reclassifications have already been approved by the Division of Personnel. The duties of the Commission's clerical staff have changed significantly as a result of a new computerized data system and the reclassifications are recommended to reflect those changes.
2. The Subcommittee recommends the addition of a Secretary II position as requested, and the deletion of a Clerk Steno II position that is currently vacant. The net addition for the Secretary II position is \$3,106.

3. The Subcommittee recommends the addition of \$3,775 to upgrade the unclassified Director's salary to a level comparable to other fee agencies with similar-size budgets and responsibilities. The addition would upgrade the base salary from the current \$26,328 to \$29,700 and increase fringe benefit costs accordingly.
  
4. The Subcommittee recommends the addition of \$4,600 for travel. The Commission anticipates increased travel expenditures for investigations and travel expenditures for the first six months of FY 1986 indicate a higher level of travel than recommended by the Governor. The Subcommittee notes that the Commission's staff does significant amounts of traveling and recommends the Commission investigate the possibility of getting a motor pool vehicle assigned specifically to the Commission.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 24,693	\$ 53,986	\$ 122,231
Net Receipts	<u>288,855</u>	<u>429,088</u>	<u>400,700</u>
Total Funds Available	\$ 313,548	\$ 483,074	\$ 522,931
Less: Expenditures	<u>259,562</u>	<u>360,843</u>	<u>419,346</u>
Ending Balance	<u>\$ 53,986</u>	<u>\$ 122,231</u>	<u>\$ 103,585</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 19,022	\$ 419,346	\$ 3,164
FTE Positions	--	12.0	--

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

1. Addition of \$2,566 including fringe benefits to upgrade the Executive Director's base salary from the \$29,700 recommended by the House to \$31,992, as requested by the Commission. The Subcommittee notes the increase would bring the director's salary more in line with salaries paid to real estate agency directors in other states and with fee agencies of similar size in Kansas.
2. Addition of \$598 to provide a 4.3 percent employer's contribution to KPERS.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 24,693	\$ 53,986	\$ 122,231
Net Receipts	288,855	429,088	400,700
Total Funds Available	\$ 313,548	\$ 483,074	\$ 522,931
Less: Expenditures	259,562	360,843	422,510
Ending Balance	<u>\$ 53,986</u>	<u>\$ 122,231</u>	<u>\$ 100,421</u>

549.87



SUBCOMMITTEE REPORT

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

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

House Subcommittee Recommendation

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

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

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

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

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

House Committee Recommendation

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

1. Add \$2,916 in expenditure authority for the cost of partitions in the Santa Fe Building.
2. Add \$11,607 in expenditure authority to increase the salary of the Commissioner to the same level as the Bank Commissioner and Securities Commissioner to achieve parity among the financial fee agencies.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 14,523	\$ 199,515	\$ (7,290)
State General Fund	--	--	--
FTE Positions	--	5.5	--

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

1. Add \$362 to restore a 4.3 percentage rate for KPERS.

2. Delete \$7,652 from salaries and wages to reflect a salary level of \$34,000 for the Commissioner. The Subcommittee does not concur with the recommendation of the House to increase the salary level to that of the Bank Commissioner. Instead the Subcommittee recommends an increase to \$34,000 for the Savings and Loan Administrator, Credit Union Commissioner, and Consumer Credit Commissioner.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 103,778	\$ 158,619	\$ 164,776
Net Receipts	<u>199,336</u>	<u>187,769</u>	<u>174,904</u>
Total Funds Available	\$ 303,114	\$ 346,388	\$ 339,680
Less: Expenditures	<u>144,495</u>	<u>181,612</u>	<u>192,225</u>
Ending Balance	<u>\$ 158,619</u>	<u>\$ 164,776</u>	<u>\$ 147,455</u>

597.87

SUBCOMMITTEE REPORT

Agency: Office of Securities  
Commissioner

Bill No. 2717

Bill Sec. 19

Analyst: Howard

Analysis Pg. No. 70

Budget Pg. No. 1-169

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 952,564	\$ 791,806	\$ --
FTE Positions	22.0	19.0	--

House Subcommittee Recommendation

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

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

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 500,993	\$ 500,000	\$ 500,000
Net Receipts	<u>737,792</u>	<u>811,300</u>	<u>863,800</u>
Total Funds Available	\$ 1,238,785	\$ 1,311,300	\$ 1,363,800
Less: Expenditures	691,864	769,267	791,806
Transfer to State General Fund	<u>46,921</u>	<u>42,033</u>	<u>71,994</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$       --	\$ 791,806	\$       765
State General Fund	--	--	--
FTE Positions	--	19.0	--

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

1. Add \$630 to restore a 4.3 percentage rate for KPERS.
2. Add \$135 to the Commissioner's salary to establish a base salary of \$43,000 for the Securities Commissioner. This recommendation reflects the Subcommittee's intent to standardize and equalize the salaries of the Bank Commissioner and Securities Commissioner at \$43,000.

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

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 500,993	\$ 500,000	\$ 500,000
Net Receipts	<u>737,792</u>	<u>811,300</u>	<u>863,800</u>
Total Funds Available	\$ 1,238,785	\$ 1,311,300	\$ 1,363,800
Less: Expenditures	691,864	769,267	792,571
Transfer to State General Fund	<u>46,921</u>	<u>42,033</u>	<u>70,229</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

625.87

**SUBCOMMITTEE REPORT**

**Agency:** Board of Technical Professions      **Bill No.** 2717      **Bill Sec.** 20  
**Analyst:** Holt      **Analysis Pg. No.** 77      **Budget Pg. No.** 1-207

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

House Subcommittee Recommendations

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

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

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

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

House Committee Recommendation

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

Senate Subcommittee Recommendation

FY 1986. The Senate Subcommittee concurs with the recommendation of the House.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (8,759)	\$ 223,733	\$ (403)
State General Fund	--	--	--
TOTAL	<u>\$ (8,759)</u>	<u>\$ 223,733</u>	<u>\$ (403)</u>
FTE Positions	--	4.0	--

FY 1987. The Senate Subcommittee concurs with the recommendation of the House with the following adjustments:

1. Add \$197 to restore the contribution rate for KPERS to 4.3 percent.
2. Reduce \$600 for travel expenditures which appear to be overstated.
3. The fee fund analysis below reflects House adjustments and recommended Senate Subcommittee adjustments to expenditures in FY 1987:

<u>Resource Estimate</u>	<u>Actual FY 1985</u>	<u>Estimated FY 1986</u>	<u>Estimated FY 1987</u>
Beginning Balance	\$ 267,238	\$ 274,965	\$ 267,654
Net Receipts	188,672	182,313	208,927
Total Funds Available	<u>\$ 455,910</u>	<u>\$ 457,278</u>	<u>\$ 476,581</u>
Less: Expenditures (including refunds)	180,945	189,624	223,330
Ending Balance	<u>\$ 274,965</u>	<u>\$ 267,654</u>	<u>\$ 253,251</u>

663.87

**SUBCOMMITTEE REPORT**

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

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

Agency Request/Governor's Recommendations

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

House Subcommittee Recommendation

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

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

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



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

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

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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,000	\$ 49,531	\$ 36
FTE Positions	--	0.8	--

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

1. Addition of \$36 to reflect a 4.3 percent employers contribution to KPERS.

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 44,542	\$ 79,057	82,192
Net Receipts	<u>69,796</u>	<u>46,800</u>	<u>53,800</u>
Total Funds Available	\$ 114,338	\$ 125,857	\$ 135,992
Less: Expenditures	<u>35,281</u>	<u>43,665</u>	<u>49,567</u>
Ending Balance	<u>\$ 79,057</u>	<u>\$ 82,192</u>	<u>\$ 86,425</u>


700.87


HOUSE BILL NO. 2801 -- SUPPLEMENTAL APPROPRIATIONS BILL

Sec. 14 -- Kansas Highway Patrol

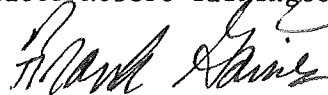
HOUSE BILL NO. 2758 -- FY 1987 APPROPRIATIONS BILL

Sec. 2 -- Kansas Highway Patrol

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

  
\_\_\_\_\_  
Senator August Bogina

  
\_\_\_\_\_  
Senator Robert Talkington

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

SUBCOMMITTEE REPORT

Agency: Highway Patrol

Bill No. 2801

Bill Sec. NA

Analyst: Rothe

Analysis Pg. No. 101

Budget Pg. No. 4-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$22,076,105	\$21,609,524	\$ (22,166)
Aid to Local Units	214,000	214,000	--
Subtotal Operating	<u>\$22,290,105</u>	<u>\$21,823,524</u>	<u>\$ (22,166)</u>
Capital Improvements	31,077	31,077	--
TOTAL	<u><u>\$22,321,182</u></u>	<u><u>\$21,854,601</u></u>	<u><u>\$ (22,166)</u></u>
State General Fund:			
State Operations	\$19,247,001	\$18,908,385	\$ (22,166)
Aid to Local Units	214,000	214,000	--
Subtotal Operating	<u>\$19,461,001</u>	<u>\$19,122,385</u>	<u>\$ (22,166)</u>
Capital Improvements	31,077	31,077	--
TOTAL	<u><u>\$19,492,078</u></u>	<u><u>\$19,153,462</u></u>	<u><u>\$ (22,166)</u></u>
FTE Positions:			
Uniformed Trooper	414.0	414.0	--
Capitol Area Security	65.5	65.5	--
All Other	117.0	117.0	--
TOTAL	<u><u>596.5</u></u>	<u><u>596.5</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

The agency's revised FY 1986 request for operating expenditures exceeds by \$241,554 the level of spending approved by the 1985 Legislature. The increase is due entirely to supplemental salary and fringe benefit requests.

The Governor's recommendation of \$21,823,524 in FY 1986 operating expenditures is a reduction of \$466,581 from the agency's revised estimate. The recommendation includes \$188,527 of the supplemental requests. However, the Governor recommends reductions in other expenditures which more than offset these increases. Reductions by program include \$59,376 from Capitol Area Security, \$8,023 from Emergency Medical Services, \$337,871 from the Highway Patrol program, and \$61,311 from the Turnpike Patrol. Reductions by object include \$151,902 from salaries, \$132,348 from vehicle supplies, \$48,275 from communications, \$45,908 from rents, and \$88,148 from other objects.

House Subcommittee Recommendations

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

1. Add \$2,000 for data processing equipment for the KHP-Operations program inventory system.
2. Add \$9,170 for EMS data processing needs based on expenditures to date. Before the EMS Division transferred to KHP, its data processing services were handled by the Department of Health and Environment. Actual costs were not known by the Division.
3. Add \$2,350 for EMS remodeling costs. Remodeling work was initiated in FY 1985, was approved by Architectural Services in September, 1985, and was billed in FY 1986. Remodeling costs were not anticipated by EMS for FY 1986 and funds were not encumbered from FY 1985 for this purpose.
4. Delete \$35,686 in gasoline expenditures from the KHP-Operations program. The recommendation is based upon a reduction in gasoline prices from \$1.08 per gallon to \$.98 per gallon for the final six months of FY 1986.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Total FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (22,166)	\$21,587,358	\$ 117,183
Aid to Local Units	--	214,000	--
Subtotal - Operating	\$ (22,166)	\$21,801,358	\$ 117,183
Capital Improvements	--	31,077	--
TOTAL	<u>\$ (22,166)</u>	<u>\$21,832,435</u>	<u>\$ 117,183</u>
<b>State General Fund:</b>			
State Operations	\$ (22,166)	\$18,886,219	\$ 117,183
Aid to Local Units	--	214,000	--
Subtotal - Operating	\$ (22,166)	\$19,100,219	\$ 117,183
Capital Improvements	--	31,077	--
TOTAL	<u>\$ (22,166)</u>	<u>\$19,131,296</u>	<u>\$ 117,183</u>
<b>FTE Positions:</b>			
Uniformed Trooper	--	414.0	--
Capitol Area Security	--	65.5	--
All Other	--	117.0	--
TOTAL	<u>--</u>	<u>596.5</u>	<u>--</u>

The Senate Subcommittee concurs with the recommendations of the House for FY 1986 with the following adjustments:

1. The Subcommittee recommends a technical adjustment to the agency's appropriations bill to accurately reflect the House's recommendations. The adjustment involves increasing the operating expenditure reappropriation by \$33,686 to a total of \$147,023.
2. Add \$117,183 from the State General Fund to salaries and wages for separations pay in the KHP -- Operations program. Lapse \$117,183 from State General Fund operating expenditure reappropriations.

**SUBCOMMITTEE REPORT**

Agency: Highway Patrol

Bill No. 2758

Bill Sec. 3

Analyst: Rothe

Analysis Pg. No. 101

Budget Pg. No. 4-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$23,604,474	\$21,493,721	\$ (127,076)
Aid to Local Units	574,000	154,000	60,000
Subtotal Operating	<u>\$24,178,474</u>	<u>\$21,647,721</u>	<u>\$ (67,076)</u>
Capital Improvements	264,300	--	--
TOTAL	<u><u>\$24,442,774</u></u>	<u><u>\$21,647,721</u></u>	<u><u>\$ (67,076)</u></u>
<b>State General Fund:</b>			
State Operations	\$20,602,146	\$18,615,123	\$ (135,676)
Aid to Local Units	574,000	154,000	60,000
Subtotal Operating	<u>\$21,176,146</u>	<u>\$18,769,123</u>	<u>\$ (75,676)</u>
Capital Improvements	264,300	--	--
TOTAL	<u><u>\$21,440,446</u></u>	<u><u>\$18,769,123</u></u>	<u><u>\$ (75,676)</u></u>
<b>FTE Positions:</b>			
Uniformed Trooper	423.0	418.0	1.0
Capitol Area Security	66.5	65.5	--
All Other	<u>123.0</u>	<u>118.0</u>	<u>--</u>
TOTAL	<u><u>612.5</u></u>	<u><u>601.5</u></u>	<u><u>1.0</u></u>

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$24,178,474, an increase of \$1,888,369 (8.5 percent) over the revised FY 1986 estimate. Of the increase, \$985,566 is attributed to salaries and wages, \$360,000 to State Aid to Local Units (Emergency Medical Services), \$329,386 to capital outlay, and \$213,417 to other operating expenditures. The requested increase includes \$353,961 in salaries and \$162,777 in supplies for 16 new positions, \$41,471 for overtime pay for Troopers, and \$617,150 for Emergency Medical Services (EMS) initiatives.

The Governor recommends \$21,647,721 of operating expenditures for FY 1987, a reduction of \$2,530,753 from the agency's request. The recommendation includes \$18,769,123 from the State General Fund, a reduction of \$2,407,023, and \$2,878,598 from special revenue funds, a \$123,730 reduction. Of the reductions, \$944,036 is attributable to salaries and wages, \$734,084 to capital outlay, \$420,000 to State Aid to Local Units, \$119,105 to motor vehicle parts and supplies, and \$313,528 to all other. The recommendation includes five new positions, no overtime pay for Troopers, and no funds for requested EMS initiatives.

House Subcommittee Recommendations

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

1. Add \$44,303 for 1.0 FTE additional Trooper for the KHP-Operations program. The recommendation includes \$25,463 for salaries and wages, and \$18,840 for supplies.
2. Add \$21,299 for body armor in the KHP-Operations program. The recommendation would provide for 39 new vests and for the refurbishment of 156 vests on hand.
3. Add \$8,600 (\$6,880 from federal funds, \$1,720 from Motor Carrier Safety Assistance Program funds) for computer software and equipment. The recommendation would allow the MCSAP program to access "Safety Net," an interactive data base for the national MCSAP office in Washington, D.C.
4. Add \$2,000 to replace redundant storage of data and manual filing procedures with automated files in the Notices to Appear System (KHP-Data Processing program).
5. Add \$7,400 for EMS data processing needs.
6. Add \$60,000 from State Aid to Local Units funding for the purchase of EMS training equipment.
7. Delete \$142,748 from gasoline costs in the KHP-Operations program. The recommendation is based upon a reduction in gasoline prices from \$1.04 per gallon to \$.84 per gallon. The Committee further recommends the approval by the Joint Committee on State Building Construction of two bulk fuel tanks requested by KHP for western Kansas (Hays and Garden City). The Subcommittee notes that KHP has agreed to share usage of the gasoline tanks with the Kansas Department of Transportation, the Park and Resources Authority, and the Kansas Fish and Game Commission.
8. Delete \$10,600 from the KHP-Operations program for 50 Rueger rifles.
9. Delete \$57,330 from the amount requested for new automobile purchases. The recommendation is based on the elimination of five of the 102-requested new replacement automobiles.
10. The Subcommittee has reviewed the "KHP Manpower Allocation Model for Field Trooper Positions" resulting from a November, 1985, Legislative Division of Post Audit report. The Subcommittee recommends that the Model be studied by the appropriate committee during the 1986 Legislative Session, or be assigned as a 1986 interim study.



11. The Subcommittee concurs with the Governor's recommendation to eliminate \$24,930 requested for the Time and Activity Reporting System in the KHP-Data Processing program. In lieu of providing additional mainframe time and disk storage, the Subcommittee recommends that the agency investigate the more efficient and less costly use of IBM minicomputer programs (IBM 36 system) now available and adaptable to handle Time and Activity Reports and expense reports. The Subcommittee notes that the use of the minicomputer programs would provide both timely and accurate management reports for use by supervisors and management personnel.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (127,076)	\$21,366,645	\$ 103,756
Aid to Local Units	60,000	214,000	40,000
Subtotal - Operating	\$ (67,076)	\$21,580,645	\$ 143,756
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$ (67,076)</b>	<b>\$21,580,645</b>	<b>\$ 143,756</b>
<b>State General Fund:</b>			
State Operations	\$ (135,767)	\$18,479,447	\$ 101,755
Aid to Local Units	60,000	214,000	40,000
Subtotal - Operating	\$ (75,676)	\$18,693,447	\$ 141,755
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$ (75,676)</b>	<b>\$18,693,447</b>	<b>\$ 141,755</b>
<b>FTE Positions:</b>			
Uniformed Trooper	1.0	419.0	2.0
Capitol Area Security	--	65.5	--
All Other	--	118.0	--
<b>TOTAL</b>	<b>1.0</b>	<b>602.5</b>	<b>2.0</b>

The Senate Subcommittee concurs with the recommendations of the House for FY 1987 with the following exceptions:

1. Add \$9,514 to restore the employer contribution rate for KPERS to 4.3 percent.
2. Add \$10,600 to the KHP -- Operations program for 50 Rueger rifles deleted by the House.
3. Add \$57,330 to the KHP -- Operations program for five vehicle replacements deleted by the House.
4. Add \$88,606 for 2.0 FTE additional Troopers for the KHP -- Operations program. The recommendation includes \$51,426 for salaries and wages, and \$37,180 for supplies.
5. Add \$16,683 for reallocations in the KHP -- Operations program. The recommendation includes \$7,045 to reallocate an Administrative Officer I to an Administrative Officer III, and \$9,638 to reallocate ten Communication Operators I to Communication Operators II. The Subcommittee also recognizes the need for clerical salary adjustments but defers further action until completion of the Secretarial/Clerical Study by the Division of Personnel Services.
6. Add \$100,000 from State Aid to Local Units to begin expansion of the EMS communications system. The recommendation would provide for the development of a prioritized area of the state to be chosen by EMS.
7. Delete \$60,000 from State Aid to Local Units for the purchase of EMS training equipment.
8. Delete \$64,237 from gasoline costs in the KHP -- Operations program. The reduction is based upon a reduction in gasoline prices to \$.75 per gallon.
9. Delete \$14,740 from the State General Fund in data processing services due to lower than expected charges for users of DISC computer services. The recommendation is based on a systemwide recommendation by the House Ways and Means Committee.
10. The Subcommittee defers a recommendation on the agency's capital improvement request until addressed by the Joint Committee on State Building Construction.
11. The Subcommittee reviewed the agency's request to provide a two-range salary spread between all ranks within the KHP career ladder. The request includes \$90,267 for a one-step (2.5 percent) pay increase, or \$178,149 for a two-step (5 percent) pay increase, for classified ranks above Troopers. The Subcommittee recommends that the request be addressed in the Omnibus bill.

SENATE SUBCOMMITTEE REPORT

House Bill No. 2759

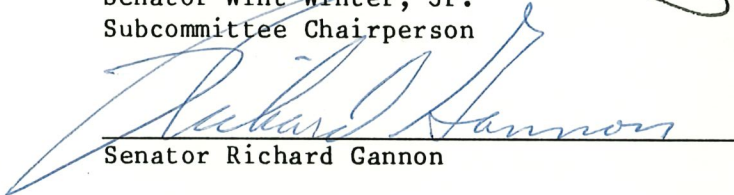
- Sec. 2 -- Youth Center at Topeka
- Sec. 3 -- Youth Center at Beloit
- Sec. 4 -- Youth Center at Atchison
- Sec. 5 -- Kansas Neurological Institute
- Sec. 6 -- Larned State Hospital
- Sec. 7 -- Osawatomie State Hospital
- Sec. 8 -- Rainbow Mental Health Facility
- Sec. 9 -- Parsons State Hospital and Training Center
- Sec. 10 -- Norton State Hospital
- Sec. 11 -- Topeka State Hospital
- Sec. 12 -- Winfield State Hospital and Training Center

House Bill No. 2801

- Sec. 10 -- Kansas Neurological Institute
- Sec. 11 -- Osawatomie State Hospital
- Sec. 12 -- Parsons State Hospital and Training Center
- Sec. 13 -- Norton State Hospital



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Richard Gannon

SENATE SUBCOMMITTEE SYSTEMWIDE RECOMMENDATIONS  
MENTAL HEALTH AND MENTAL RETARDATION INSTITUTIONS

1. The Subcommittee reviewed the FY 1987 fee fund ending balances included in the Governor's recommendations. The recommended balances would be equivalent to an estimated one week of receipts, compared to a one month's balance typically budgeted by the Legislature in past years. The Subcommittee believes it is impossible to predict fee fund receipts at this level of accuracy, and notes the potential for funding shortfalls under the Governor's recommendations. The Subcommittee recommends shifts be made from fee fund financing to State General Fund financing in each institution's budget to provide a projected one month ending balance in each fee fund. The Subcommittee does not believe that attempts to minimize State General Fund usage justify imprudent budgetary practices, and recommends that SRS request a Governor's Budget Amendment on the fee funds.
2. The Subcommittee learned that the Governor's recommendations in various areas of the hospitals' budgets provide only minimal or no inflationary increases. In particular, it would appear that the utilities budgets, which at some institutions are left at FY 1985 actual expenditure levels, may be inadequate and would require a supplemental appropriation for FY 1987. While the Subcommittee is aware of the limited resources of the State General Fund, it does not believe that budgeting an agency so that supplemental funding requests are almost inevitable is reasonable.
3. The Subcommittee reviewed projected federal Title XIX receipts for the eight institutions. Revised projections indicate that Title XIX receipts may not be as great as projected in the Governor's budget recommendations. The Subcommittee notes that recent projections would leave an ending balance in the central Title XIX fund of approximately \$35,000, or only 0.1 percent of the fund's estimated total receipts. The Governor's budget projected an ending balance of \$792,433. The Subcommittee notes the potential for a shortfall in this fund in FY 1986 and recommends adjustments be made during the Omnibus Session if shortfalls are projected at that time.

The Subcommittee also reviewed projected Title XIX receipts for FY 1987 and notes a potential shortfall in FY 1987 also. In previous years, significant carryforward balances were projected for the Title XIX central fund and some balance was budgeted to allow for shortfalls in projections or audit adjustments. The Subcommittee recommends that Title XIX receipts be re-evaluated early in the 1987 Legislative Session and that the institutions' FY 1986 budget submissions reflect revised projections of Title XIX receipts for FY 1987.

4. The Subcommittee reviewed SRS long-range plans for the mental retardation institutions which provide for reducing institutional populations. The Subcommittee believes it is important for the Legislature to develop a long-range program regarding the institutions and that adoption of such a program should assist the state in future negotiations with the state and federal regulatory agencies. The Subcommittee recommends consideration of a plan that will allow reductions in institutional staffing through attrition as populations at those institutions are reduced. The

Subcommittee also recommends that SRS evaluate methods to reduce the number of buildings utilized at the state institutions to provide further cost savings.

5. The Subcommittee reviewed the costs of various types of service options for the mentally retarded. The Subcommittee notes that private ICF/MR facilities appear to be a cost-effective alternative and recommends that consideration be given to increasing reimbursement rates for private ICF/MRs to encourage development of more of these facilities to allow further reductions in institutional populations. Attachment 1 shows the daily costs for the various service alternatives.

D86-56

ATTACHMENT 1

STATE GENERAL FUND

INSTITUTION	ACTUAL FY 1985	COST PER DAY PER CLIENT	SENATE SUB FY 1986	COST PER DAY PER CLIENT	SENATE SUB FY 1987	COST PER DAY PER CLIENT
WINFIELD	\$8,766,541	\$48.9	\$9,449,506	\$52.7	\$10,027,326	\$56.0
KNI	7,339,597	\$51.6	9,263,851	\$65.1	8,900,108	\$62.5
PARSONS	4,967,482	\$47.8	6,236,159	\$59.9	5,926,972	\$57.0
NORTON	2,913,643	\$52.9	3,219,205	\$60.8	3,078,309	\$70.3
TOTAL-MR	\$23,987,263	\$49.6	\$28,168,721	\$58.9	\$27,932,715	\$59.6

ALL FUNDS

INSTITUTION	ACTUAL FY 1985	COST PER DAY PER CLIENT	SENATE SUB FY 1986	COST PER DAY PER CLIENT	SENATE SUB FY 1987	COST PER DAY PER CLIENT
WINFIELD	\$16,589,353	\$92.6	\$18,326,271	\$102.3	\$19,379,342	\$108.1
KNI	13,882,307	\$97.5	15,920,210	\$111.9	16,606,689	\$116.7
PARSONS	9,907,839	\$95.2	11,341,054	\$109.0	11,818,081	\$113.6
NORTON	5,709,739	\$103.6	6,183,602	\$116.8	6,184,064	\$141.2
TOTAL-MR	\$46,089,238	\$95.2	\$51,779,137	\$108.2	\$53,988,176	\$115.2

PRIVATE ICF/MRS

	COST PER DAY PER CLIENT	
	SGF	TOTAL
SMALL (15 BEDS OR LESS)		
ambulatory	\$26.84	\$53.67
non-ambulatory	\$34.00	\$68.00
LARGE (MORE THAN 15 BEDS)	\$22.67	\$45.33

SRS ESTIMATE OF COMMUNITY-  
BASED CARE (ADULT RESIDENTIAL  
AND DAY PROGRAM)

\$43.00

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SUBCOMMITTEE REPORT

Agency: Youth Center at Topeka      Bill No. 2759      Bill Sec. 2  
 Analyst: Rothe      Analysis Pg. No. 325      Budget Pg. No. 4-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,745,908	\$ 5,589,259	\$ 476,755
General Fee Fund	51,839	52,281	--
Federal Education Aid	145,585	124,775	--
Subtotal - Operating	<u>\$ 6,943,332</u>	<u>\$ 5,766,315</u>	<u>\$ 476,755</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 509,000	\$ 495,200	\$ --
TOTAL	<u>\$ 7,452,332</u>	<u>\$ 6,261,515</u>	<u>\$ 476,755</u>
FTE Positions	213.0	200.0	--

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$6,943,332, an increase of \$1,227,905 (or 21.5 percent) over the FY 1986 estimate of \$5,715,427. Of the increase, 62.7 percent is attributed to a proposed change in education funding, 32.2 percent to salaries and wages, and 7.4 percent to other operating expenditures. The request includes \$6,745,908 from the State General Fund.

The Governor recommends operating expenditures of \$5,766,315 for FY 1987, a reduction of \$1,177,017 from the agency's request. Most of the reduction is from education expenditures (\$680,823), salaries and wages (\$374,135), capital outlay (\$42,827), and utilities (\$29,188). The recommendation includes \$5,589,259 from the State General Fund.

House Subcommittee Recommendation

FY 1986. The Subcommittee recommends that \$60,000 from the State General Fund be reappropriated from FY 1986 to FY 1987 to reflect a reduction in utility expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$103,503.

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

1. Delete \$50,000 from the State General Fund in utility savings.

2. Add \$8,572 from the State General Fund for capital outlay costs. The recommendation includes \$1,800 for dictaphones, \$900 to replace school furnishings and equipment, \$5,572 to replace cottage furnishings and equipment, and \$300 for a sewing machine.
3. Pursuant to the attached page, add \$518,183 from the State General Fund for education costs. The Subcommittee further recommends that a bill be introduced to amend K.S.A. 72-978 to preclude distributions to school districts for services provided pursuant to a contract for special education services between a school district and a youth center under the control of the Commissioner of Youth Services of the Department of Social and Rehabilitation Services.
4. The Subcommittee recommends that any land owned by the agency and not used for institutional purposes be sold and that proceeds be deposited in the agency's General Fee Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

FY 1986. The Senate Subcommittee concurs with the House's recommendation for FY 1986 with the following adjustment:

1. Add \$35,000 for salaries and wages due to an unusually low turnover rate of 1.3 percent through February and to separation expenses of \$19,804. The Subcommittee recommends that the \$60,000 recommended by the House to be reappropriated to FY 1987 due to utility savings be reduced to \$25,000. The recommendation would result in a total reappropriation to FY 1987 of \$68,503.



FY 1987.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 476,755	\$ 6,066,014	\$ 47,377
General Fee Fund	--	52,281	--
Federal Education Aid	--	124,775	--
Subtotal - Operating	<u>\$ 476,755</u>	<u>\$ 6,243,070</u>	<u>\$ 47,377</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 495,200	\$ (495,200)
TOTAL	<u>\$ 476,755</u>	<u>\$ 6,738,270</u>	<u>\$ (447,823)</u>
FTE Positions	--	200.0	--

The Senate Subcommittee concurs with the House's recommendation for FY 1987 with the following adjustments:

1. Delete \$495,200 of State Institutions Building Funds. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to approve no capital improvement projects at the youth center for FY 1987.
2. Add \$47,377 from the State General Fund for education costs based on a categorical aid rate of \$12,496. The recommendation is keyed to the budget limitation of 2 to 4 percent as contained in S.B. 601 as amended by the House. The Subcommittee concurs with the House's recommendation that all education program funds be appropriated from the State General Fund directly to the youth centers. Currently, categorical aid funds are appropriated as State General Funds to the Kansas State Department of Education (KSDE) which distributes the funds to the school districts contracting with the youth centers. Further, the Subcommittee reminds the Conference Committee to make sure that a corresponding decrease is made in the FY 1987 State General Fund appropriation to KSDE.

YOUTH CENTER EDUCATION PROGRAM RECOMMENDATION -- FEBRUARY 26, 1986

The House Subcommittee notes that youth center education programs were originally funded totally through Social and Rehabilitation Services. With the revision of the state special education categorical aid program beginning in FY 1985, that program became an important component of funding for education services provided by the youth centers. Since 1978, the majority of the teachers in youth center education programs have been certified in special education and virtually all students entering the youth centers have been labeled special education Personal and Social Adjustment (PSA). Thus the programs that school districts have provided pursuant to the contracts with the youth centers have generated state special education categorical aid funds for such districts. This special education categorization has been possible because the state identification criteria for the PSA are more liberal than the federal identification criteria found in P.L. 94-142. On May 1, 1986, the state definition will change to one which is more structured and which has more restrictive identification criteria. Thus many of the youth center students will no longer meet criteria for identification as PSA students. Preliminary estimates indicate that 36 percent of the Youth Center at Atchison students, 24 percent at Beloit, and 61 percent at Topeka will be classified as exceptional students for whom special education services must be provided.

Changes in the estimated rate of categorical aid during the fiscal year create an administrative problem for the youth centers. As a result there may be significant reductions in the amount of such aid that might be available for the support of such programs. This creates difficulty in implementing the financial arrangements in the contracts with school districts for payment of services.

The Subcommittee recommends that all education program funds be appropriated from the State General Fund directly to the youth centers, thus eliminating the need for the categorical aid estimates and resulting uncertainties regarding funding. The youth centers would continue to contract with the local school district. Youth center education programs would remain under KSDE regulations for accredited schools. (The schools must remain accredited in order for a student's credits to be accepted by other public schools and so that graduated students are automatically eligible to attend any state university.)

**SUBCOMMITTEE REPORT**

Agency: Youth Center at Beloit      Bill No. 2759      Bill Sec. 3  
 Analyst: Rothe      Analysis Pg. No. 332      Budget Pg. No. 4-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,570,665	\$ 2,771,595	\$ 265,342
General Fee Fund	20,000	62,677	--
Federal Education Aid	66,670	66,670	--
Subtotal - Operating	<u>\$ 3,657,335</u>	<u>\$ 2,900,942</u>	<u>\$ 265,342</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 234,600	\$ 214,500	\$ --
TOTAL	<u>\$ 3,891,935</u>	<u>\$ 3,115,442</u>	<u>\$ 265,342</u>
FTE Positions	101.0	98.0	--

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$3,657,335, an increase of \$775,933 (or 26.9 percent) over the FY 1986 estimate of \$2,881,402. Of the increase, 71.4 percent is attributed to a proposed change in education funding, 18 percent to salaries and wages, 3.9 percent to medical contracts, and 6.7 percent to other operating expenditures. The request includes \$3,570,665 from the State General Fund.

The Governor recommends operating expenditures of \$2,900,942 for FY 1987, a reduction of \$756,393 from the agency's request. Most of the reduction is from education expenditures (\$509,313), salaries and wages (\$114,174), and capital outlay (\$91,913). The recommendation includes \$2,771,595 from the State General Fund.

House Subcommittee Recommendation

FY 1986. The Subcommittee recommends that \$16,000 from the State General Fund be reappropriated from FY 1986 to FY 1987 to reflect a reduction in utility expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$117,975.

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

1. Delete \$13,000 from the State General Fund in utility savings.

2. Add \$12,950 from the State General Fund for capital outlay costs. The recommendation includes \$1,000 for cottage furnishings and equipment, \$600 for two sewing machines, \$1,000 for a washer and dryer, \$350 for a shampoo chair, and \$10,000 for a mini-van to replace a vehicle with approximately 100,000 miles of use.
3. Pursuant to the attached page, add \$265,392 from the State General Fund for education costs. The Subcommittee further recommends that a bill be introduced to amend K.S.A. 72-978 to preclude distributions to school districts for services provided pursuant to a contract for special education services between a school district and a youth center under the control of the Commissioner of Youth Services of the Department of Social and Rehabilitation Services.
4. The Subcommittee recommends that any land owned by the agency and not used for institutional purposes be sold and that proceeds be deposited in the agency's General Fee Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

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

FY 1987.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 265,342	\$ 3,036,937	\$ 24,293
General Fee Fund	--	62,677	--
Federal Education Aid	--	66,670	--
Subtotal - Operating	<u>\$ 265,342</u>	<u>\$ 3,166,284</u>	<u>\$ 24,293</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ 214,500	\$ (202,400)
TOTAL	<u>\$ 265,342</u>	<u>\$ 3,380,784</u>	<u>\$ (178,107)</u>
FTE Positions	--	98.0	--

The Senate Subcommittee concurs with the House's recommendation for FY 1987 with the following adjustments:

1. Delete \$202,400 from the State Institutions Building Fund. The Subcommittee concurs with the Joint Committee on State Building Construction's recommendation to delete \$214,500 to replace the school's heating and air conditioning system and to add \$12,100 to replace the school's intercom and master clock system.
2. Add \$24,293 from the State General Fund for education costs based on a categorical aid rate of \$12,496. The recommendation is keyed to the budget limitation of 2 to 4 percent as contained in S.B. 601 as amended by the House. The Subcommittee concurs with the House's recommendation that all education program funds be appropriated from the State General Fund directly to the youth centers. Currently, categorical aid funds are appropriated as State General Funds to the Kansas State Department of Education (KSDE) which distributes the funds to the school districts contracting with the youth centers. Further, the Subcommittee reminds the Conference Committee to make sure that a corresponding decrease is made in the FY 1987 State General Fund appropriation to KSDE.
3. The Subcommittee reviewed the agency's medical request to provide all residents with examinations and corrective action by a contracted physician, dentist, and optometrist. The Subcommittee believes that professional health care providers should make decisions regarding patient referrals based on concern for the health and welfare of the residents. The Subcommittee recommends that the Youth Center at Beloit continue the current practice of referring residents for treatment only when a problem is indicated. However, if the agency can demonstrate that medical needs are not being met, a supplemental appropriation should be approved by the 1987 Legislature.

**SUBCOMMITTEE REPORT**

**Agency: Youth Center at Atchison Bill No. 2759**

**Bill Sec. 4**

**Analyst: Rothe**

**Analysis Pg. No. 339**

**Budget Pg. No. 4-83**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,810,695	\$ 3,318,764	\$ 269,437
General Fee Fund	20,000	36,374	--
Federal Education Aid	57,229	65,509	--
Subtotal - Operating	<u>\$ 3,887,924</u>	<u>\$ 3,420,647</u>	<u>\$ 269,437</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 110,600</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL	<u>\$ 3,998,524</u>	<u>\$ 3,420,647</u>	<u>\$ 269,437</u>
<b>FTE Positions</b>	<b>120.5</b>	<b>119.5</b>	<b>--</b>

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$3,887,924, an increase of \$527,740 (or 15.7 percent) over the FY 1986 estimate of \$3,360,184. Of the increase, 62.4 percent is attributed to a proposed change in education funding, 24.6 percent to salaries and wages, 8.4 percent to capital outlay, and 4.7 percent to other operating expenditures. The request includes \$3,810,695 from the State General Fund.

The Governor recommends operating expenditures of \$3,420,647 for FY 1987, a reduction of \$467,277 from the agency's request. The recommendation includes \$3,318,764 from the State General Fund.

House Subcommittee Recommendation

FY 1986. The Subcommittee recommends that \$24,302 from the State General Fund be reappropriated from FY 1986 to FY 1987 to reflect a reduction in utility expenditures. The recommendation would result in an increase in the total reappropriation to FY 1987 to \$28,634.

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

1. Delete \$20,000 from the State General Fund in utility savings.
2. Add \$19,700 from the State General Fund for capital outlay costs. The recommendation includes \$9,000 to replace furniture

in Sycamore Cottage, and \$10,700 for a station wagon to replace a 1973 Chevrolet Chevelle with approximately 99,000 miles of use.

3. Pursuant to the attached page, add \$269,737 from the State General Fund for education costs. The Subcommittee further recommends that a bill be introduced to amend K.S.A. 72-978 to preclude distributions to school districts for services provided pursuant to a contract for special education services between a school district and a youth center under the control of the Commissioner of Youth Services of the Department of Social and Rehabilitation Services.
4. The Subcommittee recommends that any land owned by the agency and not used for institutional purposes be sold and that proceeds be deposited in the agency's General Fee Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

House Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

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

FY 1987.

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 269,437	\$ 3,588,201	\$ 24,662
General Fee Fund	--	36,374	--
Federal Education Aid	--	65,509	--
Subtotal - Operating	<u>\$ 269,437</u>	<u>\$ 3,690,084</u>	<u>\$ 24,662</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ --	\$ 6,000
TOTAL	<u>\$ 269,437</u>	<u>\$ 3,690,084</u>	<u>\$ 30,662</u>
FTE Positions	--	119.5	--

The Senate Subcommittee concurs with the House's recommendation for FY 1987 with the following adjustments:

1. Add \$6,000 from the State Institutions Building Fund, as recommended by the Joint Committee on State Building Construction, to replace a combination electric stove and double convection oven.
2. Add \$24,662 from the State General Fund for education costs based on a categorical aid rate of \$12,496. The recommendation is keyed to the budget limitation of 2 to 4 percent as contained in S.B. 601 as amended by the House. The Subcommittee concurs with the House's recommendation that all education program funds be appropriated from the State General Fund directly to the youth centers. Currently, categorical aid funds are appropriated as State General Funds to the Kansas State Department of Education (KSDE) which distributes the funds to the school districts contracting with the youth centers. Further, the Subcommittee reminds the Conference Committee to make sure that a corresponding decrease is made in the FY 1987 State General Fund appropriation to KSDE.



**SUBCOMMITTEE REPORT**

**Agency: Kansas Neurological  
Institute**

**Bill No. 2801**

**Bill Sec. 10**

**Analyst: Hunn**

**Analysis Pg. No. 345**

**Budget Pg. No. 6-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 9,418,591	\$ 9,216,678	\$ (76,827)
General Fees Fund	442,336	442,336	--
Title XIX	5,947,986	5,947,986	--
Other Funds	274,037	274,037	--
Subtotal - Operating	<u>\$16,082,950</u>	<u>\$15,881,037</u>	<u>\$ (76,827)</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 75,000	\$ 80,196	\$ --
TOTAL	<u>\$16,157,950</u>	<u>\$15,961,233</u>	<u>\$ (76,827)</u>
FTE Positions	751.5	751.5	--

House Subcommittee Recommendations

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

1. The Subcommittee notes that KNI projects some salary savings in FY 1986 and recommends a portion of these savings be used to fund five direct care positions for the second half of FY 1986 that were deleted in the Governor's recommendations. These direct care positions were approved by the Finance Council in the 1985 interim and the Subcommittee recommends these positions be retained to ensure KNI will continue to meet Medicaid standards. The Subcommittee also recommends the amount of supplemental funding for KNI be reduced by \$34,000 based on these projected turnover savings.
2. Reappropriate \$36,791 in projected food savings to reduce FY 1987 State General Fund appropriations.
3. Reappropriate \$16,036 in projected utility savings to reduce FY 1987 State General Fund appropriations.
4. The Subcommittee found that KNI had recently purchased approximately \$50,000 of furniture for resident units that has proved to be defective. KNI is returning this furniture to the

manufacturer who has not agreed to the return and has hired an attorney to pursue the matter. Until this matter is resolved with the manufacturer, the \$50,000 involved cannot be released and KNI has no funding to purchase the necessary furniture at the next lowest bid. The Subcommittee supports KNI's actions in this matter and recommends projected savings in food and utilities be utilized to purchase the needed furniture prior to the release of funds under the first contract.

- 5. The Subcommittee recommends the addition of \$10,000 for office furniture for the new professional staff approved by the Finance Council and recommended by the Governor. This amount was shifted to FY 1987 by the Governor's recommendations. The Subcommittee notes the furniture purchases are necessary in FY 1986 and recommends reduction of \$10,000 for capital outlay in FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (76,827)	\$ 9,139,851	\$ 124,000
General Fees Fund	--	442,336	--
Title XIX	--	5,947,986	--
Other Funds	--	274,037	--
Subtotal - Operating	<u>\$ (76,827)</u>	<u>\$15,804,210</u>	<u>\$ 124,000</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 80,196	\$ --
TOTAL	<u>\$ (76,827)</u>	<u>\$15,884,406</u>	<u>\$ 124,000</u>
FTE Positions	--	751.5	--

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

1. The Subcommittee recommends the addition of \$124,000 for salaries and wages due to lower than projected turnover savings. This amount is necessary to allow KNI to keep direct care positions filled for the remainder of the year. A recent federal survey cited KNI for inadequate active treatment on the evening shift and the Subcommittee believes it is important to keep the direct care positions filled to correct those deficiencies. A Governor's budget amendment has been requested on this item.

363.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Neurological  
Institute**

**Bill No. 2759**

**Bill Sec. 5**

**Analyst: Hunn**

**Analysis Pg. No. 345**

**Budget Pg. No. 6-31**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 9,980,451	\$ 8,754,523	\$ 61,293
General Fees Fund	535,585	663,290	
Title XIX	6,636,079	6,886,967	
Other Funds	240,616	240,616	
Subtotal	<u>\$17,392,731</u>	<u>\$16,545,396</u>	<u>\$ 61,293</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 542,400	\$ --	\$ 25,000
TOTAL	<u>\$17,935,131</u>	<u>\$16,545,396</u>	<u>\$ 86,293</u>
<b>FTE Positions</b>	<b>762.5</b>	<b>743.5</b>	<b>- 5.0</b>

House Subcommittee Recommendations

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

1. The Subcommittee recommends \$67,924 for reinstatement of the five direct care positions deleted by the Governor's recommendations to ensure that KNI will continue to meet Medicaid standards. The Subcommittee notes that full-year funding of these positions may not be necessary, however, in the event that the population at KNI is reduced in FY 1987. The Subcommittee recommends that direct care staffing levels be reevaluated by the 1987 Legislature to determine if changes should be made at that time. Federal officials are now conducting a survey at KNI and the Subcommittee recommends the Senate review the results of the federal survey when that information is available.
2. The Subcommittee recommends the addition of \$3,369 to provide for the reinstatement of two existing positions deleted by the Governor's recommendations, but deletion of two alternative positions selected by the agency. The two positions recommended for reinstatement are a social worker and a social services administrator and the alternative positions recommended for deletion are a Director of Chaplaincy Services and a radiology technician. KNI plans to investigate the possibility of contracting

for all religious services or seeking volunteers from the community. The Subcommittee recommends the other institutions also investigate alternatives in the provision of religious services.

3. The Subcommittee notes that KNI plans to send two LPNs to training to become respiratory therapists in FY 1987. The Subcommittee recommends that only one LPN be trained each year to minimize time spent away from KNI and to ensure adequate nursing coverage on the units.
4. The Subcommittee recommends \$10,000 in capital outlay expenditures be shifted to FY 1986 for the purchase of office furniture for the professional staff added during the 1985 interim.
5. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for capital improvements which includes \$25,000 to replace KNI's dishwashing machine.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 61,293	\$ 8,815,816	\$ 84,292
General Fees Fund	--	663,290	(55,810)
Title XIX	--	6,886,967	--
Other Funds	--	240,616	5,800
Subtotal - Operating	<u>\$ 61,293</u>	<u>\$16,606,689</u>	<u>\$ 34,282</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 25,000	\$ 25,000	\$ --
TOTAL	<u>\$ 86,293</u>	<u>\$16,631,689</u>	<u>\$ 34,282</u>
FTE Positions	5.0	748.5	--

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

1. Delete \$112 for communications to reflect systemwide decisions on KANS-A-N expenditures.
2. Add \$34,394 to reflect a 4.3 percent employer's contribution to KPERS.
3. The Subcommittee concurs with the House recommendation to delete the Chaplain position at KNI. The Subcommittee recommends SRS review the possibility of using chaplain trainees at Topeka State Hospital to provide religious services at KNI.
4. The Subcommittee reviewed KNI's proposal to send two LPNs to training to become respiratory therapists. The Subcommittee is concerned that staff could allow KNI to pay for this training and then leave state service and that perhaps a contractual agreement should be made requiring a minimum service commitment from such employees. The Subcommittee also recommends KNI investigate the possibility of filling future LPN vacancies with trained respiratory therapists as an alternative to providing training for existing staff.
5. Shift \$55,810 from fee fund expenditures to State General Fund expenditures to provide a projected one month ending balance in the fee fund, in accordance with the Subcommittee's systemwide recommendations.
6. Shift \$5,800 from State General Fund financing to federal Chapter I financing to maximize the use of available federal funds for the special education program.

363.87

SUBCOMMITTEE REPORT

Agency: Larned State Hospital

Bill No. —

Bill Sec. --

Analyst: Timmer

Analysis Pg. No. 356

Budget Pg. No. 6-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$21,261,548	\$21,224,428	\$ (50,464)
Capital Improvements	231,543	231,543	--
TOTAL	<u>\$21,493,091</u>	<u>\$21,455,971</u>	<u>\$ (50,464)</u>
<b>State General Fund:</b>			
State Operations	\$18,695,090	\$18,657,970	\$ (50,464)
Capital Improvements	--	--	--
TOTAL	<u>\$18,695,090</u>	<u>\$18,657,970</u>	<u>\$ (50,464)</u>
FTE Positions	874.0	874.0	--

House Subcommittee Recommendations

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

1. Reduction of \$14,130 from the food budget based on expenditures to date and revised expenditure estimates. The recommendation allows \$565,000 for food expenditures in FY 1986.
2. Reduction of \$55,000 from the hospital's utility budget to allow \$643,105 for utility costs in FY 1986.
3. Reduction of \$4,054 from drugs to allow \$216,000 for drugs and other professional supplies in FY 1986.
4. Addition of \$7,500 to communications. The Subcommittee understands that Larned is in the process of installing a new telephone system and that one-time equipment purchase costs are being incurred. Therefore, this additional funding should not be included in the base communications budget.
5. Addition of \$12,000 to fully fund the existing school contract for FY 1986.
6. Addition of \$7,000 to repairing and servicing based on expenditures to date.
7. Reduction of \$3,780 from other supplies, materials, and parts based on expenditures to date.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (50,464)	\$21,173,964	\$ --
Capital Improvements	--	231,543	--
TOTAL	<u>\$ (50,464)</u>	<u>\$21,405,507</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (50,464)	\$18,607,506	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ (50,464)</u>	<u>\$18,607,506</u>	<u>\$ --</u>
FTE Positions	--	874.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

410.86



**SUBCOMMITTEE REPORT**

**Agency: Larned State Hospital**

**Bill No. 2759**

**Bill Sec. 6**

**Analyst: Timmer**

**Analysis Pg. No. 356**

**Budget Pg. No. 6-47**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$23,569,421	\$21,744,000	\$ (93,247)
Capital Improvements	711,225	254,500	4,625
<b>TOTAL</b>	<u>\$24,280,646</u>	<u>\$21,998,500</u>	<u>\$ (88,622)</u>
<b>State General Fund</b>			
State Operations	\$20,836,165	\$18,881,954	\$ (93,247)
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$20,836,165</u>	<u>\$18,881,954</u>	<u>\$ (93,247)</u>
<b>FTE Positions</b>	893.0	874.0	--

House Subcommittee Recommendations

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

1. Reduction of \$14,181 for food to allow a total of \$575,000 for food purchases in FY 1987.
2. Reduction of \$3,823 from drugs and other professional supplies to allow a total of \$224,000 for these purchases in FY 1987.
3. Reduction of \$13,641 from communication. The recommendation allows an 11 percent increase to revised KANS-A-N expenditures for FY 1986 and includes no adjustment for usage.
4. Reduction of \$1,552 from maintenance materials and supplies to allow \$180,000 for these expenses in FY 1987.
5. Reduction of \$4,150 from Other Supplies Materials and Parts to allow \$310,000 for these purchases in FY 1987.
6. Reduction of \$55,900 from utilities to allow a total of \$675,260 for utility costs in FY 1987.
7. The Subcommittee was informed that all students currently involved in Larned's Special School are being evaluated to determine whether they are appropriately placed in special education classes or whether they should be placed in a regular academic environment. Larned has traditionally placed all children and adolescents receiving treatment at the hospital in the special education setting as well as all youths placed in the Youth Center

at Larned. According to Department of Education officials, possibly as many as one-half of the Youth Center's students may no longer be eligible for special education due to inappropriate placement in Special Education. As a result of this change, teachers who teach regular academic classes will no longer be eligible for categorical aid reimbursement which will reduce categorical aid to the school program and require offsetting increases in funding from the State General Fund. At this time, the Subcommittee does not have complete information on the fiscal impacts of these changes and therefore makes no recommendations. The Subcommittee does express concern about the situation and urges the hospital and Department of Education to make all information available to the Senate Subcommittee so informed recommendations may be made at the earliest possible date. The Subcommittee understands that the hospital must comply with the school district's deadline of April 10, 1986 for notification of all teachers for renewal of their FY 1987 contracts.

8. The Subcommittee notes that Larned requested 14.0 FTE additional Registered Nurse positions in response to accreditation survey deficiencies cited in March, 1985. The Governor did not recommend any of the additional positions and the Subcommittee concurs with the Governor at this time. However, the Subcommittee was informed that the Medicare survey team will be at the hospital February 26-28, 1986 and that more information on staffing needs will be available after that survey. The Subcommittee hopes the survey results will be made available to the Senate Subcommittee as soon as possible so Registered Nurse staffing requirements may be reviewed.
9. The Subcommittee concurs with the recommendations of the Joint Committee on Building construction and recommends the following projects, to be funded from the State Institutions Building Fund:

1. Planning for New Patient Treatment Facility	\$164,000
2. Enclose Beers Building Fire Escape	65,000
3. Install Acoustical Ceilings -- Dillon Building	20,000
4. Replace EEG/EKG Equipment	<u>10,125</u>
	\$259,125
10. The Subcommittee endorses the policy of identifying specific salary and wage costs such as temporary and intermittent and overtime and requests that all Mental health institutions follow that policy in all future budget requests.
11. The Subcommittee notes that the Governor's recommendations include an ending fee fund balance equivalent to one week's revenues. The Subcommittee is of the opinion that a one-week balance may not be sufficient and could cause funding problems should revenue not meet projections. The Subcommittee highlights this as an area for review by the Senate Subcommittee, when more actual FY 1986 revenue information is available.

- The Subcommittee strongly supports the idea of inmate labor as proposed at Topeka State and recommends that Larned also explore the possibilities of a similar program.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (93,247)	\$21,650,753	\$ 211,460
Capital Improvements	4,625	259,125	(164,000)
TOTAL	<u>\$ (88,622)</u>	<u>\$21,909,878</u>	<u>\$ 47,460</u>
<b>State General Fund:</b>			
State Operations	\$ (93,247)	\$18,788,707	\$ 211,460
Capital Improvements	--	--	--
TOTAL	<u>\$ (93,247)</u>	<u>\$18,788,707</u>	<u>\$ 211,460</u>
FTE Positions	--	874.0	--

Senate Subcommittee Recommendations

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

- Addition of \$127,500 from the State General Fund for the school contract. As discussed in item number 7 of the House Subcommittee report, the hospital has learned that up to 50 percent of the students from the Youth Center will no longer be classified as special education students, a change which will result in significant reductions in categorical aid to the school. The Senate Subcommittee's recommendation will allow the school contract to be fully funded in FY 1987.
- Addition of \$3,000 for the implementation of a patient reinforcement program. The Subcommittee believes that the proposed program, which will allow a patient to be rewarded for good behavior, has merit and should be implemented on a trial basis. The Subcommittee also requests that the Division of Mental Health and Retardation Services report to the 1987 Legislature regarding the progress of the program.
- Addition of \$53,460 to allow a KPERS rate of 4.3 percent.

4. Addition of \$20,000 for a pharmacy computer. The Subcommittee learned that both Larned and Topeka State requested \$30,000 for a pharmacy computer system but the Governor funded a system at Topeka State only. The Subcommittee believes that the proposed computer system will be good for both hospital pharmacies.
5. Add \$7,500 to allow "discharge funding" for hospital patients who are ready to leave the hospital but who do not have enough money for the required deposits on apartments and utilities. The Subcommittee intends that the funding should be used for the patient's first month living expenses only and also that requests a report on the program and its expenditures be made to the 1987 Legislature.
6. Deletion of \$164,000 from the State Institutions Building Fund for the final planning of a new patient treatment facility. The Subcommittee acknowledges the need for a new building to replace Rush and Pinel Buildings at Larned but also notes that the Division's long-range plan would reduce institutional populations. The Subcommittee believes that the adult population at Larned could be reduced if community placements were available and recommends that the Division seriously investigate increased community facilities before constructing a new 90-bed facility. The Subcommittee is of the opinion a smaller facility could be sufficient if the hospital's populations were reduced. In order to allow placement of 25 adult patients in community facilities, the Subcommittee recommends that \$100,000 from the State General Fund be added to the Division of Mental Health and Retardation Services budget to allow grants to be awarded for community beds.
7. Addition of \$14,000 in federal Title I funds and deletion of \$14,000 from the State General Fund to allow maximum use of federal funds in the school contract.

**SUBCOMMITTEE REPORT**

**Agency: Osawatomie State  
Hospital**

**Bill No. --**

**Bill Sec. --**

**Analyst: Timmer**

**Analysis Pg. No. 366**

**Budget Pg. No. 6-51**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$15,183,852	\$15,105,211	\$ (43,999)
Capital Improvements	<u>2,125,739</u>	<u>2,125,739</u>	<u>--</u>
TOTAL	<u>\$17,309,591</u>	<u>\$17,230,950</u>	<u>\$ (43,999)</u>
<b>State General Fund:</b>			
State Operations	\$11,050,485	\$10,939,604	\$ (4,943)
Capital Improvements	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL	<u>\$11,050,485</u>	<u>\$10,939,604</u>	<u>\$ (4,943)</u>
FTE Positions	604.5	604.5	--

House Subcommittee Recommendation

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

1. Reduction of \$20,000 from the utilities budget based on usage and expenditures to date. This reduction allows a total of \$720,682 for utility expenditures in FY 1986.
2. Reduction of \$20,000 from the food budget, based on food costs and average daily census to date, to allow a total of \$357,946 for food purchases in FY 1986.
3. Reduction of \$2,000 from communications based on revised expenditure projections.
4. Reduction of \$5,934 from temporary and intermittent labor to allow a total of \$65,000 for FY 1986. The Subcommittee endorses Osawatomie's policy of identifying temporary labor costs specifically and requests that all mental health institutions follow that policy for temporary staff costs as well as overtime.

5. The Subcommittee was informed of shortfalls in the Osawatomie school budget due to adjustments in Title I funding made by the Governor's recommendations. The Subcommittee understands that transfer of available Title I funds to Osawatomie from other SRS institutions may fund the shortfall. The Subcommittee recommends these adjustments be made but also believes that clear, concise information must be made available from the Division of Mental Health and Retardation Services regarding Title I, how it is earned by an institution, Division distribution policies, account balances, and all other pertinent information. The adjustments for FY 1986 will result in an increase in State General Funds of \$42,991 and a decrease in the Title I recommendation of \$39,056.
  
6. The Subcommittee notes that fee fund revenue to date is not at projected levels. The Subcommittee suggests that fee fund revenues and projections be reviewed by the Senate Subcommittee when additional information is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (43,999)	\$15,061,212	\$ --
Capital Improvements	--	<u>2,125,737</u>	--
TOTAL	<u>\$ (43,999)</u>	<u>\$17,186,949</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (4,934)	\$10,939,604	\$ 257,364
Capital Improvements	--	--	--
TOTAL	<u>\$ (4,934)</u>	<u>\$10,939,604</u>	<u>\$ 257,364</u>

Senate Subcommittee Recommendations

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

1. The Subcommittee concurs with the House recommendations regarding increased Title I funding for the Osawatomie school contract but does not concur with the transfer of funds from other state institutions.
  
2. Addition of \$257,364 from the State General Fund and an offsetting reduction in the hospital fee fund due to shortages in fee fund collections. The Subcommittee learned that fee fund

collections from patient revenue were overestimated by the institution in its budget submission and also that patient revenue is significantly below projections for several reasons including fewer patients with insurance and less Medicare revenue than expected.

3. The Subcommittee expresses concern over the fact that HMO's are not covering the expenses of patients insured by them who have been admitted to a state hospital. The Subcommittee learned that particularly at Osawatomie and Larned this has affected the patient revenue collected by the institution. The Subcommittee recommends the introduction of legislation which will require the HMO to pay for all patient expenses, even when the patient is not recommended for admission to the facility by the patient's primary care physician. H.B. 2809, which would accomplish the Subcommittee's recommendation, is currently in the House Insurance Committee although the Subcommittee learned action will not likely be taken on it.

494.86

## SUBCOMMITTEE REPORT

Agency: Osawatomie State  
Hospital

Bill No. 2759

Bill Sec. 7

Analyst: Timmer

Analysis Pg. No. 366

Budget Pg. No. 6-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$16,744,988	\$15,220,516	\$ (38,419)
Capital Improvements	1,546,500	1,782,200	(592,180)
TOTAL	<u>\$18,291,488</u>	<u>\$17,002,716</u>	<u>\$ (630,599)</u>
State General Fund:			
State Operations	\$12,715,493	\$11,218,482	\$ 13,877
Capital Improvements	--	--	--
TOTAL	<u>\$12,715,493</u>	<u>\$11,218,482</u>	<u>\$ 13,877</u>
FTE Positions	625.5	594.0	--

### House Subcommittee Recommendation

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

1. Reduction of \$1,642 from communications which allows a total communications budget of \$74,483 and includes an 11 percent KANS-A-N increase over revised FY 1986 expenditure projections.
2. Reduction of \$9,500 from patient labor. The Subcommittee's recommendation allows \$45,000 for patient labor in FY 1987.
3. Reduction of \$5,317 from temporary and intermittent help to allow \$67,500 for temporary staff in FY 1987.
4. Reduction of \$14,694 from the dietary budget based on revised FY 1986 food cost estimates.
5. The Subcommittee concurs with the Governor's recommendation to reduce the adult population at Osawatomie by 25 beds and in general supports the policy of reducing institutional beds. The Subcommittee expresses concern, however, that no funding is provided by the Governor's recommendations to allow for the provision of services for these patients in community facilities. The Subcommittee recommends that \$100,000 be included in the SRS budget to allow grants to be provided which would allow



community centers to implement programs to provide services for the 25 patients who will no longer be served by Osawatomie State Hospital. Also, although the Governor's recommendation eliminates the Young Adult program, the Subcommittee understands that the Hospital would prefer to retain that program and reduce beds in another adult program. The Subcommittee concurs with the Hospital's proposal.

6. Reduction of \$52,296 from federal Chapter 1 funds and an increase of \$52,296 from State General Fund, to be transferred from other SRS institutions, to fund shortfalls in Osawatomie's Chapter 1 budget. The Subcommittee understands that these funding shifts will not increase total State General Fund expenditures for the SRS institutions and will allow full funding of the Osawatomie school and other SRS institution programs.
7. Reduction of \$7,266 from utilities based on revised FY 1986 projections. The recommendation still provides a 16.5 percent increase for electricity generated by the Wolf Creek Power Plant.
8. The Subcommittee concurs with the Joint Committee on Building Construction and recommends \$444,520 for the razing of Main Building and rerouting of the utility tunnel.
9. The Subcommittee strongly supports the idea of inmate labor as proposed at Topeka State Hospital and recommends that Osawatomie also explore the possibilities of a similar program on the hospital grounds.
10. The Subcommittee notes that the Governor's recommendations provide a fee fund ending balance equivalent to one week's revenue. The Subcommittee believes this balance may be inadequate and highlights this as an area the Senate Subcommittee may wish to review when additional actual information on FY 1986 receipts is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>House Rec.</u>	<u>Senate Subcommittee Rec.</u>
All Funds:			
State Operations	\$ (38,419)	\$15,182,097	\$ 618,976
Capital Improvements	(592,180)	1,190,020	60,000
TOTAL	<u>\$ (630,599)</u>	<u>\$16,372,117</u>	<u>\$ 678,976</u>
State General Fund:			
State Operations	13,877	\$11,232,359	\$ 700,986
Capital Improvements	--	--	--
TOTAL	<u>\$ 13,877</u>	<u>\$11,232,359</u>	<u>\$ 700,986</u>
FTE Positions	--	594.0	14.0

Senate Subcommittee Recommendations

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

1. Addition of \$518,536 and 14.0 FTE Direct Care positions to provide for 20 adolescent inpatient beds. The Subcommittee concurs with the Governor's recommendation to reduce Osawatomie adult population by 25 beds and notes that \$100,000 has been added to the Division of Mental Health and Retardation Services budget to provide community facilities for those patients. The Subcommittee learned, however, that the state has a need for more inpatient beds for adolescents and makes the following recommendation to address this need. The Subcommittee's recommendation would include expenditures as listed below:

Expenditures

14.0 FTE Direct Care and Professional Positions	\$269,651
Other Operating Expenditures (Food, Drugs, etc.)	31,389
School teachers, paraprofessionals and psychologist (6.4 FTE)	157,496
Employee Dorm Renovation for School Use	60,000
TOTAL EXPENDITURES	<u>\$518,536</u>

The Subcommittee's recommendation would be financed as listed below. The Subcommittee understands that the State Institutions Building Fund balance as recommended by the Joint Committee on Building Construction is sufficient to fund this additional renovation.

Financing

Medicaid	\$233,119
Fee Fund	26,802
State General Fund	198,615
State Institutions Building Fund	60,000
TOTAL	<u>\$518,536</u>

3. Addition of \$502,371 from the State General Fund and reduction of \$341,931 from the hospital fee fund. The Subcommittee's recommendations allow a one month fee fund ending balance and reduction of expenditures from the fee fund based on revised projections for revenue in FY 86 and FY 87.
4. The Subcommittee could not reach agreement regarding the House recommendation of \$444,520 from the State Institutions Building Fund for the razing of Main Building (\$209,000) and construction and rerouting of the utilities tunnel under the building (\$235,520). The Subcommittee is not comfortable with the cost estimate of the project and questions whether \$209,000 would be required for the razing. The Subcommittee discussed the possibility of delaying the razing for a year while an additional study of the feasibility of saving the building be conducted. The Subcommittee noted that there is a significant need for SIBF funds for construction funds, or matching state funds, for small community facilities and that the \$444,520 could be used for such a purpose. Also, the Subcommittee believes that the Historical Society must have the first choice of any items from the building the Society might consider of value or historical significance.

494.87

**SUBCOMMITTEE REPORT**

**Agency: Rainbow Mental Health  
Facility**

**Bill No. --**

**Bill Sec. --**

**Analyst: Timmer**

**Analysis Pg. No. 376**

**Budget Pg. No. 6-55**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,521,922	\$ 3,405,518	\$ --
Capital Improvements	347,741	347,741	--
<b>TOTAL</b>	<u>\$ 3,869,663</u>	<u>\$ 3,753,259</u>	<u>\$ --</u>
<b>State General Funds:</b>			
State Operations	\$ 2,096,292	\$ 1,979,888	\$ --
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$ 2,096,292</u>	<u>\$ 1,979,888</u>	<u>\$ --</u>
<b>FTE Positions</b>	115.0	115.0	--

Agency Request/Governor's Recommendation

The agency requests an operating budget of \$3,521,922 for FY 1986 as was approved by the 1985 Legislature. The agency has implemented a program in conjunction with the community mental health centers whereby the centers screen all patients before admission. If short-term treatment is indicated, 21 days or less, the patient is admitted to Rainbow. If longer-term treatment is required the patient is referred to Osawatomie State Hospital. The program will increase the number of admissions to Rainbow and decrease the average length of stay.

The Governor recommends expenditures of \$3,752,259 for operations in FY 1986, a reduction of \$116,404 from the agency's request.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendation and makes the following observations:

1. While the Subcommittee concurs with the Governor's spending reductions of \$116,404 for FY 1986, they acknowledge that these reductions will make Rainbow's FY 1986 budget very austere and careful budget management will be required if the hospital is to be able to absorb the reductions.

- The Subcommittee notes the hospital fee fund collections through February 15, 1986 have not been near projected levels. Although hospital staff believe receipts will increase in the next few months, the Subcommittee notes that significant increases will be required if projections are to be reached.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ --	\$ 3,405,518	54,110
Capital Improvements	--	347,741	--
TOTAL	<u>\$ --</u>	<u>\$ 3,753,259</u>	<u>\$ 54,110</u>
<b>State General Funds:</b>			
State Operations	\$ --	\$ 1,979,888	\$ 54,110
Capital Improvements	--	--	--
TOTAL	<u>\$ --</u>	<u>\$ 1,979,888</u>	<u>\$ 54,110</u>
FTE Positions		115.0	--

Senate Subcommittee Recommendations

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

- Addition of \$54,110 from the State General Fund to the hospital's operating budget. The Subcommittee notes that the reduction of \$116,404 made by the Governor's recommendations does not provide sufficient funding for necessary expenditures. The Subcommittee also notes that a Governor's Budget Amendment has been requested to address the shortfall and believes it should be approved.
- The Subcommittee notes that fee fund revenue is still not at projected levels but that hospital staff still believe they will be able to collect the projected amount. The Subcommittee expresses concern about the level of receipts being collected and notes that it may be necessary to review this item during the Omnibus Session.

**SUBCOMMITTEE REPORT**

**Agency: Rainbow Mental Health  
Facility**

**Bill No. 2759**

**Bill Sec. 8**

**Analyst: Timmer**

**Analysis Pg. No. 376**

**Budget Pg. No. 6-55**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,755,733	\$ 3,519,249	\$ --
Capital Improvements	639,600	633,100	--
TOTAL	<u>\$ 4,395,333</u>	<u>\$ 4,152,349</u>	<u>\$ --</u>
<b>State General Funds:</b>			
State Operations	\$ 2,264,973	\$ 1,674,375	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ 2,264,973</u>	<u>\$ 1,674,375</u>	<u>\$ --</u>
FTE Positions	119.0	117.0	--

Agency Request/Governor's Recommendation

Rainbow requests an operating budget of \$3,755,733 for FY 1987 and capital improvement funding of \$639,600 from the State Institutions Building Fund. The agency requests 4.0 FTE new positions; a Registered Nurse III and an Activity Therapist I to provide additional weekend and evening staffing and an Accountant II and a Data Operator IV to provide additional staffing for the business office operations. The agency's request would allow for the continuation of all existing programs including the recent emphasis on short-term care for the adult patients.

The Governor recommends an operating budget of \$3,519,249 for Rainbow and also recommends funding from the State Institutions Building Fund for the remodeling of the Activity Therapy space and for the planning of the remodeling of the school area. The recommendations fund two new FTE positions, the Accountant II and the Registered Nurse III.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations and makes the following observations:

1. The Governor's recommendation includes a fee fund ending balance equivalent to one week's revenue. The Subcommittee is of the opinion this balance may not be sufficient and highlights it as an area which may be reviewed by the Senate Subcommittee when more actual FY 1986 revenue information is available.
2. The Subcommittee endorses the policy of identifying specific salary and wage costs such as temporary and intermittent staff and overtime. The Subcommittee requests that all Mental Health institutions follow that policy.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 3,519,249	\$ 6,938
Capital Improvements	--	633,100	--
TOTAL	<u>\$ --</u>	<u>\$ 4,152,349</u>	<u>\$ 6,938</u>
State General Funds:			
State Operations	--	1,674,375	41,786
Capital Improvements	--	--	--
TOTAL	<u>\$ --</u>	<u>\$ 1,674,375</u>	<u>\$ 41,786</u>
FTE Positions	--	117.0	--

Senate Subcommittee Recommendations

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

1. Addition of \$6,938 from the State General Fund to provide a KPERS rate of 4.3 percent.
2. Addition of \$34,848 from the State General Fund to offset fee fund expenditures and allow a balance equivalent to one month's patient revenue.

## SUBCOMMITTEE REPORT

Agency: Parsons State Hospital      Bill No. 2801      Bill Sec. 12  
 Analyst: Hunn      Analysis Pg. No. 384      Budget Pg. No. 6-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,306,168	\$ 6,145,772	\$ 23,222
General Fees Fund	574,489	574,489	85,087
Title XIX	4,326,000	4,326,000	
Other Funds	119,319	119,319	
Subtotal - Operating	<u>\$11,325,976</u>	<u>\$11,165,580</u>	<u>\$ 108,309</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 993,247	\$ 993,247	\$
TOTAL	<u>\$12,319,223</u>	<u>\$12,158,827</u>	<u>\$ 108,309</u>
FTE Positions	478.5	478.5	--

### House Subcommittee Recommendations

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

1. The Subcommittee concurs with the Governor's recommendation for funding 74 additional staff in FY 1986. The agency has filled all but two of these positions and has not experienced turnover savings at the level provided in the Governor's recommendations. The Governor's recommendations reduced the amount of supplemental funding for the new positions by \$158,396 from the agency's request. The Subcommittee recommends reinstatement of \$77,064 of the amount requested by the agency based on revised turnover projections.
2. The Subcommittee projects savings in the areas of food and utilities based on expenditures for the first six months but notes that these savings are projected to be offset by increased expenditures incurred in meeting safety and sanitation standards in response to Medicaid surveys. A net increase of \$11,245 for other operating expenditures is recommended.
3. The Subcommittee recommends the addition of \$20,000 for the purchase of resident furniture to respond to cited deficiencies in the Medicaid survey.



4. The Subcommittee notes that Parsons has collected fee fund receipts in FY 1986 in excess of the amount projected in the Governor's recommendations. The Subcommittee recommends that fee fund expenditures for FY 1986 be increased by \$85,087 and that State General Fund expenditures be reduced by a corresponding amount.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

The House Committee of the Whole concurs with the House Committee Recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
State Operations			
State General Fund	\$ 23,222	\$ 6,168,994	\$ 67,165
General Fees Fund	85,087	659,576	--
Title XIX	--	4,326,000	--
Other Funds	--	119,319	--
Subtotal -- Operating	<u>\$ 108,309</u>	<u>\$ 11,273,889</u>	<u>\$ 67,165</u>
Capital Improvements			
SIBF	\$ --	\$ 993,247	\$ --
TOTAL	<u>\$ 108,309</u>	<u>\$ 12,267,136</u>	<u>\$ 67,165</u>
F.T.E.	--	478.5	--

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

1. The Subcommittee recommends the addition of \$67,165 for salaries and wages due to lower than projected turnover savings. A Governor's Budget amendment is anticipated for this item. This amount is necessary to allow Parsons to keep direct care positions filled for the remainder of the year. Parsons is expecting a federal survey this spring, and the Subcommittee believes it is important that all direct care positions are filled when federal surveyors arrive.

**SUBCOMMITTEE REPORT**

**Agency:** Parsons State Hospital      **Bill No.** 2759      **Bill Sec.** 9  
**Analyst:** Hunn      **Analysis Pg. No.** 384      **Budget Pg. No.** 6-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 7,024,514	\$ 5,898,499	\$ 132,572
General Fees Fund	625,961	756,802	(45,000)
Title XIX	4,837,232	5,064,366	--
Other Funds	91,800	91,800	--
Subtotal	<u>\$12,579,507</u>	<u>\$11,811,467</u>	<u>\$ 87,572</u>
<b>Capital Improvements:</b>			
State Institutional Building Fund	\$ 1,004,200	\$ 194,300	\$ --
TOTAL	<u>\$13,583,707</u>	<u>\$12,005,767</u>	<u>\$ 87,572</u>
<b>FTE Positions</b>	495.0	478.5	8.0

House Subcommittee Recommendations

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

1. The Subcommittee recommends funding for the Group Home program requested by Parsons. The Subcommittee recommends \$132,572 for eight direct care staff and operating expenditures for the group home, which is to be located off the hospital's grounds in the community to prepare residents for more independent living and eventual movement to community programs. The Subcommittee feels this program will be cost-effective in the long run as it will facilitate reductions in the institution's population.
2. The Subcommittee reviewed the agency's request for a Management Analyst IV to develop and implement a computerized information system for the institution. The Subcommittee believes significant cost savings could be realized at all four institutions if more tasks such as recording resident progress and monitoring programs were computerized. The Subcommittee recommends the Management Analyst IV position be budgeted in the Division of Mental Health and Retardation Service's central office to provide computer assistance to all institutions. The Subcommittee recommends this position be based at Parsons, however, in accordance with the Subcommittee's recommendations last year that computer applications be tested as pilot projects at Parsons before implementation at other institutions.

3. The Subcommittee notes that, historically, a transfer of funds has been made from the University of Kansas budget for the UAF to Parsons State Hospital. The transfer was originally intended to compensate the hospital for overhead costs incurred on behalf of the two university buildings located on Parsons institutional grounds. The funds transferred have not been utilized as originally intended and instead have been utilized primarily to purchase equipment or other items for the UAF, rather than the hospital. The Subcommittee therefore sees no purpose to the transfer and recommends it be eliminated to reduce unnecessary bookkeeping. The recommendation would have the effect of offsetting reductions in receipts and expenditures in FY 1987 of \$45,000.
4. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for capital improvements of \$194,300 to renovate one resident cottage.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendations</u>	<u>Senate Subcommittee Adjustments</u>
State Operations			
State General Fund	\$ 132,572	\$ 6,031,071	\$ (104,554)
General Fees Fund	(45,000)	711,802	(36,578)
Title XIX	--	5,064,366	--
Other Funds	--	91,800	59,719
Subtotal -- Operating	<u>\$ 87,572</u>	<u>\$ 11,899,039</u>	<u>\$ (81,413)</u>
Capital Improvements			
SIBF	--	\$ 194,300	\$ --
TOTAL	<u>\$ 87,572</u>	<u>\$ 12,093,339</u>	<u>\$ (81,413)</u>
F.T.E. Positions	8.0	486.5	(8.0)

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

1. Delete \$455 in communications expenditures to reflect systemwide decisions on KANS-A-N expenditures.

2. Add \$24,095 to reflect a 4.3 percent employer's contribution to KPERS.
3. Shift \$36,578 from fee fund financing to State General Fund financing, in accordance with systemwide decisions.
4. Increase federal Chapter I expenditures by \$27,519 to allow Parsons to hire two vocational teachers to correct deficiencies cited by the State Department of Education in their school program. Also, shift \$32,200 from State General Fund financing to federal Chapter I financing to maximize the use of available federal funds for the special education program.
4. Delete \$132,572 and eight positions recommended by the House for the proposed group home program. The Subcommittee believes that, in light of the SRS long range plans to reduce institutional populations, this program may be unnecessary at Parsons at this time. SRS plans to make significant reductions in the populations at Winfield and Norton and the Subcommittee questions why transitional group home programs were not requested for those institutions. The Subcommittee recommends that SRS re-evaluate the concept of state-operated group home programs and provide cost-benefit data on such programs. The Subcommittee is not rejecting the concept of state operated group homes, but feels the proposal should be studied further, and in conjunction with the SRS long range plan for the institutions.

507.87

**SUBCOMMITTEE REPORT**

**Agency: Norton State Hospital**

**Bill No. 2801**

**Bill Sec. 13**

**Analyst: Hunn**

**Analysis Pg. No. 396**

**Budget Pg. No. 6-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,448,121	\$ 3,328,582	\$ (73,792)
General Fees Fund	404,980	404,980	--
Title XIX	2,559,417	2,559,417	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ 6,412,518</u>	<u>\$ 6,292,979</u>	<u>\$ (73,792)</u>
Capital Improvements:			
SIBF	<u>\$ 96,012</u>	<u>\$ 62,966</u>	<u>\$ --</u>
<b>TOTAL</b>	<u><b>\$ 6,508,530</b></u>	<u><b>\$ 6,355,945</b></u>	<u><b>\$ (73,792)</b></u>
 FTE Positions	 291.0	 283.0	 (21.0)

House Subcommittee Recommendations

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

1. The Subcommittee recommends a total of 7.7 new positions in FY 1986, rather than the 28.7 positions recommended by the Governor. The Subcommittee recommends the following positions: 5 Qualified Mental Retardation Professionals (QMRPs), to provide one QMRP for each ward; 1 Development Training Specialist IV; 1 Activity Therapist Aide II; 1 Sheltered Workshop Technician I; 0.7 FTE for a Registered Nurse III to provide full-year funding of an RN required to maintain hospital licensure, and deletion of one vacant social worker position. The total amount recommended for these positions is \$96,595.

In addition to these permanent positions, the Subcommittee recommends \$98,748 to allow Norton funding for 18 Health Service Workers (direct care trainees) for the last six months of FY 1986. These direct care trainees would not be included in the position limitation and it is anticipated that these trainees would be hired to fill vacancies or be terminated as future reductions in Norton's population would allow these additional staff to be phased out during FY 1987. The Subcommittee notes that Norton has hired 18 trainee staff to respond to active

treatment deficiencies cited in the agency's last Medicaid survey. Norton will be resurveyed in the next several weeks and the Subcommittee recommends the additional staff to allow Norton to retain Medicaid certification. The total amount recommended in supplemental funding for the 7.7 positions and 18 Health Service Workers is \$195,343, a reduction of \$73,792 from the Governor's recommendation.

- 2. The Subcommittee reviewed other operating expenditures and did not find projected savings at this time. The Subcommittee recommends the Senate review expenditures when additional data is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (73,792)	\$ 3,254,790	\$ (35,585)
General Fees Fund	--	404,980	--
Title XIX	--	2,559,417	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ (73,792)</u>	<u>\$ 6,219,187</u>	<u>\$ (35,585)</u>
Capital Improvements:			
SIBF	<u>\$ --</u>	<u>\$ 62,966</u>	<u>\$ --</u>
TOTAL	<u>\$ (73,792)</u>	<u>\$ 6,282,153</u>	<u>\$ (35,585)</u>
FTE Positions	(21.0)	262.0	--

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

1. The Subcommittee recommends the reappropriation of \$35,585 in projected salary and wage savings to reduce FY 1987 State General Fund appropriations.

585.86

**SUBCOMMITTEE REPORT**

**Agency: Norton State Hospital**

**Bill No. 2759**

**Bill Sec. 10**

**Analyst: Hunn**

**Analysis Pg. No. 396**

**Budget Pg. No. 6-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,374,565	\$ 3,365,744	\$ (245,707)
General Fees Fund	319,769	338,119	--
Title XIX	2,419,597	2,822,752	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ 7,113,931</u>	<u>\$ 6,526,615</u>	<u>\$ (245,707)</u>
Capital Improvements:			
SIBF	<u>\$ 654,900</u>	<u>\$ --</u>	<u>\$ 72,000</u>
TOTAL	<u>\$ 7,768,831</u>	<u>\$ 6,526,615</u>	<u>\$ (173,707)</u>
 FTE Positions	 298.0	 283.0	 (21.0)

House Subcommittee Recommendations

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

1. The Subcommittee recommends continuation of only the 7.7 positions noted in the FY 1986 subcommittee report rather than the 28.7 positions recommended by the Governor. The Subcommittee also recommends funding for the equivalent of 9 FTE Health Service Workers. The Subcommittee notes the need for continuation of these direct care staff in the first half of FY 1987, but recommends these direct care staff be phased out as Norton's population is reduced. These staffing recommendations result in a reduction of \$240,949 from the Governor's recommendations.
2. The Subcommittee found that the special grants program developed for Norton by the 1985 Legislature has been successful in reducing Norton's population. The Subcommittee recommends a budgeted census of 130 for Norton for FY 1987 and a population at the end of FY 1987 of 120 residents. The Subcommittee believes Norton can retain Medicaid certification without additional permanent direct care staff if the population is reduced to 120 residents.



The Subcommittee recommends the identified savings in Norton's budget be used for a special grants program budgeted through the Division of Mental Health and Retardation Services to provide for a reduction of at least 20 residents in Norton's population by the end of FY 1987.

3. The Subcommittee recommends reduction of \$14,058 in food for FY 1987 based on the recommended reduction in population.
4. The Subcommittee notes that Norton is attempting to maximize the efficient use of their buildings and consolidate activities into one building where possible. The Subcommittee recommends Norton continue to consolidate functions to allow savings in utility and maintenance costs in unused buildings or portions of buildings. Although a recent Medicaid survey cited shortages of custodial staff, the Subcommittee feels that this issue may be addressed through more efficient use of building space and a reduction of the population at Norton.
5. The Subcommittee recommends that \$10,700 recommended by the Governor for a station wagon be used instead to purchase furniture for resident units which the Subcommittee feels is a higher priority. The Subcommittee also recommends an additional \$9,300 to provide a total of \$20,000 for additional furniture purchases, beyond the level recommended by the Governor. Recent Medicaid surveys have cited deficiencies in furniture on the units.
6. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction on capital improvements, which includes \$59,200 for replacement of laundry equipment, \$6,300 to replace a refrigerator in the cafeteria, and \$6,500 to replace a food warming cabinet.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### House Committee of the Whole

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

Senate Subcommittee Recommendations

Expenditure Summary	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (245,707)	\$ 3,120,037	\$ (41,728)
General Fees Fund	--	338,119	(55,116)
Title XIX	--	2,822,752	--
Other Funds	--	--	--
Subtotal - Operating	<u>\$ (245,707)</u>	<u>\$ 6,280,908</u>	<u>\$ (96,844)</u>
Capital Improvements:			
SIBF	<u>\$ 72,000</u>	<u>\$ 72,000</u>	<u>\$ --</u>
TOTAL	<u>\$ (173,707)</u>	<u>\$ 6,352,908</u>	<u>\$ (96,844)</u>
FTE Positions	(21.0)	262.0	(1.0)

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

1. The Subcommittee reviewed the reduction in population at Norton recommended by the House, which provided for a census of 120 residents at the end of FY 1987. The Subcommittee believes further savings can be achieved at Norton if the population is reduced even further. The agency has stated that one building used for training programs at Norton could possibly be closed if the population were reduced to 108 residents. The Subcommittee believes that reductions in institutional populations are desirable and could be cost effective if significant reductions in populations occur and fewer buildings are used at the institutions. The Subcommittee recommends that the population at Norton be reduced to 108 residents by the end of FY 1987 and that the FY 1987 budget be based on an average census of 120 residents. The Subcommittee recommends that special grants funds in the SRS budget be utilized to accomplish this reduction in the population. The Subcommittee recommends the following reductions in Norton's FY 1987 budget based on an average census of 120 residents:

- a. Delete \$40,291 in funding for the equivalent of 3.0 FTE direct care staff. This adjustment would still allow Norton to maintain the 1:6 direct care staffing level that is authorized at the other institutions. The Subcommittee recommends that Norton's FY 1988 budget submission be based on six fewer direct care positions, as the census would be reduced to 108 at the end of FY 1987. Deleting funding for 3.0 FTE direct care staff reflects phasing out six positions over fiscal year 1987.
- b. The Subcommittee recommends one QMRP position recommended by the House be deleted. The Subcommittee notes that a total of four QMRPs for 108 residents provides a caseload similar to the caseloads at the other institutions. The amount deleted is \$26,714.
- c. The Subcommittee recommends that Norton review all other positions at the institution and determine whether additional staff reductions could be made in dietary, laundry, maintenance, administrative, clerical, and professional staff. The Subcommittee recommends that Norton's FY 1988 budget request reflect any reductions in staff for these areas that are identified. Norton's preliminary assessments indicate that at minimum, one speech pathologist, one lab technician, one painter, one laundry worker, and two food service workers could be phased out. The Subcommittee recommends that Norton begin planning for the phasing out of these positions and any others identified.
- d. The Subcommittee recommends the following reductions in operating expenditures based on an average census of 120 residents and partially closing one building.

Food	\$ 13,597
Pharmaceuticals	10,950
Utilities	9,321
Supplies	9,126
TOTAL	<u>\$ 42,994</u>

- 2. The Subcommittee recommends a reduction of \$55,116 in fee fund expenditures and a corresponding increase in State General Fund expenditures in FY 1987 to allow a one month projected ending balance, in accordance with the Subcommittee's systemwide recommendations and to reflect the recommended reduction in population.

3. The Subcommittee recommends the addition of \$13,394 to reflect a 4.3 percent employer's contribution to KPERS.
4. The Subcommittee recommends the reduction of \$239 in communications expenditures to reflect systemwide decisions regarding KANS-A-N budgets.

585.87

**SUBCOMMITTEE REPORT**

**Agency:** Topeka State Hospital

**Bill No.** --

**Bill Sec.** --

**Analyst:** Timmer

**Analysis Pg. No.** 407

**Budget Pg. No.** 6-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$16,763,147	\$16,581,237	\$ (20,000)
Capital Improvements	197,682	197,682	--
TOTAL	<u>\$16,960,829</u>	<u>\$16,778,919</u>	<u>\$ (20,000)</u>
<b>State General Fund:</b>			
State Operations	\$11,218,851	\$10,652,535	\$ (20,000)
Capital Improvements	--	--	--
TOTAL	<u>\$11,218,851</u>	<u>\$10,652,535</u>	<u>\$ (20,000)</u>
FTE Positions	659.0	659.0	--

House Subcommittee Recommendation

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

1. Reduction of \$9,000 from the communications budget based on expenditures to date and the revised KANS-A-N rate increase projections. A total of \$185,260 is recommended for communications expenditures.
2. Reduction of \$9,000 from the utilities budget based on expenditures to date.
3. Reduction of \$2,000 from professional services also based on expenditures to date.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (20,000)	\$16,561,237	\$ 76,405
Capital Improvements	--	197,682	--
TOTAL	<u>\$ (20,000)</u>	<u>\$16,758,919</u>	<u>\$ 76,405</u>
<b>State General Fund:</b>			
State Operations	\$ (20,000)	\$10,632,535	\$ 157,096
Capital Improvements	--	--	--
TOTAL	<u>\$ (20,000)</u>	<u>\$10,632,535</u>	<u>\$ 157,096</u>
FTE Positions	--	659.0	--

Senate Subcommittee Recommendations

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

1. Addition of \$76,405 from the State General Fund to fully fund the operating budget of the hospital. The Subcommittee's recommendation will restore cuts made by the House Subcommittee in the utilities budget as well as other areas of the operating budget which were reduced by the Governor's recommendations.
2. Addition of \$80,691 from the State General Fund to offset fee fund shortfalls.

664.86

**SUBCOMMITTEE REPORT**

**Agency:** Topeka State Hospital      **Bill No.** 2759      **Bill Sec.** 11  
**Analyst:** Timmer      **Analysis Pg. No.** 407      **Budget Pg. No.** 6-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$18,497,585	\$16,978,415	\$ (1,892)
Capital Improvements	945,500	--	--
<b>TOTAL</b>	<u>\$19,443,085</u>	<u>\$16,978,415</u>	<u>\$ (1,892)</u>
<b>State General Fund:</b>			
State Operations	\$12,829,904	\$11,292,721	\$ (1,892)
Capital Improvements	--	--	--
<b>TOTAL</b>	<u>\$12,829,904</u>	<u>\$11,292,721</u>	<u>\$ (1,892)</u>
<b>FTE Positions</b>	<b>662.0</b>	<b>652.5</b>	<b>1.0</b>

House Subcommittee Recommendation

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

1. Reduction of \$9,715 from the communications budget based on revised FY 1986 projected expenditures and an 11 percent increase in KANS-A-N costs. No adjustment for usage is made.
2. Reduction of \$2,177 from professional drug and medical supplies based on revised FY 1986 projected expenditures.
3. Addition of 1 FTE position and \$15,000 to provide a supervisory position for a program to employ pre-release inmate labor on the hospital grounds. The Subcommittee understands that the hospital and the Topeka Pre-Release Center had reached agreement on a program which would allow 15 permanent party inmates, located at the Pre-Release Center, to be used to provide additional grounds maintenance, snow removal, and similar services. The agreement required that the Hospital provide 3 FTE supervisors for the inmates. The Hospital's FY 1987 budget request included the reclassification of three maintenance positions in order to provide the supervisors. The Governor's recommendation deleted 2 FTE and all salary and wage funding for those positions and left one position. The Subcommittee's recommendation provides one more supervisor and requests that the Hospital reclassify another position to provide the third supervisor.

The Subcommittee strongly endorses the proposed arrangement between the Hospital and the Pre-Release Center and commends them for instigating an arrangement which promises significant benefit to both institutions. The Subcommittee also believes that it may be possible in the future to assign inmates to other work areas, such as the laundry and exterior painting, and encourages the Hospital and Pre-Release Center to explore any additional job possibilities. The Subcommittee sympathizes with concerns expressed that existing staff should not be replaced with inmate labor, and believes that this program can be initiated without jeopardizing current Hospital staff jobs.

4. Reduction of \$5,000 from the utilities budget based on revised FY 1986 estimated expenditures to allow \$803,867 for utilities in FY 1987.
5. The Subcommittee concurs with the recommendations of the Joint Committee on Building Construction and does not recommend funding for any capital improvement projects at Topeka State in FY 1987.
6. The Subcommittee notes that the Governor's FY 1987 fee fund recommendations include an ending balance equivalent to one week's revenue. The Subcommittee is of the opinion that this balance may not be sufficient and could cause funding problems for the Hospital should revenue not meet projections. The Subcommittee highlights this as an area for review by the Senate Subcommittee, especially when more actual FY 1986 revenue information is available.
7. The Subcommittee endorses the policy of identifying specific salary and wage costs such as temporary and intermittent staff and overtime and requests that all Mental Health institutions follow that policy in all future budget requests.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.



<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (1,892)	\$16,976,523	\$ 15,252
Capital Improvements	--	--	--
TOTAL	<u>\$ (1,892)</u>	<u>\$16,976,523</u>	<u>\$ 15,252</u>
<b>State General Fund:</b>			
State Operations	\$ (1,892)	\$11,290,829	\$ 160,987
Capital Improvements	--	--	--
TOTAL	<u>\$ (1,892)</u>	<u>\$11,290,829</u>	<u>\$ 160,987</u>
FTE Positions	1.0	653.5	1.0

Senate Subcommittee Recommendations

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

1. Addition of \$41,827 from the State General Fund to provide a 4.3 percent KPERS rate.
2. Addition of \$15,000 from the State General Fund and 1 FTE position to provide the third supervisor required to implement the program which will allow 15 inmates from the Pre-Release Center to do maintenance and ground work on the hospital grounds as discussed in item 3 of the House Subcommittee report.
3. Deletion of \$41,575 from the psychiatric residency training program, a recommendation which will allow a total of \$400,000 for the contract with the Karl Menninger School of Psychiatry. The Subcommittee learned that the contract has not been negotiated for several years but rather based on the amount appropriated by the Legislature and that the contract amount has increased by a rate of 4 to 10 percent in each of the last three years.

The Subcommittee also requests a Post Audit study of the program to include review of its cost effectiveness, the impact it may have on the quality of care at the hospital, recruitment history of participants in the program, and the appropriateness of a similar program at other state hospitals. The Subcommittee is of the opinion that if the program is beneficial to Topeka State it would also be beneficial for the other three state institutions. If it is not found to be a good use of state resources at Topeka State the elimination of the program should be investigated.

4. The Subcommittee learned that Topeka State operates a chaplain training program involving three trainees on the hospital grounds. The Subcommittee strongly supports the provision of

chaplaincy services to state hospital patients of all faiths but question the appropriateness of providing state funding for a training program for chaplain trainees. The Subcommittee, therefore, requests a Post Audit study of chaplain training programs at the state institutions as well as chaplain training programs outside state facilities.

5. Addition of \$145,735 from the State General Fund to offset fee fund expenditures and provide a fee fund ending balance equivalent to one month's patient revenue.

664.87

**SUBCOMMITTEE REPORT**

**Agency:** Winfield State Hospital      **Bill No.** NA      **Bill Sec.** NA  
**Analyst:** Hunn      **Analysis Pg. No.** 417      **Budget Pg. No.** 6-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 9,719,321	\$ 9,219,506	\$ 30,000
General Fees Fund	1,161,554	1,161,554	
Title XIX	7,455,377	7,455,377	
Other Funds	259,834	259,834	
Subtotal-Operating	<u>\$18,596,086</u>	<u>\$18,096,271</u>	<u>\$ 30,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 156,750	\$ 359,327	\$ --
TOTAL	<u>\$18,752,836</u>	<u>\$18,455,598</u>	<u>\$ 30,000</u>
<b>FTE Positions</b>	833.0	833.0	--

House Subcommittee Recommendations

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

1. The Subcommittee supports Winfield's proposal to establish a University Affiliated Program with Wichita State University and recommends the two agencies accelerate the development of this joint program. The Subcommittee notes the value of the University Affiliated Program at Parsons and believes the establishment of a University Affiliated Program at Winfield would enhance the institution's ability to attract and retain qualified professional staff.
2. During their review of Winfield's budget and during the 1985 interim, the Subcommittee met with Dr. Richard Saunders of the University Affiliated Facility at Parsons who has been serving as consultant to Winfield since the federal survey last spring. The Subcommittee wishes to commend Dr. Saunders for his invaluable contribution in developing active treatment programs at Winfield.
3. The Subcommittee notes that salary and wage projections for Winfield indicate that the Governor's recommendation may not be sufficient to allow the institution to keep all direct care positions filled for the remainder of the year. Winfield does,

however, have several vacancies in professional positions which could offset the potential shortfall. The Subcommittee recommends the Senate review salary and wage expenditures when additional payroll data is available.

4. The Subcommittee recommends the addition of \$30,000 in supplemental funding for medical supplies for the 12-bed respiratory therapy unit recently established. This adjustment would restore the amount deleted by the Governor's recommendations. Prior to the establishment of this unit, these patients had been treated at local hospitals and the costs charged to the patients medical card. While the new unit results in additional expenditure for the institution, there should be some offsetting savings in Medicaid expenditures in the SRS budget. The Subcommittee recommends the Division of Mental Health and Retardation Services monitor the expenditures incurred for this unit, and report to the 1987 Legislature on its cost-effectiveness.
  
5. The Subcommittee reviewed utility and food expenditures for the first six months and does not project savings in these areas at this time. The Subcommittee recommends the Senate review these areas when additional data is available.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 30,000	\$ 9,249,506	\$ 200,000
General Fees Fund	--	1,161,554	--
Title XIX	--	7,455,377	--
Other Funds	--	259,834	--
Subtotal - Operating	<u>\$ 30,000</u>	<u>\$18,096,271</u>	<u>\$ 200,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ 359,327	\$ --
TOTAL	<u>\$ 30,000</u>	<u>\$18,485,598</u>	<u>\$ 200,000</u>
FTE Positions	--	833.0	--

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

1. The Subcommittee recommends the addition of \$200,000 for salaries and wages due to lower than expected turnover savings. A Governor's Budget Amendment is anticipated on this item. The Subcommittee believes this amount is necessary to allow direct care positions to remain filled for the remainder of the fiscal year. Federal surveyors are expected at Winfield this spring and the Subcommittee believes that it is important that direct care positions remain filled. The agency has requested a Governor's Budget Amendment totaling \$403,846, but the Subcommittee believes that request can be reduced to the recommended \$200,000 based on difficulties the agency has had in filling certain professional positions and projected savings in other operating expenditures.
2. The Subcommittee reviewed Winfield's proposal to establish a University Affiliated Program with Wichita State University and the University of Kansas Medical Center at Wichita. The Subcommittee supports Winfield's goal of attracting and retaining qualified professional staff, but feels this goal can be accomplished more efficiently without development of a potentially costly new program. The UAF program at Parsons State Hospital is already well established and has a national reputation. Given the proximity of this program to Winfield the Subcommittee believes it would be inefficient and unnecessary to establish a new separate university affiliated program. Faculty members and staff of the Parsons' UAF have been working closely with the state institutions over the past year to help solve active treatment and training problems and Dr. Saunders of the UAF has been acting program director and has provided ongoing consultation at Winfield. In addition, the Developmental Disabilities Council recently made a \$100,000 grant to the Parsons' UAF so the UAF could develop and implement training programs for the professional staff at the state institutions. H.B. 2664 introduced by the Interim Committee on Public Health and Welfare would expressly allow the Secretary of SRS to request assistance from the Parsons' UAF for the state institutions. That interim report had also recommended that the Parsons' UAF become more involved at all four state institutions for the mentally retarded. The Subcommittee also supports greater involvement of the Parsons' UAF at Winfield and recommends the UAF and SRS study ways to maximize the Parsons' UAF services to the state institutions.

Winfield would like to establish a fully accredited UAF program, which would be required to meet staffing and facility standards. Although the UAF proposal is still in the planning stages, Winfield is planning to use hospital staff for the UAF. The Subcommittee believes that Winfield should be focusing all efforts of its staff on meeting active treatment requirements in light of recent threats of decertification by the federal government. Also, the Subcommittee notes the contrast to the Parsons' UAF, in which no hospital

employees are directly involved and which is primarily federally funded. It does not appear that federal funding would be available for the proposed program at Winfield at this time.

The Subcommittee does support Winfield's use of Wichita State University and the Medical Center at Wichita as resources to provide consultation in areas where Winfield's staff does not have the necessary expertise, but believes this relationship can be accomplished through a simple contractual agreement for certain faculty or physician services. The Subcommittee believes that more creative approaches to Winfield's goals can be accomplished without adding a new separate program which would place unnecessary demands on the state's resources.

713.86

**SUBCOMMITTEE REPORT**

Agency: Winfield State Hospital      Bill No. 2759      Bill Sec. 12  
 Analyst: Hunn      Analysis Pg. No. 417      Budget Pg. No. 6-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$11,013,387	\$ 9,725,319	\$ 21,000
General Fees Fund	1,062,321	1,305,819	
Title XIX	7,671,041	8,022,838	
Other Funds	241,970	262,439	
Subtotal-Operating	<u>\$19,988,719</u>	<u>\$19,316,415</u>	<u>\$ 21,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 634,000</u>	<u>\$ 86,600</u>	<u>\$ 115,400</u>
TOTAL	<u>\$20,622,719</u>	<u>\$19,403,015</u>	<u>\$ 136,400</u>
FTE Positions	833.0	853.0	--

House Subcommittee Recommendations

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

1. The Subcommittee concurs with the Governor's recommendations to add 20 direct care staff at Winfield in FY 1987. Agency officials anticipate the return of federal officials at Winfield and the additional staff is considered necessary to meet active treatment standards. The Subcommittee notes, however, that a long range plan is being developed to reduce the population at Winfield and that direct care staffing levels should be reduced proportionately when that reduction in population occurs. The Subcommittee also recommends that the Division of Mental Health and Retardation Services provide monthly status reports on movements between or from institutions to the Legislative Research Department.
2. The Subcommittee recommends the addition of \$21,000 in FY 1987 for medical supplies for continuation of the respiratory therapy unit. The Subcommittee recommends this area of expenditure be reviewed by the 1987 Legislature to determine what level of annual expenditures are necessary for this unit.

3. The agency requested to the Subcommittee higher expenditures in the area of consultant services. The Subcommittee concurs with the Governor's recommendation in this area and recommends that the agency rely more on the professional staff of the institution rather than hiring outside consultants where possible.
4. The Subcommittee notes that Winfield has experienced increased expenditures for disposable briefs. Winfield states that they are monitoring this area to ensure that residents briefs are not being changed too frequently and they also plan to switch to a new brief that has the added feature of "moisture indicators" to maximize efficient procedures in this area. The Subcommittee recommends this area of expenditure be reevaluated by the 1987 Legislature to determine if there may be savings.
5. The Subcommittee notes that the Governor's recommendations deleted \$3,000 for a wheelchair scale. The Subcommittee recommends the addition of this item and a corresponding reduction in the amount recommended for replacement of beds. The Subcommittee found that without this equipment, nonambulatory residents would have to be transported to another building for monthly weight checks. The Subcommittee feels the \$3,000 scale would be efficient and cost-effective.
6. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction which includes \$80,000 to upgrade resident living areas, \$120,000 to replace the institution's X-ray machine, and \$2,000 for trees.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

#### House Committee of the Whole

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



Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 21,000	\$ 9,746,319	\$ 281,007
General Fees Fund	--	1,305,819	(242,711)
Title XIX	--	8,022,838	--
Other Funds	--	262,439	3,631
Subtotal - Operating	<u>\$ 21,000</u>	<u>\$19,337,415</u>	<u>\$ 41,927</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 115,400	\$ 202,000	\$ --
TOTAL	<u>\$ 136,400</u>	<u>\$19,539,415</u>	<u>\$ 41,927</u>
FTE Positions	--	--	--

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

1. The Subcommittee recommends the addition of \$41,927 to provide a 4.3 percent employee's contribution to KPERS.
2. The Subcommittee recommends a shift of \$242,711 from fee fund financing to State General Fund financing to provide a one-month projected ending balance for the fee fund in accordance with the Subcommittee's systemwide recommendations.
3. Shift of \$3,631 from State General Fund financing to federal Chapter I financing to maximize use of available federal funds for the special education program.

HOUSE SUBCOMMITTEE

SYSTEMWIDE RECOMMENDATIONS

Mental Retardation Institutions

The Subcommittee reviewed recent regulatory activities at the mental retardation institutions, staffing increases made during the 1985 interim and recommended by the Governor, and the long-range plans for the institutions in their budgetary deliberations. The Subcommittee makes the following conclusions and recommendations:

1. In April, 1985, federal officials visited Winfield State Hospital and cited deficiencies in the areas of protection from harm for the residents and in active treatment. The 1985 Legislature authorized 102 additional positions for Winfield to address these cited deficiencies. Winfield was recertified in September, 1985 by federal officials for continued receipt of federal Medicaid funds. Agency officials anticipate a resurvey by federal officials in the spring of 1986.

Following the federal survey at Winfield, surveys were conducted at the other three mental retardation institutions by the Kansas Department of Health and Environment and deficiencies in provision of adequate active treatment were cited at each facility. Parsons and KNI received Finance Council authorization to hire additional staff during the 1985 interim. KNI was recertified in November, 1985 for continued receipt of Medicaid funds. Parsons is scheduled to be resurveyed by KDHE in February, 1986 to determine whether active treatment is being satisfactorily provided. Norton did not request Finance Council action during the interim session, but has begun hiring additional direct care trainee staff. Norton will also be resurveyed in February, 1986. Norton, Parsons, and KNI are requesting significant supplemental funding in FY 1986 for new positions. Federal surveyors started a survey at KNI on February 19, 1986, and have not yet visited Parsons or Norton.

2. The Subcommittee held joint meetings with the Senate Subcommittee for the institutions during November and December, 1985. The Subcommittee reviewed staffing at all four mental retardation institutions. The Subcommittee also held a conference call with Colorado officials and reviewed useful information regarding that state's experience with federal officials. The Subcommittee also met with officials of the Kansas University Affiliated Facility at Parsons who have been extensively involved with staffing and program changes at the institutions. With the additional staff authorized by the Finance Council and recommended by the Governor, Kansas mental retardation institutions appear to be staffed at a level comparable to other states. Additional staff authorized generally provides for an overall ratio of one direct care staff for every six residents. This staffing level appears

necessary to meet Medicaid active treatment standards as interpreted by state and federal review teams.

3. The Subcommittee toured Kansas Neurological Institute and met with the other three superintendents and found that all four institutions have developed active treatment programs. The Subcommittee believes that all four institutions are now providing active treatment as required by federal Medicaid regulations, and that further increases in direct care staff beyond the level recommended in the Subcommittee's reports would be unwarranted. The Subcommittee commends the institutions' staffs for their dedication in providing active treatment to residents of the institutions.
4. The Subcommittee requested and received from Dr. Saunders, of the University Affiliated Facility at Parsons, statistics on a pilot project at Winfield analyzing the effect of additional supervisory staff on the need for direct care staff. Dr. Saunders' preliminary results indicate that an additional supervisory position on a unit may reduce the number of direct care staff necessary to provide active treatment. The Subcommittee recommends Dr. Saunders continue his study and report the final results to the Legislature. The Subcommittee recommends that the Division of Mental Health and Retardation Services also present a cost benefit analysis on any recommendations made as a result of the study.
5. The Subcommittee believes that reducing institutional populations is the long-range optimal strategy for the mental retardation institutions. The Subcommittee notes that for each unit of residents moved from an institution, corresponding numbers of direct care staff can be reduced. The Subcommittee also notes that federal surveyors may soon be reviewing the institutions to determine if residents are appropriately placed. The Subcommittee recommends special grants programs to reduce institutional populations and operating costs and address any potential questions of inappropriate placement prior to federal surveys in that area. Recommendations for each institution and the Division of Mental Health and Retardation Services reflect this systemwide recommendation.
6. The Subcommittee reviewed fee fund projections for each institution. The Governor's recommendations provide only approximately a one week balance at the end of FY 1987, substantially below the one month balance typically budgeted. The Subcommittee notes that based on receipts to date for FY 1986, the institutions may experience fee fund shortfalls in FY 1987. The Subcommittee recommends the Senate review fee fund receipts when additional data is available.
7. The Subcommittee also reviewed projections for federal Medicaid receipts and found that at this time it appears that Medicaid receipts may be significantly less than projected in the Governor's recommendations. The Subcommittee recommends that the Division

of Mental Health and Retardation Services request a Governor's Budget Amendment to provide revised estimates of federal Medicaid receipts for the four institutions.

SUBCOMMITTEE REPORT


House Bill No. 2760


Sec. 2 -- Homestead Property Tax Refunds

Sec. 3 -- Social and Rehabilitation Services


Sec. 4 -- Department of Health and Environment

Sec. 5 -- Department on Aging

  
\_\_\_\_\_  
Senator August Bogina, Jr.  
Chairman

  
\_\_\_\_\_  
Senator Ross Doyen

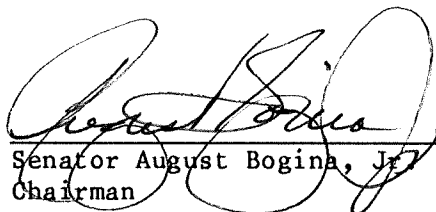
  
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Senator Frank Gaines

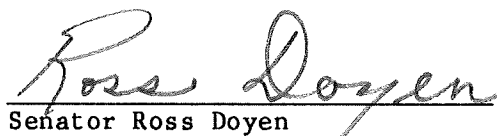
  
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Senator Robert Talkington

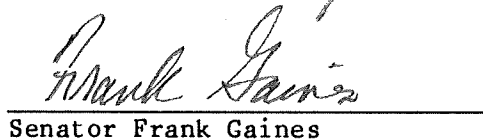
SUBCOMMITTEE REPORT

Sections of House Bill No. 2801  
Pertaining to:

Social and Rehabilitation Services  
Department of Health and Environment  
Department on Aging

  
\_\_\_\_\_  
Senator August Bogina, Jr.  
Chairman

  
\_\_\_\_\_  
Senator Ross Doyen

  
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Senator Frank Gaines

  
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Senator Robert Talkington

**SUBCOMMITTEE REPORT**

**Agency:** Department of Revenue      **Bill No.** 2760      **Bill Sec.** 2  
                 Homestead Property Tax

**Analyst:** Efird      **Analysis Pg. No.** I-429      **Budget Pg. No.** 2-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
Other Assistance: State General Fund	\$ 8,200,000	\$ 8,200,000	--

FY 1986 Agency Request/Governor's Recommendation

The consensus estimate of November 1985 is \$8,200,000 and the Governor concurs with the estimated payments.

FY 1986 House Subcommittee Recommendation

The Subcommittee concurs with the \$8,200,000 estimate of payments in FY 1986.

FY 1987 Agency Request/Governor's Recommendations

The consensus estimate of November 1985 is \$8,200,000. The Governor concurs with the estimate for payments in FY 1987.

FY 1987 House Subcommittee Recommendations

The Subcommittee concurs with the \$8,200,000 estimate of payments in FY 1987.

FY 1986 and FY 1987 House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

FY 1986 and FY 1987 Senate Subcommittee Recommendation

The Subcommittee concurs with the House.

SUBCOMMITTEE REPORT

Agency: Department of Social and  
Rehabilitation Services

Bill No. 2801

Bill Sec. 4

Analyst: Hauke

Analysis Pg. No. 430

Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 113,978,362	\$ 112,409,055	\$ 309,391
Local Aid	16,556,377	16,556,377	--
Other Assistance	405,981,303	407,451,085	--
Subtotal - Operating	<u>\$ 536,516,042</u>	<u>\$ 536,416,517</u>	<u>\$ 309,391</u>
Capital Improvements	3,702,959	3,768,082	--
TOTAL	<u>\$ 540,219,001</u>	<u>\$ 540,184,599</u>	<u>\$ 309,391</u>
State General Fund:			
State Operations	\$ 48,037,516	\$ 46,618,825	\$ (11,948)
Local Aid	13,420,025	13,420,025	--
Other Assistance	195,337,190	195,222,241	--
Subtotal - Operating	<u>\$ 256,794,731</u>	<u>\$ 255,261,091</u>	<u>\$ (11,948)</u>
Capital Improvements	--	--	--
TOTAL	<u>\$ 256,794,731</u>	<u>\$ 255,261,091</u>	<u>\$ (11,948)</u>

House Subcommittee Recommendations

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

1. The Subcommittee learned that during FY 1985 approximately \$799,897 less was expended from the Social Service Block Grant than was available for expenditure. As a consequence that amount is available for expenditure during FY 1986 and was not included in the resource computations upon which the revised budget is based. The Subcommittee recommends use of this funding as follows:
  - a. to offset shortages in the homemaker program of \$230,903 which are further detailed in Item No. 2.
  - b. to offset less than anticipated turnover savings of \$95,943 in social services field operations, which are further detailed in Item No. 3; and
  - c. use of the remaining \$473,051 to minimize Social Service Block Grant reductions, that will result from Gramm-Rudman during FY 1986.



2. The Subcommittee reviewed expenditures associated with the Homemaker Program, which is an important factor in containing nursing home costs. Salary expenditures are exceeding the Governor's revised FY 1986 budget by \$332,097 at a minimum. Travel and subsistence expenditures appear to be below budget by \$101,194, partially offsetting the salary and wage deficit. The net deficit is \$230,903 when salary and travel expenditures are combined. As mentioned in Item No. 1, the Subcommittee recommends that this deficit be financed, using the Social Service Block Grant carryover funds. In financing this deficit, the Subcommittee notes that total nursing home expenditures in the Governor's revised FY 1986 medical budget are \$116,312 less than the approved FY 1986 budget. The success of the Homemaker program is directly related to preventing nursing home placements.
3. The Subcommittee reviewed area office social service staff expenditures. Salary expenditures will exceed the revised FY 1986 budget by \$126,764. Those salary expenditures are partially offset by estimated savings of \$30,821 in the travel and subsistence budget. The Subcommittee recommends that the net deficit of \$95,943 be financed with FY 1985 carryforward Social Service Block Grant Funding.
4. The Subcommittee reviewed area office Income Maintenance expenditures. A minimum FY 1986 salary and wage deficit of \$384,331 appears in this category, due to less than anticipated turnover. The Subcommittee highlights this as an area which may require attention at a later date. The Subcommittee notes that SRS has implemented a hiring freeze in this category, the financial impact of which is not yet known. Income Maintenance is the first line of defense against fraud and abuse. Therefore, the Department should place a high priority on filling these positions, over all others.
5. The Subcommittee reviewed expenditures in Area Office Administration. A minimum salary and wage deficit of \$109,064 will occur, however, savings of \$126,519 in the telecommunications budget, largely due to KANS-A-N savings will offset this deficit. The Subcommittee recommends that the FY 1986 budget be reduced by the net savings of \$17,455, of which \$11,948 is from the State General Fund.
6. The Subcommittee reviewed expenditures in the Governor's revised FY 1986 recommendations for AFDC cash assistance. Recent computations were reviewed, including expenditure data on March 1 assistance checks. The most recent projection would forecast a deficit of approximately \$929,000, of which \$464,500 would be from the General Fund. The Subcommittee highlights this as an area that may require further review. Nevertheless, the deficit appearing at this time is approximately 1 percent of the total AFDC budget. The Subcommittee believes that a minor reduction in caseloads could erase this deficit and recommends we keep our fingers crossed.

7. The Subcommittee reviewed FY 1986 Medical Assistance expenditures in great detail, including the \$9,958,493 supplemental appropriation in the Governor's revised recommendation. Based upon actual expenditures through February, it appears possible that the Medical budget will exceed the revised FY 1986 budget. However, the share of expenditures attributable to state funds appears relatively close to the budget. Nevertheless, this expenditure category should be closely-monitored throughout remaining months of the fiscal year.
  
8. A deficit of approximately \$1,474,170 appears in the General Assistance Program, based upon expenditures through March 1. This estimated deficit is 12.6 percent of the revised FY 1986 budget, a proportion that is unlikely to be recovered due to minor caseload reductions which typically occur during the spring.
  - a. The Subcommittee observes a deficit totaling \$801,550 in the General Assistance Unrestricted program, which may need to be addressed during the remainder of this legislative session.
  
  - b. The Subcommittee observes a TGA deficit of \$672,620 in the absence of programmatic changes. The Subcommittee is recommending two programmatic changes, as discussed in the FY 1987 report. The Subcommittee recommends that those programmatic changes be implemented on May 1. The abovementioned TGA deficit would be reduced by \$367,539 due to limiting TGA to a program of six months duration, based upon data indicating that 43 percent of TGA clients had been recipients for more than six months. The deficit would be further reduced by \$20,430, based upon data indicating that 4.2 percent of recipients had not been Kansas residents for at least six months. Once these adjustments are made, the Subcommittee observes that the TGA deficit could be reduced to approximately \$284,651. Nevertheless, a deficit appears in both programs which may need to be addressed during the remainder of this legislative session.

House Committee Recommendations

The House Ways and Means Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments*</u>
<b>All Funds:</b>			
State Operations	\$ 309,391	\$ 112,718,446	\$ 665,898
Aid to Local Units		16,556,377	(85,275)
Other Assistance		407,451,085	6,615,435
Subtotal - Operating	\$ 309,391	\$ 536,725,908	\$ 7,196,058
Capital Improvements		3,768,082	--
<b>TOTAL</b>	<b>\$ 309,391</b>	<b>\$ 540,493,990</b>	<b>\$ 7,196,058</b>
<b>State General Fund:</b>			
State Operations	\$ (11,948)	\$ 46,606,877	\$ 388,692
Aid to Local Units	--	13,420,025	--
Other Assistance	--	195,222,241	3,407,153
Subtotal - Operating	\$ (11,948)	\$ 255,249,143	\$ 3,795,845
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$ (11,948)</b>	<b>\$ 255,249,143</b>	<b>\$ 3,795,845</b>

\* Includes adjustments contained in Governor's Budget Amendment No. 3, which recommended increase of state operations by \$761,841 (\$388,692 State General Fund) and increase of assistance programs by \$6,732,863 (\$3,703,525 State General Fund).

Senate Subcommittee Recommendations

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

1. The Subcommittee concurs with Governor's Budget Amendment No. 3 concerning the General Assistance program. This adds \$1,818,377 from the State General Fund in FY 1986 to finance higher than anticipated caseloads in both the Transitional General Assistance and General Assistance Unrestricted categories.
  - a. The Subcommittee's recommendations concerning Transitional General Assistance are incorporated in the FY 1987 report. The Subcommittee recommends that programmatic changes concerning Transitional General Assistance become effective July 1, 1986, rather than May 1, 1986 as recommended by the House.

2. The Subcommittee concurs with Governor's Budget Amendment No. 3, concerning the Medical Assistance program. This recommendation adds \$3,553,183 to the Medical Assistance Program during FY 1986, of which \$817,176 is from the State General Fund.
3. The Subcommittee reviewed Governor's Budget Amendment No. 3 concerning Aid to Dependent Children (ADC). The Governor had recommended an increase of \$1,361,303, of which \$683,374 is from the State General Fund. The Subcommittee also reviewed a FY 1986 projection by the Legislative Research Department concerning ADC, showing a deficit of \$1,725,092, of which \$862,546 is from the State General Fund. The Subcommittee believes the Legislative Research Department projection overstates expenditures during March and April. However, the Governor's recommendations fail to include the impact of a January 1, 1986 grant increase. Consequently, the Subcommittee recommends that the AFDC budget be increased by \$1,543,198, of which \$771,600 is from the State General Fund.
4. The Subcommittee reviewed the Governor's recommendations concerning use of \$384,598 in state funds to partially offset the impact of federal funding reductions resulting from Gramm-Rudman-Hollings. The Subcommittee concurs with the Governor's estimate that during FY 1986 \$384,598 in federal funds will not be received. However, the Subcommittee is not recommending that the state finance any of those items recommended by the Governor. The Subcommittee makes the following observations concerning the specific items recommended by the Governor.
  - a. Community Service Grants. The Governor had recommended \$91,918 from the General Fund for this program. The Subcommittee notes that to date no state dollars have been expended for this program.
  - b. Alcohol and Drug Abuse Grants. The Subcommittee observes that the approved FY 1986 budget for substance abuse grants from all funding sources is an increase of \$778,050 to FY 1985 expenditures. Consequently, the \$64,725 reduction, due to Gramm-Rudman is a decrease of the increase for this program.
  - c. Community Mental Health Block Grant. SRS has typically made grants from this fund from grant awards authorized in a previous quarter or fiscal year. Denying the Governor's recommendation of \$85,275 does not require the agency to reduce any grant awards during the current fiscal year.

- d. Day Care/Foster Care. The Governor recommends \$142,680 to replace Social Service Block Grants in these programs. In reviewing this request, the Subcommittee learned that the agency will underspend its FY 1986 day care budget by approximately \$200,000 to \$300,000. The Subcommittee believes this underspending eliminates the need to supplement funding for this item.
  - e. Social Service Block Grant Funds. Governor's Budget Amendment No. 3 mentions \$799,897 from the Social Service Block Grant, which was an unobligated balance from the previous fiscal year. This amount had also been cited by the House. The Subcommittee recommends that this balance be utilized to partially reduce the impact of Gramm-Rudman during FY 1986.
5. The Subcommittee reviewed the House recommendation to use \$95,943 from the Social Service Block Grant to offset less than anticipated turnover in local office social services programs. The Subcommittee finds that expenditures in this subprogram have declined, subsequent to the House recommendation. Consequently, the Subcommittee does not recommend this expenditure.
6. The Subcommittee reviewed recommendations contained in Governor's Budget Amendment No. 3 concerning less than expected turnover in several categories of state operations. The Subcommittee concurs with Governor's Budget Amendment No. 3 and recommends FY 1986 additions to the various subprograms listed below.

<u>Subprogram</u>	<u>General Fund Increase</u>	<u>Total Increase</u>
Area Office Administration	\$ 26,440	\$ 48,060
Income Maintenance - Field Operations	157,020	269,183
Homemaker	99,979	262,882
Adult Medical Services	55,737	132,200
Family Support	49,516	49,516
Total	<u>\$ 388,692</u>	<u>\$ 761,841</u>

**SUBCOMMITTEE REPORT**

**Agency: Department of Social and  
Rehabilitation Services**

**Bill No. 2760**

**Bill Sec. 3**

**Analyst: Hauke**

**Analysis Pg. No. 430**

**Budget Pg. No. 2-39**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87*</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$127,232,498	\$113,950,183	\$ (171,451)
Local Aid	20,412,933	16,568,799	--
Other Assistance	417,231,774	406,678,236	9,295,943
Subtotal - Operating	\$564,877,205	\$537,197,218	\$ 9,124,492
Capital Improvements	9,191,910	1,170,713	--
<b>TOTAL</b>	<b>\$574,069,115</b>	<b>\$538,367,931</b>	<b>\$ 9,124,492</b>
<b>State General Fund:</b>			
State Operations	\$ 55,620,133	\$ 47,512,921	\$ 21,614
Local Aid	17,226,508	13,420,025	--
Other Assistance	208,222,959	192,800,526	7,564,326
Subtotal - Operating	\$281,069,600	\$253,733,472	\$ 7,585,940
Capital Improvements	--	--	--
<b>TOTAL</b>	<b>\$281,069,600</b>	<b>\$253,733,472</b>	<b>\$ 7,585,940</b>
FTE Positions	3,011.4	2,872.9	3.0

\* Includes impact of Governor's Budget Amendment No. 1.

House Subcommittee Recommendations

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

1. In accordance with the maintenance goals described in Item No. 3 of the SRS systemwide report, the Subcommittee recommends partial restoration of the Transitional General Assistance Program. The Subcommittee believes the program should be truly transitional and therefore recommends that TGA benefits be limited to six months in a 12-month period, a change that will allow a FY 1987 expenditure reduction totaling \$1,612,202, of which \$848,430 would be cash assistance and \$763,772 would be medical assistance.

The Subcommittee recommends imposition of a six-month residency requirement on the TGA program, as a condition of eligibility. This change allows a FY 1987 expenditure reduction totaling \$339,871, of which \$178,859 would be cash assistance and \$161,012 would be medical assistance. Complete restoration of the TGA program would require expenditure of \$6.8 million. The

Subcommittee's recommendations involve FY 1987 expenditure of \$4,878,600 from the General Fund, of which \$2,719,930 is cash assistance and \$2,158,670 is medical assistance. A table following this report details the Subcommittee recommendations concerning TGA.

2. The Subcommittee learned that the federal government has imposed a 50 percent matching requirement on administration of the commodity distribution program known as TEFAP, effective January 1, 1987. On its tours of soup kitchens, the Subcommittee learned that the commodities are an important source of nutrition to many low income individuals. The Subcommittee recommends expenditure of \$90,144 from the General Fund during FY 1987 to finance this matching requirement. Although considered administration, the portion of this program reflected in the state budget is actually contractual costs associated with transporting and storing commodities.
3. Consistent with its recommendations concerning employment the Subcommittee observes the need for an effective day care program. Accordingly, the Subcommittee recommends that the day care budget be increased by \$738,628 from the State General Fund. Of this amount, the Subcommittee is recommending that \$194,788 be expended for a 5 percent increase in day care reimbursement rates and \$543,840 be expended to increase the number of day care slots by 330. The Subcommittee believes the rate increase will facilitate assuring the availability of day care facilities for SRS clients. The additional slots will assist in keeping low-income persons from the assistance rolls or allow employment of ADC parents.
4. In accordance with its recommendations concerning employment, the Subcommittee believes that the Jobs Club programs should be given additional emphasis. Therefore, the Subcommittee recommends an increase of \$120,000 in expenditures from the General Fund for the Jobs Club program. The Subcommittee learned that a problem for the Jobs Club staff surrounds the need to purchase remedial education services or supplies for clients, to facilitate their employment. Therefore, the Subcommittee recommends that \$60,000 of the increase it is recommending be expended for remedial education services or supplies. The Subcommittee recommends that the remaining \$60,000 be expended for 3.0 FTE positions to expand the Jobs Club program, with emphasis on a mobile jobs club that would serve several small offices .
5. Consistent with its recommendations concerning Income Maintenance, the Subcommittee reaffirms the need for an effective fraud and abuse prevention program. Accordingly, the Subcommittee recommends addition of \$100,000, of which \$57,910 is from the General Fund and \$42,090 is from federal funds to the Income Maintenance staffing activities. The Subcommittee believes this funding is necessary to allow filling of income maintenance positions, which are important in fraud discovery.

6. As detailed in its goals concerning Medical Services, the Subcommittee believes the overall percentile limit or fifth capitation is unduly restrictive on the reimbursement of nursing homes. The Subcommittee is recommending that this fifth cap be phased out over a two-year period. Accordingly, the Subcommittee recommends addition of \$822,965 in FY 1987, of which \$411,483 would be from the State General Fund. Additionally, SRS reserve days are not paid if a facility has more than five vacant beds, a policy that is probably appropriate for smaller nursing homes. Nevertheless, this policy, contained in agency service manuals, is unduly restrictive on a few very large homes. The Subcommittee recommends that the agency pursue a less restrictive policy for homes having more than 200 beds.
  
7. In accordance with its goal of moving toward financing needs established in the minimum subsistence budget, the Subcommittee recommends a 3 percent increase in cash grants for ADC and Unrestricted General Assistance clients. This recommendation is implemented as follows:
  - a. increase the AFDC budget by \$2,640,270, of which \$1,320,135 is from the State General Fund; and
  - b. Increase the General Assistance budget by \$215,480, from the State General Fund.
  
8. The Subcommittee notes the adoption of the data processing recommendations of the Subcommittee on the Department of Administration and commends the Subcommittee for their excellent efforts. Therefore, the FY 1987 SRS data processing budget is reduced by \$186,217, of which \$105,957 is from the State General Fund.
  
9. The Subcommittee endorses Governor's Budget Amendment No. 1, concerning SRS. This budget amendment reduces the Medical Assistance Budget by \$718,312, of which \$359,156 is from the General Fund, due to delayed implementation of 24-hour licensed nursing care in adult care homes. That amendment increases the AFDC budget by \$616,590, of which \$308,295 is from the General Fund to reflect annualization of a FY 1986 mid-year cash grant increase. The net impact of Governor's Budget Amendment No. 1 is a \$101,722 decrease, of which \$50,861 is from the State General Fund.
  
10. The Subcommittee reviewed KANS-A-N telecommunications expenditures and recommends a decrease of \$205,234 to the Area Administration Communications budget, of which \$140,483 is from the General Fund. This recommendation is consistent with systemwide recommends made by the Subcommittee reviewing Department of Administration expenditures.



SUBCOMMITTEE REPORT

Agency: SRS -- Mental Health and Retardation Services

Bill No. 2760

Bill Sec. 3

Analyst: Hauke

Analysis Pg. No. 430

Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 2,328,385	\$ 2,108,611	\$ 31,736
Aid to Local Units	20,412,933	16,568,799	1,100,000
Other Assistance	407,663	394,390	20,000
Subtotal-Operating	<u>\$23,148,981</u>	<u>\$19,071,800</u>	<u>\$ 1,151,736</u>
Capital Improvements	9,071,600	1,100,000	953,000
TOTAL	<u>\$32,220,581</u>	<u>\$20,171,800</u>	<u>\$ 2,104,736</u>
<b>State General Fund:</b>			
State Operations	\$ 1,572,880	\$ 1,372,786	\$ 31,736
Aid to Local Units	17,226,508	13,420,025	1,100,000
Other Assistance	407,663	394,390	20,000
Subtotal-Operating	<u>\$19,207,051</u>	<u>\$15,187,201</u>	<u>\$ 1,151,736</u>
Capital Improvements	--	--	--
TOTAL	<u>\$19,207,051</u>	<u>\$15,187,201</u>	<u>\$ 1,151,736</u>
FTE Positions	30.5	27.5	1.0

House Subcommittee Recommendations

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

1. The Subcommittee forwards its financial recommendations having carefully reviewed the report of the Special Committee on Ways and Means on Proposal No. 57. The Subcommittee wishes to highlight the major programmatic recommendations of that interim report and endorse those recommendations.
  - a. SRS Annual Reports. The Subcommittee recommends that SRS individually evaluate all institutional clients on an annual basis. In this evaluation the agency shall identify specific patients having the potential to be served in a less restrictive environment and the costs associated with moving them to a less restrictive setting. This report should be available prior to the start of each legislative session.

- b. Integrated Planning Process. The Subcommittee believes a significant problem exists in the coordination of waiting lists at community facilities, when the needs of outbound institutional clients and other community clients are combined. The Subcommittee recommends that SRS implement an integrated planning model, which would feature a combined statewide waiting list of both outbound institutional clients and persons on community facility waiting lists. The planning process should feature involvement of community facility representatives in preparing individual program plans (IPPs) for outbound institutional clients. Finally the planning process should begin for outbound institutional clients at least 24 months prior to their release and assurances should be given that those clients receive service on or before the conditional release date contained in the IPP. The Subcommittee believes such a model should be initiated immediately for mentally retarded clients and at a later date for programs serving the mentally ill.
  - c. Special Education Transitional Planning. The Subcommittee observes that no formal process exists to provide for the orderly transition of mentally retarded persons from special education programs to community programs for adults. The Subcommittee recommends that SRS and the State Department of Education cooperate to develop a planning model for such transition. This plan should be developed to provide continuity of services to persons leaving the present special educational system. The Subcommittee recommends that SRS present the model prior to the beginning of the 1987 Legislature. The Subcommittee notes that a similar planning model would be established by H.B. 2330, which was passed by the House Ways and Means Committee.
2. The Subcommittee received testimony from several community based service organizations and believes that a quiet crisis is developing within the service delivery mechanism for mentally ill and mentally retarded clients. The community organizations are faced with considerable waiting lists, of which 750 are within the community and 236 are outbound from state institutions. Additionally, pressures are placed upon the organizations by the needs of approximately 2,600 clients who will graduate from special education programs during the next five years. These pressures are enhanced by decreased federal funding. The Subcommittee believes that certain of those pressures can be reduced by better coordination and planning, which is addressed by the recommendations contained in item 1. Additionally, financial considerations are addressed by the Subcommittee in recommendations listed in the paragraphs which follow.

3. The Subcommittee believes the formula for distributing state aid to community organizations, contained in K.S.A. 65-4401 et seq., is no longer the best method of distributing assistance to community mental retardation facilities. The Subcommittee believes that aid to community mental retardation facilities can be more effectively distributed through a grant mechanism based upon numbers of clients served, rather than based upon eligible income. Therefore, the Subcommittee recommends the following:
  - a. That legislation be introduced deleting from K.S.A. 65-4401 et seq. all references to community mental retardation.
  - b. That legislation be introduced providing for grants to community mental retardation facilities, based upon full-time equivalent clients served and a daily per diem rate per client. SRS would define full-time clients and establish a statewide per diem payment rate. Quarterly grants would be made based upon reports showing actual clients served in the previous quarter. SRS would prorate the daily rate if estimated clients served would exceed funds available.
  - c. That during FY 1987 the \$5,216,286 recommended by the Governor for K.S.A. 65-4401 distribution be increased by \$175,000 and appropriated as a \$5,391,286 line item. Upon passage of the legislation requested in item b, the Subcommittee would recommend FY 1987 expenditure in accordance with the new financing mechanism. However, during FY 1987 the legislation should contain a "hold harmless" provision specifying that no community center receive less funding that it received during calendar year 1985.
4. The Subcommittee recommends that during FY 1987, the Governor's recommendations of \$230,996 for special purpose grants to community mental retardation organizations be increased by \$650,000 and appropriated as a separate \$880,996 line item for special purpose mental retardation assistance. The Subcommittee recommends that this additional funding be utilized to promote deinstitutionalization of mentally retarded clients presently served by state hospitals.
5. The Subcommittee recommends that during FY 1987 the Governor's recommendations of \$7,747,023 for aid to community mental health organizations be increased by \$175,000 for a total appropriation of \$7,922,023. This would finance state aid to community mental health at approximately 38.9 percent of eligible income.

6. The Subcommittee recommends that during FY 1987 the Governor's recommendations of \$225,720 for special purpose grants to community mental health organizations be increased by \$100,000 and appropriated as a separate \$325,720 line item for special purpose mental health assistance. The Subcommittee recommends that this additional funding be utilized to finance community grants for implementing services to 25 clients who will no longer be served by Osawatomie State Hospital.
  
7. The Subcommittee recommends that the Governor's FY 1987 recommendation of \$298,741 for handicapped guardianship grants be increased by \$20,000 for a total of \$318,741. Additionally the Subcommittee endorses H.B. 2906, which will reduce guardianship costs by self insuring a mandatory bond. The Subcommittee believes the \$20,000 it is recommending, combined with H.B. 2906 savings will assist in financing additional guardians. The Subcommittee is also recommending that the agency maximize use of client resources wherever appropriate.
  
8. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction concerning the systemwide accounts. These recommendations increase the Governor's recommendations from the State Institutions Building Fund as follows:

<u>Account</u>	<u>Gov. Rec.</u>	<u>Bldg. Comm. Rec.</u>	<u>Increase</u>
Systemwide Major Maintenance	\$ 880,000	\$ 1,606,475	\$726,475
Systemwide Roofing	--	100,000	100,000
Emergency Maintenance	220,000	347,000	127,000
TOTAL	<u>\$1,100,000</u>	<u>\$ 2,053,475</u>	<u>\$953,475</u>

9. During its review, the Subcommittee discussed the issue of staff training at the mental retardation institutions. The Subcommittee learned that there are currently several different job categories for direct care staff at the four institutions. These job categories include Psychiatric Aides, Developmental Training Specialists, Program Technicians, Health Service Workers, Hospital Attendants, Activity Therapist Aides, and Sheltered Workshop Technicians. The Subcommittee found there was not coordination for training of these different levels of staff across the four institutions and believes there is a need for consolidation of the categories into a single job classification which would more appropriately reflect the staffing needs of the institutions to provide active treatment under the new interpretations of federal Medicaid regulations. The Subcommittee requests that the Division of Mental Health and Retardation Services, in cooperation with the Division of Personnel Services, study the issue of training and job classification for direct care staff. The study should address the following issues: (1)

appropriateness of existing job classifications, (2) consolidation of existing job classifications into a single job class which would allow career movement and licensure, and (3) direct care training programs, including academic and on-the-job training. The Subcommittee notes that each of the four institutions has unique populations and needs and any proposed job class should provide sufficient flexibility to meet those needs. The Subcommittee recommends that the results of this study be reported to the Legislature no later than January 12, 1987.

10. During the 1985 interim, the Subcommittee discussed with SRS the Home and Community Based Services (HCBS) program. The HCBS program is a Medicaid waiver program which allows Medicaid reimbursement for community placement of Medicaid eligible clients who would otherwise be placed in an adult care home or an institution. The program was developed to reduce overall institutional costs and allow clients to remain at home or in the community. The Subcommittee supports the use of the Medicaid waiver program to allow individuals to be served at the community level and to allow the costs to the state of such programs to be reduced by receipt of federal Medicaid funding. The Subcommittee recommends that SRS expand the Medicaid waiver program for mentally retarded and mentally ill clients.

11. The Subcommittee believes significant cost savings could be realized at all state institutions if more tasks such as recording resident progress and monitoring programs were computerized. The Subcommittee recommends \$31,736 from the State General Fund for a Management Analyst IV position in the MHRS central office to provide computer assistance to all institutions. The Subcommittee recommends this position be based at Parsons, allowing pilot projects to be tested at Parsons before implementation at other institutions. The Subcommittee suggests that the Senate review possible vacant positions within MHRS to finance this addition.

House Committee Recommendations

The House Ways and Means Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendations

1. The House Committee of the Whole added \$100,000 from the General Fund for special purpose grants to community mental retardation centers. This addition results in a total of \$980,996 for the special purpose grants, when combined with the \$230,996 recommended by the Governor and the \$650,000 added by the House Ways and Means Committee.
2. The House Committee of the Whole added \$91,091, of which \$45,546 is from the General Fund. This funding is to increase reimbursements for Intermediate Care Facilities for the Mentally Retarded, serving 15 or fewer clients, by 3 percent.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments*</u>
<b>All Funds:</b>			
State Operations	\$ (139,715)	\$113,810,468	\$ 84,980
Aid to Local Units	1,200,000	17,768,799	(100,000)
Other Assistance	<u>9,407,034</u>	<u>416,085,270</u>	<u>2,978,247</u>
Subtotal - Operating	\$10,467,319	\$547,664,537	\$ 2,963,227
Capital Improvements	<u>953,475</u>	<u>2,124,188</u>	<u>--</u>
TOTAL	<u>\$11,420,794</u>	<u>\$549,788,725</u>	<u>\$ 2,963,227</u>
<b>State General Fund:</b>			
State Operations	\$ 53,350	\$ 47,566,271	\$ 53,009
Aid to Local Units	1,200,000	14,620,025	(100,000)
Other Assistance	<u>7,629,872</u>	<u>200,430,398</u>	<u>2,284,658</u>
Subtotal - Operating	\$ 8,883,222	\$262,616,694	\$ 2,237,667
Capital Improvements	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL	<u>\$ 8,883,222</u>	<u>\$262,616,694</u>	<u>\$ 2,237,667</u>
FTE Positions	4.0	2,876.9	(3.0)

\* Includes adjustments contained in Governor's Budget Amendment No. 3, which recommend increase of state operations by \$58,873.

Senate Subcommittee Recommendations

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

1. The Subcommittee recommends a State General Fund deletion of \$100,000 in amounts recommended by the House for special purpose grants to community programs serving the mentally retarded.
2. The Subcommittee reviewed the House recommendations concerning aid to community mental health and mental retardation, distributed through K.S.A. 65-4401. The Subcommittee concurs with the total addition of \$350,000 for these aid programs. However, the Subcommittee recommends that the two programs be financed at an equal percentage of eligible income. Accordingly, the Subcommittee recommends shift of \$172,948 from aid to community mental retardation to aid to community mental health. This recommendation finances both programs at 39.74 percent of eligible income. (Note: The House recommendations would finance mental health at 38.9 percent and mental retardation at 41.1 percent of eligible income.)
3. The Subcommittee concurs with Governor's Budget Amendment No. 3 concerning addition of a Fee Fund at the Kansas Vocational Rehabilitation Unit (VRU). This Fee Fund would be utilized to pay VRU clients who work in the food service operation at Washburn University. The clients would be paid from funds deposited by Washburn. It is estimated that approximately \$6,000 annually would be expended from this Fund.
4. The Subcommittee concurs with Governor's Budget Amendment No. 3 concerning addition of \$52,873 and 3.0 FTE Hearing Examiners in the federally funded Disability Determination Service. However, the Subcommittee recommends that these positions be Special Project Workers, to assure that they be discontinued if federal funds are not available. Further, the Subcommittee reviewed information from the Division of the Budget indicating that a Gramm-Rudman reduction of approximately \$53,000 will impact the Disability Determination Service. Therefore, these positions can be added without increasing expenditure limitations.
5. The Subcommittee reviewed the recommendation in Governor's Budget Amendment No. 3 to replace \$362,004 in Gramm-Rudman reductions with financing from the State General Fund. The Subcommittee acknowledges that those reductions will occur. However, the Subcommittee does not recommend that they be replaced with General Fund money.
6. The Subcommittee reviewed the House recommendation (item 1 of House report) concerning the Transitional General Assistance program. The Subcommittee concurs with the overall recommendation that the program should be retained. However, the Subcommittee is not concurring with the programmatic recommendations of the House. The Subcommittee recommendations add \$521,291 to the House recommendation, of which \$274,335 is cash assistance and \$246,956

is medical assistance. The Subcommittee's recommendations are displayed in tabular form following this narrative. The Subcommittee's programmatic recommendations are as follows:

- a. The Subcommittee learned that a United States Supreme Court decision concerning General Assistance in Montana generally precludes durational residency requirements for all types of assistance. Therefore, the Subcommittee recommends restoration of \$339,871 (\$178,859 in cash assistance and \$161,012 in medical assistance) and deletion of the House recommendation that TGA only be available to persons living in Kansas six months or more.
  - b. The Subcommittee reviewed the House recommendation that an individual not be a TGA recipient for more than six months in any 12-month period. The Subcommittee recommends that this limitation be extended by three months, allowing an individual to be eligible for nine months in a 12-month period. To finance this recommendation, the Subcommittee recommends restoration of \$181,420 (\$95,476 in cash assistance and \$85,944 in medical assistance).
7. The Subcommittee reviewed the House recommendations (item 3 of House report) concerning day care. The Subcommittee agrees with the House that locating day care slots is a problem, due to the SRS reimbursement schedule. The Subcommittee concurs with the total day care budget recommended by the House. However, the Subcommittee recommends \$423,750 for 250 new day care slots, rather than 330 slots recommended by the House. The Subcommittee also recommends \$314,878 for an 8 percent day care rate increase, rather than the 5 percent recommended by the House. The Subcommittee's recommendations total \$738,628, which was the amount added by the House.
  8. The Subcommittee reviewed the House recommendations (item 4 of House report) concerning the Jobs Club program. The Subcommittee concurs with the House recommendation to spend \$60,000 for remedial education or supplies. The Subcommittee deletes \$60,000 from the General Fund for three new positions to expand the Jobs Club to additional areas of the state.
  9. The Subcommittee concurs with the House recommendation (item 6 of House report) that the overall percentile or fifth capitation on nursing home reimbursements is unduly restrictive. The Subcommittee received new information from SRS indicating that the total cost of removing this capitation is \$2,629,358, rather than \$1,645,930 as reported in the SRS budget. Nevertheless, the Subcommittee believes this limit should be removed during FY 1987. The Subcommittee recommends an increase to the House recommendation of \$1,806,393 (\$903,196 from the State General Fund), resulting in a total of \$2,629,358 (\$1,314,679 General Fund) to remove this limitation.



10. The Subcommittee concurs with the House recommendation (item 7 of House report) to provide a 3 percent cash grant increase for recipients of Aid to Dependent Children and General Assistance Unrestricted. The Subcommittee recommends addition of a proviso specifying that this increase is related to energy assistance costs. Such a proviso is instrumental in causing cash grant increases to be exempt from Food Stamp computations. Otherwise, cash grant increases decrease an individuals receipt of food stamps. The Subcommittee notes that amounts in the budget for ADC and GA may be insufficient, since it has become necessary to increase the FY 1986 budgets for these cash assistance programs.
11. The Subcommittee reviewed the House recommendation (item 7 of House MHRS report) for handicapped guardianship grants. The Subcommittee recommends that the appropriation for these grants be increased by \$62,000 from the General Fund for a total of \$380,741.
12. The Subcommittee recommends that the Secretary of Social and Rehabilitation Services delay implementation of any changes in the delivery of services to clients who are in the Home and Community Based Services program until the Kansas Legislature has an opportunity to determine the long-term effect of requiring that providers of nonmedical attendant care, respite care, and other services be employees of a licensed or public agency. In view of the fact that the Legislature is considering the enactment of legislation that would authorize the provision of in-home services to the elderly on a sliding-scale fee basis and in-home services for the victims of Alzheimer's and related diseases and their families, any decision to set requirements for the providers of services has ramifications far beyond those relating to the HCBS and Alternate Services Program. Cost and the amount of service that can be provided within the confines of limited state financial resources should also receive careful consideration prior to the implementation of any policy change that would prevent individual providers from providing services to SRS clients and other Kansans.

The Subcommittee recognizes that the Secretary believes there are legal implications connected with the provision of services under the HCBS program. However, the Subcommittee believes there are avenues which have not yet been adequately explored by SRS to resolve such issues.

13. The Subcommittee discussed the agency's Child Support Enforcement program. The Subcommittee learned that certain disagreements exist between the Judicial Branch and SRS, particularly concerning the role of SRS and the court trustees. The Subcommittee also learned that some disagreement exists concerning the appropriateness of fees charged. The Subcommittee recommends that the two agencies negotiate to resolve these differences and issue a joint

report concerning their negotiations, prior to the 1987 Legislative Session. The Subcommittee directs staff to send a copy of this Subcommittee recommendation to the Secretary of SRS and the Judicial Administrator's Office.

14. The Subcommittee recommends addition of \$177,080 (of which \$113,009 is from the State General Fund) to finance employer KPERS contributions at the certified rate of 4.3 percent, rather than 4.0 percent contained in the Governor's recommendations. (Note: Detailed working papers concerning the financing of this recommendation can be obtained from the Legislative Research Department.)
15. The Subcommittee recommends addition of \$687,467 (of which \$573,171 is State General Fund) to finance a 3 percent rate increase for reimbursements to foster care providers.
16. The Subcommittee recommends \$200,000 from the State General Fund to finance an additional substance abuse project dedicated to serving juvenile substance abusers.
17. The Subcommittee recommends \$25,000 from the State General Fund to finance services provided to handicapped preschool children, who are Kansas residents, by the Crippled Children's Nursery School in Kansas City, Missouri.

TRANSITIONAL GENERAL ASSISTANCE  
SUBCOMMITTEE RECOMMENDATIONS

	<u>House Recommendation</u>		<u>Senate Subcommittee</u>	
	<u>Person Mo.</u>	<u>Expenditure</u>	<u>Person Mo.</u>	<u>Expenditure</u>
<u>Cash Assistance</u>				
Revised FY 1986 estimate	52,000	\$ 5,073,169	52,000	\$5,073,169
Minus Governor's 25% Shift to GAU		<u>(1,325,950)</u>		<u>(1,325,950)</u>
Net Cash Assistance Cost		3,747,219		3,747,219
Minus 6 or 9 month limitation	(8,638)	(848,430)	(7,666)	(752,954)
Minus 6 months residency requirement	<u>(1,821)</u>	<u>(178,859)</u>	<u>--</u>	<u>--</u>
Recommended Restoration		\$ 2,719,930		\$ 2,994,265
Person Months Total	41,541		44,334	
<u>Medical Assistance</u>				
Estimate of FY 1987 TGA Medical Cost		\$ 4,111,274		\$ 4,111,274
Minus Governor's Shift to GAU		<u>(1,027,820)</u>		<u>(1,027,820)</u>
Net Medical Cost		3,083,454		3,083,454
Minus 6 or 9 month limitation at \$88.42 monthly	(8,638)	(763,772)	(7,666)	(677,828)
Minus 6 months residency requirement	<u>(1,821)</u>	<u>(161,012)</u>	<u>--</u>	<u>--</u>
Recommended Restoration		\$ 2,158,670		\$ 2,405,626
Total Expenditure		\$ 4,878,600		\$ 5,399,891

628.87

SRS REIMBURSEMENTS  
ADULT CARE HOMESEffective October 1, 1985

<u>Cost Center</u>	<u>Skilled Nursing Facility</u>	<u>Intermediate Care Facility</u>	<u>Intermediate MR (Large)</u>	<u>Intermediate MR (Small)</u>
Administration	\$5.43	\$4.24	\$5.42	\$9.87
Property	9.22	7.51	9.05	12.45
Room and Board	14.23	11.03	12.21	10.70
Health Care	<u>23.28</u>	<u>16.90</u>	<u>24.96</u>	<u>28.55</u>
Sum	\$52.16	\$39.68	\$51.64	\$61.57
Overall Limit	\$47.39	\$33.96	\$45.33	\$53.67

C86-47/RH

**SUBCOMMITTEE REPORT**

**Agency: Department of Health  
and Environment**

**Bill No. --**

**Bill Sec. --**

**Analyst: Timmer**

**Analysis Pg. No. 481**

**Budget Pg. No. 6-1**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$25,828,866	\$25,872,007	\$ 3,716
Aid to Local Units	6,518,654	6,529,917	--
Other Assistance	8,500,000	8,500,000	--
TOTAL	<u>\$40,847,526</u>	<u>\$40,901,921</u>	<u>\$ 3,716</u>
State General Fund:			
State Operations	\$13,978,432	\$13,635,140	\$ --
Aid to Local Units	1,294,432	1,294,432	--
Other Assistance	--	--	--
TOTAL	<u>\$15,272,864</u>	<u>\$14,929,581</u>	<u>\$ --</u>
FTE Positions	606.23	604.23	--

Agency Request/Governor's Recommendation

The Department requests a total budget of \$40,847,430 for FY 1986 with 606.2 FTE positions as was approved by the 1985 Legislature. Funding includes \$15,272,864 (37 percent) from the State General Fund and \$25,574,566 from federal and fee revenue sources. The agency requests no supplemental appropriations for FY 1986. The request includes \$16,228,229 for salaries and wages and \$9,600,637 for other operating expenditures.

The Governor recommends a total budget of \$40,901,924 of which \$14,929,958 is from the State General Fund, a reduction of \$343,283 from the agency's request. The recommendation includes new expenditure authority of \$386,424 due to receipt of new federal funds. The Governor's recommendation makes no adjustments to aid to local units or other assistance.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Expenditure limitation increase of \$3,716 to allow expenditure of \$46,966 from the federal Early Childhood Developmental Services Grant. The increase will allow the Department to spend carryover funds from FY 1985.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

#### House Committee of the Whole Recommendations

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

#### Senate Subcommittee Recommendations

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

1. Expenditure limitation increase of \$37,477 to the federal Underground Storage Tank Grant program.

264.86

**SUBCOMMITTEE REPORT**

**Agency:** Department of Health  
and Environment

**Bill No.** 2760

**Bill Sec.** 4

**Analyst:** Timmer

**Analysis Pg. No.** 481

**Budget Pg. No.** 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$37,058,801	\$28,716,697	\$ (92,500)
Aid to Local Units	10,624,385	7,222,455	190,000
Other Assistance	<u>11,008,770</u>	<u>9,958,770</u>	--
TOTAL	<u>\$58,691,956</u>	<u>\$45,897,922</u>	<u>\$ 97,500</u>
<b>State General Fund:</b>			
State Operations	\$17,947,710	\$13,438,997	\$ (92,500)
Aid to Local Units	4,448,893	1,149,432	190,000
Other Assistance	<u>1,050,000</u>	--	--
TOTAL	<u>\$23,446,603</u>	<u>\$14,588,429</u>	<u>\$ 97,500</u>
<b>FTE Positions</b>	<b>736.0</b>	<b>626.7</b>	<b>(1.0)</b>

Agency Request/Governor's Recommendation

Health and Environment requests a total budget of \$58,691,956 for 736.0 FTE positions. The request is a 43.7 percent increase over the FY 1986 budget and includes 129.8 new positions. The request includes \$23,446,603 (39.9 percent) from the State General Fund and \$35,245,353 from other funding sources. The agency requests \$19,750,155 for salaries and wages and \$17,308,646 for other operating expenditures.

The Governor recommends a total budget of \$45,897,922, a 12.2 percent increase over FY 1986. The recommendation includes \$16,701,162 for salaries and wages for 626.7 FTE positions and \$12,015,535 for other operating expenditures. The recommendation includes \$14,588,429 from the State General Fund, a reduction of \$341,152 from the FY 1986 recommendation. Other funding sources provide \$31,309,493 to the budget, an increase of \$5,337,527 over FY 1986, due mainly to increased federal environmental funding and additional Women, Infants, and Children nutrition program funding.

House Subcommittee Recommendations

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

1. The Subcommittee recommends that a proviso be added to the line item appropriation for "Aid to Local Units -- Child Care Licensure Inspection" which will allow KDHE to contract with private contractors to obtain licensure services when the local units of government are not willing to provide the licensure services. The Subcommittee understands that approximately \$6,000 will be shifted from Aid to Local Units to state operations to implement the contracts.
2. The Subcommittee concurs with the Governor's recommended appropriation format for the federal grants which limits the state operations expenditure and provides "no limit" appropriations for other expenditures such as grants to local units. The Subcommittee notes that federal funding levels are extremely difficult to predict and this format provides the Department with flexibility while limiting the state operations funding.
3. The Subcommittee learned that the Department will be moving some bureaus to the Santa Fe Building in FY 1987, and that Building 321 is to be vacated in March, 1987. However, the Subcommittee understands that remodeling of the cafeteria area in Building 740 (old hospital building) will have to be completed before Building 321 can be abandoned. The Subcommittee understands that supplemental funding of \$29,000 is included in the Department of Administration's budget for FY 1986 to plan the remodeling of Building 740 and that construction funds are included in the Department of Administration's FY 1987 budget. The Subcommittee recommends that the projects be funded.
4. During the 1985 Session, the Subcommittee approved several new federally funded positions for the Department with the proviso that they all be in the unclassified service so that if the federal funding was no longer available the positions would be deleted. The Subcommittee understands that a category of "limited term appointment" exists within the classified state service and that positions in this category can be directly related to a particular purpose such as continued existence of a federal grant. The Subcommittee notes that this category may appropriately be used for the federally funded positions at Health and Environment and recommends that the positions approved for FY 1986 and any additional federally funded positions approved for FY 1987 be placed in the category "limited term appointment." The Subcommittee concurs with the Governor's recommendation of 25 new federally funded positions for FY 1987.
5. The Subcommittee recommends that a proviso be added to the Preventive Health Block Grant which requires that the grant made to the Crime Victims Reparation Board for rape prevention programs be not less than \$35,952, the amount of the current grant. The Subcommittee believes that the rape prevention program is very important and that it should be held harmless from any funding reductions due to Gramm-Rudman-Hollings or any other federal funding cuts.



6. The Subcommittee recommends that one Public Health Nurse III position be reinstated to the Well Family Health Program to coordinate the Migrant Health Program. The Governor's recommendations deletes all positions in the Southwest Regional Migrant Health Office and requires migrant health services to be provided through contracts with local providers. The Subcommittee's recommendation allows for the coordination of the program by the public health nurse and for the provision of services through contractual arrangements.
7. The Subcommittee recommends the introduction of a bill which will allow the Secretary to collect license and application fees from retail food stores currently being inspected by the Department. The Subcommittee understands that the Department conducts inspections of food stores under the authority of the Kansas Food, Drug, and Cosmetic Act for environmental sanitation, product adulteration, and misbranding. The Department does not, however, have licensing authority. The Subcommittee recommends that an across-the-board license fee of \$40 be collected and notes that approximately \$160,000 in fee revenue could be generated. The Subcommittee also recommends that an application fee not to exceed \$100 be collected as a part of the licensing program. The Subcommittee notes that the inspections are already being done and the recommendations would allow the State to collect fees for that work.
8. The Subcommittee held a public hearing for the Preventive Health Block Grant and Maternal and Child Health Block Grant on February 19, 1986, in order to meet federal public hearing requirements.
9. The Subcommittee recommends the introduction of a bill to amend K.S.A. 65-3407(c) to allow the Secretary to establish fees to cover the costs of the solid waste storage, treatment, processing, or disposal area permit program. Fees would be established through rules and regulations and based on the quantity of materials to be processed. The Subcommittee recommends that all facilities, with the exception of state agencies, be subject to the provisions of the bill and that a cap of \$2,500 per year for a facility or area permit be included in the bill. The Subcommittee understands that the current fee for a permit is \$50 and that it applies only to private facilities. In addition, the Subcommittee understands that all facilities, private and publicly owned, are currently monitored and that the monitoring program costs an estimated \$64,000 a year.
10. The Subcommittee recommends that \$190,000 from the State General Fund be added to the "Aid to Local Units -- General Public Health Programs" to provide a total of \$1,044,506 for these programs in FY 1987.

11. The Subcommittee concurs with the Governor's recommendation of 2.5 additional FTE to be assigned to the Data Processing Department. The Subcommittee recommends the deletion of \$60,072 and two FTE, an Architect III and an Environmental Technician III, to offset the recommended positions.
12. The Subcommittee recommends that the Power Generating Facility Fee Fund be abolished effective at the close of FY 1987 and that any balance be transferred to the State General Fund in keeping with previous transfers of fee funds to the State General fund. The Subcommittee understands that the final transfer of \$18,050 necessary to repay the loan made from the State General Fund to the fee fund in FY 1979 and 1980 will be completed in FY 1987. The Subcommittee believes that the monitoring program currently being conducted by the Department is duplicative and unnecessary.

The Subcommittee therefore recommends these changes in the Power Generating Facility monitoring activities:

- a. Elimination of all monitoring activities currently conducted by the Secretary and introduction of legislation which would require the utilities to conduct monitoring activities as directed by the Secretary;
  - b. Separation of all nuclear and coal fired monitoring activities and introduction of legislation to accomplish that separation.
  - c. Implementation of a random desk audit program to be conducted by Health and Environment. The Department would be responsible for the oversight of all monitoring activities conducted by the utilities through audits of the paperwork which will be maintained by the utilities.
13. The Subcommittee recommends the introduction of a bill which will amend K.S.A. 65-204 to allow the cap for a county mill levy for the funding of local health departments to be raised to 2 mills from the current .5 mills. The Subcommittee also recommends that a protest petition of 10 percent be included in the bill. The Subcommittee heard testimony from representatives from local health departments describing funding difficulties under the 12-year-old limit and requesting these statutory changes.
  14. Addition of a proviso to the hazardous waste cleanup fund to allow the fund to be used for water cleanup activities.

15. The Subcommittee recommends the deletion of \$32,428 from the State General Fund for data processing costs. The Subcommittee notes that the House Subcommittee which reviewed the Department of Administration budget identified savings in the DISC budget which will impact other state agencies through the reduction of data processing charges.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations and makes the following observations:

1. Hearings on the proposed prenatal care program and funding for it were held during the Subcommittee's deliberations and further discussion occurred during the Committee's review of the Subcommittee report. The Committee notes that adequate prenatal care provides proven health benefits to both the mother and child, as well as savings in health care costs to the families, and in some cases, the state. The Committee expresses its support for the concept of the proposed prenatal care program while noting that no funding is available at this time due to the state's fiscal situation.

House Committee of the Whole Recommendations

The House Committee of the Whole concurs with the House Committee Recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (92,500)	\$28,624,197	\$ 205,341
Aid to Local Units	190,000	7,412,455	988,000
Other Assistance	--	9,958,770	--
TOTAL	<u>\$ 97,500</u>	<u>\$45,995,422</u>	<u>\$1,193,341</u>
State General Fund:			
State Operations	\$ (92,500)	\$13,346,497	\$ (33,582)
Aid to Local Units	190,000	1,339,432	988,000
Other Assistance	--	--	--
TOTAL	<u>\$ 97,500</u>	<u>\$14,685,929</u>	<u>\$ 954,418</u>
FTE Positions	(1.0)	625.7	1.0

Senate Subcommittee Recommendations

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

1. Addition of \$42,501 from the State General Fund to allow a KPERS rate of 4.3 percent.
2. Addition of \$488,000 from the State General Fund to the Aid to Local Units - General Public Health Programs. The Subcommittee's recommendation allows total funding of \$1,532,506 for the general health programs in the local health departments.
3. Addition of \$500,000 from the State General Fund to implement the Prenatal Collaboration Care Project. The Subcommittee's recommendation would not include any additional staff or operating expense funding. All funds are to be distributed to local units which will implement the program.
4. Transfer of \$200,000 from the State General Fund to the Hazardous Waste Clean-up Fund to allow a total transfer of \$500,000. The Subcommittee notes that the House included a proviso on the fund which will allow the Secretary to clean up polluted water with these funds. While the Subcommittee concurs with that recommendation it does request a report from the Department to the 1987 Legislature outlining the activities involving Hazardous Waste Cleanup Funds, especially as related to water cleanup.
5. The Subcommittee recommends that the Rape Prevention program administered by the Crime Victims Reparations Board be conducted through a contractual arrangement with the Department rather than the transfer currently in effect. The Subcommittee concurs with the House recommendation that the program should be funded at a level not less than \$35,592, but believes that a contractual arrangement will allow the Department better oversight of the program as is required by federal audit requirements.
6. The Subcommittee concurs with the House recommendation regarding the collection of license and application fees from food retail stores currently inspected by Health and Environment. The Subcommittee also recommends that the Department contract with local agencies to conduct the inspections whenever possible and that the local units be reimbursed at a rate of 80 percent of the collected fees with 20 percent to be deposited in the State General Fund.
7. The Subcommittee recommends that legislation be introduced which will allow local units which conduct food service and lodging inspections to be reimbursed at 80 percent of the fees. Local units are currently reimbursed at 60 percent.

8. The Subcommittee notes that House Ways and Means Committee has recommended the deletion of a transfer of \$25,000 from the Corporation Commission's Conservation Fee Fund to the Department for the completion of a study of the Sandstone Aquifer and concurs with that deletion. The House Committee noted that the Sandstone study was inappropriate use of Conservation Fee Fund moneys. The Senate Subcommittee concurs and does not add any funding for the study.
9. The Subcommittee recommends an increase in the expenditure limitation for the federal Venereal Disease Control Project Fund for state operations from \$49,386 to \$102,201, based on increased federal funding available to the Department. The Subcommittee also recommends two additional FTE positions, an Epidemiologist and a V.D. Control Field Representative, be in the limited term appointment classified service and funded from the increased funding.
10. The Subcommittee recommends the increase of the expenditure limitation on the Federal Air Quality Program Fund from \$738,597 to \$818,705 and three additional FTE positions also as limited term appointments. The three positions, an Environmental Engineer II, an Environmental Technician IV, and an Environmental Technician III will be involved in programs to help control toxic and hazardous chemicals in the air.
11. The Subcommittee recommends expenditure limitation increases on the EPA Permit Strategy Grant - federal from \$20,000 to \$60,000 and the EPA Pre-NPL Existing Sites Fund from \$84,000 to \$150,000 based on additional federal funding available to the Department.
12. The Subcommittee recommends deletion of six FTE positions and \$210,575 from the State General Fund. The Subcommittee recommends that all positions funded by the State General Fund which have been vacant for over three months be deleted.

The Subcommittee also recommends that three FTE positions which are funded from federal sources and which have been vacant for over three months be placed on limited term appointments.

13. The Subcommittee recommends the addition of \$134,492 from the State General Fund and two FTE positions to the Health Facilities program. The Subcommittee believes that the Secretary should implement a program of review of hospital records for the purpose of identifying substandard services from hospitals and physicians. Currently, the Secretary licenses all hospitals in Kansas but does not do quality reviews of any which are accredited by the Joint Commission on Hospital Accreditation. The Subcommittee's recommendation would provide staff to allow reviews of all hospitals, accredited and nonaccredited. It is the Subcommittee's intention that findings of substandard health services would be

reported by the Secretary to the Board of Healing Arts for further action. The Subcommittee's recommendation would allow salary and wage funding for two Registered Nurses with masters degrees as well as funding for contractual services as needed from consulting physicians and pharmacists. The recommended expenditures are as follows:

Salary (2 FTE)	\$ 86,372
Travel	18,120
Physician Contract	25,000
Pharmacist	<u>5,000</u>
TOTAL	\$134,492

14. The Subcommittee expressed concern about several areas of health service provision where the Department of Social and Rehabilitation Services, local health departments, and the Department of Health and Environment were apparently not coordinating efforts and working together. The Subcommittee directed the Secretaries of SRS and Health and Environment to discuss the disputed areas and reach agreement. The following, as submitted by the Secretary of SRS after consultation with the Secretary of Health and Environment, address the problem areas of Primary Care Networks, Prenatal Care, Immunizations, and the Crippled and Chronically Ill Children's Program.

"It is the intent of the Department of Health and Environment, local health departments and the Department of Social and Rehabilitation Services to assure good health care for the citizens of Kansas, assure maximum participation in preventive and remedial health care services and utilize tax dollars in the most economical manner.

To implement this, the Department of Social and Rehabilitation Services had done the following:

1. Family planning services, available to all recipients, do not require a referral from the primary care physician.
2. Payment for services to diagnose and treat sexually transmitted diseases will be broadened July 1, 1986 and will not require a referral from the primary care physician.
3. Care of pregnant women and newborns.
  - (a) Payment for the medical component of prenatal care was expanded from two to five local health departments January 1, 1986. These departments are in Johnson, Wyandotte, Leavenworth, Shawnee and Sedgwick counties. When a woman goes to the health department prior to eligibility for Medical Assistance, care is provided. When the woman is determined eligible for Medical Assistance and chooses a primary care physician, the care at the health department will continue, because by agreement the PCN doctor is not to interrupt ongoing care. Arrangements for delivery may be made by the recipient and local health department without interruption. Following completion of her pregnancy care she returns to the primary care physician.
  - (b) Beginning July 1, 1986, SRS will reimburse local health departments for the educational components of good prenatal care, such as nutrition, exercise and good health habits. The intent is to decrease the incidence of high risk pregnancies. This service will not require a primary care physician referral.
  - (c) Payment to local health departments for visits to the homes of newborns within 2 weeks of birth was implemented February, 1985. This service does not require a primary care referral.
4. Immunizations are not currently exempt from a primary care referral, but this will be done as soon as computer system changes can be made.
5. I believe that an interagency agreement regarding the Kansas Crippled and Chronically Ill Children's Program is important as it will lessen the confusion between the department. KCCICP staff have the basic information regarding each handicapped child to share with the primary physician when requesting a referral for

specialty care. There should be no interruption in ongoing continuity of care, by agreement of the primary physician, however, if there are questions or problems securing a referral, the physician in the Division of Medical Programs will help resolve them.

I feel with the expanded services described above involving the local health departments and private physicians and the interagency agreement with KCCICP our mutual goals will be met."

264.87



**SUBCOMMITTEE REPORT**

**Agency:** Department on Aging

**Bill No.** 2801

**Bill Sec.** 3

**Analyst:** Holt

**Analysis Pg. No.** 500

**Budget Pg. No.** 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,098,289	\$ 1,089,076	\$ (24,903)
Other Assistance	10,942,196	10,676,553	(165,664)
TOTAL	<u>\$12,040,485</u>	<u>\$11,765,629</u>	<u>\$ (190,567)</u>
<b>State General Fund:</b>			
State Operations	\$ 519,461	\$ 510,998	\$ (7,908)
Other Assistance	1,428,495	1,208,002	7,908
TOTAL	<u>\$ 1,947,956</u>	<u>\$ 1,719,000</u>	<u>\$ 0</u>
FTE Positions	28.3	28.3	--

House Subcommittee Recommendations

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

1. Shift \$7,908 from the State General Fund from agency operations to the OAA Nutrition program. This would be accomplished by making the following adjustments:
  - a. Reduce \$2,323 (\$2,059 from the State General Fund; \$264 from federal funds) for capital outlay expenditures. Expenditures for the key telephone system were less than the agency had anticipated.
  - b. Add \$768 (\$672 from the State General Fund; \$96 from federal funds) for a maintenance agreement for the agency's key telephone system.
  - c. Reduce \$1,775 from the State General Fund for office space rental expenditures.
  - d. Reduce \$6,346 from the State General Fund for salary savings.
  - e. Add \$1,600 from the State General Fund for professional services (Administration Program).

2. Shift \$2,555 in JTPA federal funds from operations to other assistance. This shift results from salary savings.
3. Add \$38,645 in federal USDA funds to reflect a restoration of \$36,802 in reimbursements and an increase in the number of OAA meals to be reimbursed under the Subcommittee's FY 1986 proposal for financing the OAA Nutrition program.
4. The Subcommittee notes that due to Gramm-Rudman-Hollings, federal Older Americans Act (OAA) funds will be reduced by \$229,212 in FY 1986. This reduction includes \$14,440 for agency administration. Due to current fiscal constraints, the Subcommittee recommends that this shortfall not be offset by additional State General Fund support and that the agency develop a contingency plan to address retrenchment.

#### House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation. The Committee recommends that legislation be introduced to increase by \$10,000 the expenditure limitation on the training programs -- federal fund from \$35,649 to \$45,649, effective upon publication in the Kansas Register. The proposed increase is presently included in 1986 H.B. 2801 (the supplemental appropriations bill), but the agency's federal expenditure authority for the additional \$10,000 in training funds is scheduled to terminate on March 31, 1986. The agency believes that H.B. 2801 will not be enacted by that time. The effect of the House Committee's recommendation to introduce legislation to expedite the increase in the expenditure limitation on training programs is to strike such language from 1986 H.B. 2801, Section 3(a).

#### Senate Subcommittee Recommendation

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

1. Addition of \$129,519 from the State General Fund to offset reduced federal fund expenditures due to Gramm-Rudman-Hollings. This amount, coupled with \$43,173 from the State General Fund in FY 1987, was included in a Governor's Budget Amendment to finance additional Older Americans Act home-delivered and congregate meals in FY 1986. (The agency's OAA Nutrition program is planned and financed on a federal fiscal year basis; therefore, expenditures from both fiscal years could be applied to the current year OAA Nutrition program.) The effect of the Subcommittee's recommendation, totaling \$172,692 in both fiscal years, is to fund 3,696,673 meals in FY 1986. This is an addition of 105,798 meals above the number recommended by the House and 114,636 above the number recommended by the Governor. (See chart on the nutrition programs included in the FY 1987 Senate Subcommittee Report.) The Senate Subcommittee notes that its highest priority is the service of home-delivered meals and requests that the agency direct its funding efforts accordingly.

3. Addition of \$43,029 in federal USDA funds to reflect an increase in the number of OAA meals to be reimbursed under the Subcommittee's FY 1986 proposals for financing the nutrition programs.

039.86

**SUBCOMMITTEE REPORT**

Agency: Department on Aging                      Bill No. 2760                      Bill Sec. 5  
 Analyst: Holt                                              Analysis Pg. No. 500                      Budget Pg. No. 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,322,469	\$ 1,115,764	\$ (61,496)
Other Assistance	<u>11,226,625</u>	<u>10,552,874</u>	<u>(170,394)</u>
TOTAL	<u>\$12,549,094</u>	<u>\$11,668,638</u>	<u>\$ (231,890)</u>
State General Fund:			
State Operations	\$ 808,887	\$ 628,734	\$ (47,380)
Other Assistance	<u>1,962,576</u>	<u>1,349,025</u>	<u>116,602</u>
TOTAL	<u>\$ 2,771,463</u>	<u>\$ 1,977,759</u>	<u>\$ 69,222</u>
FTE Positions	36.3	28.3	--

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations for FY 1987 with the following adjustments:

A. Programmatic Recommendations

1. Task Force Recommendations on Alzheimer's and Related Diseases.  
 The Subcommittee endorses the following proposed legislation and recommendations included in the Task Force's Final Report.
  - a. Enactment of 1986 H.B. 3063 which would allow married couples to divide their shared assets, so that the property of the healthy spouse is not subject to any computation for determining the ill spouse's eligibility for medical assistance. Current property law in Kansas considers all property of a married couple to be joint property and spouses are responsible for each other's care until all resources are depleted.
  - b. Enactment of 1986 H.B. 3064 which would amend existing Kansas insurance laws to require that all health care policies sold in Kansas include an option for insurance coverage of long-term care. At present, the high

cost of nursing home care coupled with the lack of Medicare and other coverage can rapidly deplete a family's resources.

- c. Enactment of 1985 HCR 5015 with an amendment to include all patients with Alzheimer's Disease and related disorders. This bill directs the Secretaries of Aging, Health and Environment, and Social and Rehabilitation Services to jointly develop a Long Term Care Commission. The Subcommittee recommends that the Department on Aging cooperate with the Silver Haired Legislature and area agencies on aging in appointing volunteers to staff the Commission. The issue of funding the Commission is addressed in Section B(2)f.
- d. The Subcommittee notes that 1985 H.B. 2491, the Older Kansans Senior Care Act, was not passed by the House Public Health and Welfare Committee. This bill would have required that affordable and accessible home and community-based care alternatives be made available to such adults. The Subcommittee takes no position on this Task Force recommendation.
- e. Enactment of 1986 H.B. 3051, which directs the Secretary of Aging to make grants and loans to entities to provide in-home and out-of-home respite care programs in areas which lack community-based long term care programs. Although the Subcommittee supports the intent of this legislation, funding will not be available in the agency's budget to finance such grants in FY 1987.
- f. Enactment of 1986 S.B. 690 which requires the Secretary of Aging to use the existing toll-free telephone system to impart information and provide referrals on Alzheimer's and related diseases. The issue of funding this recommendation is addressed in Section B(1)a.
- g. Enactment of 1986 S.B. 691 -- the Alzheimer's Disease Assistance Act -- which would provide for the establishment of at least three regional Alzheimer's disease assistance centers and community-based services in designated regional medical facilities, including the University of Kansas Medical Center, to assist patients afflicted with Alzheimer's Disease and related disorders and their families. Due to prevailing fiscal constraints no State General Fund support is recommended for this purpose in FY 1987.
- h. Enactment of 1986 H.B. 3062 which prohibits insurers providing medical disability income protection coverage from discriminating against victims of Alzheimer's and related diseases.

- i. Use by physicians of a diagnostic protocol, developed by the Task Force, to evaluate and diagnose demented patients. It is recommended that this protocol be disseminated through state and county-level medical societies.
  - j. Research and development of protocols to be used in postmortem examinations for confirming diagnoses of progressive degenerative organic dementias. According to the Task Force, such protocols would further research on the treatment and nature of Alzheimer's Disease and related disorders.
  - k. Assurance by governing, licensing, and certifying bodies of all professionals -- physicians, registered nurses, LPNs, attorneys, social workers, physical therapists, pharmacists, clergy, and others -- that basic and continuing education be offered on Alzheimer's Disease and related disorders.
  - l. Development by appropriate state agencies of a series of statewide forums to educate the public and families of Alzheimer's victims about all aspects of the disease and related disorders.
  - m. Designation of an existing medical school library to serve as a resource center for the collection and dissemination of all current scientific data on Alzheimer's Disease and related disorders.
2. The Subcommittee recommends that the Department on Aging and area agencies publicize through posters and other means the National Eye Care Project sponsored by the Foundation of the American Academy of Ophthalmology. This project, to commence on or after March 31, 1986, would enable needy elderly Kansas residents to receive eye care at no direct charge. Program funding would come entirely from the private sector through contributions from the Academy of Ophthalmology, ophthalmologists, individual donors and major corporations.
  3. The Subcommittee notes that OAA federal funds will be reduced by \$305,616 in FFY 1986 due to Gramm-Rudman-Hollings, and that additional, perhaps more drastic, reductions may be realized in FFY 1987. (The Department's preliminary figures estimate the next reduction to be as much as \$1.7 million.) In addition, federal funds from other sources may be affected. Given existing fiscal constraints, however, the state's ability to appreciably replace in FY 1987 possible federal reductions with State General Funds is unlikely. Therefore, the Subcommittee recommends that the agency develop a contingency plan to prorate moneys for FY 1987 for the OAA Nutrition program. In setting

priorities, the agency should consider whether a local tax levy or equivalent revenue source contributes to the support of the program. The Subcommittee recommends that those communities which benefit from the program but have made minimal or no commitment to applying levied resources to program support should be the first to realize reductions.

4. The Subcommittee recommends that all congregate nutrition sites post a sliding-scale contribution schedule which lists income ranges and apposite contribution amounts. Federal law permits this, and testimony presented to the Subcommittee indicated that certain sites already post such schedules in Kansas. The low and high income ranges should not be any lower in FY 1987 than corresponding ranges established for FY 1986.

B. Funding Recommendations

1. Increase of 3.5 percent or \$69,222 from the State General Fund above the recommended amount of \$1,977,759 for FY 1987. The Subcommittee proposes State General Fund expenditures as follows:
  - a. Add \$10,000 for printing and communications associated with increased use of the agency's toll-free line to disseminate information about Alzheimer's Disease and related disorders. This was recommended by the Task Force on Alzheimer's Disease and related disorders (see Section A(1)f).
  - b. Add \$23,419 to be reserved for salary increases.
  - c. Add \$35,803 for the agency's nutrition programs, to be divided equally between the OAA Nutrition program and the state-funded In-Home Nutrition program.
2. Shift \$80,799 from the State General Fund from state operations to the agency's nutrition programs, to be divided equally between the OAA Nutrition program and the state-funded In-Home Nutrition program. This would be accomplished by making the following adjustments:
  - a. Reduce \$2,870 for KANS-A-N expenditures.
  - b. Reduce \$9,512 for office space rent. This reduction assumes that the agency will remain at its present quarters in the Forbes Building until April 1, 1987, at which time it would relocate to the State Office Building.

- c. Add \$3,850 for costs associated with the agency's move (\$2,250) and the reinstallation of telephones (\$1,600).
  - d. Restore \$1,725 for KPERS to increase the rate to 4.3 percent.
  - e. Add \$1,008 for a maintenance agreement for 28 key telephones.
  - f. Delete \$75,000 for the recommended Long Term Care Commission, which included \$55,301 for salaries of three twelve-months positions and \$19,699 for associated operations. The Subcommittee supports the formation of such a Commission and its objectives but notes that prevailing fiscal constraints and the higher priority of nutrition programs prevent it from funding the Commission at the present time.
3. The effect of the proposed additional support and funding shift addressed above, totaling \$116,602, would be the addition of \$58,301 from the State General Fund for each nutrition program. The table on the following page reflects the Subcommittee's proposed adjustments:



Nutrition Programs

<u>OAA Nutrition Program</u>	<u>FY 85 Act.</u>	<u>FY 86 Appr.</u>	<u>FY 86 Req.</u>	<u>FY 86 DOB</u>	<u>FY 86 House Sub-Committee</u>	<u>FY 87 C</u>	<u>FY 87 GBR</u>	<u>FY 87 House Sub-Committee</u>
No. of Meals	3,582,037	3,530,221	3,700,165	3,582,037	3,590,875	3,700,165	3,582,037	3,590,875
Cost Per Meal	\$ 2.738	\$ 2.867	\$ 2.774	\$ 2.774	\$ 2.771	\$ 2.857	\$ 2.857	\$ 2.802
Total Funds Needed	9,808,669	10,121,144	10,264,804	9,936,570	9,949,383	10,571,365	10,233,880	10,061,632
<b>Financing</b>								
Fed. OAA Funds	3,952,173	4,505,625	4,323,583	4,323,583	4,244,400	4,123,745	4,398,307	4,126,614
Fed. USDA Funds	1,921,838	1,832,388	1,777,786	1,732,636	1,771,281	1,885,676	1,825,476	1,829,980
Local Cash Support	687,493	717,900	731,860	731,860	738,433	731,860	731,860	738,433
Participant Con.	2,616,142	2,544,281	2,752,640	2,664,677	2,671,351	2,752,640	2,664,677	2,671,252
State General Fund	631,023	520,950	678,935	483,814	523,918	1,077,444	613,560	695,353
<b>Low Income In-Home Nutrition Program</b>								
No. of Meals	194,674	201,370	210,000	201,370	201,370	226,800	201,370	226,829
Cost Per Meal	\$ 2.13	\$ 3.36	\$ 2.26	\$ 2.234	\$ 2.234	\$ 2.33	\$ 2.29	\$ 2.29
State General Fund	413,643	475,232	475,232	449,860	449,860	528,444	461,137	519,438
<b>Transportation Cost</b>								
State General Fund	<u>172,424</u>	<u>332,313</u>	<u>174,328</u>	<u>174,328</u>	<u>142,132</u>	<u>181,688</u>	<u>174,328</u>	<u>150,836</u>
<b>TOTAL - STATE GENERAL FUND</b>	<b>\$ 1,217,090</b>	<b>\$ 1,328,495</b>	<b>\$ 1,328,495</b>	<b>\$ 1,108,002</b>	<b>\$ 1,115,910</b>	<b>\$ 1,787,576</b>	<b>\$ 1,249,025</b>	<b>\$ 1,365,627</b>

4. As noted above, the House Subcommittee's recommendation would provide for the addition of 8,838 OAA meals above the recommended number in FY 1986 and FY 1987. Moreover, this recommendation would also provide for the addition of 25,459 in-home meals to low-income elderly above the recommended number in FY 1987. The Subcommittee recommends that the agency, as its first priority, require communities presently offering in-home meals service to increase their service level to adequately meet the needs of recipients. Once the agency determines that the nutritional needs of the low-income elderly in those communities are sufficiently met through this program, the agency is advised to expand its in-home meals services to other communities. Conference testimony indicated that certain communities may be able to absorb some of the increased costs of providing in-home meals. The agency may exercise flexibility in shifting State General Funds to the OAA program, should it determine that the needs for in-home nutrition are adequately met.
5. Shift \$5,150 in federal funds from other assistance to agency operations, to include the addition of \$399 for the restoration of KPERS to 4.3 percent, \$144 for the maintenance agreement for four telephones, and \$4,607 for a 3.5 percent increase for federally-funded salaries.
6. Reduce \$305,616 in federal OAA funds which includes \$19,266 for agency operations. This assumes that the same amount will be reduced in FFY 1987 as in FFY 1986.
7. Add \$4,504 in federal USDA funds to reflect an increase in the number of OAA meals to be reimbursed under the Subcommittee's FY 1987 proposals for financing the nutrition program.

#### House Committee Recommendations

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

1. Amend language in Section A(1) to state: "The Subcommittee would call to the full Committee's attention the following proposed legislation and recommendations included in the Task Force's Final Report," and delete all references in Section A(1) a-c and e-h to enactment of specific pieces of legislation.
2. Delete \$1,008 from the State General Fund for maintenance agreements on the agency's telephones. Restore \$144 in federal funds designated for that purpose to other assistance expenditures.
3. Delete \$23,419 from the State General Fund for the 3.5 percent increase on salaries. Restore \$4,607 in federal funds designated for that purpose to other assistance expenditures.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustment Gov. Rec.</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (85,923)	\$ 1,029,841	\$ 47,258
Other Assistance	(170,394)	10,382,480	158,557
TOTAL	<u>\$ (256,317)</u>	<u>\$11,412,321</u>	<u>\$ 205,815</u>
<b>State General Fund:</b>			
State Operations	\$ (71,807)	\$ 556,927	\$ 31,978
Other Assistance	116,602	1,465,627	206,999
TOTAL	<u>\$ 44,795</u>	<u>\$ 2,022,554</u>	<u>\$ 238,977</u>
FTE Positions	--	28.3	1.0

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the FY 1987 recommendations of the House with the following adjustments:

1. Add \$43,173 from the State General Fund to offset federal funding reductions due to Gramm-Rudman-Hollings. As noted in the Senate Subcommittee's FY 1986 report, this amount would partially finance 3,696,673 Older Americans Act (OAA) meals in FY 1986.
2. Add \$163,826 from the State General Fund to partially finance 3,696,673 OAA meals in FY 1987, the same number of meals as is recommended by the Subcommittee for FY 1986. As for FY 1986, the number of meals proposed by the Subcommittee for FY 1987 exceeds by 105,798 the number of meals recommended by the House and by \$114,636 the number of meals recommended by the Governor. The Subcommittee notes that its highest priority is the service of home-delivered meals and requests that the agency direct its funding efforts accordingly. The chart on the following page illustrates the effects of the Senate Subcommittee's recommendations with respect to the OAA Nutrition program:

Nutrition Programs

OAA Nutrition Program	FY 85 Act.	FY 86 Appr.	FY 86 Req.	FY 86 DOB	FY 86	FY 86	FY 87 C	FY 87 GBR	FY 87	FY 87
					House Sub-committee	Senate Sub-committee			House Sub-committee	Senate Sub-committee
No. of Meals	3,582,037	3,530,221	3,700,165	3,582,037	3,590,875	3,696,673	3,700,165	3,582,037	3,590,875	3,696,673
Cost Per Meal	\$ 2.738	\$ 2.867	\$ 2.774	\$ 2.774	\$ 2.771	\$ 2.771	\$ 2.857	\$ 2.857	\$ 2.802	\$ 2.802
Total Funds Needed	9,808,669	10,121,144	10,264,804	9,936,570	9,949,383	10,243,481	10,571,365	10,233,880	10,061,632	10,358,078
Financing										
Fed. OAA Funds	3,952,173	4,505,625	4,323,583	4,323,583	4,244,400	4,244,400	4,123,745	4,398,307	4,126,614	4,126,614
Fed. USDA Funds	1,921,838	1,832,388	1,777,786	1,732,636	1,771,281	1,814,310	1,885,676	1,825,476	1,829,980	1,883,897
Local Cash Support	687,493	717,900	731,860	731,860	738,433	738,433	731,860	731,860	738,433	738,433
Participant Con.	2,616,142	2,544,281	2,752,640	2,664,677	2,671,351	2,749,728	2,752,640	2,664,677	2,671,252	2,749,955
State General Fund	631,023	520,950	678,935	483,814	523,918	696,610	1,077,444	613,560	695,353	859,179
Low Income In-Home Nutrition Program										
No. of Meals	194,674	201,370	210,000	201,370	201,370	201,370	226,800	201,370	226,829	226,829
Cost Per Meal	\$ 2.13	\$ 3.36	\$ 2.26	\$ 2.234	\$ 2.234	\$ 2.234	\$ 2.33	\$ 2.29	\$ 2.29	\$ 2.29
State General Fund	413,643	475,232	475,232	449,860	449,860	449,860	528,444	461,137	519,438	519,438
Transportation Cost										
State General Fund	172,424	332,313	174,328	174,328	142,132	142,132	181,688	174,328	150,836	150,836
TOTAL - STATE GENERAL FUND	\$ 1,217,090	\$ 1,328,495	\$ 1,328,495	\$ 1,108,002	\$ 1,115,910	\$ 1,288,602	\$ 1,787,576	\$ 1,249,025	\$ 1,365,627	\$ 1,529,453

3. Add \$30,970 from the State General Fund to finance an additional position and associated operating expenditures to staff an office of Alzheimer information in the Department on Aging. The establishment of this office is mandated by 1986 S.B. 690 which has been recommended by the Senate. The fiscal note for this bill totals \$40,970 from the State General Fund. Of that amount, \$26,170 would fund the salary and fringe benefits of an additional staff position, and \$14,800 would fund operating expenditures. As the House already recommended \$10,000 from the State General Fund to defray costs associated with the dissemination of information about Alzheimers Disease and related disorders, the Senate Subcommittee therefore recommends the balance of \$30,970.
4. Restore \$1,008 from the State General Fund for maintenance agreements on the agency's telephones.
5. Increase by \$15,280 the state operations account of the Older Americans Act federal fund. Pursuant to the House Committee recommendation, the agency learned that this amount would be held harmless under Gramm-Rudman-Hollings and therefore would not be reduced, as originally anticipated.
6. Due to Gramm-Rudman-Hollings, \$102,359 of federal funds will be reduced for social services. The Subcommittee recommends that this reduction be reflected in the agency's budget even though this reduction will not affect H.B. 2760, the agency's appropriations bill.
7. ~~Add \$53,917 in federal USDA funds to reflect an increase in the number of OAA meals to be reimbursed under the Subcommittee's FY 1987 proposals for financing the nutrition program.~~
8. The Subcommittee notes that a decision on the agency's lease for office space in FY 1987 has not yet been made. However, if such a decision is made within the next few weeks, the Subcommittee recommends that it be addressed by the conference committee or during the Omnibus Session, as rental expenditures might require further adjustment.
9. If the agency is forced, due to federal budget cuts, to reduce the number of OAA meals be served in FY 1987 below the number approved by the 1986 Legislature, the agency is requested to notify in writing the chairpersons of both the House and Senate Committees on Ways and Means.

SUBCOMMITTEE REPORT

House Bill Nos. 2776 and 2801

Sections Pertaining to:

Department of Administration

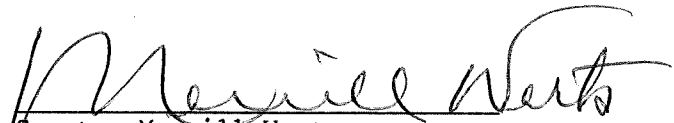
State Finance Council

State Park and Resources Authority

Kansas Fish and Game Commission

State Corporation Commission

State Historical Society

  
Senator Merrill Werts,  
Chairman

  
Senator Paul Feleciano

## SUBCOMMITTEE REPORT

Agency: Department of  
Administration

Bill No. 2801

Bill Sec. 2

Analyst: Hauke

Analysis Pg. No. 515

Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$20,186,910	\$19,461,802	\$ (223,019)
Aid to Local Units	450,000	450,000	--
Other Assistance	30,000	30,000	--
Subtotal - Operating	<u>\$20,666,910</u>	<u>\$19,941,802</u>	<u>\$ (223,019)</u>
Capital Improvements	2,106,858	2,106,858	(48,336)
TOTAL	<u>\$22,773,768</u>	<u>\$22,048,660</u>	<u>\$ (271,355)</u>
State General Fund:			
State Operations	\$19,327,694	\$18,658,810	\$ (223,019)
Other Assistance	--	--	--
Subtotal - Operating	<u>\$19,327,694</u>	<u>\$18,658,810</u>	<u>\$ (223,019)</u>
Capital Improvements	944,983	944,983	(130,353)
TOTAL	<u>\$20,272,677</u>	<u>\$19,603,793</u>	<u>\$ (353,372)</u>
FTE Positions	906.0	906.0	--

### House Subcommittee Recommendations

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

1. The Subcommittee recommends that of the \$213,005 appropriated from the Buildings and Ground Fund to redevelop the existing printing plant site, the amount of \$48,336 be lapsed. The Subcommittee's recommendations lapse that portion of the appropriation which would extend the parking lot beyond its existing area.
2. The Subcommittee reviewed expenditures associated with the new capitol complex steam plant. A detailed description of that review is contained in item 1 of the FY 1987 report. Consistent with those recommendations, several FY 1986 adjustments are possible. The Subcommittee recommends: (1) correction of a \$29,588 technical inaccuracy concerning amounts necessary to operate the plant in FY 1986, as described in item 1a of the FY 1987 report; (2) deletion of all amounts for the State Office Building to avoid duplication in obligations against the State Buildings Operating Fund, as detailed in item 1b of the FY 1987

report; and (3) reduction of the FY 1986 budget for natural gas to the amount requested for FY 1987, allowing a reduction to the FY 1986 budget of \$96,506. These adjustments reduce obligations on the State General Fund by \$211,394 as follows:

- a. Reduction by \$62,051 in the Statehouse steam budget, which the Subcommittee recommends be reappropriated to FY 1987.
  - b. Reduction by \$21,965 in the Memorial Building budget, which this Subcommittee recommends be incorporated into the budget of the Historical Society by the Subcommittee considering that budget.
  - c. Reduction by \$127,378 in the budget for operation of the State Office Building, which the Subcommittee recommends be added to the General Fund transfer from the Buildings Operating Fund, which the Governor is recommending.
3. The Subcommittee reviewed salary and wage expenditures in the reportable operating budget. The Subcommittee recommends reductions in certain areas of the department. The Subcommittee recommendations were produced by estimating the remainder of the year utilizing the payroll of the most recent month. The Subcommittee recommends the following reductions and that the General Fund savings be reappropriated to FY 1987. These reductions result in a total General Fund savings of \$93,968.

a. Buildings and Grounds	\$21,846
b. Architectural Services	37,192
c. General Administration	32,258
d. Division of Purchases	2,672

Utilizing the above method, a surplus of approximately \$28,000 appears in the Division of the Budget. However, a deficit of a similar amount appears in the Division of Accounts and Reports. The Subcommittee recommends that the surplus in one account be utilized to offset the deficit in the other, if necessary. This shift could be accomplished through Executive Order.

4. The Subcommittee reviewed salary and wage expenditures in the nonreportable budget. Due to salary savings in the State Office Building, the Subcommittee recommends that expenditures from the State Buildings Operating Fund be reduced by \$20,000. The Subcommittee recommends that this amount be added to the State General Fund transfer from the Buildings Operating Fund which the Governor is recommending.



5. The Subcommittee reviewed utility expenditures in state buildings. Due to seasonal variations and aberrations in the billing cycle, it was too early for the Subcommittee to establish trends upon which to base a recommendation. Therefore, the Subcommittee made no adjustments to the Governor's recommendations. However, the Subcommittee highlights this as a possible area for the Senate to review given additional months of data.
6. The Subcommittee reviewed expenditures from the Workers Compensation Self Insurance Fund. Due to monthly variations in claims, it was not possible to predict the degree to which this item would be within its budget. The Subcommittee also highlights this as an area the Senate may wish to review given additional months of data.
7. Due to the Subcommittee's FY 1987 recommendations for use of the Property Contingency Fund (item 3 of the FY 1987 report), the Subcommittee recommends that \$130,353 be appropriated from the Property Contingency Fund to prepare areas of the Santa Fe Building for occupancy by DISC. The Subcommittee recommends that \$130,353 be lapsed from a previous State General Fund appropriation for this purpose.
8. The Subcommittee reviewed FY 1986 expenditures for DISC Information Systems, and submits recommendations as follows:
  - a. The Subcommittee learned that the communications link between the State Office Building and the Santa Fe Building will be approximately \$67,000 less than budgeted. Due to this saving, the Subcommittee recommends that FY 1986 expenditures from the Central Management Information Systems and Computing Operations account of the General Fund be reduced by \$67,000 and the savings be reappropriated to FY 1987.
  - b. The Subcommittee reviewed expenditures from the nonreportable category of information systems. The Subcommittee believes those expenditures will be at least \$324,120 less than budgeted due to salary savings (\$140,000) and the new IBM equipment being secured at less than originally budgeted (\$184,120). The Subcommittee recommends that the FY 1986 DISC budget be reduced by those amounts. However, the Subcommittee recommends that DISC continue its charges to agencies at the rates in the Governor's revised FY 1986 recommendations. This will increase the Computer Services Fund carryforward to FY 1987. The Subcommittee's FY 1987 recommendations address use of the balance.

9. The Subcommittee reviewed expenditures to date for the Central Motor Pool. Based upon average monthly expenditures, it would appear possible to reduce the FY 1986 budget for fuels and supplies by as much as \$39,200 and the budget for vehicle repairs by as much as \$48,450. Nevertheless, the Subcommittee understands that fluctuations in expenditure patterns can distort such averages. Therefore, the Subcommittee recommends reduction of half the abovementioned savings or a total of \$43,800. The Subcommittee also highlights this as an area for further review, given additional months of expenditure experience.

House Committee Recommendations

The House Ways and Means Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adj. FY 86</u>
All Funds:			
State Operations	\$ (223,019)	\$19,238,783	\$ (79,842)
Aid to Local Units	--	450,000	--
Other Assistance	--	30,000	--
Subtotal - Operating	<u>\$ (223,019)</u>	<u>\$19,718,783</u>	<u>\$ (79,842)</u>
Capital Improvements	(48,336)	2,058,522	--
TOTAL	<u>\$ (271,355)</u>	<u>\$21,777,305</u>	<u>\$ (79,842)</u>
State General Fund:			
State Operations	\$ (223,019)	\$18,435,791	\$ (79,842)
Other Assistance	--	--	--
Subtotal - Operating	<u>\$ (223,019)</u>	<u>\$18,435,791</u>	<u>\$ (79,842)</u>
Capital Improvements	(130,353)	814,630	--
TOTAL	<u>\$ (353,372)</u>	<u>\$19,250,421</u>	<u>\$ (79,842)</u>
FTE Positions	--	906.0	--

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

1. The Subcommittee reviewed utility expenditures in state buildings during FY 1986. The Subcommittee believes that savings are possible totaling \$79,842 from the State General Fund. These savings are possible due to less than budgeted utility expenditures in the Statehouse (\$20,118) and the Judicial Center (\$59,724). The Subcommittee recommends that these savings reappropriate and be used to reduce new appropriations in FY 1987.

2. The Subcommittee reviewed Workers Compensation Claims in FY 1986. Claims have increased significantly since November and may exceed the FY 1986 budget by as much as \$600,000. It does not appear necessary to adjust collection rates at this time. Nevertheless, the potential for savings, which appeared prior to December, is seemingly not available at this time.

173.86

SUBCOMMITTEE REPORT

Agency: Department of  
Administration

Bill No. 2776

Bill Sec. 2

Analyst: Hauke

Analysis Pg. No. 515

Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$23,355,538	\$19,777,683	\$ (280,753)
Aid to Local Units	450,000	450,000	--
Other Assistance	30,000	30,000	--
Subtotal - Operating	<u>\$23,835,538</u>	<u>\$20,257,683</u>	<u>\$ (280,753)</u>
Capital Improvements	5,208,460	478,279	--
TOTAL	<u>\$29,043,998</u>	<u>\$20,735,962</u>	<u>\$ (280,753)</u>
<b>State General Fund:</b>			
State Operations	\$21,668,061	\$18,145,828	\$ (170,400)
Other Assistance	--	--	--
Subtotal - Operating	<u>\$21,668,061</u>	<u>\$18,145,828</u>	<u>\$ (170,400)</u>
Capital Improvements	5,108,460	0	0
TOTAL	<u>\$26,776,521</u>	<u>\$18,145,828</u>	<u>\$ (170,400)</u>
FTE Positions	1,024.0	940.0	2.0

House Subcommittee Recommendations

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

1. The Subcommittee reviewed the budget for operation of the new Capitol Complex Heating Plant. The Subcommittee learned the following:
  - a. Amounts contained in individual agency budgets for payments to the plant exceed the amounts budgeted for operation of the plant by \$29,588 in FY 1986 and \$70,002 in FY 1987. The Subcommittee recommends that this difference be prorated among the users and reduced from the FY 1986 and FY 1987 budgets of user agencies.
  - b. Both the State Office Building and the Heating Plant are reflected in the nonreportable budget as obligations to the State Buildings Operating Fund. When the basic cost of operating the heating plant and the portion charged to the State Office Building are included

as obligations against the same fund, duplication exists in the total obligation to the Buildings Operating Fund. The Subcommittee agrees with charging the State Office Building for its share of steam and the manner in which those costs are displayed in the budget. However, the Subcommittee recommends that to avoid duplicate accounting, the charges attributable to the State Office Building be reduced from the obligation to the Buildings Operating Fund.

- c. Reflecting the Subcommittee's recommendations, a total FY 1987 reduction of \$164,756 is possible, of which \$45,024 is from the State General Fund and \$119,732 is from the Buildings Operating Fund. This recommendation is as follows:
    1. Reduce the General Fund appropriation for Statehouse steam by \$30,964.
    2. Reduce the General Fund appropriation for Memorial Building steam by \$14,060 (which the Subcommittee recommends be made by the Subcommittee considering the Historical Society budget).
    3. Reduce the expenditure limitation on the Buildings Operating Fund by \$119,732.
  
  - d. The Subcommittee believes that the amounts deleted from the Buildings Operating Fund in FY 1987 reduce demands on the Fund's FY 1987 beginning balance, while preserving its ending balance. Therefore, the Subcommittee recommends that the \$119,732 in savings enumerated in the preceding paragraph be added to the FY 1986 General Fund Transfer from the Buildings Operating Fund, which the Governor is recommending.
2. The Subcommittee reviewed the Governor's recommendations to delete five positions from the Municipal Accounting Unit. The Subcommittee is of the opinion that this unit provides a valuable service to local units of government, particularly very small jurisdictions. The Subcommittee received testimony on this issue from local units of government; the Association of Certified Public Accountants; and the Division of Accounts and Reports. The Subcommittee recommends the following:
    - a. Restoration of two positions (two Central Accountants II) for a total expenditure of \$62,278, of which \$42,278 is from the State General fund and \$20,000 is from the Municipal Accounting Services Recovery Fund.

- b. The Subcommittee concurs with the agency's charges of \$5 for participants to attend training sessions. The Subcommittee recommends that the agency charge local jurisdictions a fee for the on-site training and assistance they perform. The Subcommittee recommends that the agency establish fees at a rate which will generate \$20,000 to partially finance the costs of this activity during FY 1987. The Subcommittee recommends that these fees be deposited in the Municipal Accounting Service Recovery Fund, as authorized by existing provisos.
3. The Subcommittee reviewed the Governor's recommendations for purchase of movable partitions in the Santa Fe Building. The Governor is recommending that partitions be purchased from the Property Contingency Fund. The Subcommittee recommends that whenever possible, special revenue funds be utilized to finance these partitions. This would reduce FY 1987 expenditures from the Property Contingency Fund by \$130,353. The Subcommittee recommends that \$130,353 in savings from the Property Contingency Fund be utilized in FY 1986 to reduce the General Fund expenditures associated with remodeling areas of the Santa Fe Building for use by DISC.
4. The Subcommittee reviewed the DISC Information Systems budget including several items which the agency appealed to the Subcommittee. The Subcommittee recommends the following items, which increase expenditures by \$229,535:
  - a. Additional disk storage devices for four months to serve as bridging equipment during the Santa Fe move, for an increase of \$29,250.
  - b. Lease of duplicate software for four months during the move to Santa Fe, for an increase of \$40,755.
  - c. Revisions to the rental budget to reflect lease of space for the Sperry Univac in the State Office Building and duplicate leasing of computer space during the move. These revisions increase the FY 1987 budget by \$90,117.
  - d. Due to inadvertent omission of the cost of Regents participation in the cold site contract, the Subcommittee increases the rentals budget by \$35,000.
  - e. The Subcommittee reviewed the agency request for an additional communications controller for the IBM system, at an FY 1987 cost of \$137,652. The Subcommittee learned that this unit would serve as backup to the existing controller, an element that becomes more critical when distributed network processing is implemented. The Subcommittee believes that the

implementation schedule for distributed processing is such that this unit is not critical during FY 1987. The Subcommittee recommends that \$34,413 be allowed for lease of an additional unit, which will be necessary during the Santa Fe move.

5. In its review of DISC budget, the Subcommittee is recommending two decreases which will reduce agency data processing budgets among major users by \$1,129,442, of which approximately \$619,000 is from the State General Fund. The adjustments are as follows:
  - a. The acquisition of a new IBM mainframe at less than budgeted cost allows reduction of the FY 1987 DISC budget by \$552,360.
  - b. The Governor's FY 1987 recommendations for the Computer Services Fund reflect a fund balance of \$1,800,675. The Subcommittee understands that some fund balance is desirable to facilitate cash flow. However, the abovementioned balance exceeds that necessary for cash flow. The Subcommittee recommends that the balance be reduced by \$614,731. When the Subcommittee's FY 1986 and FY 1987 expenditure reductions are considered, this leaves a balance of \$1,280,829 at the end of FY 1987.
  - c. To facilitate the Subcommittee recommendations, it will be necessary for several subcommittees to adjust agency budgets among major DISC users. Attachment I of this Subcommittee report reflects amounts to be deleted from individual agency budgets. The Subcommittee recommends reduction of the Department of Administration's reportable General Fund budget for purchase of DISC services by \$181,714, due to this systemwide recommendation.
6. The Subcommittee reviewed the Governor's Motor Pool recommendations, related to vehicle replacement. The Subcommittee concurs with the Governor's recommendations to replace a total of 250 vehicles. The Subcommittee recommends that not more than 250 vehicles be acquired. The Subcommittee learned that uncertainty exists concerning whether all of the vehicle replacement budget shall be expended, when cars are acquired at less than the budgeted price, or whether only the budgeted number of vehicles should be acquired. As the vehicle acquisition budget is based upon the need to replace specified vehicles, the Subcommittee believes that not more than the budgeted number of vehicles be acquired without a specific request.
7. This Subcommittee wishes to remind subcommittees considering agency budgets having significant KANS-A-N long distance budgets that savings are possible in this area during FY 1986 and FY

1987. These savings are due to implementation of new long distance tariffs at a later date than originally anticipated. The Subcommittee believes that FY 1986 long distance budgets can be computed by averaging monthly KANS-A-N expenditures and adding 15 percent for the months of May and June. Once FY 1986 has been computed in the above manner, FY 1987 KANS-A-N costs can be calculated by applying 11 percent inflation to the FY 1986 estimate. This method contains no allowance for increased utilization. Consequently, Subcommittees should review requests for increased utilization on an agency by agency basis.

8. The Subcommittee learned that the Secretary of Administration and the Division of the Budget are preparing a proposal for including capitol complex Central Mail activities in the nonreportable budget and charging user agencies for those services. That function is now financed by a State General Fund appropriation. The Subcommittee endorses this concept, as it would save the State General Fund approximately \$70,000. The Subcommittee recommends that the Legislature give favorable consideration to this proposal, when it arrives later in the Session.
9. The Subcommittee reviewed the Governor's recommendations concerning lapse of an existing General Fund appropriation of \$3,030,000 for Santa Fe Building renovation and replacement of it with a loan from the Pooled Money Investment Board totaling \$4,530,000. The Subcommittee concurs with the Governor's recommendations in this regard. The Subcommittee notes that the Governor's recommendations contain the full \$6.1 million for Santa Fe Building renovations, which had been discussed when the building was acquired. Actual appropriations to date have totaled only \$4.6 million.
10. The Subcommittee discussed the concept of a state travel agency. If S.B. 239 is passed, legislative intent in this matter would be clear. In the absence of such, this Subcommittee recommends that wherever possible, savings be achieved in travel expenditures. The Subcommittee believes that many savings could be achieved by agencies using the prudent buyer concept in securing travel services and by having one staff member who is familiar with travel discounts. Further, the Subcommittee recommends that the Department of Administration remain abreast of developments in the travel industry and keep agencies informed of methods to achieve travel efficiencies.



Summary

11. The Subcommittee has made several recommendations that directly impact the Department of Administration's expenditures. Those recommendations are summarized in the tables which precede the Subcommittee's report. In addition, the Subcommittee's recommendations impact various General Fund transfers, the nonreportable budget, and the budgets of several agencies. If all recommendations of the Subcommittee are implemented, the State General Fund would be benefited by \$1,297,684, of which \$566,515 would occur in FY 1986 and \$741,169 would be in FY 1987. The Subcommittee is attaching, as Attachment I, its recommendations to other Subcommittees for data processing reductions.

House Committee Recommendations

The House Ways and Means Committee concurs with the Subcommittee recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recomm.</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ (280,753)	\$19,496,930	\$ 5,547
Aid to Local Units	--	450,000	--
Other Assistance	--	30,000	--
Subtotal - Operating	\$ (280,753)	\$19,976,930	\$ 5,547
Capital Improvements	--	478,279	--
TOTAL	\$ (280,753)	\$20,455,209	\$ 5,547
State General Fund:			
State Operations	\$ (170,400)	\$17,975,428	\$ (50,497)
Other Assistance	--	--	--
Subtotal - Operating	\$ (170,400)	\$17,975,428	\$ (50,497)
Capital Improvements	--	--	--
TOTAL	\$ (170,400)	\$18,975,428	\$ (50,497)
FTE Positions	2.0	940.0	2.0

\* Includes impact of Governor's Budget Amendments 2 and 3.

Senate Subcommittee Recommendations

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

1. The Senate Subcommittee reviewed the five positions, which were deleted from the Governor's FY 1987 recommendations for the Municipal Accounting Unit. The Subcommittee concurs with the House restoration of two positions. The Subcommittee observes

the need for all of these positions, as they perform a valuable service to local units of government. The Subcommittee cites the \$119,983 General Fund cost of restoring these positions. Due to the uncertainty of the State General Fund's revenue status, the Subcommittee is not recommending restoration of any of these positions at this time. However, the Subcommittee highlights this as an area in which restorations are desirable, given sufficient revenue.

2. The Subcommittee received an appeal from the Department of Administration concerning a communications controller for DISC. The Subcommittee concurs with the Department that it would be more cost effective to install this unit on a permanent basis, rather than \$34,413 for a four month lease, as recommended by the House. Therefore, the Subcommittee increases the nonreportable DISC budget by \$103,239 to finance full year installation of this unit, at a total of \$137,652 in FY 1987.
3. The Subcommittee received an appeal from the Department of Administration concerning reclassification of 19 Computer Operator positions, which would involve expenditure of \$49,000. The Subcommittee learned that turnover among these positions has been very high. The Subcommittee recommends increase of the nonreportable DISC budget by \$49,000 to finance these reclassifications during FY 1987.
4. The Subcommittee reviewed Governor's Budget Amendment No. 2, concerning the Central Mail Activity. The Subcommittee concurs with the Governor's recommendations to begin allocating central mail staffing expenses to user agencies in the nonreportable budget. Those expenses are presently financed in the reportable budget from the State General Fund.

To adopt GBA No. 2, it will be necessary to increase special revenue fund limitations in several agency budgets; however, State General Fund savings of \$81,200 are possible due to this adjustment. To adopt GBA No. 2, the Subcommittee recommends the following:

- a. Decrease the Department's General Fund appropriation by \$81,200.
  - b. Authorization of a new special revenue fund entitled "Central Mail Services Fund" with a limitation of \$81,200.
  - c. That major agency special revenue funds be increased by amounts contained in GBA No. 2. These adjustments could be made in the Omnibus Bill.
5. The Subcommittee concurs with Governor's Budget Amendment No. 3 to add two positions from the Accounting Services Recovery Fund. These positions would have a total cost of \$44,950 and would be

involved in the state debt set-off program. This program is financed from a 15 percent assessment against collections.

6. The Subcommittee has taken no action on capital improvements, pending recommendations of the Joint Committee on State Building Construction. Once those recommendations are received, they could be considered by the Conference Committee on H.B. 2776 or as a part of the Omnibus Appropriations Bill.
7. The subcommittee learned of the need for technical adjustments to H.B. 2776, which are necessary to either enact the Governor's recommendations or the House recommendations as follows:
  - a. Add language lapsing balances in three capital improvements accounts of the State Buildings Depreciation Fund.
  - b. Add language authorizing expenditures from the Property Contingency Fund for DISC renovations, authorized in FY 1986, to be in addition to the FY 1987 expenditure limitation.
8. The Subcommittee recommends that the employers share of KPERS contributions be adjusted to reflect the certified rate of 4.3 percent, rather than the 4.0 percent contained in the Governor's recommendations. This adjustment increases the reportable operating budget by \$30,703 (all of which is State General Fund) and the nonreportable operating budget by \$21,472 (all of which is special revenue funds).

173.87

SUBCOMMITTEE REPORT

Agency: State Finance Council

Bill No. 2776

Bill Sec. 3

Analyst: Hauke

Analysis Pg. No. 553

Budget Pg. No. 1-123

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,500	\$ 1,500	\$ (150)

Agency Request/Governor's Recommendation

The agency submits and the Governor recommends \$1,500 during both FY 1986 and FY 1987 for compensation and travel of legislative members of the Finance Council. The agency's request also includes an FY 1986 transfer of \$472,750 from the State General Fund to the State Emergency Fund to restore the balance in the Emergency Fund to \$1.0 million. The Governor is not recommending this transfer.

House Subcommittee Recommendations

The House Subcommittee deletes \$150 from the Governor's recommendations. The Subcommittee notes that no funds in this appropriation are budgeted for items of Capital Outlay or out-of-state travel.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee restored the \$150, which was deleted by the House.

**SUBCOMMITTEE REPORT**

**Agency: Park and Resources  
Authority**

**Bill No. 2801**

**Bill Sec. NS**

**Analyst: West**

**Analysis Pg. No. 554**

**Budget Pg. No. 7-15**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 4,478,091	\$ 4,458,975	\$ --
Local Aid	900,000	900,000	--
Subtotal - Operating	<u>\$ 5,378,091</u>	<u>\$ 5,358,975</u>	<u>\$ --</u>
Capital Improvements	1,384,957	1,384,957	--
TOTAL	<u><u>\$ 6,763,048</u></u>	<u><u>\$ 6,743,932</u></u>	<u><u>\$ --</u></u>
<b>State General Fund:</b>			
State Operations	\$ 2,568,094	\$ 2,548,978	\$ --
Capital Improvements	295,815	295,815	--
TOTAL	<u><u>\$ 2,863,909</u></u>	<u><u>\$ 2,844,793</u></u>	<u><u>\$ --</u></u>
FTE Positions	116.0	116.0	--

House Subcommittee Recommendation

FY 1986. The House Subcommittee concurs with the budget as submitted by the Governor.

House Committee Recommendation

FY 1986. The House Committee concurs with the budget as submitted by the Subcommittee.

House Committee of the Whole Recommendation

FY 1986. The House Committee of the Whole concurs with the budget as submitted by the Committee.

(Note: Governor's Budget Amendment Number 3 was received subsequent to the House of Representatives' review of the Authority's budget.)

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 4,458,975	\$ 32,200
Local Aid	--	900,000	--
Subtotal - Operating	\$ --	\$ 5,358,975	\$ 32,200
Capital Improvements	--	1,384,957	--
TOTAL	\$ --	\$ 6,743,932	\$ 32,200
State General Fund:			
State Operations	\$ --	\$ 2,548,978	\$ 32,200
Capital Improvements	--	295,815	--
TOTAL	\$ --	\$ 2,844,793	\$ 32,200
FTE Positions	--	116.0	--

FY 1986. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. Add \$32,200 from the State General Fund for Park Operations as per Governor's Budget Amendment Number 3, Item 12. The recommended amount will provide \$25,000 for utilities, \$2,200 for phones in two new areas of El Dorado State Park, and \$5,000 to replace three backup wastewater pumping station motors at El Dorado State Park and road gravel for various parts of the state park system.

503.86

**SUBCOMMITTEE REPORT**

**Agency: Park and Resources Authority**

**Bill No. 2776**

**Bill Sec. 4**

**Analyst: West**

**Analysis Pg. No. 554**

**Budget Pg. No. 7-15**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 5,388,171	\$ 4,317,135	\$ --
Local Aid	500,000	500,000	--
Subtotal - Oper.	<u>\$ 5,888,171</u>	<u>\$ 4,817,135</u>	\$ --
Capital Improvements	3,514,400	--	--
TOTAL	<u>\$ 9,402,571</u>	<u>\$ 4,817,135</u>	<u>\$ --</u>
<b>State General Fund:</b>			
State Operations	\$ 3,403,184	\$ 1,946,428	\$ --
Capital Improvements	1,405,950	--	--
TOTAL	<u>\$ 4,809,134</u>	<u>\$ 1,946,428</u>	<u>\$ --</u>
F.T.E. Positions	126.5	116.0	--

Agency Request/Governor's Recommendations

The agency requests total FY 1987 budget authority of \$9,402,571 including \$5,388,171 for state operations. The FY 1987 request includes \$3,403,184 from the State General Fund for state operations and \$1,405,950 from the State General Fund for capitol improvements. The agency requests 10.5 additional F.T.E. positions including 6.0 F.T.E. for staffing Hillsdale State Park.

The Governor recommends an FY 1987 budget of \$4,817,135 including \$4,317,135 for state operations. The FY 1987 recommendation includes \$1,946,428 from the State General Fund for state operations. The Governor does not recommend the requested new positions or capital improvement projects.

House Subcommittee Recommendations

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

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

1. Amend H.B. 2776 to create a general gift and donation fund for the Authority.

2. Shift \$28,000 from gasoline to capital outlay. The Subcommittee notes that the Authority has requested \$205,412 for replacement equipment for the state park system, while the Governor has recommended only \$22,106.
3. The Subcommittee notes with concern the low balance in the Authority's fee fund at the end of FY 1987 and urges that the Park and Resources Authority review the existing fee structure as soon as possible in light of the increasing cost of operating and maintaining the park system.
4. The Subcommittee recommends that a bill be introduced to amend K.S.A. 74-4509c to increase the permit late payment penalty from \$2 to \$5. This subject was addressed in a bill that was passed last year but vetoed by the Governor. The Governor's veto message indicated that a person who is convicted of refusing to pay the required park permit fee may be fined up to \$100. While this is true, the veto message failed to recognize that any resulting fine does not accrue to the Authority's fee fund as the park permit late penalty would. The Subcommittee is of the opinion that raising the late payment penalty will encourage more rigorous collection of park permit fees to the benefit of the Authority.
5. In reviewing the Authority's capital improvements request, the Subcommittee notes that several new projects were given higher priority than projects to repair existing facilities. The Subcommittee urges the Authority not to consider adding new projects to the state park system until the current infrastructure's needs are met.
6. The Subcommittee recommends a technical adjustment to the bill in order to properly reflect the source of reappropriated funds from FY 1986 to FY 1987. This would add reappropriation language for the Park Administration account for \$3,250 and reduce the Park Operations reappropriation from \$19,116 to \$15,866.
7. The Subcommittee commends the Authority for its efforts in eradicating the musk thistle (and other noxious weeds) and encourages the Authority to maintain the effort and cooperate to the fullest extent possible with federal, state, local, and private groups to continue musk thistle eradication on adjacent lands.
8. The Subcommittee recommends that if legislation is passed increasing the amount of State General Fund revenues available the Authority's FY 1987 budget be reviewed prior to the end of the session for reconsideration of several requested expenditure items which could not be financed within the current resources.



House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ --	\$ 4,317,135	\$ 6,962
Local Aid	--	500,000	--
Subtotal - Oper.	\$ --	\$ 4,817,135	\$ --
Capital Improvements	--	--	--
TOTAL	\$ --	\$ 4,817,135	\$ 6,962
<b>State General Fund:</b>			
State Operations	\$ --	\$ 1,946,428	\$ 156,962
Capital Improvements	--	--	--
TOTAL	\$ --	\$ 1,946,428	\$ 156,962
F.T.E. Positions	--	116.0	--

FY 1987. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. Add \$6,962 (\$1,094 Administration and \$5,868 Park Operations) from the State General Fund to reflect a 4.3 percentage rate for KPERS.
2. The Subcommittee reviewed a request by the Authority for \$30,000 for a continuation of a special study on the economic impact of parks. The Subcommittee does not recommend funding for the study from the State General Fund, but does not object to the study if the Authority can find another funding source.

3. The Subcommittee reviewed a request from the Authority for \$49,960 for operations at El Dorado State Park, however, the Authority did not provide sufficient documentation on the need or uses of the additional funds. The Subcommittee is not comfortable with making a recommendation on the Authority's request without such documentation.
  
4. The Subcommittee notes with concern the low FY 1987 ending balance originally recommended for the Park and Resources Authority General Fees Fund and recommends an additional State General Fund appropriation of \$150,000 for Park Operations with a corresponding decrease in fee fund expenditures. This will restore the estimated FY 1987 fee fund ending balance to \$200,000.

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

<u>Resource Estimate</u>	<u>Actual FY 85</u>	<u>Estimated FY 86</u>	<u>Estimated FY 87</u>
Beginning Balance	\$ 335,370	\$ 424,166	\$ 441,447
Net Receipts	<u>1,864,307</u>	<u>1,950,000</u>	<u>1,975,000</u>
Total Funds Available	\$ 2,199,677	\$ 2,394,166	\$ 2,416,447
Less: Expenditures*	<u>1,775,511</u>	<u>1,932,719</u>	<u>2,216,447</u>
Ending Balance	<u>\$ 424,166</u>	<u>\$ 441,447</u>	<u>\$ 200,000</u>

\* Includes nonreportable expenditures.

503.87

**SUBCOMMITTEE REPORT**

**Agency:** Fish and Game Commission

**Bill No.** —

**Bill Sec.** --

**Analyst:** West

**Analysis Pg. No.** 563

**Budget Pg. No.** 7-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
Fish and Game Fee Fund	\$10,856,847	\$10,652,079	\$ --
Boat Fund	390,657	390,657	--
Non-Game Wildlife Fund	151,300	151,300	--
Wildlife Area Fund	420,000	420,000	--
Other Funds	82,036	82,036	120,000
Subtotal - Operations	<u>\$11,900,840</u>	<u>\$11,696,072</u>	<u>\$ 120,000</u>
<b>Capital Improvements:</b>			
Fish and Game Fund	\$ 1,312,252	\$ 1,312,252	\$ --
TOTAL Expenditures	<u>\$13,213,092</u>	<u>\$13,008,324</u>	<u>\$ 120,000</u>
 FTE Positions	 275.0	 275.0	 --

Agency Request/Governor's Recommendations

The agency's FY 1986 budget estimate totals \$13,213,092 including \$11,900,840 for state operations. The state operations budget estimate is \$120,216 lower than the \$12,021,056 approved by the 1985 Legislature. The reduction in the agency's state operations estimate apparently is primarily due to the inadvertent omission of the funds for a special study of the Cheyenne Bottoms Wildlife Area. The agency's capital improvements estimate of \$1,312,252 includes \$195,253 for nine projects which were carried forward from FY 1985.

The Governor recommends an FY 1986 budget of \$13,008,324 including \$11,696,072 for state operations, a decrease of \$204,768 from the agency's revised FY 1986 state operations estimate. The recommended decrease includes a reduction of \$171,567 from motor vehicle parts and supplies. The Governor concurs with the agency's FY 1986 capital improvements estimate.

House Subcommittee Recommendations

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

1. Add \$120,000 from the Cheyenne Bottoms Project Fund as per Governor's Budget Amendment 1-5 for the study of the Cheyenne Bottoms Wildlife Area in FY 1986 as approved by the 1985 Legislature.

House Committee Recommendation

The Committee concurs with the budget as recommended by the Subcommittee.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
Fish and Game Fee Fund	\$ --	\$10,652,079	\$ --
Boat Fund	--	390,657	--
Non-Game Wildlife Fund	--	151,300	--
Wildlife Area Fund	--	420,000	--
Other Funds	120,000	202,036	--
Subtotal - Operations	<u>\$ 120,000</u>	<u>\$11,816,072</u>	<u>\$ --</u>
Capital Improvements:			
Fish and Game Fund	\$ --	\$ 1,312,252	\$ --
TOTAL Expenditures	<u>\$13,213,092</u>	<u>\$13,128,324</u>	<u>\$ --</u>
FTE Positions	--	275.0	--

FY 1986. The Senate Subcommittee concurs with the budget as submitted by the House.

240.86

SUBCOMMITTEE REPORT

Agency: Fish and Game Commission Bill No. 2776

Bill Sec. 5

Analyst: West

Analysis Pg. No. 563

Budget Pg. No. 7-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 58,261	\$ --	\$ --
Fish and Game Fee Fund	11,558,572	10,879,773	84,667
Boat Fund	427,581	425,000	--
Non-Game Wildlife Fund	139,205	137,995	--
Wildlife Area Fund	420,000	410,000	--
Other Funds	73,480	133,480	--
Subtotal - Operations	<u>\$12,677,099</u>	<u>\$11,986,248</u>	<u>\$ 84,667</u>
<b>Capital Improvements:</b>			
Fish and Game Fund	<u>\$ 1,186,741</u>	<u>\$ 1,186,741</u>	<u>\$ (267,400)</u>
Total Expenditures	<u>\$13,863,840</u>	<u>\$13,172,989</u>	<u>\$ (182,733)</u>
 FTE Positions	 277.0	 275.0	 1.0

Agency Request/Governor's Recommendations

For FY 1987, the agency requests a total budget of \$13,863,840 including \$12,677,099 for state operations. The agency's request includes \$58,261 from the State General Fund for two new positions to support the enacted portions of the State Water Plan. The state operations request provides \$7,698,631 for salaries and wages for 277.0 FTE positions, \$2,668,714 for contractual services, \$1,477,654 for commodities, and \$832,100 for capital outlay. The agency's FY 1987 capital improvements request totals \$1,186,741.

The Governor recommends an FY 1987 budget of \$13,172,989, including \$11,986,248 for state operations. The Governor's recommendation does not provide for the requested new positions or use of State General Fund revenues. The Governor recommends an additional \$60,000 from the Fish and Game Fee Fund for the Cheyenne Bottoms study. The FY 1987 state operations recommendation provides \$7,295,835 for salaries and wages for 275.0 FTE positions, \$2,680,848 for contractual services, \$1,325,765 for commodities, and \$683,800 for capital outlay. The Governor's recommendation for capital improvements in FY 1987 coincides with the total amount requested by the agency, however, the recommendation includes funds for the repair of the dam at Lake Meade and for the construction of fish cleaning stations which were not requested in the agency's formal budget submission.

House Subcommittee Recommendations

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

1. Add \$10,500 to provide funding for an updated Hunter Safety Manual.
2. Add \$34,000 to replace the agency's eight year old copier.
3. Add \$38,500 for replacement vehicles.
4. Delete \$12,989 associated with fees paid to DISC.
5. Add \$14,565 and 1.0 FTE position for salaries (\$13,228) and other operating expenditures (\$1,337) to provide for a Biologist position starting in January, 1987, to assist in implementing Fish and Game's responsibilities under the enacted portions of the State Water Plan.
6. Add \$13,480 from the Fish and Game Conservation Fund to make a technical amendment to the bill. This amount was included in the Governor's recommendation, but was inadvertently omitted from the appropriations bill.
7. Add reappropriation language to allow the expenditure of the unencumbered balance of the FY 1986 Community Lake Development, State Fishing Lake Facility Development, and Statewide Stream Access Development accounts.
8. The Subcommittee concurs with the Governor's recommendation of \$60,000 to complete the study of the Cheyenne Bottoms Wildlife Area, but does not believe the entire amount should be borne by the Fish and Game Commission Fee Fund. The Subcommittee recommends that \$25,000 be transferred from the State General Fund and \$5,000 from the Nongame Wildlife Improvement Fund to the Cheyenne Bottoms Project Fund and that the transfer from the Fish and Game Fee Fund be reduced from \$60,000 to \$30,000. The Subcommittee also notes with disappointment that, to date, no donations to the Cheyenne Bottoms Project Gift Fund have been received.
9. Delete \$213,000 associated with repair of the dam and spillway at Lake Meade State Park.
10. Delete \$54,400 associated with construction of fish cleaning stations.
11. The Subcommittee urges that the Fish and Game Commission work closely with the Park and Resources Authority in evaluating potential joint projects for the benefit of the citizens of the state.

House Committee Recommendation

The Committee concurs with the budget as submitted by the Subcommittee, with the following exception:

1. The Committee commends the Commission for its efforts in eradicating the musk thistle (and other noxious weeds) and encourages the Commission to maintain the effort and cooperate to the fullest extent possible with federal, state, local, and private groups to continue musk thistle eradication on adjacent lands.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
Fish and Game Fee Fund	\$ 84,667	\$10,964,440	\$ 3,885
Boat Fund	--	425,000	--
Non-Game Wildlife Fund	--	137,995	--
Wildlife Area Fund	--	410,000	--
Other Funds	--	133,480	--
Subtotal - Operations	<u>\$ 84,667</u>	<u>\$12,070,915</u>	<u>\$ 3,885</u>
<b>Capital Improvements:</b>			
Fish and Game Fund	\$ (267,400)	\$ 919,341	\$ 254,400
Gifts and Donations	--	--	425,000
Total Expenditures	<u>\$ (182,733)</u>	<u>\$12,990,256</u>	<u>\$ 683,285</u>
 FTE Positions	 1.0	 276.0	 (1.0)

FY 1987. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustments:

1. Add \$18,450 from the Fish and Game Fee Fund to reflect a 4.3 percentage rate for KPERS.
2. Delete \$14,565 and 1.0 FTE position associated with a Biologist position to assist in implementing the State Water Plan. The Subcommittee is of the opinion that the Commission has sufficient staff to implement their responsibilities under the enacted portions of the State Water Plan.

3. Add language to permit the reappropriation of the unencumbered balance on five FY 1986 capital improvement accounts: Rocky Ford - engineering and planning; Miami State Fishing Lake spillway improvement; repair road below spillway of Clark State Fishing Lake; Pratt hatchery renovation - engineering and planning; and Farlington fish hatchery renovation - engineering and planning. The Subcommittee understands that these projects are to be completed in FY 1987.
4. Lapse the unencumbered balance of the FY 1986 Restoration of Lake Scott State Lake capital improvements account. The Subcommittee understands that the enactment of H.B. 2896 renders this account unnecessary.
5. Lapse the unencumbered balance of the Repair Spillway at Clark State Fish Lake account. The Subcommittee understands that the project has been completed and that final payment on the project is pending the completion of a lawsuit between the prime contractor and a subcontractor.
6. Add \$625,000 for construction of the Milford Conservation Education Center as approved by the Joint Committee on State Building Construction. Of the amount recommended \$200,000 shall be from the Fish and Game Fee Fund and \$425,000 shall be from the gifts and donations, with the proviso that no expenditures for this project shall be made from the Fish and Game Fee Fund until the Director of Accounts and Reports certifies that the Commission has received at least \$425,000 in donations for the project.
7. Add \$54,400 for the construction of fish cleaning stations. It is the intent of the Subcommittee that the Commission is to have full control over the selection of the appropriate designs and sites for these fish cleaning stations.



**SUBCOMMITTEE REPORT**

Agency: Kansas Corporation Commission      Bill No. —      Bill Sec. --  
 Analyst: Timmer      Analysis Pg. No. 573      Budget Pg. No. 1-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$11,324,692	\$10,659,142	\$ (330,179)
Other Assistance	250,000	950,989	333,110
TOTAL	<u>\$11,574,692</u>	<u>\$11,610,131</u>	<u>\$ 2,931</u>
State General Fund:			
State Operations	\$ 42,159	\$ 42,159	\$ --
FTE Positions	255.0	255.0	--

House Subcommittee Recommendation

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

1. Based on expenditures and encumbrances to January 31, 1986 the Subcommittee recommends the following reductions:

	<u>Salaries and Wages</u>	<u>Contractual Services</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ (53,328)	\$ (22,478)	\$ (867)	\$ (76,673)
Utilities	(48,788)	(56,344)	(2,496)	(107,628)
Conservation	(14,203)	(20,440)	(7,939)	(42,582)
Transportation	(23,842)	(22,984)	(2,554)	(49,380)
Mined Lands	(16,513)	(4,874)	(1,858)	(23,245)
Research/Energy Analysis	(13,269)	(16,556)	(846)	(30,671)
				<u>\$ (330,179)</u>

The Subcommittee's recommendations include adjustments in KANS-A-N based on expenditures to date and projected rate changes. The Subcommittee recommends that all adjustments be included in H.B. 2801.

2. The Subcommittee notes the Commission's request for supplemental moving funds for the Conservation Division. The Subcommittee understands that the Division will be moving from its present location in the Derby Building to the Wichita State Office Building late in FY 1986. The abovementioned reductions for contractual services were adjusted to allow \$12,460 for moving expenses, as requested by the Commission.
  
3. The Subcommittee recommends an expenditure limitation increase of \$333,110 for the Energy Conservation Bank Fund for FY 1986 due to the availability of the additional federal funds. The recommendation allows the fund's expenditure limitation to be increased from \$257,695 to \$590,805.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (330,179)	\$10,328,963	\$ 74,263
Other Assistance	333,110	1,284,099	--
Total	<u>\$ 2,931</u>	<u>\$11,613,062</u>	<u>\$ 74,263</u>
<b>State General Fund:</b>			
State Operations	\$ --	\$ 42,159	\$ --
FTE Positions	--	255.0	--

Senate Subcommittee Recommendations

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

1. Restore \$6,600 for the purchase of Westlaw contractual services.
  
2. Restore \$26,261 for salaries and wages for the Administrative/Legal Division.
  
3. Restore \$20,534 for salaries and wages for the Conservation Division.
  
4. Restore \$18,628 for salaries and wages for Transportation Division.

5. The abovementioned increases are not at the Commission's appealed levels due to the fact the Subcommittee learned that the Commission would not be spending most of the funding identified for retirements during the 1985 Session and that these funds were still being held in reserve. The Subcommittee notes that these funds are available for other salary and wage expenditures as well as payment of accumulated sick and annual leave for retiring employees.
6. Restore \$2,240 for dues for membership in the Interstate Oil Compact Commission.

143.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Corporation Commission      Bill No. 2776      Bill Sec. 6**  
**Analyst: Timmer      Analysis Pg. No. 573      Budget Pg. No. 1-89**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$12,095,994	\$10,490,290	\$ (145,389)
Other Assistance	700,422	949,301	--
TOTAL	<u>\$12,796,416</u>	<u>\$11,439,591</u>	<u>\$ (145,389)</u>
<b>State General Fund:</b>			
State Operations	\$ 44,377	\$ 44,377	\$ (44,377)
FTE Positions	268.0	257.0	--

House Subcommittee Recommendations

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

1. Addition of \$43,816 to allow step movement for unclassified positions other than the executive secretary, division directors, attorneys, and commissioners and their assistants. The Subcommittee understands that the salaries of the other unclassified positions are based on the state's pay plan salary ranges, but that the positions are excluded from step movement by the Governor's recommendation.
2. The Subcommittee recommends that a full-time Secretary I and a half-time Clerk III position in the Research and Energy Analysis Division be moved to the classified service as requested by the Commission. The Subcommittee notes that the Commission is endeavoring to move all clerical staff to the classified service and that these positions will require statutory changes. The positions were transferred to the KCC from the Energy Office.
3. The Subcommittee recommends introduction of a bill to reduce the assessments collected on oil and gas and deposited in the Conservation Fee Fund. The Subcommittee notes that the fee fund has balances of approximately \$2 million and feels that a balance this large is excessive. The Subcommittee's recommendation would require that the Conservation Fee Fund balance be maintained at a level of approximately \$1 million, which should be sufficient to cover out-of-limits well plugging expenditures. The Subcommittee notes that the oil and gas

industry is experiencing difficulties and that a reduction in assessment would be of some help to a troubled industry.

4. The Subcommittee reviewed the Exxon Oil Overcharge settlement and notes that Kansas can expect to receive approximately \$23.9 million as the state's share of that settlement. While the Subcommittee learned that the programs for which the oil overcharge funds can be used are restricted, there are two areas which may be appropriate projects and which the Subcommittee believes merit attention.
  1. The Santa Fe Building -- While the Subcommittee understands that routine energy conservation measures would not be allowed under the overcharge fund restrictions, other conservation measures such as demonstration energy projects would be allowed. The Subcommittee recommends that any program which would allow energy measures to be taken on the Santa Fe Building and also meet federal requirements be explored.
  2. Topeka Trolley -- The Subcommittee recommends that the Topeka Trolley project be reviewed and oil overcharge funds be available for this and other such projects when appropriate. The Subcommittee was informed that the trolley itself could be an appropriate use of the funds, but purchase of land for the proposed parking lots would not be.

The Subcommittee believes that legislative oversight of these funds is imperative and understands that because the funds will be deposited in the existing Energy Grants Management Fund which has an FY 1987 expenditure limitation of \$291,729, no oil overcharge funds will be expended in FY 1987 without Finance Council action. The Subcommittee is also of the opinion that only the interest earned from the state's share of the settlement should be used.

5. The Subcommittee deletes \$25,000 from the transfer to the Health and Environment Oil Field and Environmental Geology program from the Conservation Fee Fund. The Subcommittee learned that the \$25,000 was to be used for the completion of a study of the Sandstone Aquifer, a use the Subcommittee considers inappropriate for Conservation Fee Fund moneys. The recommendation allows a total transfer of \$103,500 to the Oil Field and Environmental Geology program.
6. The Subcommittee recommends reductions in expenditures in the following listed areas. The Subcommittee's recommendations are based on:
  1. Inclusion of step movement for classified personnel.

2. KANS-A-N increase of 11 percent over revised FY 1986 expenditures.
3. Reductions of \$12,652 in projected data processing costs based on information included in the Department of Administration Subcommittee report.
4. An overall 3 percent increase in other areas of contractual services and commodities based on revised FY 1986 projected expenditures.
5. A total of \$200,000 for professional contractual services for the Utilities Division.

	<u>Salaries and Wages</u>	<u>Contractual Services</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ (25,480)	\$ (10,017)	\$ (962)	\$ (36,459)
Utilities	(11,916)	(47,413)	(2,052)	(61,381)
Conservation	(6,742)	(34,277)	(10,916)	(51,935)
Transportation	(6,458)	(17,470)	0	(23,928)
Mined Lands	(7,831)	(500)	(2,425)	(10,756)
Research/Energy Analysis	0	(13,530)	(563)	(14,093)
TOTAL				<u>\$(198,552)</u>

7. The Subcommittee recommends that the required state match of \$44,377 for the federal Energy Conservation Management funds be made from the Public Service Regulatory Fund rather than the State General Fund.
8. The Subcommittee recommends the addition of \$9,347 for the second year of payments for computer-aided transcription equipment which the Commission proposes to purchase in FY 1986. The Subcommittee understands that the equipment is expected to provide faster transcription service and that personnel savings can be expected. The Subcommittee will review the court reporter staffing levels during the 1987 Session after the Commission has had some experience with the equipment.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (145,389)	\$10,344,901	\$ 39,440
Other Assistance	--	949,301	2,192,195
TOTAL	<u>\$ (145,389)</u>	<u>\$11,294,202</u>	<u>\$ 2,231,635</u>
State General Fund:			
State Operations	\$ (44,377)	\$ --	\$ --
FTE Positions	--	257.0	--

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

1. Addition of \$21,526 to allow an employer's contribution rate of 4.3 percent to KPERS.
2. Addition of \$25,000 from the Conservation Fee Fund to be transferred to the Division of Oil Field and Environmental Geology in the Department of Health and Environment to allow completion of a study of the Sandstone Aquifer.
3. Addition of \$17,914 to allow step movement for the unclassified attorney positions at the Commission. The Subcommittee concurs with the House recommendation which allows step for other unclassified positions. The Subcommittee's recommendation does not allow step movement for the executive secretary, division directors, or the commissioners and their assistants.
4. The Subcommittee recommends an expenditure limitation increase for the Energy Extension Service by \$31,780 and the State Energy Conservation program by \$117,396 due to carryforward balances and revised estimates of federal dollars available for these programs.
5. The Subcommittee recommends expenditure limitation increases totaling \$543,019 for oil overcharge funds, not including any Exxon Oil Overcharge Funds. The funds requested for expenditure include \$676,549 from the OKC oil overcharge settlement, \$24,894 due to a 1983 settlement being completed below bid estimates; \$119,029 from carryforward balances, and \$14,276 due to greater than expected amounts from previous settlements. The Subcommittee learned that the Commission anticipates total expenditures of \$834,748 from oil overcharge sources of which the Governor's recommended budget includes expenditure authority for \$291,729.

6. The Subcommittee reviewed the Exxon Oil Overcharge settlement and Governor's Budget Amendment No. 3 which recommends additional expenditure authority in FY 1987 of \$2 million of the funds for the Institutional Conservation Program. The Subcommittee also reviewed House recommendation No. 4 and concurs with the House statement that only the interest from the settlement should be used in FY 1987 or certainly until a carefully developed program is approved. The Subcommittee therefore recommends that for FY 1987 \$1.5 million, or not more than the interest earned on the funds, should be used for the Institutional Conservation program. The Subcommittee also notes that the Commission is developing a plan for the funds within current restrictions and as well as pursuing all possible avenues of expenditure for the funds.
  
7. The Subcommittee concurs with House recommendation No. 3 which would lower assessments collected by the Commission from the oil and gas industry and deposited in the Conservation Fee Fund and which would require the Commission to collect assessments at a rate which would achieve a balance in the fund of approximately \$1 million dollars. The Subcommittee heard testimony from the Commission which indicated that a \$1.1 million balance could be achieved if oil assessments were decreased from \$.0125 to \$.009 per barrel and if natural gas assessments were decreased from \$.0033 to \$.00165 per MCF. The Subcommittee recommends that the assessments be adjusted to those levels and that they be in effect for FY 1987 only, after which time they should be reevaluated. The Subcommittee learned that a bill is being drafted and will be introduced in the House to accomplish these changes. Also, H.B. 3069 was amended on the House floor to implement similar adjustments, however, the floor amendment was not technically correct. H.B. 3069 was amended in the Senate Committee on Assessment and Taxation to delete all sections implementing the fee reductions.
  
8. The Subcommittee recommends that H.B. 3117, the bill which currently contains the Corporation Commission's appropriations be amended into H.B. 2776, the bill which originally contained the Commission's budget.



**SUBCOMMITTEE REPORT**

**Agency: State Historical Society**

**Bill No. 2801**

**Bill Sec. 14**

**Analyst: Howard**

**Analysis Pg. No. 584**

**Budget Pg. No. 7-25**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 5,446,097	\$ 5,184,436	\$ (21,965)
Other Assistance	99,748	99,748	--
Subtotal	<u>\$ 5,545,845</u>	<u>\$ 5,284,184</u>	<u>\$ (21,965)</u>
Capital Improvements	580,114	492,436	85,000
TOTAL	<u>\$ 6,125,959</u>	<u>\$ 5,776,620</u>	<u>\$ 63,035</u>
<b>State General Fund:</b>			
State Operations	\$ 5,093,530	\$ 4,838,405	\$ (21,965)
Other Assistance	25,000	25,000	--
Subtotal	<u>\$ 5,118,530</u>	<u>\$ 4,863,405</u>	<u>\$ (21,965)</u>
Capital Improvements	580,114	492,436	85,000
TOTAL	<u>\$ 5,698,644</u>	<u>\$ 5,355,841</u>	<u>\$ 63,035</u>
<b>FTE Positions</b>	<b>145.1</b>	<b>145.1</b>	<b>--</b>

Agency Request/Governor's Recommendation

FY 1986. The Historical Society requests FY 1986 expenditures for state operations of \$5,446,097. The State General Fund estimate includes \$169,448 in reappropriations for exhibit construction and \$20,119 in reappropriations in the collections program. The agency requests \$26,100 in supplemental State General Funds in the current year to finance a maintenance agreement on the museum electronic security system. The agency estimate also includes \$8,178 in reappropriation of federal funds in Historical Survey Grants.

The Governor recommends \$5,184,436 in FY 1986 for state operations, a reduction of \$261,661 from the agency estimate. The Governor's recommendation reduces the funds for exhibit construction by \$219,448, from \$869,448 to \$650,000. The Governor recommends \$9,500 for maintenance on the museum's electronic security system, a reduction of \$18,100 from the agency request. The Governor does not recommend any supplemental funding. In addition, the Governor recommends that \$85,000 of the \$90,000 appropriation for the purchase of the Salina Indian Burial grounds be lapsed. The remaining reductions are spread throughout the expenditure items.

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Reappropriate \$21,965 in utilities expenditures to FY 1987 for the Memorial Building in the administration program to reflect revised estimates of expenditure for the new capitol complex steam plant.
2. Restore \$85,000 appropriated by the 1985 Legislature for acquisition and operating expenditures for the Salina Indian burial grounds. The Subcommittee recommends that those funds be transferred from capital improvements to the historic properties program and reappropriated to FY 1987 to be used for operating expenditures for the properties which the Governor had recommended for closing or transfer to local authorities (see 1987 report, item 3).
3. The Committee does not recommend supplemental funding of \$26,100 for a maintenance agreement on the museum electronic security system. The Governor recommended \$9,000 to pay for repairs to the system as they arise. The Subcommittee concurs with that recommendation (see 1987 report, item 7).

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (21,965)	\$ 5,162,471	\$ --
Other Assistance	--	99,748	--
Subtotal	<u>\$ (21,965)</u>	<u>\$ 5,262,219</u>	<u>\$ --</u>
Capital Improvements	85,000	577,436	2,700
TOTAL	<u><u>\$ 63,035</u></u>	<u><u>\$ 5,839,655</u></u>	<u><u>\$ 2,700</u></u>
State General Fund:			
State Operations	\$ (21,965)	\$ 4,816,440	\$ --
Other Assistance	--	25,000	--
Subtotal	<u>\$ (21,965)</u>	<u>\$ 4,841,440</u>	<u>\$ --</u>
Capital Improvements	85,000	577,436	2,700
TOTAL	<u><u>\$ 63,035</u></u>	<u><u>\$ 5,418,876</u></u>	<u><u>\$ 2,700</u></u>
FTE Positions	--	145.1	--

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

1. Restore \$2,700 additional funds remaining in the account for acquisition and operating expenditures for the Salina Indian burial grounds which the Governor had recommended be lapsed. The Subcommittee recommends these funds along with the \$85,000 restored in the House be reappropriated to the historic properties program in FY 1987 to fund the five properties for which the Governor had eliminated state funding. At the same time the Subcommittee encourages the Historical Society to enter into discussion with local governmental entities and private organizations in order to determine if some of the sites might be transferred at a future date to local control. (See 1987 report, item 6.)

288.86

**SUBCOMMITTEE REPORT**

**Agency: State Historical Society**

**Bill No. 2776**

**Bill Sec. 7**

**Analyst: Howard**

**Analysis Pg. No. 584**

**Budget Pg. No. 7-25**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,018,872	\$ 4,945,434	\$ 89,760
Other Assistance	25,000	64,868	20,000
Subtotal	<u>\$ 6,043,872</u>	<u>\$ 5,010,302</u>	<u>\$ 109,760</u>
Capital Improvements	545,750	--	--
TOTAL	<u><u>\$ 6,589,622</u></u>	<u><u>\$ 5,010,302</u></u>	<u><u>\$ 109,760</u></u>
<b>State General Funds:</b>			
State Operations	\$ 5,641,519	\$ 4,587,161	\$ 89,760
Other Assistance	25,000	--	20,000
Subtotal	<u>\$ 5,665,519</u>	<u>\$ 4,587,161</u>	<u>\$ 109,760</u>
Capital Improvements	545,750	--	--
TOTAL	<u><u>\$ 6,212,269</u></u>	<u><u>\$ 4,587,161</u></u>	<u><u>\$ 109,760</u></u>
<b>FTE Positions</b>	<b>162.1</b>	<b>139.6</b>	<b>4.5</b>

Agency Request/Governor's Recommendation

FY 1987. For FY 1987 the Historical Society requests \$6,018,872 in state operations, an increase of \$572,775 from the current year estimated expenditures. The request would fund 162.1 FTE positions, an increase of 17.0 FTE positions above FY 1986.

The Governor recommends \$4,945,434 in state operations in FY 1987, a reduction of \$1,073,438 from the agency request. The Governor's recommendation would fund 139.6 FTE positions, a reduction of 22.5 FTE positions from the agency request and 5.5 FTE positions below the current year. The Governor recommends that five historic sites be closed or transferred to local entities. This reduces the agency request by \$105,272 and 4.0 FTE positions. In addition, the Governor recommends the elimination of 2.0 FTE positions and \$27,752 in the museum program. The Governor does not recommend any of the new positions requested by the agency at a total cost of \$334,265. The Governor's recommendation reduces funding for exhibit construction by \$162,000 from the agency request. The Governor also recommends that state support be terminated for the All Sports Hall of Fame and the Kansas Heritage Center.

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Delete \$14,060 in the administration program to reflect revised estimates of steam costs for the Memorial Building.
2. Add \$20,000 in the administration program for pass-through funding for the Kansas Heritage Center in Dodge City.
3. Reappropriate \$85,000 from FY 1986 to FY 1987 for the historic properties program. The Subcommittee recommends that the five historic sites recommended for closing or transfer by the Governor be retained and operated by the state. The funds appropriated during the current fiscal year for acquisition and operating expenditures for the Salina Indian burial pit have been recommended for lapsing by the Governor. The Subcommittee recommends these funds be transferred to the historic properties program and reappropriated for FY 1987 and utilized to fund these sites. The Subcommittee would maintain the current staffing level at the five sites of 3.5 FTE positions. The estimated costs for salaries and other operating expenditures at the five sites total \$95,760. The Subcommittee recommends that the agency fund the remaining \$10,760 through savings or reductions in expenses.
4. Add \$5,000 for the purchase of miscellaneous items appealed by the agency. Of this amount, \$2,000 would be for the purchase of signs within the city of Topeka which would direct the public to the Kansas Museum of History. The remaining \$3,000 would be available for the agency to use for the items it prioritizes to be of greatest importance to the agency.
5. Restore 1.0 FTE Laborer II position and \$13,820 in the museum program for exhibit construction. The Governor's budget eliminated 2.0 FTE Laborer II positions in the museum program. The positions were originally authorized on a temporary basis to be used for moving exhibits and donations from the Memorial Building to the new Kansas Museum of History. The two positions are currently assisting the three carpenters in constructing exhibits. The agency has estimated that the loss of the 2.0 FTE Laborer II positions would cause a delay of approximately ten months in completing the remaining phases of exhibit construction. The Subcommittee recommends that one of the two laborer positions be restored.
6. The Subcommittee would call the Legislature's attention to the fact that federal funds used to support half of the operating expenses of the Historic Preservation Department (\$89,995 in salaries and wages, and \$25,971 for other operating expenses) are in jeopardy. The President's budget for FFY 1987 includes a rescission of the remaining 79 percent of historic preservation funds in FFY 1986 which have not yet been released. The President's budget for FFY 1987 contains no historic preservation funds. If the remaining 79 percent of funds for FFY 1986 are rescinded the Department would run out of funds in December. The Senate Subcommittee considering the budget may wish to evaluate whether any additional funds should be appropriated to support the basic operations of

the Department until such time as the 1987 Legislature could determine whether a supplemental appropriation should be made.

7. The Subcommittee does not recommend funds for a maintenance agreement on the museum electronic security system which the agency had requested for FY 1987 at a cost of \$27,000. We concur with the Governor's recommendation of \$9,000 which would provide for repairs to the system as the need arises. In considering the agency's request for a maintenance agreement the Subcommittee has learned of similar security and computer systems within other state agencies. An example would be the security system at Capitol Area Security Patrol which is covered by a maintenance agreement budgeted at \$37,238 for FY 1987. Other examples would include computer systems operated by the Department of Administration and the Highway Patrol. This Subcommittee recommends that the issue of preventive maintenance contracts be studied to determine if the state could hire an individual to provide this service to several agencies at a considerable savings. The Subcommittee urges the Historical Society and Capital Area Security Patrol to confer with the Division of Personnel to determine whether such a job classification exists or could be established.
8. The Subcommittee would note to the Committee that the Governor's recommendation would terminate state support for the All Sports Hall of Fame and would transfer the program to the All Sports Hall of Fame Board of Trustees. The Subcommittee would call the Committee's attention to H.B. 2582 which is currently in this Committee. The bill would provide one mechanism, a surcharge on athletic tickets, to fund the Hall of Fame.
9. The Subcommittee would like to express its concern over the current procedures for acquiring and maintaining historic properties. We recommend that a task force with representatives of the Governor's staff, the Legislature, and the Historical Society meet to establish a policy on the acquisition, maintenance, and preservation of historic sites and report to the 1987 Legislature their recommendations. The Subcommittee believes that if properties are to be maintained and new properties acquired, some funding mechanism must be developed to allow restoration and preservation at the sites. We suggest that such a task force explore how other states are funding historic properties as well as exploring the potential for funding from local groups and local fund raising at some of the sites.

#### House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee with the following exception:

1. The Committee would characterize the Laborer II position restored by the Subcommittee for exhibit construction as a limited term appointment for only one additional fiscal year.

House Committee of the Whole Recommendation

Add \$2,000 to the administration program for a pass-through grant to the First Black Historical Society; Wichita, Kansas.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 89,760	\$ 5,035,194	\$ 53,970
Other Assistance	22,000	86,868	--
Subtotal	<u>\$ 111,760</u>	<u>\$ 5,122,062</u>	<u>\$ 53,970</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$ 111,760</u></u>	<u><u>\$ 5,122,062</u></u>	<u><u>\$ 53,970</u></u>
<b>State General Funds:</b>			
State Operations	\$ 89,760	\$ 4,676,921	\$ 53,970
Other Assistance	22,000	22,000	--
Subtotal	<u>\$ 111,760</u>	<u>\$ 4,698,921</u>	<u>\$ 53,970</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$ 111,760</u></u>	<u><u>\$ 4,698,921</u></u>	<u><u>\$ 53,970</u></u>
FTE Positions	4.5	144.1	2.0

Senate Subcommittee Recommendation

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

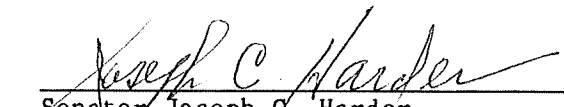
1. Add \$7,873 to salaries and wages to restore KPERS to a 4.3 percentage rate.
2. Add \$13,820 and 1.0 FTE Laborer II position in the museum program for exhibit construction. This recommendation restores the second laborer position eliminated by the Governor. The Subcommittee recommends that the position be considered for elimination next year during review of the FY 1988 budget.
3. Add \$24,454 and 1.0 FTE Archivist I in the collections program for salaries and wages and office equipment for an archivist position. The Subcommittee notes that this position was recommended by the Senate during the 1985 Session but was deleted during Omnibus consideration. The position would be used to inventory state government records and prepare retention and disposition schedules for submission to the State Records Board.

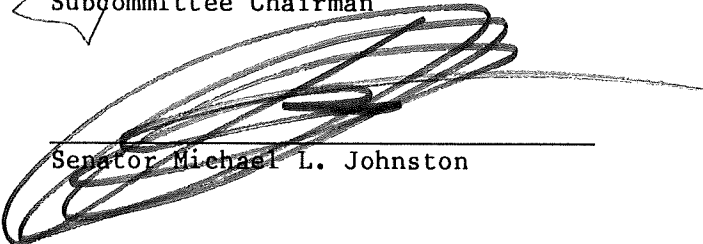
4. Add \$5,123 in capital outlay in the collections program for the purchase of a Zenith Z200 computer, printer, and cable in order to complete the Society's inventory computerization of its archeology department.
5. Reappropriate \$2,700 from FY 1986 to FY 1987 for the historic properties program. This amount would equal the remaining funds in the account for the Salina Indian burial pit which would be utilized for funding of the five properties which the Governor had recommended be eliminated from state control. This recommendation, along with the \$85,000 reappropriation recommended by the House, would provide \$87,700 to fund the five properties.
6. The Subcommittee concurs with the concept behind the recommendations of the House that the current procedure for acquiring, maintaining, and restoring the historic sites be evaluated to determine an effective policy for maintaining and restoring the current sites and acquiring new sites. However, this Subcommittee believes that the existing state historic sites board of review (K.S.A. 75-2719a-2720) could be used for this purpose rather than establishing a new task force. The state historic sites board of review consists of representatives of the Governor and the Historical Society, professionals in the areas of architecture, history, prehistoric archeology, historic archeology, and architectural history and members of the public. Included in the duties of the state historic sites board of review is advising the Legislature upon request concerning matters related to historic properties and historic preservation (K.S.A. 75-2720(g)). This Subcommittee recommends that the historic properties program be a topic of study during the 1986 interim. We recommend that such a study explore the desirability of retaining existing sites, the procedure and desirability of obtaining new sites, the process for maintaining, preserving, and restoring the sites and the mechanism for funding both the acquisition and the restoration and preservation of properties. Such a study would include a thorough analysis of existing sites and a study of mechanisms used in other states to fund historic properties.
7. The Subcommittee makes no recommendation concerning funding for the First Black Historical Society, Wichita, Kansas. We recommend that detailed information be obtained regarding the Society including how the state funds would be used as well as the mission and scope of the Society. With such additional information the desirability of granting state funds to the First Black Historical Society could be determined.



Senate Subcommittee  
Reports on H.B. 2799

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

  
\_\_\_\_\_  
Senator Joseph C. Harder  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Michael L. Johnston

**SUBCOMMITTEE REPORT**

**Agency: Adjutant General**

**Bill No. 2801**

**Bill Sec. NA**

**Analyst: Rothe**

**Analysis Pg. No. 607**

**Budget Pg. No. 4-1**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,430,302	\$ 6,033,829	\$ (253,862)
Aid to Local Units	5,161,271	5,161,271	--
Other Assistance	4,519	4,519	--
Subtotal-Operating	<u>\$11,596,092</u>	<u>\$11,199,619</u>	<u>\$ (253,862)</u>
Capital Improvements	310,278	249,335	--
TOTAL	<u>\$11,906,370</u>	<u>\$11,448,954</u>	<u>\$ (253,862)</u>
<b>State General Funds:</b>			
State Operations	\$ 2,757,427	\$ 2,567,201	\$ (17,927)
Aid to Local Units	349,114	349,114	--
Other Assistance	4,519	4,519	--
Subtotal-Operating	<u>\$ 3,111,060</u>	<u>\$ 2,920,834</u>	<u>\$ (17,927)</u>
Capital Improvements	310,278	249,335	--
TOTAL	<u>\$ 3,421,338</u>	<u>\$ 3,170,169</u>	<u>\$ (17,927)</u>
 FTE Positions	 116.5	 116.5	

Agency Request/Governor's Recommendation

The agency estimates \$11,596,092 in FY 1986 operating expenditures, a decrease of \$36,852 from the amount approved by the 1985 Legislature. Estimated expenditures include \$3,111,060 from the State General Fund, including \$349,114 for State Aid to Local Units and \$4,519 for other assistance. Salaries and wages decreased \$6,528, the net of \$39,723 increase in overtime pay and a \$46,251 decrease in other salary costs. Other changes include a decrease of \$30,324 in contractual services.

The Governor's recommendation of \$11,199,619 for FY 1986 is a reduction of \$396,473 from the agency's estimate. The recommendation includes reductions of \$157,136 from salaries and wages, \$193,465 from utilities, and \$80,908 from travel and subsistence, and an increase of \$35,036 in other costs.

House Subcommittee Recommendations

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

1. Add \$20,000 from the State General Fund for KANS-A-N costs in the Operational Management program. The recommendation reflects actual FY 1985 costs as well as the staggered implementation of a KCC order.
2. Add \$27,600 (\$6,900 from the State General Fund and \$20,700 from the Military Fees Fund -- federal) for repair costs in the Forbes program.
3. Add \$6,908 (\$1,036 from the State General Fund and \$5,872 from the Military Fees Fund) for repair costs in the McConnell program.
4. Delete \$10,000 from the Military Fees Fund in maintenance supplies savings in the Air National Guard--Security program.
5. Reappropriate \$15,155 from the State General Fund and delete \$45,463 from the Military Fees Fund in utilities savings in the Forbes program.
6. Reappropriate \$7,784 from the State General Fund and delete \$23,352 from the Military Fees Fund in maintenance supplies savings in the Forbes program.
7. Reappropriate \$3,431 from the State General Fund and delete \$19,444 from the Military Fees Fund in rent savings in the McConnell program.
8. Reappropriate \$11,744 from the State General Fund and delete \$66,547 from the Military Fees Fund in utilities savings in the McConnell program.
9. Reappropriate \$7,749 from the State General Fund and delete \$43,911 from the Military Fees Fund in fuel savings in the McConnell program.
10. Delete \$53,790 from the Military Fees Fund in maintenance supplies savings in the Smoky Hill Range program.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments FY 86</u>	<u>House Total Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (253,862)	\$ 5,779,967	\$ --
Aid to Local Units	--	5,161,271	--
Other Assistance	--	4,519	--
Subtotal - Operating	<u>\$ (253,862)</u>	<u>\$10,945,757</u>	<u>\$ --</u>
Capital Improvements	--	249,335	--
TOTAL	<u>\$ (253,862)</u>	<u>\$11,195,092</u>	<u>\$ --</u>
<b>State General Fund:</b>			
State Operations	\$ (17,927)	\$ 2,549,274	\$ --
Aid to Local Units	--	349,114	--
Other Assistance	--	4,519	--
Subtotal - Operating	<u>\$ (17,927)</u>	<u>\$ 2,902,907</u>	<u>\$ --</u>
Capital Improvements	--	249,335	--
TOTAL	<u>\$ (17,927)</u>	<u>\$ 3,152,242</u>	<u>\$ --</u>
FTE Positions	--	116.5	--

The Senate Subcommittee concurs with the recommendations of the House for FY 1986.

034.86

**SUBCOMMITTEE REPORT**

**Agency: Adjutant General**

**Bill No. 2799**

**Bill Sec. 2**

**Analyst: Rothe**

**Analysis Pg. No. 607**

**Budget Pg. No. 4-1**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,937,407	\$ 6,115,690	\$ 37,283
Aid to Local Units	3,250,000	1,990,000	--
Other Assistance	4,519	4,519	--
Subtotal-Operating	<u>\$10,191,926</u>	<u>\$ 8,110,209</u>	<u>\$ 37,283</u>
Capital Improvements	319,090	--	--
<b>TOTAL</b>	<u><u>\$10,511,016</u></u>	<u><u>\$ 8,110,209</u></u>	<u><u>\$ 37,283</u></u>
<b>State General Funds:</b>			
State Operations	\$ 3,216,340	\$ 2,712,096	\$ 27,141
Aid to Local Units	--	--	--
Other Assistance	4,519	4,519	--
Subtotal-Operating	<u>\$ 3,220,859</u>	<u>\$ 2,716,615</u>	<u>\$ 27,141</u>
Capital Improvements	309,090	--	--
<b>TOTAL</b>	<u><u>\$ 3,529,949</u></u>	<u><u>\$ 2,716,615</u></u>	<u><u>\$ 27,141</u></u>
<b>FTE Positions</b>	<b>126.5</b>	<b>113.5</b>	<b>1.0</b>

Agency Request/Governor's Recommendation

The agency requests FY 1987 operating expenditures of \$10,191,926, a decrease of \$1,404,166 from the revised FY 1986 estimate. The request includes \$3,220,859 from the State General Fund. The request provides for the addition of eight positions for a total of 126.5 FTE positions. Emergency Preparedness programs, currently funded 100 percent federally, will be 50/50 federal/state match programs for FY 1987 resulting in an increase in expenditures from the State General Fund of \$162,590 and a decrease in federal expenditures of \$206,462. Total Emergency Preparedness operating expenditures of \$745,712 are requested.

The Governor recommends \$8,110,209 of operating expenditures for FY 1987, a reduction of \$2,081,717 from the agency's request. The recommendation includes \$2,712,096 from the State General Fund, a reduction of \$504,244. The recommendation includes 113.5 FTE positions, a reduction of 13.0. Total Emergency Preparedness operating expenditures of \$492,131 are recommended, including \$246,065 (or 50 percent) from the State General Fund.

House Subcommittee Recommendations

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

1. Add \$17,000 from the State General Fund for KANS-A-N costs in the Operational Management program.
2. Add 1.0 FTE Emergency Communication Operator position for a cost of \$18,783 (\$9,391 from the State General Fund and \$9,392 from the Emergency Preparedness--Federal Fund Matching--Administration Fund) in the Emergency Preparedness--Operations and Administration program.
3. Add \$1,500 (\$750 from the State General Fund and \$750 from the Emergency Preparedness--Federal RADEF Instrument Maintenance Fund) for travel and subsistence costs in the Emergency Preparedness--Hazardous Materials and Radiological Systems Management program.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments FY 87</u>	<u>House Total Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 37,283	\$ 6,152,973	\$ 64,466
Aid to Local Units	--	1,990,000	--
Other Assistance	--	4,519	--
Subtotal - Operating	<u>\$ 37,283</u>	<u>\$ 8,147,492</u>	<u>\$ 64,466</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$ 37,283</u></u>	<u><u>\$ 8,147,492</u></u>	<u><u>\$ 64,466</u></u>
<b>State General Fund:</b>			
State Operations	\$ 27,141	\$ 2,739,237	\$ 44,912
Aid to Local Units	--	--	--
Other Assistance	--	4,519	--
Subtotal - Operating	<u>\$ 27,141</u>	<u>\$ 2,743,756</u>	<u>\$ 44,912</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$ 27,141</u></u>	<u><u>\$ 2,743,756</u></u>	<u><u>\$ 44,912</u></u>
FTE Positions	1.0	114.5	1.0

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

1. Add \$6,521 to restore the employer contribution rate for KPERS to 4.3 percent. The recommendation includes \$2,796 from the State General Fund and \$3,725 from the Military Fees Fund (federal).
2. Add \$5,473 to provide overtime and holiday pay for five Communication Operators in the Emergency Preparedness --Operations program. The recommendation includes \$2,736 from the State General Fund and \$2,737 from the Military Fees Fund.
3. Add \$16,185 for 1.0 FTE Secretary I position in the Emergency Preparedness -- Hazardous Material and Radiological Systems Management program. The recommendation includes \$8,093 from the State General Fund and \$8,092 from the Military Fees Fund.
4. Add \$26,287 from the State General Fund for service pay for the Kansas National Guard in the State Military Operations program. The Governor's recommendations totals \$37,620, including \$20,000 for inauguration ceremony pay. The Senate Subcommittee's recommendation would increase the total to \$63,907.
5. Add \$10,000 for fees for other services in the Emergency Preparedness -- Operations program (50/50 state/federal funds). The recommendation would provide travel and subsistence reimbursements for county and city personnel who attend emergency preparedness training seminars.
6. The Subcommittee defers a recommendation on capital improvement requests until the Joint Committee on State Building Construction has made its final recommendation.

034.87

## SUBCOMMITTEE REPORT

Agency: State Fire Marshal

Bill No. 2801

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 628

Budget Pg. No. 4-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,333,738	\$ 1,281,145	\$ 7,500
State General Fund	1,238,448	1,187,687	7,500
FTE Positions	36.0	36.0	--

### Agency Request/Governor's Recommendation

The Fire Marshal requests FY 1986 expenditures of \$1,333,738, an increase of \$4,576 over the amount approved by the 1985 Legislature. The increase can be attributed to receipt of additional federal funds in the Fire Prevention -- Social Security Act subprogram for the purpose of inspecting hospitals, skilled nursing and intermediate care facilities under the provisions of the Social Security Act.

The Governor recommends \$1,281,145 for FY 1986, a reduction of \$52,593 from the agency's revised request. Of this amount, \$47,617 reflects adjustments in travel. The rest of the reduction is reflected in small cuts throughout the remaining expenditure items.

### House Subcommittee Recommendations

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

1. Add \$7,500 for travel expenditures. Based on actual expenditures during the current fiscal year the agency will not have sufficient funds for inspections during the last quarter of the fiscal year.

### House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.



House Committee of the Whole Recommendations

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

Senate Subcommittee Recommendation

	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 7,500	\$ 1,288,645	\$ 7,500
State General Fund	7,500	1,195,187	7,500
FTE Positions	--	36.0	--

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

1. Add \$7,500 for travel expenditures. Based on projected expenditures the agency will not have sufficient funds for inspections during the last quarter of the fiscal year.

234.86

## SUBCOMMITTEE REPORT

Agency: State Fire Marshal

Bill No. 2799

Bill Sec. 3

Analyst: Howard

Analysis Pg. No. 628

Budget Pg. No. 4-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,431,818	\$ 1,244,393	\$ 38,226
State General Fund	1,334,571	1,163,902	38,226
FTE Positions	38.0	34.0	1.0

### Agency Request/Governor's Recommendation

The Fire Marshal requests expenditures of \$1,431,818 for FY 1987, including \$1,334,571 from the State General Fund. This is an increase of \$98,080 over the FY 1986 estimated expenditures and includes funding for 2.0 additional FTE positions for a total of 38.0. The additional positions requested are a Public Information Officer and an Account Clerk II.

The Governor recommends \$1,244,393 for FY 1987, including \$1,163,902 from the State General Fund. The Governor's recommendation is a reduction of \$187,425 from the agency request including \$170,669 in State General Funds and \$16,756 in special revenue funds. The Governor's request would fund 34.0 FTE positions, a reduction of 2.0 FTE positions from the current year. The Governor would eliminate 3.0 FTE existing positions; a Data Entry Operator II, a Fire Prevention Inspector II, and the Administrative Officer I. The Governor recommends 1.0 FTE new position, an Accountant I. The major area of reduction from the agency request is salaries and wages with a decrease of \$134,487 from the agency request. Substantial reductions also occur in travel, communications, and capital outlay.

### House Subcommittee Recommendations

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

1. Add \$31,083 in salaries and wages and 1.0 FTE position to reinstate the Administrative Officer I position eliminated by the Governor.
2. Delete \$21,583 and a 1.0 FTE Accountant I position recommended by the Governor. Instead, the Subcommittee recommends a 1.0 FTE Account Clerk II at a cost of \$16,144 be included. The Subcommittee is aware of problems in the accounting and

budgetary procedures of the agency. However, we concur with the recommendation of the Division of Personnel that an Account Clerk II be hired and believe that position would be sufficient to remedy existing problems.

3. Add \$5,082 in salaries and wages for temporary and intermittent help to aid in reducing clerical and data entry backlog.
4. Add \$7,500 for travel expenses. Based on spending patterns in past fiscal years and the current fiscal year, the Subcommittee believes that the reduced amount of travel recommended by the Governor would not be sufficient to fund inspections during the last quarter of the fiscal year.

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendations

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

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 38,226	\$ 1,282,619	\$ 32,958
State General Fund	38,226	1,202,128	32,958
FTE Positions	1.0	35.0	1.0

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

1. Add \$7,500 for travel expenses based on historical and projected spending patterns.
2. Add \$25,458 and 1.0 FTE position to restore the Fire Prevention Inspector II position which the Governor had recommended be eliminated.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Parole Board                      **Bill No.** —                      **Bill Sec.** —  
**Analyst:** Conroy                                      **Analysis Pg. No.** 633                      **Budget Pg. No.** 4-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
All Funds	\$ 349,683	\$ 340,011	\$ (3,000)
State General Fund	349,683	340,011	(3,000)
<b>FTE Positions</b>	<b>8.0</b>	<b>8.0</b>	<b>--</b>

Agency Request/Governor's Recommendation

The agency's FY 1986 revised operating budget of \$349,683 is the same amount as approved by the 1985 Legislature. However, the agency has shifted \$1,097 within object codes to reflect a more current plan of expenditure.

The FY 1986 Governor's recommendation of \$340,011 for the operating budget is \$9,672 less than the agency requested. The Governor's reduction is in nonsalary expenditures for various operating costs.

House Subcommittee Recommendations

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

1. Delete \$1,000 for salaries and wages based on lower than estimated expenditures.
2. Delete \$2,000 for travel and subsistence based on lower than estimated expenditures.
3. The Subcommittee recommends that all identified savings in the current year be reappropriated for FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (3,000)	\$ 337,011	\$ 2,000
State General Fund	(3,000)	337,011	2,000
FTE Positions	--	8.0	--

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

1. Add \$2,000 for travel and subsistence based on the most recent expenditures to date.

523.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Parole Board**

**Bill No. 2799**

**Bill Sec. 4**

**Analyst: Conroy**

**Analysis Pg. No. 633**

**Budget Pg. No. 4-73**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 365,227	\$ 350,266	\$ (7,385)
State General Fund	365,227	350,266	(7,385)
FTE Positions	8.0	8.0	--

Agency Request/Governor's Recommendation

The agency request of \$365,227, while maintaining the current approved level of operations, also provides funds for an increase in the Board members' salary.

The Governor's recommendation of \$350,266, while continuing the current level of operations of the agency, includes funds for the rental of office space in the state-owned Santa Fe office building. The Governor does not recommend funds for an increase in the Board members' salary.

House Subcommittee Recommendations

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

1. Delete \$131 for lower than anticipated KANS-A-N charges.
2. Delete \$7,254 for rent of office space at the state-owned Santa Fe Office Building. The Subcommittee's recommendation will allow the agency funds for office rent at \$7.10 a square foot rather than \$11.00 a square foot. The Subcommittee notes with concern that the agency is moving from privately owned office space at \$7.10 a square foot to state-owned office space at \$11.00 a square foot.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations with the following adjustment:

1. Add \$7,254 for rent of office space at the state-owned Santa Fe Office Building. The Committee action will enable the agency to pay \$11.00 a square foot for office space.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (131)	\$ 350,135	\$ --
State General Fund	(131)	350,135	--
FTE Positions	--	8.0	--

The Senate Subcommittee concurs with the House recommendations.

523.87

**SUBCOMMITTEE REPORT**

**Agency: Department of  
Corrections**

**Bill No. 2801**

**Bill Sec. 6**

**Analyst: Conroy**

**Analysis Pg. No. 636**

**Budget Pg. No. 425**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$14,216,696	\$14,147,370	\$ (192,843)
Aid to Local Units	<u>4,407,827</u>	<u>4,117,225</u>	<u>--</u>
Subtotal - Operating	\$18,624,523	\$18,264,595	\$ (192,843)
Capital Improvements	<u>2,036,836</u>	<u>1,692,405</u>	<u>--</u>
TOTAL	<u>\$20,661,359</u>	<u>\$19,957,000</u>	<u>\$ (192,843)</u>
<b>State General Fund:</b>			
State Operations	\$ 9,497,833	\$ 9,466,225	\$ (192,843)
Aid to Local Units	<u>4,407,827</u>	<u>4,117,225</u>	<u>--</u>
Subtotal - Operating	\$13,905,660	\$13,583,450	\$ (192,843)
Capital Improvements	<u>2,017,836</u>	<u>1,673,405</u>	<u>--</u>
TOTAL	<u>\$15,923,496</u>	<u>\$15,256,855</u>	<u>\$ (192,843)</u>
<b>FTE Positions</b>	<b>337.8</b>	<b>337.8</b>	<b>--</b>

Agency Request/Governor's Recommendation

The agency's FY 1986 revised operating budget of \$18,624,523 is \$29,328 below the approved amount. However, the agency has shifted funds within object codes to reflect a more current plan of expenditure.

The Governor's recommendation of \$18,264,595 for the operating budget makes several reductions below the agency's revised estimate. The Governor recommends reductions of \$69,326 for operating expenditures and \$290,602 for aid to local units (community corrections), both below the agency's revised estimate.

House Subcommittee Recommendations

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

1. Delete \$5,000 for communication in the Administration program based on lower than estimated expenditures.
2. Delete \$6,801 for fees-other services in the Administration program based on lower than estimated expenditures.



3. Delete \$4,129 for professional services in the Administration program based on lower than estimated expenditures.
4. Delete \$5,000 for stationery and office supplies in the Administration program based on lower than estimated expenditures.
5. Delete \$2,500 for travel and subsistence in the Jail Inspection program based on lower than estimated expenditures.
6. Delete \$10,000 for contractual services in the Work Release program based on lower than anticipated expenditures.
7. Delete \$27,413 for salaries and wages in the Parole Supervision program based on lower than estimated expenditures.
8. Delete \$20,000 for fees -- other services in the Parole Supervision program. The funds are used to reimburse local jails for holding parole violators. The Subcommittee urges the Department to expedite the picking up of parole violators from local jails at the earliest time possible. The Subcommittee's recommendation will still provide \$50,346 for payments to local jails for holding parole violators.
9. Delete \$70,000 for salaries and wages in the Pre-Release program. The Subcommittee notes the 16-bed expansion at the Topeka Pre-Release Center is at least six months behind schedule and consequently the additional staff will not need to be hired as early as originally budgeted.
10. Delete \$30,000 for contractual services in the Pre-Release program based on lower than estimated expenditures.
11. Delete \$12,000 for contractual services in the Honor Camps program based on lower than estimated expenditures.
12. The Subcommittee recommends that all identified savings in the current year be reappropriated for FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (192,843)	\$13,954,527	\$ 100,000
Aid to Local Units	--	4,117,225	--
Subtotal - Operating	<u>\$ (192,843)</u>	<u>\$18,071,752</u>	<u>\$ 100,000</u>
Capital Improvements	--	1,692,405	--
TOTAL	<u>\$ (192,843)</u>	<u>\$19,764,157</u>	<u>\$ 100,000</u>
<b>State General Fund:</b>			
State Operations	\$ (192,843)	\$ 9,273,382	\$ 100,000
Aid to Local Units	--	4,117,225	--
Subtotal - Operating	<u>\$ (192,843)</u>	<u>\$13,390,607</u>	<u>\$ 100,000</u>
Capital Improvements	--	1,673,405	--
TOTAL	<u>\$ (192,843)</u>	<u>\$15,064,012</u>	<u>\$ 100,000</u>
FTE Positions	--	337.8	--

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

1. Add \$100,000 for higher than anticipated expenditures in the Community Services program. The additional funds will provide for payment of higher than anticipated expenditures for temporary housing of parole violators in local correctional facilities and drug screening of parolees.
  
2. The Subcommittee notes the anticipated major medical expenses in the Honor Camps program due to a recent accident at the El Dorado Honor Camp. The Subcommittee learned the Governor is presently reviewing the medical expenses at the honor camp for possible inclusion in a Governor's Budget Amendment. The Subcommittee recommends that once additional information becomes available that this item be considered in the Omnibus appropriation bill.

**SUBCOMMITTEE REPORT**

**Agency: Department of  
Corrections**

**Bill No. 2799**

**Bill Sec. 5**

**Analyst: Conroy**

**Analysis Pg. No. 636**

**Budget Pg. No. 4-25**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$15,599,015	\$14,659,151	\$ (123,768)
Aid to Local Units	<u>5,548,141</u>	<u>4,953,504</u>	--
Subtotal - Operating	\$21,147,156	\$19,612,655	\$ (123,768)
Capital Improvements	<u>8,434,133</u>	<u>230,000</u>	--
TOTAL	<u>\$29,581,289</u>	<u>\$19,842,655</u>	<u>\$ (123,768)</u>
<b>State General Fund:</b>			
State Operations	\$10,427,471	\$ 9,611,404	\$ (102,454)
Aid to Local Units	<u>5,548,141</u>	<u>4,953,504</u>	--
Subtotal - Operating	\$15,975,612	\$14,564,908	\$ (102,454)
Capital Improvements	<u>8,408,133</u>	<u>230,000</u>	--
TOTAL	<u>\$24,383,745</u>	<u>\$14,794,908</u>	<u>\$ (102,454)</u>
 FTE Positions	 352.8	 339.8	 --

Agency Request/Governor's Recommendation

The agency's request of \$29,581,289, while maintaining the current level of operations, also provides for 15.0 new positions, expansion of the Correctional Industries program, and additional funding of the Community Corrections program. The agency's request for capital improvements total \$8,434,133, which includes \$6,497,560 from the State General Fund to begin construction of the proposed Ellsworth Correctional Center.

The Governor's recommendation of \$19,842,655 provides for continuation of the current level of operation and includes funds for two additional positions in the Correctional Industries program. The Governor's recommendation for community corrections anticipates a 40 percent chargeback rate and that Douglas County will be entering the program on October 1, 1986. The Governor recommends no new capital improvement projects for FY 1987. However, contingent upon recommended additional State General Fund receipts, the Governor would recommend lease payments of \$1,500,000 for 15 years to the Ellsworth Public Building Commission for construction of the medium custody facility. The state would assume title to the property and facilities upon payment of the bonds.

House Subcommittee Recommendations

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

1. Delete \$7,858 for identified savings in the KANS-A-N rate.
2. Delete \$17,469 for rent of office space at the state-owned Santa Fe Office Building. The Subcommittee's recommendation will allow the agency funds for office rent at \$7.10 a square foot rather than \$11.00 a square foot. The Subcommittee notes with concern that the agency is moving from privately owned office space at \$7.10 a square foot to state-owned office space at \$11.00 a square foot.
3. Delete \$7,334 for fees-other services in the Administration program based on lower than anticipated expenditures.
4. Add \$15,000 to continue crisis intervention for parole violators. The program which was started in FY 1986 has been successful in diverting technical parole violators from reincarceration in a state correctional facility.
5. Delete \$10,000 for inmate health care services in the Pre-Release Center program based on lower than anticipated expenditures.
6. Delete \$89,307 from salaries and wages based upon a 2 percent turnover factor for all programs, except the Work Release program where a 2.5 percent turnover factor is recommended.
7. The Subcommittee notes with concern the anticipated increase in water charges from the rural water district serving the Toronto Honor Camp. The FY 1987 rates are projected to increase by 43 percent.
8. Delete \$6,800 for contracted college education courses at the honor camps. The Subcommittee suggests the institution should explore the possibility of placing a greater emphasis on basic education to provide fundamental educational skills to inmates. The Subcommittee also notes that federal Pell grant money could be used to provide college level courses for inmates.
9. The Joint Committee on State Building Construction has not made FY 1987 capital improvement recommendations as of this date. The Subcommittee makes no adjustment to the Governor's recommendation for capital improvements and recommends that the Senate Subcommittee review this area once the Joint Committee recommendations are available.

10. The Subcommittee recommends that the agency and the Department of Social and Rehabilitation Services work together to examine the possibility of utilizing additional inmate work crews at selected SRS facilities. The new work details could be similar to the program recommended for Topeka State Hospital where inmates will provide grounds maintenance at the institution.
11. The Subcommittee notes a report received from Senator Richard Gannon which indicates that inmate janitorial crews could be used to help provide janitorial services at the state-owned Santa Fe Office Building. The Subcommittee recommends the agency and the Department of Administration seriously explore the possibility of utilizing inmate janitorial details.
12. The Subcommittee views with alarm the rising inmate population which has increased over 280 inmates since July 1, 1985 and over 465 inmates since March 1, 1985. The Subcommittee realizes the pressing need for additional inmate bedspace.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations with the following adjustment:

1. Add \$17,469 for rent of office space in the state-owned Santa Fe Office Building. The Committee action will enable the agency to pay \$11.00 a square foot for office space.

#### House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (106,299)	\$14,552,852	\$ 96,107
Aid to Local Units	--	4,953,504	--
Subtotal - Operating	<u>\$ (106,299)</u>	<u>\$19,506,356</u>	<u>\$ 96,107</u>
Capital Improvements	--	230,000	--
TOTAL	<u>\$ (106,299)</u>	<u>\$19,736,356</u>	<u>\$ 96,107</u>
<b>State General Fund:</b>			
State Operations	\$ (84,985)	\$ 9,526,419	\$ 74,793
Aid to Local Units	--	4,953,504	--
Subtotal - Operating	<u>\$ (84,985)</u>	<u>\$14,479,923</u>	<u>\$ 74,793</u>
Capital Improvements	--	230,000	--
TOTAL	<u>\$ (84,985)</u>	<u>\$14,709,923</u>	<u>\$ 74,793</u>
FTE Positions	--	339.8	--

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

1. Add \$89,307 in salaries and wages to return to the Governor's recommendations for turnover. The House had recommended a 2 percent turnover rate which is higher than the historical pattern and could force the agency to leave positions vacant.
2. Add \$6,800 for the contracted college courses at the honor camps. The Subcommittee believes the college program is vital to reducing inmate idleness and providing a greater opportunity for inmates to be employed upon their release from the correctional system.
3. The Subcommittee strongly urges the Department of Human Resources and the Department of Corrections to closely work together to ensure the success of the use of Job Training Partnership Act (JTPA) funds in the correctional system. The Subcommittee believes with technical assistance from the Department of Human Resources, the Department of Corrections can implement the JTPA program during the first month of FY 1987. The cooperation between these two cabinet-level departments will be the key to a successful inmate vocational education program. The Subcommittee recommends the 1987 Legislature review the cooperation between the agencies and the impact of the program upon the correctional system.

**SUBCOMMITTEE REPORT**

**Agency: Kansas Correctional  
Vocational Training  
Center (KCVTC)**

**Bill No. —**

**Bill Sec. --**

**Analyst: Conroy**

**Analysis Pg. No. 649**

**Budget Pg. No. 4-21**

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,845,491	\$ 3,759,940	\$ (32,573)
Capital Improvements	93,534	24,754	--
<b>TOTAL</b>	<u>\$ 3,939,025</u>	<u>\$ 3,784,694</u>	<u>\$ (32,573)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,829,753	\$ 3,744,202	\$ (32,573)
Capital Improvements	93,534	24,754	--
<b>TOTAL</b>	<u>\$ 3,923,287</u>	<u>\$ 3,768,956</u>	<u>\$ (32,573)</u>
<b>FTE Positions</b>	104.5	104.5	--
<b>Average Inmate Census</b>	220	220	--

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$3,845,491 is \$2,050 above the approved level by the 1985 Legislature. The agency received a grant in the amount of \$2,050 for institutional library services. The agency has also shifted funds among object codes to more accurately reflect the most recent plan of expenditure.

The Governor's recommendation of \$3,759,940, which includes a reduction of \$85,551 for agency operations from the approved amount. The Governor has identified savings in two major areas, contracted educational services (\$35,000) and inmate health care services (\$36,427).

House Subcommittee Recommendation

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

1. Add \$36,427 for inmate health care based on higher than estimated expenditures.
2. Add \$1,000 for travel and subsistence in the Classification and Records program based on higher than estimated expenditures.
3. Delete \$5,000 for communication based on lower than estimated expenditures.
4. Delete \$15,000 for contracted education services based on lower than estimated expenditures.
5. Delete \$50,000 for commodities in the Support Services program based on lower than estimated expenditures.
6. The Subcommittee recommends that all identified savings in the current year be reappropriated to FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (32,573)	\$ 3,727,367	\$ 20,000
Capital Improvements	--	24,754	--
TOTAL	<u>\$ (32,573)</u>	<u>\$ 3,752,121</u>	<u>\$ 20,000</u>
State General Fund:			
State Operations	\$ (32,573)	\$ 3,711,629	\$ 20,000
Capital Improvements	--	24,754	--
TOTAL	<u>\$ (32,573)</u>	<u>\$ 3,736,383</u>	<u>\$ 20,000</u>
FTE Positions	--	104.5	--

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

1. Delete \$1,000 for travel and subsistence in the classification and Records program.



2. Add \$1,000 for communication in the Administration program.
3. Add \$20,000 for commodities in the Support Services program based on the most recent expenditure pattern.

145.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas Correctional  
Vocational Training  
Center (KCVTC)**

**Bill No. 2799**

**Bill Sec. 6**

**Analyst: Conroy**

**Analysis Pg. No. 649**

**Budget Pg. No. 4-21**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 4,086,402	\$ 3,856,260	\$ (31,362)
Capital Improvements	182,700	--	--
<b>TOTAL</b>	<u>\$ 4,269,102</u>	<u>\$ 3,856,260</u>	<u>\$ (31,362)</u>
<b>State General Fund:</b>			
State Operations	\$ 4,072,714	\$ 3,816,002	\$ (66,372)
Capital Improvements	182,700	--	--
<b>TOTAL</b>	<u>\$ 4,255,414</u>	<u>\$ 3,816,002</u>	<u>\$ (66,372)</u>
FTE Positions	105.5	104.5	(1.0)
Average Inmate Census	220	220	--

Agency Request/Governor's Recommendation

The agency's request of \$4,269,102, while maintaining the current level of operations, also provides for the addition of a clerical position and \$182,700 for various capital improvement projects for maintenance and security enhancements.

The Governor's recommendation of \$3,856,260 provides for continuation of the current level of operation, but does not provide for any increase in staff positions. The Governor recommends an average inmate population of 220 for this institution. The Governor does not recommend any funds for capital improvements.

House Subcommittee Recommendations

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

1. Delete \$12,359 from salaries and wages for a 2 percent turnover factor in all nonsecurity programs.
2. Delete \$7,897 and a 0.5 FTE position for an existing Secretary I in the Administration program. The Subcommittee recommends that the clerical position be vacant by January 1, 1987. However, if the position should become vacant prior to that date, the Subcommittee recommends that the position not be filled. The Subcommittee recommendation will allow ample time for the existing individual to find other employment prior to the position being abolished. The Subcommittee notes that this institution has one of the lowest clerical staff ratios of any of the correctional institutions.
3. Delete \$7,674 and a 0.5 FTE position for an existing Cook I in the Food Service program. The Subcommittee recommends that the cook position be vacant by January 1, 1987. However, if the position should become vacant prior to that date, the Subcommittee recommends that the position not be filled. The Subcommittee recommendation will allow time for the existing individual to find other employment prior to the position being abolished. The Subcommittee urges the institution to make greater utilization of inmates in the food service area.
4. Delete \$577 for less than anticipated KANS-A-N rates in the budget year.
5. Delete \$750 for travel and subsistence in the Life Skills program based on lower than estimated expenditures.
6. Delete \$7,715 for contracted laundry services. The recommendation reflects the Subcommittee's intent that a laundry be established at the State Reception and Diagnostic Center to launder all items for both institutions.
7. Delete \$29,400 in State General Fund (SGF) support for vocational educational programs which will maintain the SGF support of the FY 1987 vocational education program at the FY 1986 level.
8. Add \$35,010 in federal Job Training Partnership Act (JTPA) funds to enhance the vocational education opportunities for inmates.
9. The Joint Committee on State Building Construction has not made FY 1987 capital improvement recommendations as of this date. The Subcommittee makes no adjustment to the capital improvement recommendations of the Governor and recommends the Senate Subcommittee review this area once the Joint Committee recommendations are available.

10. The Subcommittee recommends that the Department of Corrections examine the possibility of using the available inmate bedspace at the institution for other purposes besides educational/vocational programs.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ (31,362)	\$ 3,824,898	\$ 20,033
Capital Improvements	--	--	--
TOTAL	<u>\$ (31,362)</u>	<u>\$ 3,824,898</u>	<u>\$ 20,033</u>
<b>State General Fund:</b>			
State Operations	\$ (66,372)	\$ 3,749,630	\$ 20,033
Capital Improvements	--	--	--
TOTAL	<u>\$ (66,372)</u>	<u>\$ 3,749,630</u>	<u>\$ 20,033</u>
FTE Positions	(1.0)	103.5	0.5

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

1. Add \$12,359 in salaries and wages to return to the Governor's recommendations for turnover. The House had recommended a 2 percent turnover rate which could force the agency to leave certain key staff positions vacant.
2. Add \$7,674 and .5 FTE to continue an existing Cook I position. The Subcommittee notes the institution is currently utilizing inmates in the food service area, however, the agency must provide proper supervision.
3. The Subcommittee concurs with the House that federal Job Training Partnership Act (JTPA) funds be utilized to enhance inmate vocational education programs at the institution. However, the Subcommittee recommends that JTPA funds be transferred from the Department of Human Resources Title II-A account instead of the

Department of Education 8 percent account that the House recommended. The Subcommittee believes the JTPA funds are available and the expenditure for inmate vocational education will not have an impact on existing JTPA clients or administrative programs. The Department of Human Resources testified before the Subcommittee that sufficient carry forward balances are available in excess of a 10 percent operating reserve to fund the correctional programs.

145.87

SUBCOMMITTEE REPORT

Agency: Kansas Correctional Institution  
at Lansing (KCIL)

Bill No. 2801

Bill Sec. 7

Analyst: Conroy

Analysis Pg. No. 658

Budget Pg. No. 4-17

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,874,839	\$ 2,899,160	\$ 124,000
Capital Improvements	223,531	193,364	--
TOTAL	<u>\$ 3,098,370</u>	<u>\$ 3,092,524</u>	<u>\$ 124,000</u>
State General Fund:			
State Operations	\$ 2,867,839	\$ 2,894,160	\$ 124,000
Capital Improvements	223,531	193,364	--
TOTAL	<u>\$ 3,091,370</u>	<u>\$ 3,087,524</u>	<u>\$ 124,000</u>
FTE Positions	85.0	85.0	--
Average Inmate Census	196	196	--

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$2,874,839 is also the approved amount for the current year. The agency's estimate is based on an average inmate census of 196. In addition, several items have been adjusted to reflect current expenditure patterns.

The Governor's recommendation for operating expenditures is \$2,889,160 or \$26,321 above the approved amount. The recommended State General Fund supplemental would provide additional funds for inmate health care services. The Governor's recommendation is based on an average inmate census of 196.

House Subcommittee Recommendations

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

1. Add \$124,000 for inmate health care services based on higher than anticipated expenditures.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 124,000	\$ 3,023,160	\$ (19,089)
Capital Improvements	--	193,364	--
TOTAL	<u>\$ 124,000</u>	<u>\$ 3,216,524</u>	<u>\$ (19,089)</u>
State General Fund:			
State Operations	\$ 124,000	\$ 3,018,160	\$ (19,089)
Capital Improvements	--	193,364	--
TOTAL	<u>\$ 124,000</u>	<u>\$ 3,211,524</u>	<u>\$ (19,089)</u>
FTE Positions	--	85.0	--

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

1. The Subcommittee concurs with the Governor's Budget Amendment No. 3 which recommended an additional \$104,911 for inmate health care services. The House had recommended an additional \$124,000 for inmate health care services. The Subcommittee action deletes \$19,089 which will leave an increased amount of \$104,911.

**SUBCOMMITTEE REPORT**

**Agency: Kansas Correctional Institution  
at Lansing (KCIL)**

**Bill No. 2799**

**Bill Sec. 7**

**Analyst: Conroy**

**Analysis Pg. No. 658**

**Budget Pg. No. 4-17**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,479,743	\$ 2,959,095	\$ (4,508)
Capital Improvements	4,082,813	--	--
TOTAL	<u>\$ 7,562,556</u>	<u>\$ 2,959,095</u>	<u>\$ (4,508)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,472,743	\$ 2,890,232	\$ (4,508)
Capital Improvements	4,082,813	--	--
TOTAL	<u>\$ 7,555,556</u>	<u>\$ 2,890,232</u>	<u>\$ (4,508)</u>
FTE Positions	105.5	85.0	2.0
Average Inmate Census	196	196	--

Agency Request/Governor's Recommendation

The agency's request of \$7,562,556, while maintaining the current level of operations, also provides for 20.5 additional FTE positions, 14 in security and the balance in various support services. The agency requests a budgeted based on an average daily inmate population of 196. The agency also requests two major capital improvement projects which include a new 120-bed housing unit and a food service/support programs building.

The Governor's recommendation of \$2,959,095, provides for continuation of the current level of operation. No additional staff are recommended by the Governor. The average daily inmate census recommended by the Governor is 196. The Governor recommends no capital improvement projects. However, contingent upon additional State General Fund receipts the Governor would recommend construction of the two requested facilities.

House Subcommittee Recommendations

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

1. Delete \$19,056 for a salaries and wages turnover factor of 2 percent for all agency programs.



2. Delete \$342 for KANS-A-N based on lower than estimated expenditures.
3. Delete \$26,566 for college courses at the institution. The Subcommittee recommends that the agency explore the possibility of using federal Pell grant funds to provide college level courses to inmates at the institution.
4. Add \$41,456 and 2.0 FTE positions for a Registered Nurse I and a Medical Assistant, Corrections to provide staff coverage in the infirmary 24-hours a day, seven days a week. Currently when an inmate's medical need arises and the infirmary is not open security officers must transport the individual to a local hospital, however if proper medical staffing was available the inmate could be treated first at the institution at a considerable savings.
5. The Joint Committee on State Building Construction has not made FY 1987 capital improvement recommendations as of this date. The Subcommittee makes no adjustment to the Governor's capital improvement recommendation and recommends the Senate Subcommittee review this area once the Joint Committee recommendations are available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (4,508)	\$ 2,954,587	\$ 45,622
Capital Improvements	--	--	--
TOTAL	<u>\$ (4,508)</u>	<u>\$ 2,954,587</u>	<u>\$ 45,622</u>
State General Fund:			
State Operations	\$ (4,508)	\$ 2,885,724	\$ 45,622
Capital Improvements	--	--	--
TOTAL	<u>\$ (4,508)</u>	<u>\$ 2,885,724</u>	<u>\$ 45,622</u>
FTE Positions	2.0	87.0	--

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

1. Add \$19,056 in salaries and wages to return to the Governor's recommendations for a turnover rate. The House had recommended a 2 percent turnover rate which could force the agency to leave certain key staff positions vacant.
2. Add \$26,566 for contracted college courses at the institution. The Subcommittee believes the college program is vital to reducing inmate idleness and providing a greater opportunity for inmates to be employed upon their release from the correctional system.

307.87

SUBCOMMITTEE REPORT

Agency: Kansas State Industrial  
Reformatory

Bill No. 2801

Bill Sec. 8

Analyst: Conroy

Analysis Pg. No. 668

Budget Pg. No. 4-57

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$13,294,637	\$13,228,961	\$ (100,000)
Capital Improvements	<u>1,835,888</u>	<u>1,283,888</u>	<u>--</u>
TOTAL	<u>\$15,130,525</u>	<u>\$14,512,849</u>	<u>\$ (100,000)</u>
State General Fund:			
State Operations	\$13,104,413	\$13,038,737	\$ (100,000)
Capital Improvements	<u>1,835,888</u>	<u>1,283,888</u>	<u>--</u>
TOTAL	<u>\$14,940,301</u>	<u>\$14,322,625</u>	<u>\$ (100,000)</u>
FTE Positions	364.5	364.5	--
Average Inmate Census	1,440	1,440	--

Agency Request/Governor's Recommendation

The agency's revised operating budget is \$13,294,637, which is \$343,930 above the approved amount. The agency's State General Fund supplemental request is based on a revision of the average daily inmate population from 1,149 to 1,440 or an increase of 291 inmates. In addition several items were adjusted to reflect current expenditure patterns.

The Governor's recommendation for operating expenditures is \$13,228,961, which includes a State General Fund supplemental of \$278,254 for agency operations. The recommendation is based on the revised average daily inmate population of 1,440.

House Subcommittee Recommendations

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

1. Make a technical adjustment of deleting \$17,514 in the appropriations bill to reflect the Governor's recommendations.
2. Reappropriate \$100,000 of savings from Support Services in the current year to FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (100,000)	\$13,128,961	\$ 50,000
Capital Improvements	--	<u>1,283,888</u>	--
TOTAL	<u>\$ (100,000)</u>	<u>\$14,412,849</u>	<u>\$ 50,000</u>
State General Fund:			
State Operations	\$ (100,000)	\$12,938,737	\$ 50,000
Capital Improvements	--	<u>1,283,888</u>	--
TOTAL	<u>\$ (100,000)</u>	<u>\$14,222,625</u>	<u>\$ 50,000</u>
FTE Positions	--	364.5	--

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

1. Add \$50,000 for the Support Services program based on the most recent expenditure patterns.

**SUBCOMMITTEE REPORT**

**Agency: Kansas State Industrial  
Reformatory**

**Bill No. 2799**

**Bill Sec. 8**

**Analyst: Conroy**

**Analysis Pg. No. 668**

**Budget Pg. No. 4-57**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$16,283,149	\$13,827,723	\$ (33,256)
Capital Improvements	1,452,387	647,000	--
TOTAL	<u>\$17,735,536</u>	<u>\$14,474,723</u>	<u>\$ (33,256)</u>
<b>State General Fund:</b>			
State Operations	\$16,073,149	\$13,596,914	\$ (146,932)
Capital Improvements	1,452,387	647,000	--
TOTAL	<u>\$17,525,536</u>	<u>\$14,243,914</u>	<u>\$ (146,932)</u>
FTE Positions	407.0	364.5	3.0
Average Inmate Census	1,440	1,440	--

Agency Request/Governor's Recommendation

The agency's request of \$17,735,536, while maintaining the current level of operations, also provides for the addition of 42.5 positions and full-year operating costs for the 64-bed minimum custody expansion. The agency estimates an average inmate census of 1,440. The request of the agency includes several capital improvement projects totaling \$1,452,387.

The Governor's recommendation provides for continuation of the current level of operation and includes funding based on an average daily inmate population of 1,440. However, no additional staff positions are recommended. The Governor recommends expenditure of \$647,000 for capital improvements.

House Subcommittee Recommendations

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

1. Delete \$60,117 from salaries and wages for a turnover factor of 2 percent for all nonsecurity programs.
2. Delete \$47,247 from salaries and wages for a turnover rate of 5 percent instead of 4.1 percent in the Security program.

3. Delete \$888 for identified savings in KANS-A-N rates.
4. Add \$20,395 and 1.0 FTE position for a Corrections Officer III to provide inmate escort to Larned State Hospital, to other medical facilities, and to pick up parole violators.
5. Delete \$35,177 in State General Fund support for vocational educational programs which will maintain the State General Fund support of the FY 1987 program at the FY 1986 level.
6. Add \$53,676 in federal Job Training Partnership Act (JTPA) funds to enhance the vocational educational opportunities for inmates.
7. Add \$110,000 (\$50,000 from the State General Fund and \$60,000 federal JTPA funds) to establish an inmate vocational auto body and fender program. The program will provide vocational opportunities for approximately 30 inmates annually.
8. Delete \$17,242 from the contracted academic program which will provide a 3.6 percent increase over FY 1986 rather than a 7.2 percent increase.
9. Delete \$143,840 for the contracted college education program. The Subcommittee requests the institution explore the possibility of establishing a greater emphasis on basic education to provide fundamental educational skills to inmates. The Subcommittee notes that federal Pell grant funds could be used to provide college level courses for inmates.
10. Add \$50,000 to expand contracted basic education services for inmates.
11. Add \$23,233 and 1.0 FTE position for a Psychologist I to provide drug and alcohol counseling for inmates. The Subcommittee notes the Parole Board has recently emphasized that inmates receive drug and alcohol counseling prior to their release.
12. Add \$13,951 and 1.0 FTE for a Clerk III for the Classification and Records program.
13. The Joint Committee on State Building Construction has not made FY 1987 capital improvement recommendations as of this date. The Subcommittee makes no adjustment to the Governor's capital improvement recommendations and recommends the Senate Subcommittee review this area once the Joint Committee recommendations are available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (33,256)	\$13,794,467	\$ 219,309
Capital Improvements	--	647,000	--
TOTAL	<u>\$ (33,256)</u>	<u>\$14,441,467</u>	<u>\$ 219,309</u>
State General Fund:			
State Operations	\$ (146,932)	\$13,449,982	\$ 219,309
Capital Improvements	--	647,000	--
TOTAL	<u>\$ (146,932)</u>	<u>\$14,096,982</u>	<u>\$ 219,309</u>
FTE Positions	3.0	367.5	--

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

1. Add \$107,364 for salaries and wages (\$60,117 for nonsecurity programs and \$47,247 for security) to return to the Governor's recommendations for turnover. The House had increased the turnover rate which could force the agency to leave certain key staff positions, including security positions, vacant.
2. Add \$6,655 for the contracted academic education program to ensure continuation of the current level of programming.
3. Add \$143,840 to reinstate the contracted college education program the House deleted. The Subcommittee believes the college program is vital to reducing inmate idleness and providing a greater opportunity for inmates to be employed upon their release from the correctional system.
4. Delete \$50,000 for basic education expansion the House had recommended in-lieu of the college program. The Subcommittee's recommendation will continue the current basic education program in the budget year.

5. The Subcommittee concurs with the House that federal Job Training Partnership Act (JTPA) funds be utilized to enhance inmate vocational education programs at the institution. However, the Subcommittee recommends that JTPA funds be transferred from the Department of Human Resources Title II-A account instead of the Department of Education 8 percent account that the House recommended. The Subcommittee believes the JTPA funds are available and the expenditure for inmate vocational education will not have an impact on existing JTPA clients or administrative programs. The Department of Human Resources testified before the Subcommittee that sufficient carry forward balances are available in excess of a 10 percent operating reserve to fund the correctional programs.
6. Add \$9,500 for an emergency siren to establish a warning system to alert the entire institution and civilian community in event of an escape or major disturbance. The Subcommittee notes recent Leavenworth County court action which mandated that the state notify the civilian community in case of an escape or major disturbance at the State Penitentiary.
7. Add \$1,950 for an intercom/emergency alarm system in the counseling and evaluation area. The system will help provide protection to employees in this area in case of an attack by an inmate.

313.87



**SUBCOMMITTEE REPORT**

**Agency:** Kansas State Penitentiary (KSP)    **Bill No.** --                      **Bill Sec.** --  
**Analyst:** Conroy                                      **Analysis Pg. No.** 679                      **Budget Pg. No.** 4-75

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$19,848,611	\$19,664,648	\$ (210,000)
Capital Improvements	<u>6,633,185</u>	<u>6,184,745</u>	--
TOTAL	<u>\$26,481,796</u>	<u>\$25,849,393</u>	<u>\$ (210,000)</u>
<b>State General Fund:</b>			
State Operations	\$19,826,611	\$19,579,930	\$ (210,000)
Capital Improvements	<u>6,627,159</u>	<u>6,178,719</u>	--
TOTAL	<u>\$26,453,770</u>	<u>\$25,758,649</u>	<u>\$ (210,000)</u>
FTE Positions	557.0	557.0	--
Average Inmate Census	2,190	2,190	--

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$19,848,611 is \$46,468 above the approved amount. The agency is requesting a State General Fund supplemental based on an average inmate census of 2,190 or 123 above the original approved inmate count. In addition, several items were adjusted to reflect current expenditure patterns.

The Governor's recommendation for operating expenditures is \$19,664,648, which is \$183,963 less than the agency requested. The Governor does not recommend a State General Fund supplemental for state operations. However, the Governor concurs with the revised inmate population count of 2,190. The Governor has adjusted several items to reflect the most current expenditure pattern.

House Subcommittee Recommendations

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

1. Add \$10,000 for communication based higher than expenditures.
2. Delete \$50,000 for contracted educational services based on lower than anticipated expenditures.

3. Add \$30,000 for food based on higher than anticipated expenditures.
4. Delete \$200,000 for utilities based on lower than anticipated expenditures.
5. The Subcommittee recommends that all identified savings in the current year be reappropriated to FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (210,000)	\$19,454,648	\$ 50,000
Capital Improvements	--	6,184,745	--
TOTAL	<u>\$ (210,000)</u>	<u>\$25,639,393</u>	<u>\$ 50,000</u>
State General Fund:			
State Operations	\$ (210,000)	\$19,369,930	\$ 50,000
Capital Improvements	--	6,178,719	--
TOTAL	<u>\$ (210,000)</u>	<u>\$25,548,649</u>	<u>\$ 50,000</u>
FTE Positions	--	557.0	--

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

1. Add \$50,000 for contracted educational services. The Subcommittee notes the vocational programs at the new medium custody facility are being phased-in, but all programs will be fully operational by the later part of FY 1986.
2. The Subcommittee is aware of higher than anticipated medical expenses for inmates. The Subcommittee learned that the Governor is currently reviewing his FY 1986 recommendations to determine if they should be changed through a Governor's Budget Amendment. The Subcommittee recommends that once the exact amount is determined, that it be addressed in the Omnibus appropriation bill.

525.86

**SUBCOMMITTEE REPORT**

**Agency: Kansas State Penitentiary (KSP) Bill No. 2799**

**Bill Sec. 9**

**Analyst: Conroy**

**Analysis Pg. No. 679**

**Budget Pg. No. 4-75**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$25,739,974	\$21,297,395	\$ (121,492)
Capital Improvements	4,836,521	2,844,800	--
<b>TOTAL</b>	<u>\$30,576,495</u>	<u>\$24,142,195</u>	<u>\$ (121,492)</u>
<b>State General Fund:</b>			
State Operations	\$25,714,974	\$21,243,784	\$ (361,947)
Capital Improvements	4,836,521	844,800	2,000,000
<b>TOTAL</b>	<u>\$30,551,495</u>	<u>\$22,088,584</u>	<u>\$1,638,053</u>
FTE Positions	645.0	575.0	3.0
Average Inmate Census	2,550	2,550	--

Agency Request/Governor's Recommendation

The agency's request of \$30,576,495, while maintaining the current level of services also provides for a major enhancement of the academic program and for 88 additional FTE positions. The agency request reflects an inmate census of 2,550. The agency is also requesting several capital improvement projects which total \$4,836,521.

The Governor's recommendation of \$24,142,195 provides for continuation of the current level of operation and 18 additional FTE positions. The recommendation is based upon an average inmate census of 2,550. The Governor's recommendation for capital improvements is \$2,844,800, all of which was appropriated by the 1985 Legislature. However, the Governor recommends the enactment of a Correctional Institutions Building Fund. The receipts of the levy would replace \$2,000,000 of funds currently appropriated from the State General Fund.

House Subcommittee Recommendations

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

1. Add \$11,614 and 1.0 FTE position for a Clerk II to assist in the institutional mailroom.
2. Add \$38,273 and 3.0 FTE positions for a Secretary I and two Clerk-Typists II. The additional positions will provide clerical assistance for the Administration and Classification and Records programs.
3. Add \$8,752 for additional postage based on higher than anticipated expenditures.
4. Delete \$5,915 for KANS-A-N to reflect a lower than anticipated rate increase.
5. Delete \$54,310 and 3.0 FTE positions for three new Correctional Officers II. However, the Subcommittee's recommendation will still provide 13 additional correctional officers.
6. Add \$22,375 for salaries and wages in the Security program to lower the turnover rate to 5.0 percent from 5.3 percent.
7. Delete \$58,619 for salaries and wages to reflect a 2 percent turnover factor in the Administration, Life Skills Enhancement, Mechanical Services, Laundry and Supply, and Classification and Records programs.
8. Delete \$4,321 for travel and subsistence in the Security program.
9. Add \$3,732 for clothing costs associated with the 13 additional correctional officers.
10. Delete \$69,708 for the contracted college education program. The Subcommittee believes the institution should explore the possibility of greater emphasis on basic education to provide fundamental educational skills to inmates. The Subcommittee also notes that federal Pell grant money could be used to provide college level courses for inmates.
11. Delete \$145,190 in State General Fund (SGF) support for the vocational educational program which will maintain the SGF support of the FY 1987 program at the FY 1986 level.
12. Add \$240,455 in federal Job Training Partnership Act (JTPA) funds to enhance the vocational education opportunities for inmates.
13. Delete \$100,000 for inmate health care services based on lower than anticipated expenditures.
14. Delete \$11,940 for inmate health care supplies based on lower than anticipated expenditures.

15. Delete \$79,878 for food based on lower than anticipated expenditures.
16. Add \$41,455 and two FTE positions (a Registered Nurse I and a Medical Assistant, Corrections) for the Health Care program. The additional staff will help address the medical needs of an inmate population of 2,550.
17. Add \$41,733 for inmate incentive pay in the Classification and Records program.
18. The Subcommittee notes that male nonsecurity personnel are trained in the use of firearms in case of an emergency at the institution. The Subcommittee urges the agency to also provide this training to any female nonsecurity personnel who is interested in receiving the firearm training.
19. Delete \$2,000,000 of Correctional Institutions Building Fund receipts for the Administration/Support Services Building project of the medium custody facility and return to the current law which provides for State General Fund resources of \$2,000,000. S.B. 686 which would impose a Correctional Institutions Building Fund is presently in Senate Ways and Means. The Subcommittee does not want to endorse S.B. 686 without a proper hearing.
20. The Joint Committee on State Building Construction has not made FY 1987 capital improvement recommendations as of this date. The Subcommittee makes no further adjustment to capital improvement recommendations and recommends the Senate Subcommittee review this area further once the Joint Committee recommendations are available.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

#### House Recommendations

The House concurs with the Committee's recommendations with the following adjustment:

1. Add \$23,157 (General Fees Fund) and 1.0 FTE position for a correctional officer to supervise a new inmate work detail for the city of Leavenworth.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommend.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (98,335)	\$21,199,060	\$ 105,952
Capital Improvements	--	2,844,800	--
TOTAL	<u>\$ (98,335)</u>	<u>\$24,043,860</u>	<u>\$ 105,952</u>
State General Fund:			
State Operations	\$ (361,947)	\$20,881,837	\$ 105,952
Capital Improvements	2,000,000	2,844,800	--
TOTAL	<u>\$1,638,053</u>	<u>\$23,726,637</u>	<u>\$ 105,952</u>
FTE Positions	4.0	579.0	--

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

1. Add \$58,619 for salaries and wages to return to the Governor's recommendations for turnover in nonsecurity programs. The House had increased the turnover rate which could force the agency to leave certain key staff positions vacant.
2. Delete \$22,375 for salaries and wages in the Security program. The Subcommittee recommends returning to the Governor's turnover rate of 5.3 percent instead of the 5.0 percent the House recommended.
3. Add \$69,708 to restore the existing inmate college education program at the institution. The Subcommittee notes the college program enhances the academic skills of the inmates, reduces inmate idleness and increases the change that the inmates will be successful on their re-entry into society once paroled.
4. The Subcommittee concurs with the House that federal Job Training Partnership Act (JTPA) funds be utilized to enhance inmate vocational education programs at the institution. However, the Subcommittee recommends that JTPA funds be transferred from the Department of Human Resources Title II-A account instead of the Department of Education 8 percent account that the House recommended. The Subcommittee believes the JTPA funds are available and the expenditure for inmate vocational education will not have an impact on existing JTPA clients or administrative programs. The Department of Human Resources testified before the Subcommittee that sufficient carry forward balances are available in excess of a 10 percent operating reserve to fund the correctional programs.
5. The Subcommittee urges the agency to only provide firearm training to those nonsecurity personnel (male or female) who have close and continuous contact with inmates. The Subcommittee strongly recommends that the agency review closely, the need for general nonsecurity personnel to receive firearms training.

**SUBCOMMITTEE REPORT**

**Agency:** State Reception and Diagnostic Center (SRDC)

**Bill No.** --

**Bill Sec.** --

**Analyst:** Conroy

**Analysis Pg. No.** 699

**Budget Pg. No.** 4-79

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,326,106	\$ 3,297,436	\$ (117,767)
Capital Improvements	39,000	49,375	--
TOTAL	<u>\$ 3,365,106</u>	<u>\$ 3,346,811</u>	<u>\$ (117,767)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,315,668	\$ 3,286,998	\$ (117,767)
Capital Improvements	--	10,375	--
TOTAL	<u>\$ 3,315,668</u>	<u>\$ 3,297,373</u>	<u>\$ (117,767)</u>
FTE Positions	106.6	106.6	(1.0)
Average Inmate Census	132	132	--

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$3,326,106 is the same amount as originally approved by the 1985 Legislature. However, funds totaling \$13,274 have been shifted among various object codes to reflect the most recent plan of expenditure.

The Governor's recommendation of \$3,297,436 is \$28,670 less than the approved amount. The reductions reflect current projected expenditure patterns.

House Subcommittee Recommendations

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

1. Delete \$79,067 and 1.0 FTE position for the Chief of Clinical Services. The Subcommittee notes with concern that the position has been vacant since June 17, 1983. The Subcommittee believes that when a key institutional position is vacant for this length of time there is a lack of leadership and administrative responsibility for the program.



2. Delete \$50,000 from the Support Services program based on lower than estimated expenditures.
3. Add \$11,300 (\$8,800 for capital outlay and \$2,500 for maintenance materials) to establish an agency laundry. The laundry would not only take care of the needs of this agency, but also the Correctional-Vocational Training Center. Both institutions currently contract out their laundry services at a total cost of \$32,097. The agency laundry will be in operation seven days per week and employ eight inmates. The Subcommittee urges the agency to establish the laundry as quickly as possible.
4. The Subcommittee recommends that all identified savings in the current year be reappropriated to FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (117,767)	\$ 3,179,669	\$ 25,000
Capital Improvements	--	49,375	--
TOTAL	<u>\$ (117,767)</u>	<u>\$ 3,229,044</u>	<u>\$ 25,000</u>
State General Fund:			
State Operations	\$ (117,767)	\$ 3,169,231	\$ 25,000
Capital Improvements	--	10,375	--
TOTAL	<u>\$ (117,767)</u>	<u>\$ 3,179,606</u>	<u>\$ 25,000</u>
FTE Positions	(1.0)	105.6	1.0

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

1. Add 1.0 FTE position to restore the existing Chief of Clinical Services position for the agency. However, the Subcommittee does not recommend that any funds be restored since the position has been vacant since June 17, 1983. The Subcommittee notes that the Secretary of Corrections has indicated that every effort possible will be made to fill the position by the beginning of FY 1987.
2. Add \$25,000 for support services at the institution based on the most recent expenditure patterns to date.

551.86

**SUBCOMMITTEE REPORT**

**Agency: State Reception and Diagnostic Center (SRDC)**

**Bill No. 2799**

**Bill Sec. 10**

**Analyst: Conroy**

**Analysis Pg. No. 699**

**Budget Pg. No. 4-79**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 3,470,306	\$ 3,251,581	\$ (108,232)
Capital Improvements	2,349,909	--	--
TOTAL	<u>\$ 5,820,215</u>	<u>\$ 3,251,581</u>	<u>\$ (108,232)</u>
<b>State General Fund:</b>			
State Operations	\$ 3,463,506	\$ 3,244,781	\$ (108,232)
Capital Improvements	2,349,909	--	--
TOTAL	<u>\$ 5,813,415</u>	<u>\$ 3,244,781</u>	<u>\$ (108,232)</u>
FTE Positions	107.6	106.6	(1.0)
Average Inmate Census	132	132	--

Agency Request/Governor's Recommendation

The agency's request of \$5,820,215, while maintaining the current level of operations, also provides for one additional FTE position. The agency's request is based on an average inmate census of 132. The agency also requests construction funds for a new 100 bed psychiatric treatment facility.

The Governor's recommendation provides for continuation of the current level of operation, however, no funds are included for any additional staff. The Governor's recommendation is based on an average daily inmate population of 132. The Governor does not recommend any funds for capital improvements for the agency.

House Subcommittee Recommendations

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

1. Delete \$78,782 and 1.0 FTE position for the Chief of Clinical Services. As noted in the Subcommittee's FY 1986 agency report, the position has been vacant since June 17, 1983.
2. Delete \$2,611 from salaries and wages to provide for a 2 percent turnover factor in all nonsecurity programs.
3. Delete \$38,559 from salaries and wages to provide for a 5 percent turnover factor in the Security program.
4. Delete \$381 for lower than anticipated KANS-A-N rates.
5. Add \$4,443 for maintenance materials in the Mechanical Services program.
6. Delete \$11,300 for the establishment of an agency laundry since the Subcommittee recommends the laundry be established in FY 1986.
7. Add \$1,693 to allow for contracted laundry services for only the first quarter of FY 1987.
8. Add \$9,580 for nine months of laundry operating supplies, based on the laundry opening in October, 1986.
9. Add \$6,107 for other supplies and materials in the Laundry and Supply program.
10. Add \$5,599 for inmate health care supplies.
11. Delete \$2,971 for a \$.02 per meal cost reduction. The reduction will allow \$.80 per meal at the institution.
12. Delete \$1,050 for two window air conditioners.
13. The Subcommittee notes the clerical staffing at this agency is the highest of any correctional institution. The Subcommittee urges the Department of Corrections to examine this high staffing ratio in light of the pressing clerical needs of the other correctional institutions.
14. The Joint Committee on State Building Construction has not made FY 1987 capital improvement recommendations as of this date. The Subcommittee makes no adjustment to the Governor's capital improvement recommendations and recommends the Senate Subcommittee review this area once the Joint Committee recommendations are available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (108,232)	\$ 3,143,349	\$ 235,989
Capital Improvements	--	--	--
TOTAL	<u>\$ (108,232)</u>	<u>\$ 3,143,349</u>	<u>\$ 235,989</u>
State General Fund:			
State Operations	\$ (108,232)	\$ 3,136,549	\$ 235,989
Capital Improvements	--	--	--
TOTAL	<u>\$ (108,232)</u>	<u>\$ 3,136,549</u>	<u>\$ 235,989</u>
FTE Positions	(1.0)	105.6	7.0

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

1. Add \$78,782 and 1.0 FTE position for the Chief of Clinical Services. As noted in the FY 1986 report, the Department anticipates filling the vacancy by the beginning of FY 1987.
2. Add \$38,559 for salaries and wages in the Security program. The Subcommittee's recommendations will provide a turnover rate of 2.3 percent in the program, rather than a 5 percent turnover rate that the House recommended. The Subcommittee notes that the historical turnover rate for this program is closer to 2.3 percent than 5.0 percent. Although a 5 percent turnover rate could be achieved, the Subcommittee would be alarmed that the security positions would be forced to remain vacant at a maximum security institution.

3. Concur with Governor's Budget Amendment No. 3 which provides \$118,648 and six FTE positions to staff and operate the 32-bed expansion at the institution. The six positions include five correctional officers and a psychologist. The Subcommittee notes the capital improvements funds for the expansion were released by the State Finance Council in December, 1985.

551.87

**SUBCOMMITTEE REPORT**

**Agency:** Corrections Ombudsman Board      **Bill No.** --      **Bill Sec.** --

**Analyst:** Conroy      **Analysis Pg. No.** 707      **Budget Pg. No.** 4-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
All Funds	\$ 152,973	\$ 150,434	\$ (2,500)
State General Fund	152,973	150,434	(2,500)
<b>FTE Positions</b>	<b>5.0</b>	<b>5.0</b>	<b>--</b>

Agency Request/Governor's Recommendation

The agency's revised operating budget of \$152,973 is \$2,229 less than the approved amount. In addition, funds have been shifted among various object codes to reflect the most recent plan of expenditure.

The Governor's recommendation of \$150,434 is \$2,539 less than the agency's revised estimate. The Governor recommends reductions in salaries and wages, communication, and travel and subsistence.

House Subcommittee Recommendations

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

1. Delete \$1,000 for salaries and wages due to a position vacancy.
2. Delete \$500 for communication based on lower than estimated expenditures.
3. Delete \$1,000 for travel and subsistence based on lower than estimated expenditures.
4. The Subcommittee recommends that all identified savings in the current year be reappropriated for FY 1987.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (2,500)	\$ 147,934	\$ --
State General Fund	(2,500)	147,934	--
FTE Positions	--	5.0	--

The Senate Subcommittee concurs with the House recommendations.

147.86



**SUBCOMMITTEE REPORT**

**Agency:** Corrections Ombudsman Board      **Bill No.** 2799      **Bill Sec.** 11

**Analyst:** Conroy      **Analysis Pg. No.** 707      **Budget Pg. No.** 4-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
All Funds	\$ 197,057	\$ 150,823	\$ 7,123
State General Fund	197,057	150,823	7,123
 FTE Positions	 7.0	 5.0	 1.0

Agency Request/Governor's Recommendation

The agency's request of \$197,057, while maintaining the current level of operations, also provides funds for an increase of two FTE professional positions. One of the new positions would be used to establish an agency branch office to serve state correctional institutions in central and south central Kansas.

The Governor's recommendation of \$150,823 continues the current operations of the agency staff. The Governor makes no provision for any additional staff positions.

House Subcommittee Recommendations

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

1. Add \$779 for salaries and wages to provide funds for salary step movement for the agency's two unclassified clerical positions.
2. Delete \$90 for less than anticipated expenditures for KANS-A-N.
3. Add \$6,434 and 1.0 F.T.E. position for an Ombudsman Associate who would be hired for the last quarter of FY 1987. The position would be in training for the last three months of FY 1987. In FY 1988 the position would be used to establish a branch office to serve central and south-central Kansas correctional facilities. These facilities currently house over 1,660 inmates which are located at the Industrial Reformatory, Hutchinson Work Release Center, Wichita Work Release Center, Winfield Pre-Release Center, and the El Dorado Honor Camps. The Subcommittee

notes the last professional position was added to this agency in FY 1982 when the inmate population was 2,485 or 2,334 less than the current population of 4,819.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Recommendations

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendations

	<u>House Adjustments</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 7,123	\$ 157,946	\$ --
State General Fund	7,123	157,946	--
FTE Positions	1.0	6.0	--

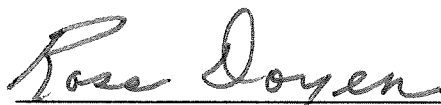
The Senate Subcommittee concurs with the House recommendations.

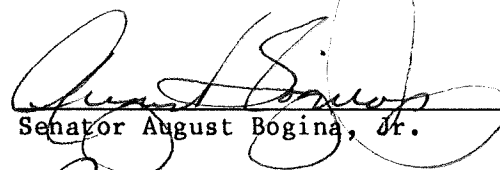
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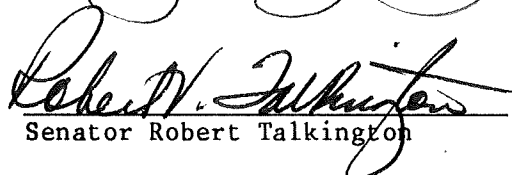
SUBCOMMITTEE REPORT


House Bill No. 3026

Sec. 2 -- Kansas Department of Transportation

  
\_\_\_\_\_  
Senator Ross Doyen,  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator August Bogina, Jr.

  
\_\_\_\_\_  
Senator Robert Talkington

  
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Senator Frank Gaines

**SUBCOMMITTEE REPORT**

**Agency:** Department of Transportation      **Bill No.** N/A      **Bill Sec.** N/A  
**Analyst:** Hunn      **Analysis Pg. No.** 87      **Budget Pg. No.** 8-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$130,410,933	\$128,588,494	\$ --
Aid to Local Units	70,991,696	72,486,696	--
Other Assistance	325,000	325,000	--
Operating Expenditures	<u>\$201,727,629</u>	<u>\$201,400,190</u>	\$ --
Capital Improvements	291,590,887	291,090,887	--
TOTAL	<u>\$493,318,516</u>	<u>\$492,491,077</u>	<u>\$ --</u>
State General Fund	\$ --	\$ --	\$ --
FTE Positions	3,140.0	3,140.0	--

Agency Request and Governor's Recommendation

KDOT's revised FY 1986 operating budget request totals \$201,727,629, a reduction of \$830,383 from the approved budget. The reductions are in the following areas: state operations (\$136,776), local aid (\$343,607), and other assistance (\$350,000). The reduction in other assistance reflects a shifting of federal metropolitan planning funds to local aid and the reduction in local aid is primarily due to a projected decrease in federal mass transit funds.

The Governor's recommendation for FY 1986 is \$201,400,190, a reduction of \$327,439 from the agency's request. Reductions are primarily in the areas of temporary and overtime help and supplies expenditures. The recommendation also increases local aid by \$1,495,000 based on revised consensus estimates of motor carrier property tax receipts.

House Subcommittee Recommendations

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

1. The Subcommittee found the Department has experienced turnover savings beyond the amount budgeted for FY 1986. Additional turnover savings have occurred in the Divisions of Planning and Development, Administration, and Operations primarily due to a number of vacant positions. The Subcommittee projects that turnover savings beyond the amount recommended by the Governor for the Divisions of Planning and Development and Administration may total

\$131,167 and recommends these projected savings be shifted to the Operations program to allow additional contractual maintenance expenditures. The Subcommittee also recommends the projected turnover savings for the Division of Operations be shifted to expand the contractual maintenance program but notes that turnover savings projected at this time for operations may not be realized, dependent upon the weather for the remainder of FY 1986.

2. The Subcommittee reviewed gasoline and diesel costs for FY 1986 and found that although there have been savings in gasoline expenditures, diesel costs have been higher than projected. The Subcommittee does not project savings in fuel costs in FY 1986 at this time but notes that if diesel prices decrease there could be savings in this area. The Subcommittee recommends any savings in this area be shifted to expand the contractual maintenance program.
3. The Subcommittee notes that KDOT will soon make their major purchase of asphalt for the year and recommends the Senate review the asphalt prices to determine if there may be savings in this area that could be shifted to expand the contractual maintenance program.
4. The Subcommittee reviewed KDOT's proposed land barter project to trade an existing KDOT shop site at 3200 South Topeka Blvd. for construction of new KDOT facilities on land currently owned by KDOT on Gage Blvd. The Subcommittee supports this proposed project and notes that during the 1985 interim, information on the proposed swap was presented to the Legislative Budget Committee and the Joint Committee on State Building Construction. Both those committees urged that KDOT expedite the project. KDOT has advertised the project and the bid letting is scheduled for March 20. The Subcommittee notes that KDOT has encountered a problem with zoning of the property on Gage Blvd., but KDOT hopes to have that issue resolved prior to March 20.
5. The Subcommittee notes that KDOT has issued final specifications for inclusion in all contracts utilizing any traffic control, effective with the March, 1986 KDOT letting, reflective sheeting to be used on signs, barricades, and drums used in construction zones. The reflective sheeting includes "Type II, High Performance Durable Grade," which has been questioned by suppliers as more expensive initially and prone to more rapid deterioration.

KDOT has stated that an increase of \$122,000 to \$183,000 in construction costs is expected the first year, but projects no overall cost increase in the "long-run" after acceptance by contractors.

The Subcommittee received information that Type II, High Performance sheeting is several times more expensive than material now in use. Information was also received questioning the durability and reduced effectiveness over time. While a phase-in for use of

the high intensity sheeting on traffic control devices would soften the impact on Kansas suppliers, KDOT stated the "change is not conducive to a phase-in situation."

The Subcommittee is concerned that Kansas vendors may not be able and/or permitted to supply the required reflective sheeting and that only out-of-state suppliers might be used.

Information provided to the Subcommittee indicates that West Virginia, North Dakota, South Dakota, Washington, Hawaii, and Illinois are among the states that either have stopped using or rejected the use of the material in question for reasons of cost and durability (delamination). KDOT has stated that final specifications were adopted after "considerable review" by KDOT specialists and persons associated with the traffic control industry, however, no performance testing was mentioned.

Due to these concerns, the Subcommittee asks that KDOT delay implementing on March 1, 1986 the specifications regarding traffic control signs and barrels. The Subcommittee further asks that KDOT supply the House and Senate subcommittees with performance testing results of the Type II, High Performance Sheeting compared with existing material in use, such as the engineer grade sheeting.

#### House Committee Recommendations

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

1. The House Committee found that KDOT has already sent out contract specifications for the March 1 bid lettings and therefore cannot delay implementation of those bid specifications. The Committee does agree that KDOT should provide additional information on the reflective sheeting to the Legislature.

#### House Committee of the Whole

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

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 86</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$128,588,494	\$ --
Aid to Local Units	--	72,486,696	--
Other Assistance	--	325,000	--
Operating Expenditures	\$ --	\$201,400,190	\$ --
Capital Improvements	--	291,090,887	--
TOTAL	<u>\$ --</u>	<u>\$492,491,077</u>	<u>\$ --</u>
State General Fund	\$ --	\$ --	\$ --
FTE Positions	--	3,140.0	--

The Senate Subcommittee concurs with the House recommendations for FY 1986.

276.86

**SUBCOMMITTEE REPORT**

Agency: Department of Transportation      Bill No. 3026      Bill Sec. 2  
 Analyst: Hunn      Analysis Pg. No. 87      Budget Pg. No. 8-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$135,779,772	\$132,716,391	\$ (124,689)
Aid to Local Units	74,970,174	76,292,374	--
Other Assistance	325,000	325,000	--
Operating Expenditures	<u>\$211,074,946</u>	<u>\$209,333,765</u>	<u>\$ (124,689)</u>
Capital Improvements	254,771,419	254,787,855	--
TOTAL	<u>\$465,846,365</u>	<u>\$464,121,620</u>	<u>\$ (124,689)</u>
State General Fund	\$           --	\$           --	\$           --
FTE Positions	3,140.0	3,140.0	--

Agency Request and Governor's Recommendation

KDOT's budget request for FY 1987 totals \$464,121,620 of which \$211,074,946 is for operating expenditures and \$254,787,855 is for capital improvements. The FY 1987 request includes no new positions or programs. The request includes \$3.4 million for increased contractual maintenance on the interstate system. Increases requested for local aid in FY 1987 reflect projected increased receipts from motor fuel taxes as a result of further reducing the gasohol tax differential in accordance with changes enacted by the 1985 Legislature.

The Governor's FY 1987 recommendation includes \$209,333,765 for operating expenditures, a reduction of \$1,741,181 from the agency's request. Reductions are primarily in the areas of temporary and overtime help, deletion of the 2 percent general salary adjustment, and motor vehicle supplies. The Governor's recommendation includes the requested \$3.4 million interstate maintenance program. The Governor recommends \$254,787,855 for capital improvements in FY 1987.

In addition, the Governor recommends that \$30 million of a proposed one-cent sales tax increase be used to create an Economic Development Highway Program to provide highway projects. The Governor's Message to the 1986 Session also includes a recommendation to increase KDOT payments for connecting link maintenance from \$1,250 to \$1,500 per lane mile. Expenditures for FY 1987, as shown in the Budget Report, do not reflect this recommendation.



### House Subcommittee Recommendations

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

1. The Subcommittee recommends deletion of \$10,391 for communications from the Division of Administration based on revised estimates for KANS-A-N costs.
2. The Subcommittee reviewed the amounts budgeted for gasoline and diesel fuel for FY 1987. Based on declining gasoline prices the Subcommittee notes there may be savings in this area in FY 1987 and recommends any savings be shifted to expand the contractual maintenance program.
3. The Subcommittee reviewed KDOT's request for funding for the second phase of the Computer Aided Design, Drafting, and Mapping (CADD/CAM) system. The Subcommittee notes that the first phase of the system authorized by the 1985 Legislature is proceeding as scheduled and concurs with the Governor's recommendation of \$430,400 for the second phase.
4. The Subcommittee reviewed KDOT's nonroad capital improvement requests and concurs with the Governor's recommendations pending recommendations by the Joint Committee on State Building Construction which has not yet made recommendations on KDOT projects.
5. The Subcommittee recommends deletion of \$114,298 for DISC computer services based on revised projections of the cost of DISC services. DISC costs are projected to be significantly lower because of equipment acquisition at less than anticipated costs and reduction of the computer services fund balance.
6. The Subcommittee reviewed KDOT's multiyear highway program and the existing revenue sources for the State Highway Fund. Approximately 45 percent of the estimated net revenue to the Highway Fund in FY 1986 from state sources is from fuel taxes, approximately 42 percent is from vehicle registration fees, and 11 percent is from the transfer from the State General Fund representing a portion of the sales tax on new and used motor vehicles. The Subcommittee notes that the fuel tax revenues and the motor vehicle registration revenues have not increased as the cost of constructing highways and the cost of KDOT operations has increased. The indexing provision for the fuel tax which is based on increases in the price of fuel has never been triggered, and recently, fuel prices have experienced a decline. Gasoline consumption has also declined in recent years as vehicles have become more fuel efficient. Motor vehicle registration fees, which are based primarily on vehicle weight for each class of vehicle, have not experienced growth, as consumers shift to lighter vehicles. The Subcommittee found that the only major source of revenue to the Highway Fund which is sensitive to inflation is the transfer from the State General Fund.

The Subcommittee supports the KDOT multiyear highway program which is dependent on growth in revenues due to the sales tax transfer from the State General Fund. The Subcommittee recommends, however, that consideration be given to the elimination of this transfer and that compensating changes be made in the state's fuel taxes to allow the highway program to continue as planned by the 1983 highway finance package. The Subcommittee recommends consideration be given to the following changes:

- a. Eliminate the gasohol rate differential effective July 1, 1986.
- b. Increase fuel taxes by 2 cents to 13 cents for gasoline and gasohol, and further increase the special fuels (diesel) tax rate to 3 cents above the gasoline rate. Under current law the tax rate for diesel is 2 cents higher than the rate for gasoline. The Subcommittee recommends consideration be given to increasing the differential to 3 cents to provide for improved equity in highway cost allocation.
- c. Provide an indexation formula for motor fuel taxes to provide an inflation-sensitive source of revenue to the State Highway Fund. The Subcommittee reviewed several different indices with KDOT and recommends an index based on the CPI-U, in combination with a fuel efficiency index designed to compensate for decreased fuel usage. The existing fuel tax index which is triggered by increases in fuel costs has not provided anticipated growth in fuel tax revenues.
- d. Provide for indexation of motor vehicle registration fees. The Subcommittee recommends consideration be given to indexing motor vehicle registration fees to the CPI-U. Changes in fees could be made to the nearest dollar change provided by the index. The Subcommittee notes that this index would need to be applied on a calendar year basis because of the staggered schedules for payment of motor vehicle registration fees.

#### House Committee Recommendations

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

1. The House Committee does not concur with the proposal to consider increasing fuel taxes, increasing the diesel differential rate, indexing motor fuel taxes and registration fees or eliminating the sales tax transfer to the State Highway Fund. The House Committee

does concur with the proposal to consider elimination of the gasohol differential rate. Therefore, the House Committee does not concur with items 6b, 6c, and 6d in the Subcommittee report.

House Committee of the Whole

The House Committee of the Whole concurred with House Committee recommendations with the following adjustments:

1. The amount budgeted for out-of-state travel was reduced by two-thirds, and a section was added to the bill requiring that out-of-state travel expenditures for FY 1987 not exceed one-third of the total amount spent on out-of-state travel for FY 1986. The bill was also amended to prohibit expenditures for travel outside the 48 contiguous states. The reductions in the amounts budgeted for out-of-state travel are as follows:

<u>Program</u>	<u>Amount</u>
Administration	\$ 19,188
Planning and Development	9,091
Engineering and Design	13,913
Operations	22,588
Aviation	1,261
TOTAL	<u>\$ 66,041</u>

2. The bill was also amended to prohibit expenditures for office furniture, fixtures, and equipment, household, laundry, kitchen equipment or furniture, or any other equipment, machinery, furniture, and fixtures. (Object codes 402, 403, and 409). The amendment does allow expenditures for such items in cases of emergency or for replacement based on unusual changes in technology or other obsolescence as determined by the Secretary of Transportation. However, such expenditures could not exceed \$79,307 without approval by the State Finance Council. The amendment makes reductions from the various programs as follows:

<u>Program</u>	<u>Amount</u>
Administration	\$ 8,267
Planning and Development	2,100
Engineering and Design	6,370
Operations	62,570
Aviation	--
TOTAL	<u>\$ 79,307</u>

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (270,037)	\$132,446,354	\$ 346,689
Aid to Local Units	--	76,292,374	--
Other Assistance	--	325,000	--
Operating Expenditures	\$ (270,037)	\$209,063,728	\$ 346,689
Capital Improvements	--	254,787,855	--
TOTAL	\$ (270,037)	\$463,851,583	\$ 346,689
State General Fund	\$ --	\$ --	\$ --
FTE Positions	--	3,140.0	--

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

1. The Subcommittee recommends the addition of \$201,341 to provide a 4.3 percent employer's contribution to KPERs.
2. The Subcommittee recommends the restoration of amounts deleted by the House for out-of-state travel (\$66,041) and certain capital outlay items (\$79,307).
3. The Subcommittee reviewed KDOT's annual asphalt contract and found that KDOT expects savings in FY 1987 of approximately \$1.4 million due to lower than projected asphalt prices. The Subcommittee concurs with the House recommendations that savings in this area be shifted to expand the contractual maintenance program. KDOT also anticipates lower bids on highway capital improvement projects due to lower asphalt prices.
4. The Subcommittee received information regarding the 18th Street Expressway from representatives of the Argentine area in Kansas City, Kansas. Those representatives expressed concerns that the 25 cent toll on the Expressway was a hindrance to access and development in that area and requested that the Expressway become the responsibility of KDOT and the toll be discontinued. The Subcommittee received testimony from the Secretary of KDOT that the department is not interested in assuming responsibility of the Expressway unless additional funding were available for maintenance and repair. The Secretary also stated that any additions to KDOT's responsibilities should be evaluated in light of the total statewide transportation needs. K.S.A. 68-2045 requires that any turnpike projects be in good condition before they may become part of the state system. The Subcommittee notes that the Expressway

is in poor condition and that statutory changes would be necessary to allow the Expressway to become part of the state system at this time. Given the current demands on the State Highway Fund, the Subcommittee feels that maintenance of the existing state highway system is of higher priority and supports KDOT's position on this matter.

5. The Subcommittee reviewed the needs and financing of the state highway system. The Subcommittee believes that the existing resources of the State Highway Fund are insufficient to adequately maintain all segments of the 10,000 mile state highway system. K.S.A. 68-406 requires that the state highway system include, at minimum, segments in each county not less than the sum of the north to south and east to west diameters of the county and that the system connect county seats, principal cities and market centers. K.S.A. 68-406 also provides the Secretary of KDOT the authority to remove from the state system segments which have little or no statewide significance.

In view of the limited resources to maintain the state highway system, the Subcommittee recommends that the Secretary of KDOT conduct a comprehensive study of the state highway system to determine whether the size of the system could be reduced or if other changes in the designated routes could be made to result in a more efficient and less-costly state system. The Subcommittee recommends that the results of such a study be presented to the Legislature before the start of the 1987 Legislative Session. The Subcommittee recommends that the Legislature reevaluate the requirements of K.S.A. 68-406 after the results of the study are made available.

6. The Subcommittee recommends KDOT investigate the feasibility of contracting with Kansas Correctional Industries for major maintenance and overhaul of certain types of seasonal equipment, such as mowing equipment.