

Approved _____

3/2/87
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~xx~~ p.m. on Tuesday, February 24, 1987 in room 514-S of the Capitol.

All members were present except:

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

Guest List (Attachment 1)
Conferees appearing before the committee:

Chairman turned to final consideration of HB 2206 which relates to the local ad valorem tax reduction fund and city and county revenue sharing fund. This bill was heard in this committee on 2-23-87.

Representative Chronister moved that HB 2206 be recommended favorably for passage. Seconded by Representative Shriver. Motion carried.

Committee began consideration of subcommittee reports for HB 2272, FY 1988 appropriations for general government agencies.

Governor's Department

Representative Dyck presented the subcommittee report (Attachment 2). Subcommittee made no changes in the recommendations of the Governor. Representative Dyck moved that the subcommittee report be adopted. It was seconded by Representative Guldner. Motion carried.

Lieutenant Governor

Representative Brady presented the subcommittee report (Attachment 3). Subcommittee made no funding changes in the budget. Representative Brady moved that the subcommittee report be adopted. Representative Dyck seconded. Motion carried.

Secretary of State

Representative Heinemann presented the subcommittee report (Attachment 4) Subcommittee concurs with the Governor's recommendations for FY 1988, but does recommend that fee fund receipts and expenditures be further examined by the Senate Ways and Means Subcommittee.

Representative Mainey suggested that the last sentence of Paragraph 1 for FY 1987 be changed to read, "The Agency has purchased the equipment..... rather than "The Agency intends to purchase...." Committee was in agreement that this change in the subcommittee report is to be made.

Representative Heinemann moved that the subcommittee report be adopted, as amended. Representative Chronister seconded. Motion carried.

Kansas Arts Commission

Representative Brady presented the subcommittee report (Attachment 5). Considerable committee discussion followed relating to the last sentence of the subcommittee report that refers to recommendation by the subcommittee. Representative Turnquist moved that the last sentence be stricken from the report. Representative Hamm seconded. Representative Guldner responded that the sentence does not point out any fiscal year, and he feels that it is important to assure this agency that we consider them to be a part of economic development.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Tuesday, February 24, 19 87

Representative Solbach moved that the last sentence of the subcommittee report be changed to read, "Subcommittee recommends that a portion of the state gaming revenue, pending future Appropriations Committee action, be appropriated for arts programs in future fiscal years". Representative Miller seconded. Motion carried.

Representative Chronister moved to delete the language starting with the third line in Paragraph 3, "even with the Subcommittee's proposed adjustment" and the language "(State General Fund and" be removed. Also that the wording "other revenue sources" in line 5 be changed to read, "special revenue sources". The figure "\$76,914" in line 5 should be "\$63,822" and the figure "\$801,777" in line 6 should read "\$428,884". Seconded by Representative Turnquist. Motion carried.

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

Soldiers Home

Representative Dyck presented the subcommittee report (Attachment 6). After brief discussion, Representative Dyck moved for adoption of the report. Representative Guldner seconded. Motion carried.

Chairman turned to final consideration of HB 2028, relating to certain state officers and employees with law enforcement powers. This bill was heard in this committee on 1-27-87. Committee discussion revealed there is still some uncertainty concerning the bill.

Representative Duncan told the committee that the existing facility in Salina is not adequate to handle all the areas of the Department and that passage of this bill would lessen the demands on the training center. There was testimony during the interim committee to the effect that not all people in the department need full training.

Representative Shriver moved that HB 2028 be recommended for passage. Representative Duncan seconded.

Chair recognized Ron Desch of the Motor Carriers Inspection Bureau who addressed the committee briefly. He stated they presently have 16 troopers who are trained to inspect trucks. Motor Carrier Inspectors go through eight weeks of highway patrol training in Salina. Regular troopers go through 16 weeks of training. There are some things that all law enforcement officers are required to do, motor carrier inspectors are required by statute to make arrests in certain situations and also they have the authority to seize a stolen vehicle. Mr. Desch stated his opposition to the bill and said that passage would be a detriment to his department.

Chairman asked for a vote on the motion to recommend the bill favorably. The motion failed.

HB 2120, relating to the distribution of Kansas Statute books.

Representative Duncan moved that HB 2120 be recommended favorable for passage. Representative Goossen seconded. Motion carried.

Meeting adjourned at 2:35 p.m.

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. 2272

Bill Sec. 6

Analyst: Ahrens

Analysis Pg. No. 245

Budget Pg. No. 1-13

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All State General Fund:			
State Operations	\$ 1,270,400	\$ 1,234,677	\$ --
Other Assistance	10,000	10,000	--
TOTAL	<u>\$ 1,280,400</u>	<u>\$ 1,244,677</u>	<u>\$ --</u>
FTE Positions	33.3	28.0	--

FY 1987 Agency Request/Governor's
Recommendation

The FY 1987 agency revised budget estimate of \$1,271,025 for the Governor's Department was submitted by the prior incumbent, and it was equal to the amount authorized by the 1986 Legislature, including reappropriations. The Governor recommends a revised budget of \$1,216,463 which reflects the lapse of \$64,562, or 5.0 percent of appropriations by H.B. 2049. The revised FY 1987 budget as recommended by the Governor provides salaries and fringe benefits for 22.0 filled positions effective January 12 and for the remainder of the year.

FY 1988 Agency Request/Governor's
Recommendation

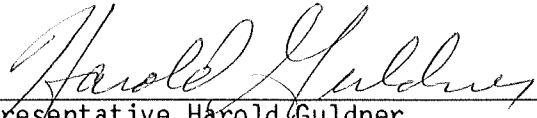
A budget request of \$1,280,400 for FY 1988 was submitted by the previous incumbent. The request includes salaries and fringe benefits of \$940,818 for 33.3 FTE positions and other operating expenditures of \$339,582, including \$75,000 for contingencies. The Governor recommends FY 1988 expenditures of \$1,244,677. The salaries and benefits recommendation is \$789,118 for 28.0 FTE positions. Recommended other operating expenditures total \$455,559, including \$75,000 for contingencies. The Governor's Pardon and Extradition Attorney, who previously was budgeted in the Department of Corrections, will be financed from the other operating expenditures budget of the Governor's Department. The recommended salary and wage budget includes a pool of \$10,751 for an average 1.6 percent for unclassified step movement.

House Subcommittee Recommendations

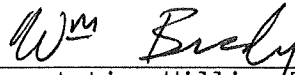
The Subcommittee concurs with the Governor's budget recommendations for FY 1987 and FY 1988.



Representative Harold Dyck
Subcommittee Chairman



Representative Harold Guldner



Representative William Brady

252.88

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 2272

Bill Sec. 11

Analyst: Ahrens

Analysis Pg. No. 287

Budget Pg. No. 1-19

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All State General Fund:			
State Operations	\$ 102,700	\$ 99,370	\$ --
FTE Positions	3.0	3.0	--

FY 1987 Agency Request/Governor's
Recommendation

The FY 1987 revised budget estimate of \$106,874 for the Office of Lieutenant Governor was submitted by the prior incumbent, and it was equal to the amount authorized by the 1986 Legislature, including the reappropriation. The Governor recommends a revised budget of \$101,530 which reflects the lapse of \$5,344, or 5.0 percent of appropriations, by H.B. 2049. The resulting expenditure reduction is in estimated salaries and benefits.

FY 1988 Agency Request/Governor's
Recommendation

A budget request of \$102,700 for FY 1988 was submitted by the previous incumbent. Salaries and benefits requested for 3.0 FTE positions was \$74,394. Other operating expenditures of \$28,306 were requested. The Governor recommends FY 1988 expenditures of \$99,370. The salaries and benefits recommendation is \$76,811 for the Lieutenant Governor and two staff positions, which includes \$827 for a 1.6 percent salary adjustment for step movement and related fringe benefits for the staff positions. Recommended other operating expenditures total \$22,559.

House Subcommittee Recommendations

The Subcommittee concurs with the FY 1987 and FY 1988 budget recommendations of the Governor. The Subcommittee would note that the Lieutenant Governor is presently receiving a salary as Secretary of Health and Environment which is paid by that agency. The Subcommittee checked expenditures of the Lieutenant Governor's office to date (mid-February) and learned that, due to payment of accumulated annual leave time upon termination of the two staff employees of the previous Lieutenant Governor, there are essentially no funds remaining in the revised salary budget of \$68,391 to pay the statutory salary to the incumbent for the remainder of the current fiscal year. The Subcommittee further observes that the FY 1988 budget will also be one of transition, in that the continuing duties and responsibilities of the current incumbent have yet to be defined.



Representative Harold Dyck
Subcommittee Chairman



Representative Harold Guldner



Representative William Brady

446.88

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 2272

Bill Sec. 13

Analyst: Rothe

Analysis Pg. No. 290

Budget Pg. No. 1-21

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,265,600	\$ 1,244,898	\$ --
UCC Fee Fund	582,188	593,925	--
Kansas Register			
Fee Fund	135,008	135,008	--
Other Special Funds	157,223	157,223	--
TOTAL	<u>\$ 2,140,019</u>	<u>\$ 2,131,054</u>	<u>\$ --</u>
FTE Positions	61.0	61.0	--

Agency Request/Governor's Recommendation

The agency's FY 1988 request totals \$2,140,019, a \$26,272 decrease from the FY 1987 estimate and would maintain that same 61.0 FTE positions approved for the current fiscal year. The request includes \$1,265,600 from the State General Fund (a decrease of \$102,417) and \$874,419 from special revenue funds (an increase of \$76,145). The major reduction from FY 1987 includes \$27,025 in capital outlay.

The Governor recommends FY 1988 expenditures of \$2,131,054, a reduction of \$8,965 from the agency's request, including a reduction of \$20,702 from the State General Fund and an increase of \$11,737 in expenditures from the UCC Fee Fund. The recommendation includes an increase of \$24,089 in salaries and wages due to unclassified step movement and fringe benefit adjustments. Major reductions include \$20,328 from printing costs and \$4,333 from travel and subsistence.

House Subcommittee Recommendation

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

1. The Subcommittee notes that total expenditures for computer upgrades in FY 1987 will be approximately \$125,000. Agency purchases include a new IBM System 36 computer (\$90,000), 30 computer terminals (\$26,000), and two laser printers (\$9,000). The agency intends to purchase the equipment with receipts from the no-limit UCC Fee Fund and the Information and Copy Service Fee Fund.

2. The Subcommittee notes that the agency will either sell its used IBM System 36 computer, recovering estimated receipts of \$20,000-\$30,000, or keep the equipment in anticipation of additional responsibilities (i.e., a state census or changes in the UCC central notification system).

FY 1988. The Subcommittee concurs with the Governor's recommendation. The Subcommittee further recommends that fee fund receipts and expenditures be further examined by the Senate Ways and Means Subcommittee.



Representative Rochelle Chronister
Subcommittee Chairperson



Representative Bill Bunten



Representative David Heinemann



Representative Donald Maaney



Representative Lee Hamm

SECRETARY OF STATE -- SPECIAL REVENUE FUNDS

Receipts And Expenditures --
FY 1983 Through FY 1988

	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>Gov. Rec.</u> <u>FY 1987</u>	<u>Gov. Rec.</u> <u>FY 1988</u>
Land Survey Fee Fund:						
Starting Balance	\$ --	\$ 20,305	\$ 17,492	\$ 23,920	\$ 19,251	\$ 13,606
Receipts	--	--	8,002	13,354	13,601	13,657
Transfers	35,000	--	--	(15,000)	--	--
Expenditures	(14,695)	(2,813)	(1,574)	(3,023)	(19,246)	(21,734)
Balance Forward	20,305	17,492	23,920	19,251	13,606	5,529
Conversion of Materials:						
Starting Balance	15,215	1,200	3,600	3,700	1,305	1,305
Receipts	1,200	2,400	100	5	--	--
Transfers	(15,215)	--	--	--	--	--
Expenditures	--	--	--	(2,400)	--	(1,305)
Balance Forward	1,200	3,600	3,700	1,305	1,305	--
Information and Copy Service Fee Fund:						
Starting Balance	--	20,578	12,278	28,608	55,251	69,651
Receipts	17,647	28,422	47,068	58,417	57,750	60,050
Transfers	15,215	--	--	--	--	--
Expenditures	(12,284)	(36,722)	(30,738)	(31,774)	(43,350)	(86,802)
Balance Forward	20,578	12,278	28,608	55,251	69,651	42,899
Kansas-Missouri River Boundary Survey:						
Starting Balance	40,000	40,000	40,000	40,000	39,390	24,390
Receipts	--	--	--	--	--	--
Expenditures	--	--	--	(610)	(15,000)	(24,390)
Balance Forward	40,000	40,000	40,000	39,390	24,390	--

Agency
Revision
↓

Agency
Revision
↓

-24,270

-11,072

(6053)

-24,270

-60,185

-53,334

(48,400)

-60,185

	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>Gov. Rec. FY 1987</u>	<u>Gov. Rec. FY 1988</u>
Kansas Register Fee Fund:						
Starting Balance	\$ 75,707	\$ 97,200	\$ 102,051	\$ 104,396	\$ 89,227	\$ 34,892 ^{-65,423}
Receipts	116,229	109,614	114,051	114,403	115,877 ^{-94,610}	116,091
Expenditures	(94,736)	(104,763)	(111,706)	(129,572)	(170,212) ^{-(118,414)}	(135,008)
Balance Forward	97,200	102,051	104,396	89,227	34,892 ^{-65,423}	15,975
Uniform Commercial Code Fee Fund:						
Starting Balance	--	--	70,891	86,966	56,696	288,384 ^{-377,518}
Receipts	--	202,861	506,637	1,094,341	767,200 ^{-1,264,822}	812,000
Transfers	--	--	--	(527,500)	--	--
Expenditures	--	(127,140)	(481,220)	(587,041)	(535,512) ^{-(944,000)}	(593,925)
Nonreportables	--	(4,830)	(9,342)	(10,070)	--	--
Balance Forward	--	70,891	86,966	56,696	288,384 ^{-377,518}	506,459
State Flag and Banner Fund:						
Starting Balance	7,664	5,252	3,571	5,244	8,018	10,001 ^{-10,328}
Receipts	14,731	14,472	15,266	20,367	19,459 ^{-20,992}	19,913
Expenditures	(17,143)	(16,153)	(13,593)	(17,593)	(17,476) ^{-(18,682)}	(22,992)
Balance Forward	5,252	3,571	5,244	8,018	10,001 ^{-10,328}	6,922
TOTAL - Special Revenues:						
Starting Balance	138,586	184,535	249,883	292,834	269,138	442,229 ^{-563,419}
Receipts	149,807	357,769	691,124	1,300,887	973,887 ^{-1,444,830}	1,021,711
Transfers	35,000	--	--	(542,500)	--	--
Expenditures	(138,858)	(287,591)	(638,831)	(772,013)	(800,796) ^{-(1,150,549)}	(886,156)
Nonreportables	--	(4,830)	(9,342)	(10,070)	--	--
Balance Forward	184,535	249,883	292,834	269,138	442,229 ^{-563,419}	577,784
TOTAL - State General Fund Expenditures:	\$ 1,267,857	\$ 1,317,692	\$ 1,344,228	\$ 1,362,361	\$ 1,314,730	\$ 1,244,898

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission

Bill No. 2272

Bill Sec. 10

Analyst: Holt

Analysis Pg. No. 281

Budget Pg. No. 1-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 395,425	\$ 305,583	\$ --
Programing Grants	990,798	721,628	3,235
TOTAL	<u>\$ 1,386,223</u>	<u>\$ 1,027,211</u>	<u>\$ 3,235</u>
State General Fund:			
State Operations	\$ 329,514	\$ 239,672	\$ --
Programming Grants	620,486	356,566	3,235
TOTAL	<u>\$ 950,000</u>	<u>\$ 596,238</u>	<u>\$ 3,235</u>
FTE Positions	11.0	8.0	--

Agency Request/Governor's Recommendation

The agency's request for operating expenditures in FY 1988 totals \$1,386,223, of which \$950,000 is from the State General Fund. Total requested expenditures represent an increase of \$286,512 or 26.1 percent above the agency's revised estimate, which is largely attributable to the proposed addition of 3.0 FTE positions and associated operating expenses (\$79,141) and to requested increased expenditures for arts programming (\$183,536). Requested State General Fund expenditures of \$620,486 for arts programming in FY 1988 reflect an increase of \$242,360 above estimated current year State General Fund expenditures for that purpose.

The Governor's FY 1988 recommendation for operating expenditures totals \$1,027,211, of which \$596,238 is from the State General Fund. Total recommended expenditures represent a reduction of \$30,147 or 2.9 percent below the Governor's current year recommendation, due to the anticipated termination of certain federal grants, a projected reduced funding level for the federal Basic Services Grant, and a recommended reduction from other special revenue sources. Total special revenue reductions of \$65,281 are partially offset by a projected increase of \$13,900 of federal funds for the agency's state Artists in Education grant and a recommended increase of \$35,134 from the State General Fund. The Governor recommends the same staffing level of 8.0 FTE positions for FY 1988 as for FY 1987.

FY 1987

The House Subcommittee concurs with the Governor's recommendation of \$1,057,358, of which \$561,104 is from the State General Fund.

FY 1988

The House Subcommittee concurs with the Governor's recommendation with the following adjustment and recommendations:

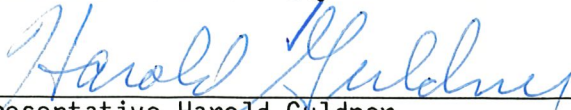
1. Add \$3,235 from the State General Fund for arts programming. The effect of this adjustment is to restore half of the differential of \$6,469 between State General Fund expenditures of \$596,238 recommended by the Governor for FY 1988 and State General Fund expenditures of \$602,707 approved by the Legislature for FY 1987, prior to the 6.9 percent lapse of \$41,603.
2. The Subcommittee learned that the agency might not receive \$10,000 of federal funds, presupposed in the Governor's FY 1988 recommendation. The agency was unofficially informed that its application for a \$10,000 special grant for Artists in Education had not been approved by the National Endowment for the Arts. The Subcommittee recommends that the Senate review this issue; assuming that the agency receives official notification of this reduction, it is recommended that the Senate adjust federal expenditures accordingly.
3. The Subcommittee notes that the agency sustained in FY 1987 severe budget reductions relative to most other state agencies and that, even with the Subcommittee's proposed adjustment, FY 1988 recommended program grant expenditures (State General Fund and other revenue sources) would still be \$76,914 less than actual FY 1986 expenditures of \$801,777 for that purpose. In addition, the Subcommittee acknowledges that the arts should be a component of the state's economic development strategy, as recommended by consultants Redwood and Krider in their Kansas Economic Development Study. Given recent federal and State General Fund reductions and a recognition of the importance of the arts to the state's economic growth, the Subcommittee recommends that state gaming revenues, pending availability, be designated for arts program enhancements in future fiscal years.



Representative Harold Dyck
Subcommittee Chairperson



Representative Bill Brady



Representative Harold Guldner

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers Home

Bill No. 2272

Bill Sec. 15

Analyst: Hunn

Analysis Pg. No. 294

Budget Pg. No. 2-31

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,155,584	\$ 985,381	\$ --
General Fees Fund	2,005,333	2,111,888	--
Subtotal	<u>\$ 3,160,917</u>	<u>\$ 3,097,269</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
State Inst. Bldg. Fund	154,194	105,000	(60,000)
Subtotal	<u>154,194</u>	<u>105,000</u>	<u>(60,000)</u>
TOTAL	<u>\$ 3,315,111</u>	<u>\$ 3,202,269</u>	<u>\$ (60,000)</u>

Agency Request/Governor's Recommendation

The agency requests one new position in FY 1988 and an operating budget of \$3,160,917. No major changes in the Home's operation are proposed.

The Governor's recommendation of \$3,097,269 for FY 1988 includes the new position requested.

House Subcommittee Recommendation

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

FY 1988. The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction for capital improvement projects for the Home. The Building Committee recommends \$25,000 for a reroofing project and \$20,000 for a major maintenance account. The Subcommittee deletes \$60,000 from the State Institutions Building Fund for replacement of an electrical board.
2. The Subcommittee learned that the Home is constructing an addition to Halsey Hall which will serve as a recreation room for the residents. This project, estimated at \$112,000 is funded entirely from the Home's Patient Benefit Fund. The Subcommittee commends

the Home for its ability to generate private contributions which allow additional benefits to the Home and its residents at no cost to the state.

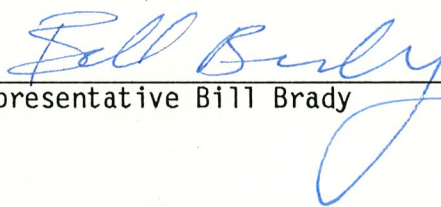
3. The Subcommittee reviewed the Governor's recommendations regarding the Home's fee fund and recommends no change to those recommendations at this time. The Subcommittee notes that the recommended ending balance of \$100,000 in FY 1988 may be somewhat low, but also notes that receipts in FY 1988 may grow by more than the 1.7 percent increase included in the Governor's recommendations.
4. The Subcommittee reviewed admission criteria for the Kansas Soldiers Home as specified in K.S.A. 76-1908. State law allows only wartime veterans and their dependents at the Home. The Subcommittee learned that the Home could receive federal reimbursement for nonwartime veterans if state law were changed to allow their admission to the Home. Although there may be relatively few nonwartime veterans in Kansas, the Subcommittee believes that any potential additional federal funding support for the Home should be pursued. The Subcommittee notes that H.B. 2205, as amended, would allow the admission of non-wartime veterans.



Representative Harold Dyck
Subcommittee Chairperson



Representative Harold Guldner



Representative Bill Brady