

Approved _____

Date

2-11-87

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~xxx~~/p.m. on Monday, February 2, 1987 in room 514-S of the Capitol.

All members were present except: Representatives Wisdom & Heinemann (both excused)
Representatives Miller, Teagarden, Vancrum were excused on agency visit.

Committee staff present: Gloria Timmer, Legislative Research
Diane Duffy, Legislative Research
Jim Wilson, Revisor's Office
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Dr. Robert Harder, Secretary of Department of SRS
Gary Stotts, Department of the Budget
Others present (Attachment 1)

HB 2097 -- an act concerning the secretary of social and rehabilitation services; authorizing the sale of certain property in Shawnee County, Kansas.

Passage of HB 2097 would authorize the secretary of SRS to sell the land north of Topeka State Hospital, between I-70 and Kansas River, to be sold on a bid basis. Dr. Robert Harder appeared as a proponent. A concrete business is interested in purchasing the property for expansion purposes. The City of Topeka has also indicated an interest in securing the land.

Representative Fuller moved that HB 2097 be recommended favorable for passage. It was seconded by Representative Lowther and the motion carried.

Gary Stotts appeared before the committee and reviewed the fiscal situation of the State. Attachment 2 is a schedule showing FY 1987/FY 1988 increases in dollars and percentages. This chart was prepared in answer to a number of questions about current year and the shift in funds.

A second handout (Attachment 3) was provided which is merely a simplified balance sheet showing revenue and expenditures for FY 1986/87 and what is recommended for FY 1988. Taking into consideration the Governor's recommendations for FY 1987, the state should end up with a balance of \$51.8 million, and it is estimated that we should end FY 1988 with a balance of \$129 million.

A few noteworthy items of interest were pointed out, such as the transfer of \$650,000 from general fund to the Lottery Operating Fund; and the transfer of \$200,000 from general fund to the State Racing Fund. These funds are for the purpose of start-up costs, and these amounts are to be transferred back at such time as operating revenues are sufficient.

Another point relating to the budget is the period of time (November or December next year) when the cash flow situation becomes tight. In order to enhance the balances, Governor is recommending three school payments be shifted 30 to 60 days. They are Transportation, Community Colleges and Washburn aid. Two of these require statutory provisions and bills will be forthcoming. This is an attempt to make it unnecessary to borrow money for cash flow purposes.

There was brief discussion concerning the recommendation of \$650,000 for continuation of the lawsuit filed against the state of Colorado over water rights. Representative Solbach commented that his subcommittee had met this morning with the water people and that water rights now are being sold in Colorado, and in some cities they are selling for as much as \$2,000 per acre.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Monday, February 2, 19 87

Mr. Stotts pointed out there might be some budget amendments for the Department of Human Resources because of current activity in that department. This would relate to what is happening on the federal level by way of job service money and ability to keep certain offices open. The same holds for Department on Aging because of activity in that agency relating to the appointment of a new Secretary.

In summarizing SRS in general terms -- with the exception of transitional general assistance program and dental benefits for adults, the balance of programs the Governor is proposing restoration back to pre-recission levels. Also he has asked those people in preparing their recommendations to allow for a substantial case load increase and try not to be on the low side in an effort to avoid a large supplemental request.

With regard to Department of Corrections, Mr. Stotts pointed out to the committee that the department's budget is based on estimated population and the present situation tells us those estimates will not hold. Therefore, the Governor is recommending \$6.5 million and has instructed the Secretary to develop a plan to take care of anticipated population. This \$6.5 is in the budget recommendation and will not be an add-on cost.

Concerning employee compensation, the budget provides for a general salary increase of 1.5% for classified employees and it also provides funds to allow for scheduled step movement.

Representative Mainey moved that the Minutes for January 21, 22, 27 and 29 be approved as written. Representative Ott seconded and the motion carried.

Meeting adjourned at 3:15 p.m.

FY 1987/FY 1988 INCREASE

	<u>FY 1987</u>	<u>FY 1988</u>	<u>\$</u> <u>Inc.</u>	<u>%</u> <u>Inc.</u>
Pre-Rescission Authorized/ Gov. Rec/d	\$1,797.5	\$1,860.3		
Adjust for Shift	--	(22.6)		
	<u>\$1,797.5</u>	<u>\$1,837.7</u>		
Adjust Demand Transfers	(3.7)	--		
	<u>\$1,793.8</u>	<u>\$1,837.7</u>		
Adjust for Supplemental	21.1	--		
	<u>\$1,814.9</u>	<u>\$1,837.7</u>	\$ 22.8	1.3
Adjust for Lapse	(60.1)	--		
	<u>\$1,754.8</u>	<u>\$1,837.7</u>	\$ 82.9	4.7
Adjust for Shift and Other	(22.6)	22.6		
	<u>\$1,732.2</u>	<u>\$1,860.3</u>	\$128.1	7.4

SCHEDULE 1 — STATE GENERAL FUND SUMMARY

(Millions of Dollars)

	FY 1986 ACTUAL	FY 1987 ESTIMATE	FY 1988 RECOMMENDED
Beginning Unencumbered Cash Balance	\$120.4	\$19.9	\$51.8
ADD: Released from Prior Years' Encumbrances9 ¹	—	—
Revenues from Current Sources	1,641.4	1,764.9	1,947.0
Recommended New Transfers	—	.1 ²	.8 ²
Recommended Adjustments to Current Transfers	—	—	15.9 ³
LESS: Recommended New Transfers	—	.9 ⁴	23.9 ⁴
Adjustments to Consensus Revenue Estimate Related to Governor's Recommendations . .	—	—	1.7 ⁵
TOTAL RESOURCES	\$1,762.7	\$1,784.0	\$1,989.9
LESS: Detailed Expenditures	1,742.8	1,732.2	1,860.3
TOTAL DEMANDS	\$1,742.8	\$1,732.2	\$1,860.3
 ENDING UNENCUMBERED CASH BALANCE	 \$19.9	 \$51.8	 \$129.6

- 1 Difference between prior year's encumbrances and expenditures charged to those encumbrances.
- 2 Transfer of \$95,416 in FY 1987 and \$837,679 in FY 1988 from the State Conservation Storage Water Supply Fund to the State General Fund as recommended by the Governor.
- 3 Represents a reduction in the sales tax transfer from State General Fund to the State Highway Fund: 1) \$6,892,500 represents a shift from FY 1988 to FY 1989 as a result of a proposed change from a daily transfer to a quarterly transfer and 2) \$8,957,500 which represents a proposed reduction in the base to which the transfer is applied from four percent to three percent as recommended by the Governor.
- 4 Transfer of \$300,000 in FY 1988 from the State General Fund to the Department of Health and Environment-Hazardous Waste Clean-Up Fund; \$697,750 in FY 1988 from the State General Fund to the State Emergency Fund; \$10,879,700 in FY 1988 from the State General Fund to the County Reappraisal Fund; \$650,000 in FY 1987 and \$2,100,000 in FY 1988 from the State General Fund to the Lottery Operating Fund; \$200,000 in FY 1987 from the State General Fund to the State Racing Fund; and \$9,900,000 in FY 1988 from the State General Fund to the Adult Care Homes Lawsuit Settlement Fund as recommended by the Governor.
- 5 Reflects reduction to the State General Fund from an increase in the severance tax exemption applied to low production and water flood wells of a depth greater than 2,000 feet. The low production exemption is increased from three to five barrels per day and the water flood exemption is increased from four to six barrels per day as recommended by the Governor.

Major Budget Recommendations

FISCAL YEAR 1987

RESCISSIONS

Fiscal Year 1986 State General Fund revenues fell short of expenditures by \$17.1 million. Further, the Consensus Revenue Estimating Group revised downward by \$93 million the estimate for FY 1987 State General Fund collections with the result that spending authorized for Fiscal Year 1987 exceeds the revised revenue estimate and cash balances. Accordingly, the Governor's recommendations for FY 1987 include reductions to currently approved State General Fund expenditures.

After review of the revenue situation, Governor Hayden directed that all state agencies file revised expenditure plans to reduce currently authorized State General Fund spending (less demand transfers and selected aid payments) for FY 1987 by 3.8 percent or \$59.9 million. The agency plans were reviewed in conjunction with agency budget estimates as contained in their budget submissions. Many of the agency proposals were accepted as submitted but some were adjusted, with further reductions applied where appropriate and funds restored as the situation dictated. Foremost throughout the review process was the objective of achieving a reduction of approximately \$60 million.

The Governor's recommendations concerning these reductions are included in the budget and have been submitted to the Legislature for action in a single bill lapsing the related funding.

In general, the reductions are achieved by freezing the filling of vacant positions, reducing travel that is not necessary to fulfill statutory or assigned responsibilities, adjusting utilization policies to reduce utility expenses, postponing capital outlay and commodity purchases, maximizing use of special revenue funds, savings due to less than anticipated demands in certain aid and grants programs, reductions available by delaying new or expanded initiatives, and reductions to discretionary items in other operating expenditures. In addition, balances remaining after completion of capital improvement projects have been proposed for lapse and removed from expenditure estimates. Also, reductions in demand transfers and expenditures for aid and other assistance as a result of revised revenue estimates are included. Finally, the Governor recommends that the FY 1987 final quarter payment from the State General Fund for KPERS-School be shifted to FY 1988 and that \$11 million of Regents system spending be shifted from the State General Fund to maximize use of available fee revenues. The reductions avoid layoff, furlough and termination of state employees except where such reductions are related to a permanent program cutback or reorganization. Some reductions, however, more directly impact client services, distributions to other units of government or filled positions in agencies. Major reductions in these areas are summarized below.

Board of Agriculture

- Nineteen positions will be abolished: 7.0 in Meat and Poultry; 7.0 in the Laboratory; and 5.0 in Noxious Weeds. Of the positions abolished, nine require layoffs. The Meat and Poultry staffing reduction is accomplished by reorganization of the field supervisory structure and by improved scheduling of required inspections. The primary effect of the Laboratory reductions is that the number of samples analyzed will decrease. However, demands for sample analysis have declined somewhat because of the condition of the farm economy. The Noxious Weeds reductions accompany a decision to reduce the five existing districts with a single statewide district for purposes of administering state responsibilities under the Noxious Weed Act.

Regents Institutions

- The number of spring and summer school course offerings will be reduced. In some cases this will result in non-renewal of contracts for adjunct professors and graduate teaching assistants.
- Student salaries and wages will be reduced. This is to be accomplished by decreasing the number of hours worked by each student as opposed to the elimination of student jobs.

Health and Environment

- A reduction in the Prenatal Care Collaborative program will eliminate services to an estimated 40 women.

Department of Social and Rehabilitation Services

- Monthly grants to Aid to Dependent Children and General Assistance recipients will be reduced by 3.8 percent for five months.
- Transitional General Assistance benefits will be reduced from four months to one month, effective January 1, 1987.
- Dental service coverage will be eliminated for adults and will be provided only to ADC eligible children enrolled in the Early and Periodic Screening, Diagnosis and Treatment program, effective January 1, 1987.
- Medical assistance for Transitional General Assistance clients will be eliminated, effective January 1, 1987.
- General Assistance Unrestricted adult clients will be limited to Medicaid covered services, effective January 1, 1987.
- Amounts paid to adult care homes will be reduced by continuing application of the fifth cost center, and decreasing the per diem amount paid per client.
- A 10 percent reduction will be applied to the maximum amount now paid on selected medical provider fees, effective January 1, 1987.
- Rates paid to providers of foster care and day care will be reduced by 3.8 percent, effective January 1, 1987.
- Three of five paid holidays will be converted to compensatory time in the mental health and retardation hospitals and the youth centers.

Department of Education

- Reductions of 3.8 percent are made in the school district equalization, school transportation, community college, Washburn University, vocational education and special education aid programs.

Judiciary

- Reductions will require freezing all vacant positions, voluntary salary reductions and a cutback in the use of temporary employees or implementation of other options at the discretion of the Judiciary.

Legislature

- Reductions will be applied to legislative compensation and subsistence per diem allowances.

Department of Administration

- Custodial staff assigned to the Statehouse will be reduced from full-time to part-time status.

SUPPLEMENTALS

The Governor's recommendation for FY 1987 also includes supplemental State General Fund appropriations totaling \$21.1 million, as described below.

Department of Social and Rehabilitation Services

- \$7,505,232 to provide cash assistance for increased Aid to Dependent Children and General Assistance caseloads.
- \$9,523,671 to provide medical assistance for increased Aid to Dependent Children and General Assistance caseloads.

Department of Education

- \$1,275,203 to provide community college credit hour state aid for increased enrollments.
- \$431,008 to provide community college out-district aid for increased enrollments.

Legislature

- \$588,512 to finance additional expenses, principally a result of increased subsistence allowances, and to replace the shortfall in the carryover balance from FY 1986.

State Penitentiary

- \$332,670 for 32 additional security positions needed because of population increases; also for increased salaries due to lower than anticipated employee turnover.

Correctional Institution at Lansing

- \$318,727 to provide for inmate health care and operating costs for increased population; also for increased salaries due to lower than anticipated employee turnover.

Correctional Vocational Training Center

- \$77,118 for operating costs required for increased population and for increased salaries due to lower than anticipated employee turnover.

Industrial Reformatory

- \$155,546 for operating costs required for increased population and for increased salaries due to lower than anticipated employee turnover.

Department of Corrections

- \$62,090 to provide drug tests specified by the Kansas Parole Board for certain conditional parolees.

Kansas Parole Board

- \$11,433 to fund accumulated benefits associated with the retirement of the executive director.

Board of Indigents' Defense

- \$151,000 to increase funding for agency's assigned counsel program to meet rising numbers of vouchers submitted by assigned counsel and other experts representing indigent defendants.

Kansas State University

- \$159,974 to offset reduction in federal fund support of the Cooperative Extension Service.
- \$168,010 to offset reduction in federal fund support of experiment stations.

Board of Agriculture

- \$63,634 to offset fee revenue shortfalls and to fund salaries and wages in the Laboratory and Plant Health programs.

State Fair

- \$40,000 to provide for maintenance and repair of facilities.

Park and Resources

- \$121,445 to offset fee revenue shortfalls and to fund park operations.
- \$59,151 to provide supplies and materials for repairs and maintenance required as a result of flood damage; also to replace stolen tools.

Department of Administration

- \$46,856 to provide for higher than anticipated utility expenses.

Commission on Veterans Affairs

- \$11,184 to offset federal funds reduction and avoid position layoffs.

REVENUE TRANSFERS

- The FY 1987 recommendation provides for transfer of \$95,416 from the State Conservation Storage Water Supply Fund to the State General Fund. This transfer is possible because current balances exceed amounts required to meet obligations to the Corp of Engineers.
- A transfer of \$850,000 is recommended from the State General Fund to provide funding for start-up costs related to the lottery and parimutuel racing. It is proposed that the State General Fund be reimbursed for transfers required for start-up operating expenses once these programs become fully operational and related revenues available.

FISCAL YEAR 1988

GENERAL GOVERNMENT

Attorney General

- The Governor recommends \$650,000 for continuation of the lawsuit filed against the State of Colorado regarding water flow levels in the Arkansas River. Funding also is recommended to complete the office automation plan initiated in FY 1984.

Office of the Governor

- The office is funded at a level consistent with constitutional, statutory, and administrative duties.

Secretary of State

- The recommendation allows the Secretary of State to perform constitutional and statutorily mandated duties and responsibilities. In addition, the final phase of the Kansas-Missouri River boundary survey will be completed.

Legislature

- The recommendation reflects the agencies' requests and restores operations to normal levels.

Judiciary

- Funding reductions applied in FY 1987 are restored in the FY 1988 recommendation.
- The Child Support Enforcement program initiated in FY 1986 is continued and is financed with federal funds available for that purpose.
- The recommendation includes funding for three new judges of the Court of Appeals and related support staff.

Department of Administration

- A net reduction of 15 positions is proposed, comprised of the addition of 19 new positions and a reduction of 34 existing positions. The following positions were eliminated: 20 maintenance personnel, 15 of which are associated with the cessation of occupying the 503 Kansas Office Building; four positions in the Division of Accounts and Reports due to the elimination of the state's obligation to collect and remit social security contributions of local governments; four positions from Printing Services; three Governor's Fellow interns; one currently vacant policy analyst position; one position due to the elimination of the records management function; and one position from Personnel Services. The following positions were added: 12 new positions in the Division of Information Systems and Communications to support new computer applications and the networking of telecommunications and data communications among the state's facilities; four special revenue-funded positions for the Division of Accounts and Reports to intensify efforts in collecting delinquent receivables; two positions for the Pooled Money Investment Board to address the growing complexities of managing and investing state moneys; and one position resulting from the conversion of two half-time positions to full-time positions within the General Administration program.
- The recommendation includes \$122,000 for the development of an automated procurement system within the Division of Purchases and \$51,000 for data processing support of the Divisions of Budget and Personnel.
- Capital improvement projects include \$375,000 for exterior repair of the Statehouse, \$263,000 for general repair and maintenance of buildings in the Capitol Complex, and \$25,000 for a study of the Memorial Building. "Off-budget" capital improvements include approximately \$780,000 for general repair and maintenance of the state's office buildings and \$287,000 for exterior maintenance of the Docking State Office Building. The recommendation also includes FY 1989 appropriations for exterior repairs and maintenance of the Statehouse (\$375,000) and the Docking State Office Building (\$200,000).

Arts Commission

- State General Fund support for arts grants is increased by \$26,221 with respect to the recommended FY 1987 level; however, total funds for arts grants are reduced by 4.9 percent as a result of a 12 percent reduction in federal aid.

Banking Department

- One clerical position is eliminated. Funds are included for portable microcomputers to enable field examiners to expedite the preparation of financial condition reports.

Commission on Civil Rights

- The Governor recommends the deletion of 1.5 positions but the recommendation is not expected to seriously impair the agency's ability to investigate alleged acts of discrimination. The recommendation continues the Public Hearing Examiner position.

Consumer Credit Commissioner

- Funds are provided to upgrade the electronic licensing and registration functions of the agency.

Corporation Commission

- Recommendations for FY 1988 grant expenditures from the Petroleum Violation Escrow Fund ("oil overcharge funds") are deferred pending further review.
- Construction funds are recommended for the reclamation of four abandoned mine projects: Frontenac, Arcadia-Sheffield, Red Onion, and Indian Creek. The FY 1988 recommendation also includes funds to initiate reclamation of the Franklin site.

Credit Union Department

- A new examiner position is proposed for the analysis and review of financial condition reports forwarded by field examiners.

Department of Commerce

- The recommendation provides funding for continued operation of the field office network in the Existing Industry Development Division.
- \$100,000 is recommended for international representation in China to complement the representation currently authorized in Japan and Europe.
- Two international marketing positions and associated operating expenditures are transferred from the Board of Agriculture, reflecting assignment of lead responsibility for state international marketing efforts to the Department of Commerce.
- The recommendation increases funding for the Kansas Industrial Training (KIT) program from \$500,000 to \$1,000,000 with the increase provided from the State Economic Development Initiatives Fund.
- Expenditures recommended from the State Economic Development Initiatives Fund, which is financed with receipts from the State Gaming Revenues Fund, total \$2.9 million and include: \$1.55 million for K-TEC research and development projects; \$250,000 to establish a Trade Export Loan Guarantee program; \$500,000 for business training equipment grants to community colleges and area vocational technical schools; \$100,000 for incubator feasibility studies; and \$500,000 for KIT.
- Funding is recommended to allow the Travel and Tourism Development Division to host two national travel conventions scheduled for the fall of 1988.
- Funding is continued for the National Main Street Center contract to allow additional communities to provide models of excellence in downtown revitalization.
- The recommendation continues departmental administration of the Community Development Block Grant (CDBG), with a majority of the \$14 million in funds to be spent on economic development grants.
- The recommendation transfers the Community Resource Grant program from the department to Kansas State University.

Board of Indigents' Defense

- The recommendation funds the assigned counsel program at a level above that recommended for FY 1987 to meet costs associated with rising numbers of vouchers submitted by private counsel and other experts representing indigent defendants.

Insurance Department

- An additional clerical position is proposed for the Workers' Compensation program to expedite the processing of compensation claims.

Department of Revenue

- The Governor recommends a transfer of \$10.8 million from the State General Fund to the County Reappraisal Fund, with the funds to be disbursed to counties in quarterly payments in FY 1988. The State General Fund is to be repaid beginning in FY 1989 by lottery receipts designated for reappraisal expenses.
- A net increase of seven positions is recommended for the department, including the addition of 13 new positions and the deletion of six existing positions. Of the new positions, five are use value specialists, three are programmer trainees for the Motor Vehicle Division, four are field representatives to assist in enforcement of the Vehicle Dealers and Manufacturers' Licensing Act and one is to assist in the transition to liquor-by-the-drink. Five of the positions to be deleted are income tax processing positions in the Taxation Division.
- The Governor recommends incorporation of the transient guest tax and retail sales tax into the Kansas Business Integrated Tax System (K-BITS) in FY 1987.
- The recommendation assumes that the Vehicle Information Processing System (VIPS) will be operational in early FY 1988 in a county prototype configuration and that during the last half of the fiscal year, one half of the state's counties will begin processing vehicle transactions through the VIPS system via remote terminals.
- Funding in the amount of \$220,000 is recommended to renovate the existing weigh station at Olathe.
- The recommendation terminates the five percent inheritance tax distribution to the counties.

Kansas Racing Commission

- The Governor recommends State General Fund transfers in FY 1987 for start-up operations of the Kansas Racing Commission. The Governor recommends that the receipts from the parimutuel wagering tax, admissions tax, application fees, license fees, and other fees collected by the commission be deposited into the State Racing Fund to pay for the operating expenses of the commission. Remaining balances are proposed to be transferred to the state Gaming Revenues Fund. Repayment to the State General Fund for financing start-up costs will begin in FY 1989.

Kansas Lottery

- The Governor's recommendation is predicated on early passage of enabling legislation to permit lottery ticket sales beginning in September 1987. The Governor recommends State General Fund transfers of \$650,000 in FY 1987 and \$2.1 million in FY 1988 for initial operating costs. Beginning in FY 1989, transfer amounts will be repaid to the State General Fund with receipts generated from lottery ticket sales. Revenues are projected to be available for transfer to the Gaming Revenues Fund during the second half of FY 1988. The Governor's recommendation provides for 119 positions.

State Treasurer

- For distributions made after January 1988, the Governor recommends Local Ad Valorem and City and County Revenue Sharing aid transfers based on a three percent, rather than a four percent, sales and use tax. This recommendation, which requires a revision of existing law, will reduce the base used to calculate the distributions by 25 percent.
- The recommendation deletes one clerical position in the Bond Registration program.

Real Estate Commission

- A currently vacant Education Specialist position is removed predicated on the Commission's ability to perform statutory functions with existing personnel.

Board of Technical Professions

- Funds are provided for computer equipment to automate the agency's licensing function.

PUBLIC WELFARE

Department on Aging

- Recommended funding will increase the number of meals provided from the level approved for FY 1987. The number of meals served will increase by 73,057 for congregate meals and by 9,944 for low-income, home-delivered meals. Funding for transportation assistance is recommended in the amount of \$135,069.
- The Older Kansans Employment Project is continued but the funding level of \$75,000 is a \$25,000 reduction from that approved for FY 1987.
- The Governor recommends that the Governor's Conference on Aging be held biennially instead of annually.

Department of Human Resources

- The recommendation reflects termination of federal funding support for the Employment Security Systems Institute (ESSI), but continues the program's operation with fees received from by an interstate group of employment security agencies contracting for ESSI's software development and training services.
- The recommendation reflects the loss of approximately \$1.2 million in federal funds due to termination of the Work Incentive program (WIN).
- Two industrial inspector positions are deleted due to reduced federal funding support for the Industrial Safety program. Three state-funded positions are abolished, including two in the Labor Relations program and one in the Commission on Hispanic Affairs.
- Five new federally funded positions are recommended for the Unemployment Insurance program to improve training of field personnel and to address the increased number of unemployment benefit appeal hearings.
- The budget does not reflect recent funding reductions in the federal Job Service program, pending development of an agency proposal for responding to the cutback.

Commission on Veterans Affairs

- One veterans service representative is eliminated, and clerical support is reduced at eight field offices which experience low traffic levels.
- Grants to World War I veterans have been incorporated within the commission's budget.

Soldiers Home

- A medical records technician is recommended to maintain the medical files of the institution's patients.
- Three capital improvements are recommended: reroofing of the maintenance building, replacement of the physical plant's electrical board, and establishment of a major maintenance and repair fund.

Department of Social and Rehabilitation Services

- The Governor's recommendation for FY 1988 does not restore medical assistance benefits terminated in FY 1987 for Transitional General Assistance (TGA) clients. Other FY 1987 program adjustments continued in FY 1988 include one-month eligibility for TGA clients instead of four; and, termination of dental benefits for adult clients under the Medical Assistance program.
- The recommendation restores the following FY 1987 program adjustments to pre-rescission levels: cash grant amounts for ADC and GA clients; reimbursement rates for selected medical providers that experienced a 10 percent rate reduction in FY 1987; medical assistance service coverage for GAU adult clients; and the five-day paid holiday policy at SRS institutions.
- Total expenditures for foster care and day care are increased by one percent from FY 1987 pre-rescission levels.
- Reimbursement policy for adult care home providers is restored to the pre-rescission level, plus a rate increase of 1.25 percent is provided. A 1.25 percent increase in reimbursement rates also is recommended for hospital providers.
- An increase of \$1.23 million (all funds) is recommended for physician reimbursement for prenatal and obstetric services.
- State General Fund expenditures for basic community mental health and retardation grants are increased by one percent from FY 1987 levels. An increase of \$1.02 million from FY 1987 also is recommended to continue the shift in treatment of mental retardation clients from state hospitals to community-based facilities.
- The number of hours to be funded under the recommendation for homemaker services is a one percent increase from FY 1987 levels.
- The recommendation includes a transfer of \$9.9 million from the State General Fund to the department for repayment of the loan from the Pooled Money Investment Board used in settlement of the Country Club nursing home lawsuit.
- The capital improvements recommendation includes \$1 million from the State Institutions Building Fund for major maintenance and reroofing projects at SRS facilities.

EDUCATION AND RESEARCH

Schools for the Deaf and Visually Handicapped

- In addition to the general salary increase proposed for state employees, a two percent salary increase is recommended for instructional personnel.
- Capital improvement projects financed from the State Institutions Building Fund include: major maintenance and repair funds for both institutions; a structural study for the administration building, and repairs to the multipurpose Johnson Building for the School for the Visually Handicapped; and an energy conservation study for the School for the Deaf.

Department of Education

- The Governor's recommendation will allow the Department of Education to operate at pre-rescission levels. In addition, the Governor's recommendation includes \$103,662 to continue development of the Kansas Internship Plan.
- State General Fund financed assistance for education restores program rescissions made in the current fiscal year and in the case of most state aid programs, provides additional state resources. In total, the Governor's recommendation of \$646.7 million for FY 1988 represents an

increase of \$37.0 million, or 6.1 percent, over the recommended amount of \$609.7 million for FY 1987.

- The Governor recommends that amendments to the School District Equalization Act provide for budget limits during the 1987-88 school year of 2%-3.5%. The recommended amount for general state aid, when combined with the consensus estimate of payments under the School District Income Tax Rebate program, would finance 43.0 percent of the total estimated unified school districts' general fund budgets. These amounts for general state aid and income tax rebates represent an increase of \$35.7 million over FY 1987 expenditures for state aid after the recommended rescission. The Governor's recommendations would result in an estimated statewide increase of \$23.6 million in local property taxes.
- The Governor recommends an appropriation of \$85.6 million for special education services categorical aid in FY 1988, which will finance 85 percent of the excess costs of special education, based upon local school district budget limits of 2%-3.5%. The Governor's recommendation will fully fund applicable transportation costs and provide \$12,557 per eligible teaching unit. While this amount reduces the percentage of special education excess costs the state traditionally has financed, the recommendation represents an increase of \$9.1 million, or 11.9 percent, over the amount recommended for the current fiscal year.
- Funding of state school transportation aid is recommended at 96 percent of the amount estimated to fully fund the statutory formula.
- The recommendation provides full funding of current entitlement formulas for credit hour state aid and out-district aid to community colleges and Washburn University.
- Funding for program and post-secondary state aid to AVT schools is recommended at a three percent increase over the original appropriations for FY 1987.
- The Governor recommends elimination of the categorical state aid program for support of vocational education programs in unified school districts.
- In order to ensure a positive cash flow, the Governor recommends that legislation be enacted to shift the December 1, 1987 payment of credit hour and out-district state aid to community colleges and Washburn University to January 1, 1988 and to shift the November 25, 1987 payment of state school transportation aid to February 25, 1988.
- In addition, the Governor will ask the State Board of Education to shift the December 15, 1987 payment of special education services aid to January 15, 1988.

KPERS-School

- The Governor recommends \$57,898,061 for local school employer contributions — \$46,198,061 based upon the estimated covered payroll under local school district budget limits of 2%-3.5% and \$11.7 million for the payment deferred from FY 1987 plus interest. In addition, the Governor proposes semi-annual instead of quarterly payments, beginning December 31, 1987.

Regents System

- State General Fund expenditures for the Regents institutions (exclusive of the Board Office) are recommended at \$328.7 million in FY 1988. Of the total, \$327.2 is recommended for operating expenditures, which is a 13.6 percent increase from estimated expenditures in FY 1987.
- The Governor recommends expenditure of general use funds — which combine State General Fund, tuition fees, hospital revenues and some federal funds — in the amount of \$495.4 million, for an increase of 5.5 percent from FY 1987 expenditures.
- Base budget reductions of approximately \$11.8 million made by the institutions in FY 1987 are restored to the base in FY 1988.

- The recommendation provides a 2.5 percent increase in salaries for unclassified employees of the Regents system, at a systemwide cost of \$6.1 million in state general funds.
- Retirement benefits paid by the state for unclassified employees of the Regents system are recommended to increase by one percent, at an estimated State General Fund cost of \$1.9 million.
- The salary and wage pool for student salaries is recommended at \$450,000, which is a 2.5 percent increase from the FY 1987 pre-rescission levels.
- The Regents system recommendation provides an increase of two percent in other operating expenditures from pre-rescission levels and an additional three percent increase for other operating expenditures directly related to the educational programs of the institutions. Additional funding provided is \$1.7 million and \$1.1 million, respectively. The three percent increase is proposed as a one-time expenditure increase and would not be added to the OOE base. The Governor recommends that these systemwide amounts be distributed in a manner that recognizes the extent to which each institution lags behind comparable expenditures of peer institutions.
- The Governor recommends revisions to the procedure used to adjust Regents institutions budgets for enrollment fluctuations. It is recommended that the base year for adjustments be changed annually and that use of the current three year cycle be discontinued. It is further recommended that the "upper corridor limit" be established at .5 percent for each institution (with the exception of the University of Kansas Medical Center, the Veterinary Medical Center, and the Kansas Technical Institute) and the "lower corridor limit" be set at 2.5 percent until the institution is funded at the average of its peer institutions. At such time the lower corridor limit will be reduced to 1.5 percent. The effect of the revised procedure in FY 1988 is to increase the Emporia State and Pittsburg budgets by \$25,790 and \$433,253, respectively, and to decrease the Kansas State University budget by \$356,795.
- The Governor's recommendation includes a "fee release" of \$635,612 for the University of Kansas in FY 1988 based on an upward revision to enrollment projections. Fee releases also are recommended in FY 1987 for the University of Kansas, Kansas State University, and Pittsburg State University.

Board of Regents

- \$1.5 million in expenditures from the Educational Building Fund is recommended for major maintenance projects in FY 1988. The funds are to be distributed among Regents institutions by the Board.

Kansas State University

- \$500,000 in Educational Building Fund expenditures are recommended for improvements to the chilled water distribution system, including improvements required to serve the new chemistry/biochemistry building.
- The multi-year Educational Building Fund appropriation for FY 1989 for the chemistry/biochemistry building is increased by \$285,000 to construct a separate chemical storage facility.

University of Kansas

- \$80,000 is recommended from the Educational Building Fund to plan the remodeling of a portion of Haworth Hall.
- \$130,000 is recommended from the Educational Building Fund to plan improvements to the campus water supply system.
- The recommendation refinances the construction of a new science building by shifting \$1.5 million in expenditures from the Educational Building Fund to the State General Fund.

Pittsburg State University

- \$193,000 is recommended from the Educational Building Fund to remodel the Technology Education Building to accommodate the Architectural Woodwork Institute.

University of Kansas Medical Center

- Hospital fund expenditures are recommended in the amount of \$540,000 for renovation of the hospital's air handling system and \$500,000 for expansion of the neonatal intensive care unit.

Wichita State University

- \$150,000 is recommended from the Educational Building Fund to continue planning for the construction of a new science building. An additional \$250,000 is recommended for appropriation in FY 1989 to complete planning for the project.
- Refinancing of the Ablah Library remodeling project is recommended with the FY 1987 appropriation from the Educational Building Fund being reduced by \$1,600,000, the FY 1988 appropriation increased by \$1,000,000 and the FY 1989 appropriation increased by \$600,000.

State Library

- Grant-in-aid funding to public libraries is recommended at \$619,545 in order to reestablish the FY 1986 aid level.
- Interlibrary Loan Development Plan grants are recommended at \$500,000.
- A half-time, special project position is recommended to coordinate the literary training programs of public libraries.
- Funding is provided for annual, rather than biannual, production of the Kansas Union Catalog.

Public Broadcasting Commission

- Funds are recommended for a feasibility study of telecommunication requirements to interconnect state facilities and public broadcasting stations.
- Funding support for the KCPT television station in Kansas City, Missouri is terminated.

PUBLIC SAFETY

Adjutant General

- The Governor's recommendation provides funding to maintain the Emergency Operations Center, which receives emergency calls on a 24-hour basis.
- New armories are proposed to be constructed in Paola and Goodland with state participation totaling 15 percent of project costs.

Corrections System

- The Governor's recommendation for FY 1988 provides specific object code expenditures in support of an average daily population of 5,335. An additional \$6.5 million is recommended to cover costs associated with the revised FY 1988 estimated population of 5,965. Of the additional amount recommended, \$3.0 million is designated for state operations and \$3.5 million for capital improvements. Specific recommendations regarding expenditure of these funds will be presented by the Governor upon completion of a plan now under development by the Secretary of Corrections.
- The Governor recommends state payment for malpractice insurance not to exceed \$5,000 per individual for physician specialists, physician assistants and dentists.

Department of Corrections

- The Governor recommends that the pardon and extradition attorney be placed in the Governor's Department.
- The Governor recommends a chargeback rate of 45 percent for the Community Corrections Grant program.
- The Governor recommends operations expenditures for the Ellsworth Correctional Work Facility based on the 45.5 employees and 72 inmates expected to be on site by March 1988.
- Capital improvement recommendations include \$400,000 for major repairs and special maintenance and \$1.125 million for the second payment on the Ellsworth Correctional Work Facility.
- The recommendation provides a one-year extension to the statutory provision imposing a one-quarter mill property tax for deposit to the Correctional Institutions Building Fund. This recommendation provides for an equal reduction in the State Institutions Building Fund levy.
- The Governor recommends that the entire 10 percent Gaming Revenue transfer authorized for correctional purposes be used in support of projects funded from the Correctional Institutions Building Fund, and that no transfer be made in FY 1988 to the Juvenile Detention Facilities Fund.
- The Governor recommends a \$1.0 million State General Fund transfer to the Correctional Institutions Building Fund to relieve cash flow problems that will exist in early FY 1988. These funds will be repaid to the State General Fund prior to the end of FY 1988.

Industrial Reformatory

- The recommended budget provides funding for an estimated population of 1,500, down 35 from the number budgeted in FY 1987; for FY 1988 the recommendation includes expenditures for one additional support position.
- Capital improvement recommendations include \$238,000 for electrical improvements and \$56,808 for a special assessment, both to be funded from the Correctional Institutions Building Fund. Also recommended is a State General Fund appropriation of \$135,000 for asbestos removal in conjunction with the institution's steam line replacement project.

Correctional Institution at Lansing

- The recommendation funds an average daily population of 247, an increase of seven over the number budgeted in FY 1987; the recommendation includes expenditures for five new correctional officers to provide additional security staff for Perry Building.
- The capital improvement recommendation includes the second year of a multi-year appropriation of state general funds to construct the Food/Support Services Building. Also recommended is first-year funding of \$1.95 million from the Correctional Institutions Building Fund to construct a new 120-bed dormitory. The dormitory project will be completed in FY 1989 with an appropriation of \$1.19 million.

State Reception and Diagnostic Center

- The Governor's recommendation includes funds to support a population of 174, up 26 from the number budgeted in FY 1987. The increase is directly related to opening of the 32-bed addition.
- The recommendation contains funds for expansion of the institution's laundry service by adding a new washer and dryer.

- The recommended capital improvements include \$495,675 for expansion of the Topeka Work Release Center, construction of a new maintenance building and renovation of the old gymnasium for a new laundry facility. All projects will be financed from the Correctional Institutions Building Fund.

Correctional-Vocational Training Center

- The recommendation includes funds to support a population of 260, down five from the number budgeted in FY 1987.

State Penitentiary

- The Governor's recommendation includes funding for a population of 2,683, up 131 from the number budgeted in FY 1987; in recognition of this growth and opening of the Administration/Support Services Building, expenditures for 12 new positions, including seven correctional officers and five support positions, are recommended.
- Funding for capital improvement projects for Kansas State Penitentiary include: \$980,000 for renovation of A cellhouse to be financed from the Correctional Institutions Building Fund; \$25,000 for an electrical power study and \$257,534 for loose equipment for the Administration/Support Services Building, both to be financed from the State General Fund. Renovation of A cellhouse will be completed in FY 1989 with a recommended appropriation of \$1.47 million.

Corrections Ombudsman Board

- The recommendation does not include funding to restore the associate ombudsman position deleted in FY 1987.

Crime Victims Reparations Board

- The agency's FY 1988 budget is entirely financed with federal funds and docket fees. The proposed budget will maintain the state's eligibility to receive federal funds.

Highway Patrol

- The recommended budget restores agency operations to FY 1987 pre-rescission levels.
- The Motor Carrier Safety Inspection program will be expanded, assuming increases in federal funding. The expansion includes the addition of four troopers, one sergeant, and two-half-time clerical positions.

Youth Centers

- Funding related to contracts with local school districts are reduced from approved FY 1987 levels based upon proposed regulations that will reduce the required teacher/student ratio.
- The clinical chaplain position at the Atchison Youth Center is reduced to half-time, the half-time clinical chaplain position at the Beloit Youth Center is eliminated, and the contract for chaplaincy services at the Topeka Youth Center is eliminated.

AGRICULTURE AND NATURAL RESOURCES

Board of Agriculture

- Nineteen positions abolished in FY 1987 are not restored in FY 1988. Additional positions are recommended for elimination in FY 1988, as follows: 2.0 agricultural inspector I's, one each in the agricultural supplies and egg inspection subprograms; a .5 keyboard operator in weights and measures; and 2.0 FTE in the statistical services subprogram.

- The FY 1988 recommendation continues the FACTS program beyond the currently scheduled sunset date of June 30, 1987. The recommendation does not continue provision of direct legal services to FACTS clients, budgeted at \$160,000 in FY 1987, nor does it continue activities funded in FY 1987 with a one-time grant of \$55,000 under the federal Rural Employment Assistance program (REAP).
- The Governor recommends a substantial change in Marketing program emphasis by transferring responsibility for international marketing of Kansas agricultural products from the Board of Agriculture to the Department of Commerce. The recommendation deletes two marketing specialist positions assigned to international marketing development and reduces other operating expenditures to reflect the transfer of responsibility for international marketing.
- Fee increases are recommended for the Plant Health program to maintain pesticide regulatory activity at current levels. The pesticide business application fee is raised from \$75 to \$150; the pesticide regulation fee, from \$15 to \$25 per product; and the fee charged to businesses for uncertified applicators, from \$10 to \$25 per person. Additional receipts are estimated at \$157,000.
- One new position is recommended, a dam safety inspector for the Water Resources program. The position is recommended to provide periodic inspection of existing dams located above populated areas.
- Capital improvements for the laboratory are recommended in the amount of \$81,000 to replace the laboratory roof and to repair and reseal the driveway and parking lot.

Animal Health Department

- The Governor's recommendation reduces State General Fund expenditures for backtagging, based on actual expenditure levels in FY 1986.
- Funding is recommended for specialized microcomputer equipment to assist in brand registration and in production of the Brand Book.

State Conservation Commission

- The recommendation restores basic water resources cost-share program funding to the pre-rescission FY 1987 level of \$1.5 million, increases the high priority cost-share funding level to \$230,000 and maintains aid to conservation districts at \$767,476.
- Watershed dam construction funding is reduced from previous levels to \$769,648, while \$100,000 is recommended for watershed planning in the Upper Black Vermillion Watershed area.
- Funding is recommended for two multipurpose small lakes projects: \$98,192 for Centralia Site 50 and \$142,160 for the Yates Center project.

State Fair

- Continuation of the grandstand renovation project is not recommended for FY 1988, pending the results of the parimutuel racing feasibility study underway in FY 1987.
- Funding for special maintenance projects in FY 1988 is recommended at \$150,000.
- The FY 1988 budget assumes increased attendance and receipts compared to levels recorded during the two preceding fiscal years.

Water Office

- The recommendation proposes a transfer of \$837,679 from the Conservation Storage Water Supply Fund to the State General Fund. The transfer represents partial repayment of the \$3.05

million "loan" made in FY 1986 to satisfy the escrow terms of an agreement with the Corps of Engineers for optional purchase of additional reservoir space.

- \$776,445 is recommended to pay the state's share of costs for major embankment and riprap repairs to John Redmond Reservoir. Costs will be recovered through the Water Marketing Program in FY 1989.
- \$6,365 is recommended to plug observation wells in central Kansas that were drilled in conjunction with the Mineral Intrusion Research project.

Wheat Commission

- The Governor's recommendation continues agency operations at the revised FY 1987 level, except that additional funds are provided for agency grants and contracts. The recommendation includes \$402,000 for commission support to U.S. Wheat Associates and \$310,000 for grant and contract support of projects at Kansas State University.

HEALTH AND HOSPITALS

Department of Health and Environment

- In most instances, FY 1987 reductions are restored in FY 1988 to pre-rescission levels. However, the FY 1988 recommendation for professional supplies in the crippled children subprogram is a reduction from previous levels based on expenditure history and not on a proposed reduction in service level.
- The FY 1988 recommendation reflects the loss of approximately \$600,000 from three federal grant sources: health planning, genetic services and early identification and intervention. Federal fund reductions in these areas are not replaced by state general funds.
- Based in part upon the termination of federal grant support for state health planning activities, the FY 1988 recommendation discontinues the department's planning function, including a reduction of eight positions. The recommendation does not provide funding for the Statewide Health Coordinating Council or for departmental reviews of applications for credentialing of health professions.
- The FY 1988 recommendation provides for a net reduction of 14.0 positions from the number authorized in FY 1987 — 20.0 existing positions are deleted and 6.0 new positions are recommended. Of the 20.0 recommended to be abolished, 16.0 are associated in some way with reductions in federal funding support for the Policy and Planning, Family Health Services and Community Health Services programs. Three of the new positions recommended are federally funded positions to assist in regulation of PCB's and underground storage tanks. Also recommended are two positions to implement a time and effort accounting system and one position to increase on-site inspection of asbestos removal projects.
- State aid to local governments in FY 1988 is maintained at the pre-rescission level of \$1,716,932 for formula aid, child care licensing, nursing home visits, healthy start/home visitor and prenatal care projects. Total state funding for prenatal care projects, which includes contractual services as well as aid funding, also is maintained at the pre-rescission FY 1987 level of \$500,000. Federal aid distribution to local governments and organizations is projected at \$6.2 million, an increase of \$280,000 from the amount estimated for FY 1987.
- Women, Infants and Children Supplemental Food program benefits for eligible women and children are budgeted at \$12.9 million in federal fund expenditures for FY 1988, compared to \$10.0 million in FY 1987.

- Funding for the Hazardous Waste Cleanup Fund is recommended at \$300,000, which equals the amount approved for cleanup projects in FY 1987. Also recommended for FY 1988 is \$3.6 million in federal Superfund contractual expenditures for site investigations and cleanup of federal Superfund sites.
- The recommendation includes establishment of a special revenue fund to be used in the event that the department receives an application to locate a low-level radioactive waste facility in the state under procedures established by the Central Interstate Low-Level Radioactive Waste Compact. Establishment of the fund would enable the department to receive siting application fees and/or funding from the compact to conduct necessary analyses. Expenditures would be subject to Finance Council approval.
- Funding for the Disease Prevention and Control program includes \$165,000 for DPT vaccine, \$59,000 for antibiotics used in treatment of tuberculosis, \$26,500 for antibiotics used in treatment of sexually transmitted diseases, and \$11,500 for serologic testing kits used in AIDS antibody testing.

Mental Health and Retardation Institutions

- The Governor's recommendation is intended to provide sufficient staff and other resources to maintain certification of the state's mental health and retardation institutions.
- The Governor's recommendation creates or adds the following positions:
 - a new psychiatric aide position is added to the adult program at the Rainbow Mental Health Facility
 - an audiologist position is created through realignment of existing staff at Topeka State Hospital in response to Joint Commission on Accreditation of Hospitals (JCAH) deficiency citations
 - two psychiatrist positions are created at Larned State Hospital through realignment of existing staff to address JCAH deficiency citations
 - three direct care positions are created at the Kansas Neurological Institute through realignment of existing staff to improve active treatment.
- A psychiatric residency program, to be operated in cooperation with the University of Kansas Medical Center, is recommended for Osawatomie State Hospital.
- The recommendation increases compensation for Kansas licensed psychiatrists.
- As a result of a program modification initiated in FY 1987 transferring 48 residents from Winfield State Hospital to Parsons State Hospital, 35 positions are deleted at Winfield (18 positions are added at Parsons in the current year).
- Approximately \$2.4 million is recommended from the State Institutions Building Fund for capital improvements, including \$1.9 million for the construction of a psychiatric building at Larned State Hospital.

RECREATION AND HISTORY

Fish and Game Commission

- The Governor recommends continuation of capital improvement projects for community and fishing lake development, reservoir facility development, stream access development and hatchery renovation.

- New projects are recommended in FY 1988 for dam and spillway repair at selected state fishing lakes, expansion of urban fishing waters, boating access, wildlife museum development, and renovation of wildlife areas.

Park and Resources Authority

- Capital improvement recommendations include building remodeling and construction, road construction, sewage disposal projects, water distribution and sanitation projects. In addition, the Governor recommends the allocation of available federal funds (to a maximum of \$600,000) for road resurfacing projects.
- The Governor's recommendation assumes continuation of the camping fee increases proposed by the Authority for FY 1987. An increase in motor vehicle permit fees is included for FY 1988, as follows: annual permit, from \$15 to \$20; annual permit-second vehicle, from \$3 to \$5; and daily permit, from \$2 to \$3.

Historical Society

- The Governor recommends closing or transferring to local authorities six historic properties and transferring Pawnee Rock Memorial Park to the Park and Resources Authority. State support for the Dodge City Heritage Center also is terminated.
- \$460,000 is recommended to complete construction of exhibits for the Kansas Museum of History. Also recommended is 11 months of funding for seven non-permanent positions involved in the construction of museum exhibits.

TRANSPORTATION

Department of Transportation

- The Governor recommends \$202.4 million for highway construction projects in FY 1988.
- State aid to local governments for road maintenance is recommended at \$75.1 million in FY 1987 and \$76.4 million in FY 1988.
- For FY 1988, \$3.4 million is proposed for contract interstate maintenance, approximately \$3.6 million for improvements to city connecting links, and approximately \$4.3 million for cities to use in projects related to economic development.
- Approximately \$2.0 million is recommended to initiate a multi-year program of replacing single axle with dual axle medium-duty dump trucks to enable the department to comply with state weight laws and provide increased safety for equipment operators.
- The Governor proposes to reduce the transfer of state general funds to the State Highway Fund by basing the determination of the transfer amounts on a three percent sales tax rate, rather than a four percent rate. In addition, the Governor proposes quarterly instead of daily transfers, beginning October 1, 1987.

EMPLOYEE COMPENSATION

Classified

- Recommends funding to provide for a general salary increase of 1.5 percent. ✓
- Maintains integrity of the pay plan by providing funds to allow scheduled step movement. ✓
- Provides funds to implement, effective December 18, 1987, Phase II of the Comprehensive Classification and Job Rate Study covering mechanics, repairers and operators classes. ✓

- Includes funding to cover increased costs of providing single member health care coverage. ✓
- Recommends allocation of funds to allow for implementation of meritorious position reallocations occurring during the fiscal year. ✓
- Proposes that Phase III of the Comprehensive Classification and Job Rate study covering service occupations be deferred and, after appropriate updating, considered for implementation in FY 1989.
- Recommends that the balance of the comprehensive study be considered over a five year cycle rather than the three years initially called for.

Unclassified (other than Regents unclassified)

- Provides for a general salary increase of 1.5 percent.
- Includes funds to allow the equivalent of classified step movement for unclassified employees in the executive, legislative and judicial branches.
- Recommends allocation of funds to allow for implementation of meritorious position reallocations occurring during the fiscal year.
- Includes funding to cover increased costs of providing single member health care coverage.
- Provides an additional two percent increase for teachers at the School for the Deaf and the School for the Visually Handicapped.

Regents Unclassified

- Provides funding to allow for a 2.5 percent general salary increase.
- Includes funding to cover increased costs of providing single member health care coverage.
- Includes funds to allow the state to assume an additional one percent of the cost of faculty retirement.

STAFFING

The Governor's budget includes a total of 38,831.3 positions for FY 1987, an increase of 81.8 positions from currently authorized totals for FY 1987. For FY 1988 the budget provides for 38,881.9 positions, 50.6 more than the recommended FY 1987 total. The additions for FY 1987 and FY 1988 are related to expansion of the corrections system in response to population increases, to reprogramming in the mental retardation hospitals, and to start-up of the lottery and parimutuel racing programs. Exclusive of these additions, the Governor's recommendation would reduce the total number of positions. Schedule 12 provides an agency position listing. Discussion of position adjustments recommended by the Governor appears in the Major Recommendations Section of this document and in the agency program explanation section of The Budget.