

Approved January 15, 1987

Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

10:00 a.m./~~p.m.~~ on January 8, 1987 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research: Robin Hunn, Ron Schweer, Scott Rothe, Lynne Holt, Gloria Timmer, Alan Conroy, Diane Duffy, Paul West, Julian Effird, Carolyn Rampey, Laura Howard, Ed Ahrens, and Richard Ryan

Revisor: Norman Furse

Committee: Judy Bromich and Pam Parker

Conferees appearing before the committee:

Marlin Rein, Governor Elect Hayden's Transition Team

Gary Stotts, Acting Director, Division of Budget

Chairman Bogina explained the purpose of this meeting was for a briefing on the proposed reductions in FY 1987 expenditure authorizations. No formal action would be considered at this meeting.

Marlin Rein gave a brief background regarding the process used, and its rationale, in the proposed reductions. He stated that the proposed 3.8 percent reduction is to be applied only against authorized operating general fund budgets of the state agencies and it does not take into account any supplemental requests. He urged separate consideration of supplemental requests from the "lapse bill" where possible.

Gary Stotts distributed and reviewed the following: a letter dated January 6, 1987 to Senator Bogina from Governor-Elect Mike Hayden regarding proposed reductions in FY 1987 Expenditure Authorizations (Attachment A); a section by section Lapse Bill Explanation by agency (Attachment B); a tabulation of agencies and FY 1987 Target Reductions (Attachment C); beginning balance and ending balance of the State General Fund for FY 1987 (Attachment D); and a Lapse Bill Explanation in section order which was distributed but not reviewed (Attachment E).

During discussion of Section 27 - Judicial Branch, copies of a press release from the Office of Judicial Administration was distributed (Attachment F) in addition to a list of suggestions of the Kansas Judicial Branch for the handling of the 1986-87 revenue shortfall (Attachment G).

Mr. Stotts told the Committee that in the time between this meeting and the next week's meeting during the first week of the 1987 legislative session, there may be a few minor changes, but he promised there would not be any major changes.

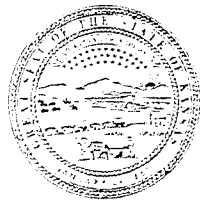
The meeting was adjourned by the Chairman.

1/8/87

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STATE OF KANSAS



OFFICE OF THE GOVERNOR-ELECT

First Floor, State Capitol
Topeka 66612-1590
(913) 296-3033

Mike Hayden, Governor

TO: REPRESENTATIVE BILL BUNTEN
SENATOR GUS BOGINA

FROM: Governor-Elect Mike Hayden

SUBJECT: Proposed Reductions in FY 1987 Expenditure Authorizations

DATE: Tuesday, January 6, 1987

As you know, revenue estimates for the state general fund were revised downward by \$93 million in early November. As a result, I asked agency heads to propose reductions of 3.8 percent in current year spending levels from the State General Fund. In other words, I set a goal of reducing general fund spending by nearly \$60 million in the current fiscal year. This reduction target would provide a minimal year-end balance of approximately \$30 million assuming current revenue estimates.

State agency heads have cooperated with this request without exception, and I laud their efforts. I have reviewed the proposed reductions and am recommending legislative action to lapse approximately \$59 million from currently authorized appropriations. While my recommendations for a majority of state agencies follow the reductions proposed by agency heads and achieve the requested reduction, I have reviewed each agency individually and recommend cuts both above and below the 3.8 percent target in response to agency circumstances. In this sense my recommendations are reductions that have responded to the special needs and situations facing certain state agencies. Every agency is recommended to be included in the budget reduction process.

Executive budget staff are prepared to brief you on my proposed reductions in current year spending and on the rationale underlying them. Expeditious action by the Legislature on these recommendations will help assure that the state may meet its obligations and still maintain minimal balances by the end of the fiscal year. It will also allow me as Governor to expedite the budget message to the Legislature. I view these reductions as essential steps to restoring fiscal integrity to state government.

ATTACHMENT A

1/8/87

SWAM

1/8/87

B

SWAM

A
4633

LAPSE BILL EXPLANATION

Section 1 Adjutant General

Subsection

- (a) \$ 25,316 -- Operational Management - Includes savings from one position on a leave without pay and turnover from one position which will remain unfilled. Also reduces travel and delays microfilming of military records.
- (b) \$ 73,075 -- Physical Plant Operations - Holds unfilled, one currently vacant position, reduces custodial overtime, reduces the department's contingency for utilities and delays the changeout of standby fuel oil. Many of these reductions also result in reductions of federal expenditures based on the appropriate match ratio.
- (c) \$ 7,500 -- Emergency Preparedness Operations and Administration - Reduction eliminates instructor fees for training of emergency preparedness personnel. In addition, the agency will drop the toll free line set aside for notification of emergencies. These reductions will result in equal reductions of federal funds.

TOTAL \$ 105,891

Section 7 Attorney General-Kansas Bureau of Investigation

Subsection

- (a) \$ 46,063 -- Other Operating Expenditures - Reduces purchase of supplies and equipment and delays the printing of public awareness brochures. Additionally, funds are shifted between programs in order to assure sufficient funds for the ASTRA Communications Network.

TOTAL \$ 46,063

ATTACHMENT B

1/8/87

SWAM

Section 11 State Fire Marshal

Subsection

(a) \$ 48,819 -- Fire Safety and Prevention - Reduces administrative travel. A savings in salaries and wages is possible due to the request of the staff attorney to be reduced to 49% of full time for the remainder of the year. The printing and mailing of newsletters and manual supplements will be delayed until FY 1988. Supplies purchases will also be curtailed and no new films or video tapes will be purchased.

47,552 = 3.8

TOTAL \$ 48,819

Section 16 Kansas Highway Patrol

Subsection

(a) \$ 664,941 -- Other Operating Expenditures - Represents a reduction of repairs on vehicles, employee tuition expenses, replacement clothing items, parts and supplies and replacement patrol cars. Also included is anticipated savings on gasoline and aircraft fuel.

(b) \$ 3,225 -- Emergency Medical Services - State Operations - Results from savings due to the delay in installation of a photocopier and from a reduced level of staff in attendance at examination sites.

(c) \$ 6,000 -- Aid to Local Units - EMS Administrative Grants - Reduction in aid provided by the State EMS Council to regional EMS councils.

(d) \$ 80,000 -- Expansion of EMS Communications System - Reduced due to project delays which preclude expenditure before FY 1988. *wolf track money*

(e) \$ 12,500 -- Capitol Area Security - Reflects reductions in travel, clothing, food and gasoline.

TOTAL \$ 766,666
725,618 = 3.8

Section 25 Insurance Department

Subsection

(a) \$ 148,218 -- Insurance Company Regulation - Salaries and wages make up 60% of the reduction. Seven positions are currently vacant and will remain unfilled throughout FY 1987. An additional amount will be saved by shifting some personnel to duties which can be charged off against the fee fund accounts. The reduction will also preclude the printing of consumer awareness brochures and reduce out-of-state travel, tuition payments for employees and supplies. Equipment purchases will be delayed. The reduction amount presumes a voluntary salary reduction by the Insurance Commissioner.

TOTAL \$ 148,218
 145,800 = 3.8

Section 47 Kansas Public Broadcasting Commission

Subsection

(a) \$ 95 -- Operations - Reduces administrative expenses of the commission.

(b) \$ 100,000 -- Grant to Smoky Hills Public Television Corporation - This amount was set aside to assist in the purchase of KLBV-TV in Colby, Kansas. As this station has now been purchased by a private party, the amount is no longer needed.

TOTAL \$ 100,095

Section 2 Department on Aging

Subsection

(a) \$ 522,408 -- Program Grants - Substitute unanticipated federal funds for SGF's, maintains meal level as funded by 1986 Legislature.

TOTAL \$ 522,408

Section 5 Commission on Civil Rights

Subsection

(a) \$ 28,112 -- Promotion of Civil Rights - Represents a variety of other operating expenditure reductions including communication, travel, and rent (due to delay of move date)

TOTAL \$ 28,112

Section 6 Attorney General

Subsection

(a) \$ 58,512 -- Salaries and Wages - As proposed by the Attorney General in response to 3.8% target reduction.

(b) \$ 5,675 -- Other Operating Expenditures - As proposed by the Attorney General in response to 3.8% target reduction.

(c) \$ 30,197 -- Additional Operating Expenditures for Investigation and Litigation Regarding Interstate Water Rights - As proposed by the Attorney General in response to 3.8% target reduction.

TOTAL \$ 94,384

Section 14 Governor's Department

Subsection

(a) \$ 64,051 -- Administration - Represents a five percent reduction as proposed by the Governor.

TOTAL \$ 64,051

Section 19 Department of Commerce

Subsection			
(a)	\$	30,944	-- General Administration - Interim Task Force savings (\$20,000); salary saving from holding position vacant and technical adjustment to calculation for salaries (\$10,944)
(b)	\$	50,000	-- Grant for Kansas, Inc. - Salary and research fund savings due to slower than anticipated startup.
(c)	\$	22,163	-- Community Development - Reduction possible through utilization of in-kind match of CDBG (\$15,000) and unexpended Community Resource Action grant funds (\$7,163)
(d)	\$	92,832	-- Grants for Certified Development Companies - Unobligated co-location funds (\$79,802); repayment of grant funds by the Greater Southwest CDC (\$13,750)
(e)	\$	1,932	-- Grants for Small Business Development Centers - uncommitted co-location funds for Small Business Development Centers (SBDC)
(f)	\$	28,088	-- Industrial Development - salary reductions from vacancy freeze (\$11,838); reduced advertising (\$16,250)
(g)	\$	23,000	-- Travel, Tourism and Film Services - Eliminate school children brochure and reduce quantity of other brochures (\$14,130); reduce memberships, freight, stationery and supplies (\$4,300); eliminate one consumer and two group tour travel shows and registration and attendance at several other tourism related meetings (\$4,570)
(h)	\$	50,000	-- Grant for Kansas Technology Enterprise Corporation - K-TEC will eliminate one SBIR grant
(i)	\$	14,795	-- Kansas Advanced Technology Commission - uncommitted balance of research project grants -

TOTAL \$ 313,754
16,000 + 3-8 to get

Section 39 Lieutenant Governor

Subsection

(a) \$ 5,344 -- Operations - Represents a five percent reduction.

TOTAL \$ 5,344

Section 52 Department of Revenue

Subsection

(a) \$ 472,440 -- Salaries and Wages - Transfer of 13.0 positions Motor Fuel Tax Registration and Motor Fuel Refund Processing from State General Fund to Vehicle Operating Fund as duties of these positions concern motor fuel taxes; this action is consistent with legislative direction that has shifted other positions. Freeze 19.0 vacant positions for increased turnover deductions. Establish new minimum wage temporary class for tax processing seasonal personnel resulting in savings.

(b) \$ 495,045 -- Other Operating Expenditures - Reduces data processing costs based on current estimates and usage. Establish new policy in printing and distribution of tax forms by providing only 15 copies of the forms to practitioners consistent with the IRS policy. Reduce travel in several divisions.

(c) \$ 156,478 -- Reappraisal Operating Expenditures - Reduces data processing costs based on current estimates and usage in several programs.

(d) \$ 80,000 -- Aid to Counties for Reappraisal - 1% reduction of \$8,000,000 for aid to counties for reappraisal.

TOTAL \$ 1,203,963

*55,000 less than 35 larger
... in base prop field audit*

Section 56 Secretary of State

Subsection		
(a)	\$ 51,848	-- Other Operating Expenditures - As Proposed by the Secretary of State in response to 3.8 percent target reduction
(b)	\$ 1,439	-- Salaries and Wages - As Proposed by the Secretary of State in response to 3.8 percent target reduction
TOTAL	\$ 53,287	

Section 71 Department of Revenue - Homestead Property Tax Refunds

Subsection		
(a)	\$ 600,000	-- Reflects new consensus revenue estimate
TOTAL	\$ 600,000	

Section 3 State Board of Agriculture

Subsection		
(a)	\$ 133,802	-- Salaries and Wages - Most of the reduction is achieved by eliminating 19.0 positions, including 7.0 FTE in Meat and Poultry Inspection, 7.0 FTE in the Laboratory and 5.0 FTE in Noxious Weeds. Of the positions to be abolished, nine will involve layoffs. Meat and Poultry positions to be abolished include two Veterinarian IIs, two Ag Inspector IIs, and three Ag Inspector Is. The staffing reduction is accomplished by a reorganization of the field supervisory structure and by improved scheduling of required inspections. Laboratory positions to be abolished include a Microbiologist I, a Keyboard Operator and 5.0 Lab Technician Is. The primary effect of the reductions is that the number of samples analyzed will decrease because professional staff will

spend more time in sample preparation, data recording and clean-up chores. However, demands for sample analysis have declined somewhat because of the condition of the farm economy. Noxious Weed positions to be abolished include five area weed specialists. The staff reductions accompany a decision to replace the five existing noxious weed control districts, which are authorized but not required by the Noxious Weed Law, with a single statewide district.

Other salary savings are achieved through freezing position vacancies, reducing the use of temporary employees, salary turnover adjustments, and a voluntary decrease in the salary of the Secretary of Agriculture.

(b) \$ 118,072 -- Other Operating Expenditures -- Some of the savings result from abolishing the positions described above, particularly in Noxious Weeds, where travel and other operating costs are reduced by \$18,000. The largest single adjustment is a \$44,800 reduction in expenditures for contract field audits in the Water Resources program. The number of contract audits will decline by 150, or 15 percent. Other adjustments include reductions in expenditures for travel, for contract enumerators, for microfilming records, for entry of data in the National Pesticide Information Retrieval System, for data processing, for printing and assorted other operating costs.

TOTAL \$ 251,874

*20,000 less 3.8
ref to reduction 10/1/49*

Section 4 Animal Health Department

Subsection

(a) \$ 9,900

-- Animal Disease Control - The amount budgeted for cattle backtagging is reduced by \$5,000; for brucellosis testing, by \$1,400; and for electric utilities, by \$3,500. Service

levels will not be affected. Backtagging and testing requirements have declined because of the condition of the farm economy. USDA has agreed to pay for electric service at the State/Federal Brucellosis Laboratory, a cost previously assumed by the state.

TOTAL \$ 9,900

Section 15 Department of Health and Environment

Subsection

(a) \$ 495,121

-- Operating Expenditures -- Two-thirds of the amount, or \$325,000, is attributed to reductions in expenditures for salaries and wages. The savings are achieved through freezing vacant positions. Among these is an eight-month vacancy in the Director of Health position.

Two major reductions are taken in the Crippled and Chronically Ill Children subprogram, including a \$38,000 reduction in expenditures for professional service fees and a \$44,600 reduction in expenditures for professional supplies. Expenditure patterns suggest that the reductions can be made without affecting service levels. If remaining State General Fund resources are inadequate, however, the agency can request approval of the Advisory Commission on Crippled and Chronically Ill Children to expend funds from the Special Bequest Fund.

Budgeted amounts are reduced for nursing home administration in the event of receivership, for analysis of air samples to detect asbestos, and for assorted other expenditures in travel, equipment, supplies and staff training.

In addition to possible offsetting expenditures from the Bequest Fund discussed above, there are two instances where decreased State General Fund expenditures will be offset by increased expenditures in other funds. These include \$23,060 in

additional federal grant funds available to Vital Statistics from the National Center for Health Statistics, and \$6,600 in additional Medicare funds for the Laboratory.

- (b) \$ 15,519 -- Prenatal Care Collaborative Program -- The agency estimates that services will not be provided to 40 women.
- (c) \$ 65,243 -- Aid to Local Units (prenatal care collaborative programs) -- The State General Fund reduction will be offset by increased Maternal and Child Health Block Grant expenditures for this purpose. The MCH funds currently are reflected in the budget, but because of uncertainties about federal funding levels at the time of budget preparation, they had not yet been granted or obligated.

TOTAL \$ 575,883

3,870,934

Section 58 State Conservation Commission

Subsection

- (a) \$ 1,859 -- Operating Expenditures -- Funds budgeted for travel are reduced by \$1,259. Printing funds are reduced by \$600, the amount budgeted for the agency's combined 1985-1986 annual report.
- (b) \$ 129,399 -- Water Resources Cost-Sharing -- Removes uncommitted funds available for cost-share grants to landowners for water conservation projects.
- (c) \$ 1,684 -- Construction of Watersheds -- The amount is the uncommitted balance remaining in the account.
- (d) \$ 11,355 -- Targeted Cost-Share Program -- The amount of the reduction is equal to the uncommitted balance in the account. The lapse will reduce the amount of funds available for cost-share grants to landowners for water conservation projects in those areas of the state designated as high priority.

TOTAL \$ 144,297

38

Section 68 Kansas Water Office

Subsection

(a) \$ 14,151 -- Annual Repayment on Water Storage Costs on Clinton Reservoir - The reduction is possible because the Corps of Engineers has revised the annual principal and interest amount owed by the state. The revised amount is based on final construction costs of the reservoir, whereas the previous payments had been based on estimated costs.

TOTAL \$ 14,151

95,416

Section 8 State Correctional-Vocational Training Center

Subsection

(a) \$ 28,720 -- Operating Expenditures - Represents reductions in utilities, repairs and maintenance, food and capital outlay replacement of a dental drill and other minor reductions.

TOTAL \$ 28,720

Section 9 Corrections Ombudsman Board

Subsection

(a) \$ 8,126 -- Adult Corrections Oversight - Amount available by not hiring the new associate in FY 1987 which had been funded for three months; also reductions were made to travel.

TOTAL \$ 8,126

Section 20 Kansas Correctional Institution at Lansing

Subsection			
(a)	\$	8,300	-- Operating Expenditures - Reductions in capital outlay and clothing purchases and a reduction to salaries and wages from a new hire at a lower than budgeted step.
(b)	\$	38,924	-- Capital Improvement - Lapse of uncommitted funding to install an emergency generator.
(c)	\$	5,549	-- Capital Improvement - Lapse of uncommitted amount to install a fire sprinkler system in the infirmary.
TOTAL	\$	52,773	

Section 21 State Industrial Reformatory

Subsection			
(a)	\$	67,912	-- Operating Expenditures - Reductions in clothing, utilities, food and other minor reductions to operating expenditures.
(b)	\$	82,000	-- Capital Improvement - Lapse of uncommitted amount to construct a 64 bed addition to the 96-bed minimum security facility.
TOTAL	\$	149,912	

Section 43 Department of Corrections

Subsection			
(a)	\$	9,500	-- Central Management - Consists of cuts in contractual services and an increase of \$5,750 in turnover; includes a 3.8% cut to the Secretary of Corrections salary for the remaining five pay periods.
(b)	\$	16,325	-- Community Services - Primarily reductions to Pre-Release and Work Release programs for food, stationery, other contractual services and several smaller cuts to other object codes.

(c)	\$ 19,100	-- Honor Camps - Increases turnover and decreases medical care for the inmate population; no anticipated problem with turnover or medical care barring a major illness.
(d)	\$ 727,247	-- Community Corrections - Grant reductions are comprised of a one quarter delay for Douglas County's entrance, carryover savings from two programs, utilization of a 45% charge-back rate for the final two quarters and excess chargebacks from the entitlements granted the first two quarters.
(e)	\$ 316,339	-- Capital Improvements - Reduction of amount for site evaluations and planning for institution construction.
(f)	\$ 46,000	-- Capital Improvements - Excess funds from the renovation of the third floor of Topeka Pre-Release Center.
(g)	\$ 5,563	-- Major Repairs, Special Maintenance and Remodeling - Currently unprogrammed balance of Maintenance Account.
(h)	\$ 117,123	-- Lease Purchase Payment for the Ellsworth Correctional Work Facility - Represents earned interest used to offset the \$1.2 million payment for the Ellsworth Correctional Work Facility.
TOTAL \$ 1,256,097		

Section 44 Kansas Parole Board

Subsection

(a)	\$ 16,547	-- Parole from Adult Correctional Institutions - Represents reductions in travel and savings by not filling a vacant position for three months; assumes a 3.8% cut to board members salaries.
TOTAL \$ 16,547		

Section 45 Kansas State Penitentiary

Subsection

(a)	\$	275,360	--	Operating Expenditures - Reductions primarily from utilities, repairing and servicing, maintenance, rents, other supplies, inmate incentive pay, food and travel and subsistence.
(b)	\$	163,791	--	Capital Improvement - Lapse uncommitted amount to construct the medium security institution and the administration/support services building scheduled for completion in March, 1987.
(c)	\$	10,000	--	Capital Improvement - Lapse uncommitted amount for installation of fire doors and alarms.
(d)	\$	50,000	--	Capital Improvement - Lapse uncommitted amount to replace the locking system in B cellhouse and renovate locking system in C cellhouse.
TOTAL		\$		499,151

Section 48 State Reception and Diagnostic Center

Subsection

(a)	\$	75,563	--	Operating Expenditures - Salaries and wages reduced due to a delay in hiring five correctional officers for the 32 bed expansion and in filling the chief of clinical services position. Also, over \$15,000 is reduced in Support Services with the majority coming from utilities.
TOTAL		\$		75,563

Section 10 Department of Administration

Subsection		
(a)	\$ 44,505	-- Administration - Includes \$36,539 for additional turnover in Secretary's office and \$7,966 in miscellaneous non-salary reductions.
(b)	\$ 142,274	-- Accounting and Reporting Services - Reductions of \$7,661 in miscellaneous salary savings; \$28,551 from shifting financing of expenditures to Unemployment Claims Audit Fund; \$40,268 in salary and operating expenditures reflecting reduction in social security unit due to change in remittance of contributions by local governments; \$51,909 in miscellaneous contractual services expenditures; and \$13,885 in miscellaneous commodities expenditures.
(c)	\$ 122,601	-- Budget Analysis - Reflects salary savings to be generated from holding vacancies in positions.
(d)	\$ 99,378	-- Personnel Services - Includes \$69,078 in turnover savings and \$30,300 in reduced expenditures for contractual services.
(e)	\$ 74,020	-- Buildings and Grounds - Includes \$55,940 in salary savings, principally reflecting permanent reduction in hours worked for Statehouse custodial staff, and \$18,080 in reduced non-salary expenditures, principally supplies and repairs.
(f)	\$ 250	-- Capitol Area Plaza Authority - Removes \$250 from Capitol Area Plaza Authority based upon prior expenditure patterns.
(g)	\$ 134,993	-- Data Processing - Reduces data processing support for central management operations, principally systems development.
(h)	\$ 88,571	-- Purchasing - Includes \$18,571 in miscellaneous operating expenditures and \$70,000 for systems development and programming for minority business project.

(i)	\$	3,676	--	Pooled Money Investment Board - Reflects miscellaneous operating reductions.
(j)	\$	61,893	--	Architectural Services - Reflects additional turnover from freezing three positions.
(k)	\$	8,423	--	General Services - Reflects salary savings in records management program.
(l)	\$	5,700	--	Gubernatorial Transition - 3.8% reduction in appropriations for gubernatorial transition expenses.
(m)	\$	664	--	Executive Aircraft Operations - Reflects actual debt service payment for new aircraft.
(n)	\$	6,250	--	Capital Improvements - Amount not contracted to plan for improvements to Governor's residence.
TOTAL		\$	793,198	

Section 26 Kansas Commission on Interstate Cooperation

Subsection

(a)	\$	5,477	--	National Memberships and Other Operating Expenditures - Reduces various contractual services expenditures
TOTAL		\$	5,477	

Section 36 Legislative Coordinating Council

Subsection

(a)	\$	16,733	--	Legislative Coordinating Council - Reflects revised budget as submitted by the agency.
(b)	\$	55,932	--	Legislative Research Department - Reflects budget submitted by the agency which represented reduction of \$40,096 from authorized budget plus additional reduction of \$836 in turnover and \$15,000 reserved for contingencies.

(c) \$	66,021	--	Office of the Revisor of Statutes - Reflects budget submitted by the agency which represented reduction of \$57,593 from authorized budget plus additional reduction of \$8,428 in contractual services expenditures.
(d) \$	2,180	--	Legislative Educational Planning Committee - Reflects miscellaneous reductions in operating expenditures.
TOTAL \$	140,866		

Section 37 Legislature

Subsection

(a) \$	257,727	--	Operations - Reflects reductions of \$48,064 for interim committee activities, \$77,693 for capital outlay, \$30,000 for special expenses, and \$101,970 for per diem compensation and subsistence allowances, reflecting a decision by the LCC to introduce legislation to reduce both allowances by \$3 per day for the period January 1, 1987, through June 30, 1987.
TOTAL \$	257,727		

Section 46 Division of Post Audit

Subsection

(a) \$	43,464	--	Operations - Reflects budget submitted by the agency which represented reduction of \$32,037 from authorized budget plus additional reduction of \$11,427 in miscellaneous operating expenditures.
TOTAL \$	43,464		

Section 60 Department of Education

Subsection

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|-----|--------------|--|
| (a) | \$ 86,500 | -- Salaries and Wages - Increases turnover reductions by \$14,000 and shifts financing to federal and other funds of \$72,500. |
| (b) | \$ 37,038 | -- Other Operating Expenditures - Includes reductions of \$34,216 for development phase of internship program, \$33,652 for travel, and \$12,817 for miscellaneous expenses offset by increases of \$28,647 for legal costs incurred for the Brown case and \$15,000 for expenses to conduct a search for a new Commissioner of Education. |
| (c) | \$ 33,264 | -- Fort Leavenworth School District - Lapses amount not paid on September 15, 1986. Reflects actual payment of \$898,656 to the Fort Leavenworth School District. |
| (d) | \$17,270,312 | -- School Equalization Aid - 3.8% reduction in appropriation for state school equalization aid. |
| (e) | \$ 1,686,936 | -- School Transportation Aid - 3.8% reduction in appropriation for state school transportation aid. |
| (f) | \$ 792,484 | -- Community College Credit Hour Aid - 3.8% reduction in appropriation for community college credit hour state aid. |
| (g) | \$ 220,933 | -- Community College Out-District State Aid - 3.8% reduction in appropriation for community college out-district state aid. |
| (h) | \$ 24,614 | -- Bilingual Education - 3.8% reduction in appropriation for bilingual education programs aid. |
| (i) | \$ 272,206 | -- Area Vocational-Technical School Program - 3.8% reduction in appropriation for program aid to AVT schools. |
| (j) | \$ 256,874 | -- Municipal University Fund - Reduction of \$123,000 to reflect revised estimate to fully fund credit hour state aid to Washburn University (\$3,523,000) less 3.8% reduction of \$133,874. |

(k)	\$ 39,525	-- Municipal University Out-District State Aid - Reduction of \$13,419 to reflect revised estimate to fully fund out-district state aid to Washburn University (\$687,000) less 3.8% reduction of \$26,106.
(l)	\$ 3,033,096	-- Special Education Services Aid - 3.8% reduction in appropriation for special education services aid.
(m)	\$ 3,244	-- Educable Deaf-Blind and Severely Handicapped Aid - 3.8% reduction in appropriation for support of programs for severely handicapped and educable deaf blind children.
(n)	\$ 458,896	-- Post-Secondary Aid for Vocational Education - 3.8% reduction in appropriation for post secondary aid to AVT schools.
(o)	\$ 67,440	-- Vocational Education Aid - USD's - Lapses \$67,440 in state aid to local school districts for support of vocational education programs. Lapsed amount is 14.8 percent of appropriation of \$457,000.
(p)	\$ 10,954	-- Kansas Foundation for Agriculture Project Grant - Lapsed amount would reduce appropriation for agriculture project grant to \$14,046 to more accurately reflect anticipated expenditure level.
(q)	\$ 134,320	-- Inservice Education - Reduction of \$110,000 to reflect revised estimate to fully fund inservice education state aid (\$640,000) plus 3.8% reduction of \$24,320.
(r)	\$ 11,055	-- Municipal University State Aid For Student Off-Campus Work Study - Lapsed amount would reduce authorized expenditures for state aid to Washburn University for work study programs to \$14,200 to more accurately reflect anticipated expenditure level.
(s)	\$ 19,081	-- Community College General State Aid - 3.8 reduction in appropriation for community college general state aid.

TOTAL \$24,458,772

Section 12 Fort Hays State University

Subsection

(a) \$ 272,239	-- Salaries and Wages - Reduction in salary and wage expenditures is accomplished by reducing the number of summer school course offerings, and by not filling vacant faculty, administrative and classified positions. In addition no adjunct professor positions will be hired to replace, on a temporary basis, individuals on sabbatical leave.
(b) \$ 300,000	-- Operating Expenditures - Reduction in other operating expenditures is accomplished by discontinuing all but essential travel, reducing computer service purchases, reducing the purchase of supplies and reducing the level of library acquisitions.
(c) \$ 26,004	-- Student Salaries and Wages - Reduction in the student salary and wage expenditures base is accomplished by reducing the number of hours of student employment. No student will lose their job but their "take home" pay will be affected by reduced hours.
(d) \$ 10,000	-- Student Off-Campus Work - Study Program - This amount is deleted from student off campus workstudy funds. No student will lose their placement with this action but additional placements planned for the spring semester will not be made.
TOTAL \$ 608,243	

Section 31 Kansas State University

Subsection

(a) \$ 549,117	-- Salaries and Wages - Reduction in salary and wage expenditures is achieved by freezing vacant positions which in the Education program will result in larger classes and fewer class offerings in the spring and summer. This translates into nonrenewal of
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contracts for adjunct professors from the community and for graduate teaching assistants.

Thirty summer school classes would be cancelled. No employees funded directly by general use monies would be laid off under this plan.

- (b) \$ 1,335,283 -- Other Operating Expenditures - Reductions in contractual services for the Education program and the Educational Support Service programs. Of the reduction 66 percent is from the contractual services. Resulting in cancellation of maintenance contracts; limiting travel; reducing substantially use of "service clearing" operations such as computer services, facilities operations, technical equipment repair shops, printing services and photo services; and not purchasing new serial publications for the library. Service clearing services are those that are purchased by departmental OOE dollars which are in turn used to purchase materials and provide staff. Some service clearing staff may have to be laid off because of reduced purchases by the departments. However, the university makes no reduction in its position limitation to reflect such a change. The university also has eliminated university wide reserves set aside for the purchase of instructional equipment, academic computing, classroom improvements, faculty enrichment and student recruitment.
- (c) \$ 8,532 -- Centers of Excellence - Reflects reductions in operating expenditures for the program.
- (d) \$ 167,535 -- Operating Expenditures for Utilities - Reflects the university's decision to cap building temperatures at 70 degrees during the day time and 55 degrees during the evenings for the winter. This action would also require that the air conditioning not be utilized on campus prior to May, 1987. However, \$100,000 of this savings is the result of the temporary closure of Weber Hall for remodeling. During the remodeling of the facility utility costs were dramatically reduced since no classroom activity or laboratory activity was carried on at that time.

- (e) \$ 12,243 -- International Grains Program - Accomplished by leaving vacant an existing staff position. This position has been used in past years as a milling consultant to nations and firms requesting technical assistance in milling operations.
- (f) \$ 3,501 -- International Livestock Program - Accomplished by reducing various objects of expenditure.
- (g) \$ 344,821 -- Extension - Accomplished by leaving vacant two positions, one community development position in the northwest area office and a nutrition position in the state office. In addition the reduction will result in deferring the purchase of computers, typewriters, and audiovisual equipment. Also, reductions in operating budgets will require cancellation of 10 to 15 percent of the meetings and workshops scheduled with various groups around the state (including those in economic distress). Support for meetings and workshops will be reduced through reduced printing of publications, newsletters and issuance of video tapes and computer software.
- (h) \$ 47,333 -- Experimental Fields - No vacant positions will be filled. Other operating costs including the replacement of equipment and the purchase of supplies will be reduced. This action could slow research and result in the deferring of various research projects until sufficient funds for staff, materials and equipment are again available.
- (i) \$ 16,247 -- Student Salaries and Wages - This reduction will result in less hours worked by student employees.
- (j) \$ 9,229 -- Wheat Research - Amount will be reduced from either other operating expenditures or salaries and wages depending upon availability of funds.
- (k) \$ 451,036 -- Organized Research - Reduction will be accomplished through the leaving vacant of a number of graduate research assistant

positions and through reductions in telephone, mail, and travel expenses together with the delay in the purchase of machinery and equipment.

- (l) \$ 34,062 -- Southwest Kansas Branch Station Operations - Various operating expenditures will be curtailed.
- (m) \$ 17,773 -- Colby Branch Station Operations - Various operating expenditures will be curtailed to meet this target.
- (n) \$ 39,948 -- Fort Hays Branch Station Operations - Various operating expenditures will be curtailed to accomplish this reduction.
- (o) \$ 23,952 -- Southeast Kansas Branch Station Operations - Various operating expenditures will be curtailed to meet this target.

TOTAL \$ 3,060,612

Section 32 Kansas State University Veterinary Medical Center

Subsection

- (a) \$ 195,413 -- Other Operating Expenditures - The veterinary school plans to limit faculty and administrative travel and to reduce expenditures for repair and replacement of equipment. Reduced operating funds will translate into a restriction in telephone use, reduced copying of classroom material and reduced availability of teaching animals.
- (b) \$ 34,166 -- Other Operating Expenditures for Utilities - Reduction will be accomplished by setting thermostats at 55 degrees at night, week ends and holidays and at a maximum of 70 degrees in those areas during work days. Air conditioning will not be turned on until May 1.

TOTAL \$ 229,579

Section 33 Emporia State University

Subsection

(a)	\$ 205,092	-- Salaries and Wages - Proposed reduction in salaries and wages would be the result of a freeze of faculty and administrative positions, and graduate assistantships. No estimate as to how many positions are frozen or what amount graduate teaching assistant hours will be reduced.
(b)	\$ 358,002	-- Other Operating Expenditures - Reduction in other operating expenses would be achieved by reducing faculty travel, canceling equipment purchase, and reducing library acquisitions.
(c)	\$ 60,000	-- Operating Expenditures for Utilities - Reduction would be achieved by reducing the thermostat settings in university buildings and closing the university on vacation periods in order to conserve energy.
(d)	\$ 2,485	-- Student Salaries and Wages - Reduces student salary and wage expenditures by reducing the number of hours of student employment. No students scheduled to lose their jobs but their hours worked will be reduced.
TOTAL \$ 625,579		

Section 34 Pittsburg State University

Subsection

(a)	\$ 200,748	-- Salaries and Wages - Reflects the holding vacant of nine existing positions and a ten percent cut in the number of hours of employment for students. No layoffs will occur under this plan.
(b)	\$ 419,677	-- Other Operating Expenditures - Reflects the cutting of capital outlay expenditures by one-third of the budgeted amount. Contractual services and commodity expenditures are being reduced by the university by 15.4% in each organizational unit of the institution.
TOTAL \$ 620,425		

Section 50 State Board of Regents

Subsection

(a)	\$ 27,930	-- Salaries and Wages - Reflects higher than anticipated unclassified turnover reductions.
(b)	\$ 7,700	-- Contractual Agreements - Optometry Education - One of 35 optometry seats purchased by the state for Kansas Optometry students in out of state institutions is currently vacant.
(c)	\$ 197,000	-- Scholarships and Tuition Grants - Reduces the state scholarship program because applications for the program have declined by 25%, because the grade point average to retain a scholarship has been increased from 3.0 to 3.3, and a decline in the state scholars has been experienced because of increased financial need standards. The Board indicates that no eligible qualified scholars would be denied a scholarship of a result of this reduction.
TOTAL \$ 232,630		

Section 61 Kansas Technical Institute

Subsection

(a)	\$ 122,480	-- Other Operating Expenditures - Reductions are the result of delayed equipment purchases and the delay in the purchase of various supplies by using existing inventories.
TOTAL \$ 122,480		

Section 65 University of Kansas

Subsection

(a)	\$ 2,299,375	-- Salaries and Wages - Reduction is the result of freezing all vacancies in the instruction program. In addition, some graduate teaching assistant positions and adjunct
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professor positions will not be hired for the spring semester and it is possible that some individuals who had contracts for the fall will not have their contracts renewed for the spring semester. Salary expenditures will also be reduced as a result of a 25% reduction in the class offerings in summer school.

- (b) \$ 537,503 -- Other Operating Expenditures - Accomplished by reducing the summer school offerings by 25%, by curtailing the purchase of classroom equipment, and the purchase of computer services and other services offered through "service clearing" programs. Commodity expenditures will also be reduced by offering fewer classes in the spring and summer and by reducing inventory levels.
- (c) \$ 17 -- Supplemental Retirement Benefits - This amount has been prorated by the university administration against the supplemental retirement benefits account and will be obtained through higher than anticipated shrinkage in such expenditures.
- (d) \$ 814 -- Law School Operating Expenditures - Reduction through either turnover savings or other operating expenditure savings. This amount is the target that was assigned this program by the university administration.
- (e) \$ 7,841 -- Carruth O'Leary Hall Rent - Reduction in rental payments for office space will be accomplished through reducing the use of the facility and thereby reducing rental payments made.
- (f) \$ 4,085 -- Capital Complex Program - Reduction by the Capital Complex Public Management Degree program through either a vacancy freeze or reductions in other operating expenditures.
- (g) \$ 35,160 -- Student Salary and Wages - Expenditures will be reduced by this amount through a reduction in the hours worked by graduate assistants and other student employees.
- (h) \$ 28,000 -- Student Off-Campus Work Study Program - Accomplished by issuing no new work study contracts for the spring semester. Existing work study contracts will be honored.

- (i) \$ 4,851 -- Fire Service Training Program - Reduced travel and equipment purchases together with higher than anticipated salary savings.
- (j) \$ 15,642 -- Research in Tertiary Oil Recovery - Reduction accomplished by freezing vacant graduate research assistant positions and reducing the number of hours worked by student assistants in this program. In addition, other operating expenditures will be reduced through inventory reduction and reductions in travel and subsistence costs.
- (k) \$ 3,239 -- Affiliated Research - Parsons State Hospital - Salary and wage or other operating expenditure reductions will have to be made by this research unit to assimilate this reduction. At the present time no plan is available concerning the distribution of this cut between salaries and wages and other operating expenditures.
- (l) \$ 142,955 -- Geological Survey - The major reduction will be in the hiring of student research assistants and other student help. A number of graduate research assistant positions will not be filled in the spring. Other operating cost savings will also be required which will result in reduced expenditures for research projects.
- (m) \$ 7,930 -- Equipment Matching Funds - Reduces state funds available to match expenditures from federal funds for the purchase of equipment.
- (n) \$ 72,615 -- General Research - Reduces the number of research assistants hired and delays research projects in order to make other operating expenditure savings or to save funds which would have been expended to fill vacant positions.
- (o) \$ 6,670 -- Centers of Excellence - Reduction accomplished through other operating expenditure reductions or the freezing of vacant positions. A specific plan for this savings has yet to be developed.

TOTAL \$ 3,166,697

Section 66 University of Kansas Medical Center

Subsection

- (a) \$ 1,417,181 -- Operating Expenditures - Reduction is accomplished by holding existing vacant administrative, maintenance and clerical positions open and not recruiting to fill vacancies for high paid specialist faculty positions. Other operating costs are reduced by reconfiguring the new computer system thereby reducing the cost of its installation. In addition, travel and other contractual costs are reduced. Only \$37,678 was deleted from the hospital program since such program is almost completely self supporting. Major savings were accomplished in the Education program by holding faculty positions vacant.
- (b) \$ 17,528 -- Student Salary and Wages - Accomplished by reducing the hours of student employment.
- (c) \$ 251,490 -- Contractual Agreements and Scholarships for Medical Education - Reduction possible as a result of higher than anticipated turnover in existing slots. Because of attrition, the university will save this amount of money in the current fiscal year. No individual currently receiving a medical scholarship and currently eligible for such scholarship will be denied a scholarship as a result of this reduction.
- (d) \$ 358,251 -- Stipends, Fringe Benefits, Contractual Support and Medical Malpractice - Of this amount, \$120,000 represents reductions as a result of lower than expected medical malpractice insurance costs. The remaining reduction is accomplished through freezing the House Staff program on the Kansas City campus at the existing head count and salary stipend level.

TOTAL \$ 2,044,450

Section 70 Wichita State Universtiy

Subsection		
(a)	\$ 360,034	-- Salaries and Wages - Accomplished through the freezing of vacant classified and unclassified positions.
(b)	\$ 89,214	-- Student Salaries and Wages - Reduction is accomplished by reducing the number of hours of student employment.
(c)	\$ 840,492	-- Other Operating Expenditures - Reductions in capital outlay purchases, reductions in library acquisitions, reduction in commodity purchases by utilizing existing inventories, and reduction in the purchase of various "service clearing" services. Travel and subsistence costs are also reduced.
(d)	\$ 103,614	-- Operating Expenditures for Utilities - Anticipated as a savings by the university in its utility expenditures. Reductions in utility usage will be necessary to accomplish this change.

TOTAL \$ 1,393,354

Section 13 Public Disclosure Commission

Subsection		
(a)	\$ 8,805	-- Operating Expenditures - Reduction is accomplished by not filling a temporary clerical position and by reducing expenditures from the other contractual services object code. Reductions will affect planned FY87 production of a more detailed campaign finance report. In addition, other object codes were reduced to reflect current experience.

TOTAL \$ 8,805

Section 18 Kansas Department of Human Resources

Subsection			
(a)	\$	47,514	-- Salaries and Wages - Accomplished by not filling vacant industrial inspector position and increased turnover in employment of the handicapped. In addition, one clerk III and one attorney I from labor relations program were transferred to unemployment insurance and workers compensation, respectively; non-state general funded programs.
(b)	\$	1,967	-- Other Operating Expenditures - reduces travel expenditures in the labor relations program.
TOTAL	\$	49,481	

Section 17 State Historical Society

Subsection			
(a)	\$	36,319	-- Administration - Savings based on higher turnover estimates, reductions in office and maintenance supplies, capital outlay and travel.
(b)	\$	47,150	-- Collections - Savings based on higher turnover estimates, reductions in travel, capital outlay, office and research supplies, and printing.
(c)	\$	4,495	-- Historic Preservation - Reductions in travel and printing, with equal reductions in federal funds.
(d)	\$	35,410	-- Historic Properties - Includes lapse of \$20,000 (of \$25,000 original appropriation) for the purchase of an option to acquire the Charles Curtis Home. Remaining amount based on higher turnover estimates and reductions in maintenance, supplies, and brochures for the 19 historic sites.

(e)	\$	78,521	--	Museum - savings based on higher turnover estimates, reductions in exhibit construction funding, capital outlay, and travel-related expenditures.
(f)	\$	24,000	--	Historic Properties Maintenance and Repairs - lapses capital improvement funds intended for Funston Home.
TOTAL		\$	225,895	

Section 29 Kansas Arts Commission

Subsection

(a)	\$	41,603	--	Promotion of the Arts - Reduces arts grants by 11.5 percent with respect to the FY 1986 level; the reduction will not affect the agency's eligibility to receive federal funds.
TOTAL		\$	41,603	

Section 38 State Library

Subsection

(a)	\$	11,168	--	Administrative Services - Reductions from holding a new clerical position vacant and other minor adjustments in other operating expenditures.
(b)	\$	10,460	--	Reference Services - Turnover savings resulting from holding a Library Assistant position, reductions in the amount of library materials purchased for the reference collection, and other minor reductions in OOE.
(c)	\$	7,788	--	Kansas Library Network Services - Reduces the contingency used to reimburse libraries for materials lost through interlibrary loan transactions.

(d)	\$	450	--	Services to the Blind and Physically Handicapped - Reduction in purchase of professional and trade journals concerning services to the blind and physically handicapped.
(e)	\$	76,884	--	Interlibrary Resource Sharing and Automation - Reduces production of Kansas Union Catalog from biannual to annual production.
TOTAL \$		106,750		

Section 51 Board of Tax Appeals

Subsection				
(a)	\$	30,675	--	Operating Expenditures - Assumes a 3.8 percent reduction in salaries of Board members for five months; turnover savings resulting from late hiring of a new Attorney position; travel was reduced; reduction in fees for court reporter and technical legal consulting for cases which are complex and infrequent; various other reductions in OOE.
TOTAL \$		30,675		

Section 59 Kansas Soldiers Home

Subsection				
(a)	\$	79,203	--	Salaries and Wages - Reduction generated by eliminating funding for temporary labor in the personal care and maintenance programs, and by increasing turnover deductions.
TOTAL \$		79,203		

Section 63 State Treasurer

Subsection				
(a)	\$	60,777	--	Administration and Fiscal Services - Reductions from freezing a vacant clerical position; freeze on temporary and overtime

expenditures; additional turnover reductions; assumed 3.8 percent reduction in State Treasurer's salary for five months; substitution of \$10,000 in fee funds for equivalent amount of state general funds; various other reductions to OOE.

TOTAL \$ 60,777

Section 67 Kansas Commission on Veterans Affairs

Subsection

(a) \$ 15,189 -- Other Operating Expenditures - Reductions applied to rent, travel, utilities, and communications.

TOTAL \$ 15,189

Section 22 Youth Center at Topeka

Subsection

(a) \$ 39,666 -- Operating Expenditures - Converts three of five paid holidays to compensatory time-off.

TOTAL \$ 39,666

Section 23 Youth Center at Beloit

Subsection

(a) \$ 16,221 -- Operating Expenditures - Converts three of five paid holidays to compensatory time-off.

TOTAL \$ 16,221

Section 28 Youth Center at Atchison

Subsection

(a) \$ 20,343 -- Operating Expenditures - Converts three of five paid holidays to compensatory time-off.

TOTAL \$ 20,343

Section 24 State Board of Indigents' Defense Services

Subsection
 (a) \$ 55,210 -- Indigents' Defense Services - Reduces temporary salaries, increases turnover savings (\$43,358), makes various O.O.E. adjustments (\$11,852).

TOTAL \$ 55,210

Section 27 Judicial Council

Subsection
 (a) \$ 13,824 -- Judicial Research - Reduction of temporary pay (\$2,300), travel and communication and printing and advertising, permitting no new publications for distribution.

TOTAL \$ 13,824

Section 54 Kansas State School for the Visually Handicapped

Subsection
 (a) \$ 24,425 -- Operating Expenditures - Reduces \$11,761 from salaries and wages through increased turnover and reduces \$4,979 in other operating expenditures. An additional \$7,685 in SGF expenditures is reduced and replaced by fee fund monies.

TOTAL \$ 24,425

Section 55 Kansas State School for the Deaf

Subsection
 (a) \$ 158,992 -- Operating Expenditures - Reduces \$77,002 from salaries and wages by delaying filling position vacancies, using less overtime and less staff when school is in session on state holidays; reduces \$81,990 in other operating expenditures cutting back on supplies and foregoing the replacement of capital outlay equipment.

TOTAL \$ 158,992

Section 64 Judicial Branch

Subsection

(a) \$ 153,840	-- Appellate Operations - Reduces salary and wage expenditures by \$74,601. Accomplished by reducing temporary funding and not filling vacant positions. Assumes voluntary 3.8% wage reductions for judges; \$58,996 in other operating expenditures is cut along with an additional \$20,243 reduction in capital outlay.
(b) \$ 750,763	-- District Courts - Reduces salary and wage expenditures by reducing temporary monies and assumes freeze of vacancies for remainder of FY 1987; also assumes a reduction of \$143,856 in judicial salary reductions of 3.8% for five months in FY 1987. Travel reductions have also been made consistent with FY 1986 actuals and the agency's expenditures to-date totaling \$79,801.
(c) \$ 10,810	-- Judicial and Professional Review - Includes a \$4,260 reduction in salaries and wages reflecting FY 1986 expenditure level and a \$6,550 reduction in other operating expenditures.
TOTAL \$ 915,413	

Section 30 Kansas Neurological Institute

Subsection

(a) \$ 299,358	-- Operating Expenditures - Converts three of five holidays from pay to compensatory time, and increases turnover reductions.
TOTAL \$ 299,358	

Section 35 Larned State Hospital

Subsection

(a) \$ 241,955 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover reductions and reduces various other operating expenditures.

TOTAL \$ 241,955

Section 40 Osawatomie State Hospital

Subsection

(a) \$ 152,345 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, adjusts school contract costs due to a reduction in the number of classrooms and reduces various other operating expenditures.

TOTAL \$ 152,345

Section 42 Parsons State Hospital and Training Center

Subsection

(a) \$ 125,206 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover reductions and reduces various other operating expenditures.

TOTAL \$ 125,206

Section 49 Rainbow Mental Health Facility

Subsection

(a) \$ 2,802 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time.

TOTAL \$ 2,802

Section 53 Norton State Hospital

Subsection
 (a) \$ 94,735 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover deductions and reduces other operating expenditures.

TOTAL \$ 94,735

Section 62 Topeka State Hospital

Subsection
 (a) \$ 351,915 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover savings and adjusts school contract costs.

TOTAL \$ 351,915

Section 69 Winfield State Hospital

Subsection
 (a) \$ 89,860 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time off.

TOTAL \$ 89,860

Section 57 Department of Social and Rehabilitation Services

Subsection
 (a) \$ 2,015,741 -- Public Assistance - Reduces the Aid to Dependent Children (ADC) and General Assistance (GA) programs. The reduction is accomplished by reducing the monthly grant for ADC and GAU recipients by 3.8% for the last five months of FY 1987, \$1,191,236, and restricting the TGA program for the last six months of FY 1987 to one month of benefit in lieu of a maximum of four months as currently authorized \$824,505.

(b) \$ 8,908,703

-- Medical Assistance - Reduction is accomplished by implementing the following program adjustments effective January 1, 1987: (1) restrict dental services to only ADC eligible children enrolled in EPSDT, no adults receiving public assistance will be eligible for dental services, \$451,837; (2) eliminate TGA-Medical Assistance program, \$1,369,333; (3) limit services provided to GAU medical assistance clients to coverage for community mental health, partial hospitalization, prescribed drugs, family planning, home health, and local health department services as prescribed within Medicaid limitations. In addition, physician services will be limited to eight per year and inpatient hospital service reimbursement will be capped at \$225 per year, \$1,596,933; (4) reduce the per diem amount paid to adult care homes by not eliminating the fifth cost center as approved by the 1986 Legislature and reducing the percentile limits utilized for determining the maximum payments to adult care homes, \$1,103,000; (5) reduce the maximum paid to the following providers by 10%: physicians, pharmacists, dentists, medical equipment suppliers, home and community based service providers, home health agencies, optometrists, and audiologists, \$1,323,466; (6) implement a Medicare repricing program which will generate savings by applying third party billing criteria to Medicare and implement federal Medicare regulations which do not allow a higher payment than the Medicare maximum, \$2,413,404; (7) change outpatient hospital services to a fee-for-service basis by establishing a maximum reimbursement rate in the claim processing system for each outpatient service provided to Medicaid and Medicaid recipients, \$250,394; (8) institute a prepayment review on specific categories of claims or procedures in order to identify unnecessary and excessive payments, \$227,488; and (9) utilize savings from Medicare buy-in and third party resource data match, \$172,848.

- (c) \$ 66,321 -- Income Maintenance - Reduces state operations expenditures for rent, travel and subsistence, office supplies, and includes a financing shift to maximize use of federal funds.
- (d) \$ 44,705 -- Vocational Rehabilitation - Reduces state operations expenditures for travel and subsistence, fees, capital outlay, and repairs.
- (e) \$ 6,331 -- Blind Services - Reduces state operations expenditures for repairs, supplies, and capital outlay.
- (f) \$ 12,910 -- Alcohol and Drug Abuse Services - Reduces state operations expenditures for travel and subsistence and capital outlay.
- (g) \$ 237,587 -- Administration - Reduces state operations expenditures for part-time intermittent positions, rent and utilities, travel and subsistence, and computer expenses.
- (h) \$ 255,826 -- Youth Services - Reduction is accomplished by reducing travel and subsistence, \$10,826, reducing the amount paid to providers of residential and family foster care by 3.8% effective 1/1/87, \$228,000, and implementing a 3.8% reduction in day care provider rates effective 1/1/87, \$17,000.
- (i) \$ 74,730 -- Adult Services - Reduces state operations expenditures for travel and subsistence, printing, capital outlay, and contractual services. In addition, \$64,271 of expenditures for grants and projects are shifted from State General Fund to Social Services block grant - federal.
- (j) \$ 4,822 -- Mental Health and Retardation Services - Operating - Reduces travel and subsistence expenditures.
- (k) \$ 53,460 -- Physicians Professional Liability Insurance - Reduces the amount for state hospital physicians professional liability insurance.
- (l) \$ 47,574 -- Student Stipend For Mental Retardation Institutions - Deletes the amount appropriated for student stipends at mental retardation institutions in FY 1987.

TOTAL \$11,728,710

Section 41 State Park and Resources Authority

Subsection

(a) \$	25,060	-- Administration - Salaries and wages are reduced \$3,543 by freezing a vacant secretarial position. The remainder of the reduction is primarily in the areas of printing (curtailment of bulk distribution of park guides and brochures); maintenance materials (reduction of contingency fund for minor maintenance); and capital outlay (deferral of replacement schedule for two-way radios).
(b) \$	55,306	-- State Park Operations - Salaries and wages are reduced \$10,248 by a freeze on vacant positions. The bulk of the remaining reduction is in clothing (deferral of replacement schedule); fuel (lower cost/gal. estimate); and motor vehicle supplies (lower cost/gal. estimate for gasoline).
TOTAL \$	80,366	

4/8/87 C
SWAM

<u>Agency</u>	<u>FY 1987</u> <u>Target Reductions</u>
Adjutant General	\$ 105,883
Dept. on Aging	85,375
Bd. of Agriculture	271,874
Animal Health Dept.	9,892
Commission on Civil Rights	27,360
Attorney General	92,493
Kansas Bureau of Investigation	233,609
Corrections Ombudsman Board	6,014
Dept. of Administration	699,686
State Fire Marshal	47,582
Public Disclosure Commission	7,318
Governor's Dept.	48,679
Health and Environment	575,883
Highway Patrol	725,816
Historical Society	175,991
Human Resources	49,481
Dept. of Economic Development	297,486
Board of Indigents' Defense	124,782
Insurance Department	145,800
Judicial Council	7,796
Arts Commission	22,903
Legislature	442,858
State Library	83,480
Lieutenant Governor	4,061
Park and Resources	81,113
Dept. of Corrections and Institutions	2,234,506
Parole Board	13,632
Public Broadcasting Commission	33,762
Board of Regents and Institutions	12,104,049
Board of Tax Appeals	25,846
Dept. of Revenue	1,258,361
School for Visually Handicapped	79,305
School for Deaf	158,992
Secretary of State	51,948
Social and Rehabilitation Services, Mental Health and Retardation Services, Youth Centers	13,215,993
Conservation Commission	144,297
Soldiers Home	42,181
Commission on Veterans Affairs	45,692
Dept. of Education	24,196,578
State Treasurer	59,866
Judicial Branch	1,597,740
Water Office	95,416
TOTAL	\$ 59,731,379

ATTACHMENT C
1/8/87 SWAM

AGENCY NUMBER	AGENCY NAME	3.8 % BASE REDUCTIONS
3400	ADJUTANT GENERAL	105,883
3900	DEPARTMENT ON AGING	85,375
4600	BOARD OF AGRICULTURE	271,874
5500	ANIMAL HEALTH DEPT	9,892
5800	CIVIL RIGHTS COMM	27,360
8201	ATTORNEY GENERAL	92,493
8202	KANSAS BUREAU OF INV	233,609
14500	CORR-VOC TRNG CENTER	143,183
14700	CORR OMBUDSMAN BOARD	6,014
17300	DEPARTMENT OF ADMIN	699,686
17400	FINANCE COUNCIL	0
23400	FIRE MARSHAL	47,582
24600	FORT HAYS STATE UNIV	601,454
24700	PUBLIC DISCL COMM	7,318
25200	GOVERNOR	48,679
26000	WMI GRANTS	0
26400	DEPT OF HEALTH & ENVIRON	575,883
28000	HIGHWAY PATROL	725,816
28800	HISTORICAL SOCIETY	175,991
29600	DEPT OF HUMAN RESOURCES	49,481
30000	DEPT OF ECONOMIC DEV	297,486
30700	CORR INST AT LANSING	110,959
31300	INDUST REFORMATORY	519,584
31900	YOUTH CENTER AT TOPEKA	240,097
32500	YOUTH CENTER AT BELDIT	118,039
32800	BD INDIGENT DEF SVCS	124,782
33100	INSURANCE DEPARTMENT	145,800
33300	INTERSTATE COOP COMM	5,477
34900	JUDICIAL COUNCIL	7,796
35500	YOUTH CENTER AT ATCHISON	138,368
35900	KANSAS ARTS COMM	22,903
36300	KS NEUROLOGICAL INST	342,560
36500	PUB EMPL RET SYSTEM	0
36700	KANSAS STATE UNIV	3,068,537
36702	KSU-VETERINARY MED	228,252
37300	KANSAS STATE FAIR	0
37900	EMPORIA STATE UNIV	624,033
38500	PITTSBURG STATE UNIV	617,124
41000	LARNED STATE HOSP	735,035
42200	LEGIS COORD COUNCIL	12,058
42500	LEGIS RESEARCH DEPT	55,932
42900	LEGISLATURE	257,727
43100	LEG EDUC PLNG COMM	2,180
43400	STATE LIBRARY	83,480
44600	LT GOVERNOR	4,061
49400	OSAWATOMIE ST HOSP	454,925
50300	PARK/RESOURCES AUTH	81,113
50700	PARSONS STATE HOSP	229,949
52100	DEPT OF CORRECTIONS	555,670
52300	ADULT AUTHORITY	13,632
52500	STATE PENITENTIARY	776,517
54000	POST AUDIT DIVISION	43,464

AGENCY NUMBER	AGENCY NAME	3.8 % BASE REDUCTIONS
54800	PUBL BROADCAST COMM	33,762
55100	RECEPTION/DIAG CTR	128,595
55500	RAINBOW MH FACILITY	64,911
56100	BOARD OF REGENTS	251,588
56200	BOARD OF TAX APPEALS	25,846
56500	DEPT OF REVENUE	1,258,361
57900	REVISOR OF STATUTES	66,021
58500	NORTON STATE HOSP	120,809
60400	SCHOOL FOR VIS HNDCP	79,305
61000	SCHOOL FOR THE DEAF	158,992
62200	SECRETARY OF STATE	51,948
62800	DEPT SOC/REHAB SVCS	9,930,143
63400	CONSERVATION COMM	144,297
64000	SOLDIERS HOME	42,181
65200	DEPT OF EDUCATION	24,196,578
65300	KANSAS TECH INST	120,487
66400	TOPEKA STATE HOSP	447,737
67000	STATE TREASURER	59,866
67700	JUDICIAL BRANCH	1,597,740
68201	UNIVERSITY OF KANSAS	3,144,664
68202	KU MEDICAL CENTER	2,048,361
69400	COMM ON VET AFFAIRS	45,692
70900	KANSAS WATER OFFICE	95,416
71300	WINFIELD STATE HOSP	391,420
71500	WICHITA STATE UNIV	1,399,550

		59,731,379

REGENTS & INSTITUTIONS	12,104,049
CORRECTIONS & INSTITUTIONS	2,234,506
SRS & INSTITUTIONS	13,215,993
DEPT OF EDUCATION	24,196,578

1/8/87 F
SWK

STATE GENERAL FUND

FY 1987

	<u>Millions</u>	
Beginning Balance	\$ 19.7	
Receipts	1,764.9	Revised Consensus Estimate
Expenditures	1,797.5	Authorized*
	(60.0)	Lapse Bill as Drafted
	(3.4)	Income Tax Rebate
	(0.6)	LAVTRF
	0.1	Co. Inheritance Tax Fund
	<u>1,733.6**</u>	
Ending Balance	51.0	

* Authorized by 1986 Legislature, as adjusted for Finance Council action on the pay plan and for shifting of expenditures from FY 1986 to FY 1987.

** DOES NOT INCLUDE SUPPLEMENTALS.

Kansas Legislative Research Department
January 8, 1987

A87-3/RR

ATTACHMENT D
1/8/87 SWAM

1/8/87 G
SWAM

B
4632

LAPSE BILL EXPLANATION

Section 1 Adjutant General

Subsection

- (a) \$ 25,316 -- Operational Management - Includes savings from one position on a leave without pay and turnover from one position which will remain unfilled. Also reduces travel and delays microfilming of military records.
- (b) \$ 73,075 -- Physical Plant Operations - Holds unfilled, one currently vacant position, reduces custodial overtime, reduces the department's contingency for utilities and delays the changeout of standby fuel oil. Many of these reductions also result in reductions of federal expenditures based on the appropriate match ratio.
- (c) \$ 7,500 -- Emergency Preparedness Operations and Administration - Reduction eliminates instructor fees for training of emergency preparedness personnel. In addition, the agency will drop the toll free line set aside for notification of emergencies. These reductions will result in equal reductions of federal funds.

TOTAL \$ 105,891

Section 2 Department on Aging

Subsection

- (a) \$ 522,408 -- Program Grants - Substitute unanticipated federal funds for SGF's, maintains meal level as funded by 1986 Legislature.

TOTAL \$ 522,408

ATTACHMENT E
1/8/87 SWAM

Section 3 State Board of Agriculture

Subsection

(a) \$ 133,802

-- Salaries and Wages - Most of the reduction is achieved by eliminating 19.0 positions, including 7.0 FTE in Meat and Poultry Inspection, 7.0 FTE in the Laboratory and 5.0 FTE in Noxious Weeds. Of the positions to be abolished, nine will involve layoffs. Meat and Poultry positions to be abolished include two Veterinarian IIs, two Ag Inspector IIs, and three Ag Inspector Is. The staffing reduction is accomplished by a reorganization of the field supervisory structure and by improved scheduling of required inspections. Laboratory positions to be abolished include a Microbiologist I, a Keyboard Operator and 5.0 Lab Technician Is. The primary effect of the reductions is that the number of samples analyzed will decrease because professional staff will spend more time in sample preparation, data recording and clean-up chores. However, demands for sample analysis have declined somewhat because of the condition of the farm economy. Noxious Weed positions to be abolished include five area weed specialists. The staff reductions accompany a decision to replace the five existing noxious weed control districts, which are authorized but not required by the Noxious Weed Law, with a single statewide district.

Other salary savings are achieved through freezing position vacancies, reducing the use of temporary employees, salary turnover adjustments, and a voluntary decrease in the salary of the Secretary of Agriculture.

(b) \$ 118,072

-- Other Operating Expenditures -- Some of the savings result from abolishing the positions described above, particularly in Noxious Weeds, where travel and other operating

costs are reduced by \$18,000. The largest single adjustment is a \$44,800 reduction in expenditures for contract field audits in the Water Resources program. The number of contract audits will decline by 150, or 15 percent. Other adjustments include reductions in expenditures for travel, for contract enumerators, for microfilming records, for entry of data in the National Pesticide Information Retrieval System, for data processing, for printing and assorted other operating costs.

TOTAL \$ 251,874

Section 4 Animal Health Department

Subsection

(a) \$	9,900	-- Animal Disease Control - The amount budgeted for cattle backtagging is reduced by \$5,000; for brucellosis testing, by \$1,400; and for electric utilities, by \$3,500. Service levels will not be affected. Backtagging and testing requirements have declined because of the condition of the farm economy. USDA has agreed to pay for electric service at the State/Federal Brucellosis Laboratory, a cost previously assumed by the state.
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TOTAL \$ 9,900

Section 5 Commission on Civil Rights

Subsection

(a) \$	28,112	-- Promotion of Civil Rights - Represents a variety of other operating expenditure reductions including communication, travel, and rent (due to delay of move date)
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TOTAL \$ 28,112

Section 6 Attorney General

Subsection

(a)	\$	58,512	-- Salaries and Wages - As proposed by the Attorney General in response to 3.8% target reduction.
(b)	\$	5,675	-- Other Operating Expenditures - As proposed by the Attorney General in response to 3.8% target reduction.
(c)	\$	30,197	-- Additional Operating Expenditures for Investigation and Litigation Regarding Interstate Water Rights - As proposed by the Attorney General in response to 3.8% target reduction.
TOTAL		\$	94,384

Section 7 Attorney General-Kansas Bureau of Investigation

Subsection

(a)	\$	46,063	-- Other Operating Expenditures - Reduces purchase of supplies and equipment and delays the printing of public awareness brochures. Additionally, funds are shifted between programs in order to assure sufficient funds for the ASTRA Communications Network.
TOTAL		\$	46,063

Section 8 State Correctional-Vocational Training Center

Subsection

(a) \$ 28,720 -- Operating Expenditures - Represents reductions in utilities, repairs and maintenance, food and capital outlay replacement of a dental drill and other minor reductions.

TOTAL \$ 28,720

Section 9 Corrections Ombudsman Board

Subsection

(a) \$ 8,126 -- Adult Corrections Oversight - Amount available by not hiring the new associate in FY 1987 which had been funded for three months; also reductions were made to travel and \$942 in unused authority was cut.

TOTAL \$ 8,126

Section 10 Department of Administration

Subsection

(a) \$ 44,505 -- Administration - Includes \$36,539 for additional turnover in Secretary's office and \$7,966 in miscellaneous non-salary reductions.

(b) \$ 142,274 -- Accounting and Reporting Services - Reductions of \$7,661 in miscellaneous salary savings; \$28,551 from shifting financing of expenditures to Unemployment Claims Audit Fund; \$40,268 in salary and operating expenditures reflecting reduction in social security unit due to change in remittance of contributions by local governments; \$51,909 in miscellaneous contractual services expenditures; and \$13,885 in miscellaneous commodities expenditures.

(c) \$ 122,601 -- Budget Analysis - Reflects salary savings to be generated from holding vacancies in positions.

(d)	\$	99,378	-- Personnel Services - Includes \$69,078 in turnover savings and \$30,300 in reduced expenditures for contractual services.
(e)	\$	74,020	-- Buildings and Grounds - Includes \$55,940 in salary savings, principally reflecting permanent reduction in hours worked for Statehouse custodial staff, and \$18,080 in reduced non-salary expenditures, principally supplies and repairs.
(f)	\$	250	-- Capitol Area Plaza Authority - Removes \$250 from Capitol Area Plaza Authority based upon prior expenditure patterns.
(g)	\$	134,993	-- Data Processing - Reduces data processing support for central management operations, principally systems development.
(h)	\$	88,571	-- Purchasing - Includes \$18,571 in miscellaneous operating expenditures and \$70,000 for systems development and programming for minority business project.
(i)	\$	3,676	-- Pooled Money Investment Board - Reflects miscellaneous operating reductions.
(j)	\$	61,893	-- Architectural Services - Reflects additional turnover from freezing three positions.
(k)	\$	8,423	-- General Services - Reflects salary savings in records management program.
(l)	\$	5,700	-- Gubernatorial Transition - 3.8% reduction in appropriations for gubernatorial transition expenses.
(m)	\$	664	-- Executive Aircraft Operations - Reflects actual debt service payment for new aircraft.
(n)	\$	6,250	-- Capital Improvements - Amount not contracted to plan for improvements to Governor's residence.
TOTAL	\$	793,198	

Fire Marshal

- 19 -- Fire Safety and Prevention - Reduces administrative travel. A savings in salaries and wages is possible due to the request of the staff attorney to be reduced to 49% of full time for the remainder of the year. The printing and mailing of newsletters and manual supplements will be delayed until FY 1988. Supplies purchases will also be curtailed and no new films or video tapes will be purchased.

48,819

Division 12 Fort Hays State University

Subsection

(a) \$ 272,239

- Salaries and Wages - Reduction in salary and wage expenditures is accomplished by reducing the number of summer school course offerings, and by not filling vacant faculty, administrative and classified positions. In addition no adjunct professor positions will be hired to replace, on a temporary basis, individuals on sabbatical leave.

(b) \$ 300,000

- Operating Expenditures - Reduction in other operating expenditures is accomplished by discontinuing all but essential travel, reducing computer service purchases, reducing the purchase of supplies and reducing the level of library acquisitions.

(c) \$ 26,004

- Student Salaries and Wages - Reduction in the student salary and wage expenditures base is accomplished by reducing the number of hours of student employment. No student will lose their job but their "take home" pay will be affected by reduced hours.

(d) \$ 10,000

- Student Off-Campus Work - Study Program - This amount is deleted from student off campus workstudy funds. No student will lose their placement with this action but additional placements planned for the spring semester will not be made.

TOTAL \$ 608,243

Section 13 Public Disclosure Commission

Subsection
 (a) \$ 8,805 -- Operating Expenditures - Reduction is accomplished by not filling a temporary clerical position and by reducing expenditures from the other contractual services object code. Reductions will affect planned FY87 production of a more detailed campaign finance report. In addition, other object codes were reduced to reflect current experience.

TOTAL \$ 8,805

Section 14 Governor's Department

Subsection
 (a) \$ 64,051 -- Administration - Represents a five percent reduction as proposed by the Governor.

TOTAL \$ 64,051

Section 15 Department of Health and Environment

Subsection
 (a) \$ 495,121 -- Operating Expenditures -- Two-thirds of the amount, or \$325,000, is attributed to reductions in expenditures for salaries and wages. The savings are achieved through freezing vacant positions. Among these is an eight-month vacancy in the Director of Health position.

Two major reductions are taken in the Crippled and Chronically Ill Children subprogram, including a \$38,000 reduction in expenditures for professional service fees and a \$44,600 reduction in expenditures for professional supplies. Expenditure patterns suggest that the reductions can be made without affecting service levels. If remaining State General Fund resources are inadequate, however, the agency can request

approval of the Advisory Commission on Crippled and Chronically Ill Children to expend funds from the Special Bequest Fund.

Budgeted amounts are reduced for nursing home administration in the event of receivership, for analysis of air samples to detect asbestos, and for assorted other expenditures in travel, equipment, supplies and staff training.

In addition to possible offsetting expenditures from the Bequest Fund discussed above, there are two instances where decreased State General Fund expenditures will be offset by increased expenditures in other funds. These include \$23,060 in additional federal grant funds available to Vital Statistics from the National Center for Health Statistics, and \$6,600 in additional Medicare funds for the Laboratory.

(b)	\$ 15,519	-- Prenatal Care Collaborative Program -- The agency estimates that services will not be provided to 40 women.
(c)	\$ 65,243	-- Aid to Local Units (prenatal care collaborative programs) -- The State General Fund reduction will be offset by increased Maternal and Child Health Block Grant expenditures for this purpose. The MCH funds currently are reflected in the budget, but because of uncertainties about federal funding levels at the time of budget preparation, they had not yet been granted or obligated.

TOTAL \$ 575,883

Section 16 Kansas Highway Patrol

Subsection

(a)	\$ 664,941	-- Other Operating Expenditures - Represents a reduction of repairs on vehicles, employee tuition expenses, replacement clothing items, parts and supplies and replacement patrol cars. Also included is anticipated savings on gasoline and aircraft fuel.
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(b)	\$	3,225	--	Emergency Medical Services - State Operations - Results from savings due to the delay in installation of a photocopier and from a reduced level of staff in attendance at examination sites.
(c)	\$	6,000	--	Aid to Local Units - EMS Administrative Grants - Reduction in aid provided by the State EMS Council to regional EMS councils..
(d)	\$	80,000	--	Expansion of EMS Communications System - Reduced due to project delays which preclude expenditure before FY 1988.
(e)	\$	12,500	--	Capitol Area Security - Reflects reductions in travel, clothing, food and gasoline.
TOTAL		\$	766,666	

Section 17 State Historical Society

Subsection

(a)	\$	36,319	--	Administration - Savings based on higher turnover estimates, reductions in office and maintenance supplies, capital outlay and travel.
(b)	\$	47,150	--	Collections - Savings based on higher turnover estimates, reductions in travel, capital outlay, office and research supplies, and printing.
(c)	\$	4,495	--	Historic Preservation - Reductions in travel and printing, with equal reductions in federal funds.
(d)	\$	35,410	--	Historic Properties - Includes lapse of \$20,000 (of \$25,000 original appropriation) for the purchase of an option to acquire the Charles Curtis Home. Remaining amount based on higher turnover estimates and reductions in maintenance, supplies, and brochures for the 19 historic sites.
(e)	\$	78,521	--	Museum - savings based on higher turnover estimates, reductions in exhibit construction funding, capital outlay, and travel-related expenditures.

(f) \$ 24,000 -- Historic Properties Maintenance and Repairs
- lapses capital improvement funds intended
for Funston Home.

TOTAL \$ 225,895

Section 18 Kansas Department of Human Resources

Subsection

(a) \$ 47,514 -- Salaries and Wages - Accomplished by not
filling vacant industrial inspector position
and increased turnover in employment of the
handicapped. In addition, one clerk
III and one attorney I from labor relations
program were transferred to unemployment
insurance and workers compensation,
respectively; non-state general funded
programs.

(b) \$ 1,967 -- Other Operating Expenditures - reduces
travel expenditures in the labor relations
program.

TOTAL \$ 49,481

Section 19 Department of Commerce

Subsection

(a) \$ 30,944 -- General Administration - Interim Task Force
savings (\$20,000); salary saving from
holding position vacant and technical
adjustment to calculation for salaries
(\$10,944)

(b) \$ 50,000 -- Grant for Kansas, Inc. - Salary and research
fund savings due to slower than anticipated
startup.

(c) \$ 22,163 -- Community Development - Reduction possible
through utilization of in-kind match of CDBG
(\$15,000) and unexpended Community Resource
Action grant funds (\$7,163)

(d)	\$	92,832	--	Grants for Certified Development Companies - Unobligated co-location funds (\$79,802); repayment of grant funds by the Greater Southwest CDC (\$13,750)
(e)	\$	1,932	--	Grants for Small Business Development Centers - uncommitted co-location funds for Small Business Development Centers (SBDC)
(f)	\$	28,088	--	Industrial Development - salary reductions from vacancy freeze (\$11,838); reduced advertising (\$16,250)
(g)	\$	23,000	--	Travel, Tourism and Film Services - Eliminate school children brochure and reduce quantity of other brochures (\$14,130); reduce memberships, freight, stationery and supplies (\$4,300); eliminate one consumer and two group tour travel shows and registration and attendance at several other tourism related meetings (\$4,570)
(h)	\$	50,000	--	Grant for Kansas Technology Enterprise Corporation - K-TEC will eliminate one SBIR grant
(i)	\$	14,795	--	Kansas Advanced Technology Commission - uncommitted balance of research project grants -
TOTAL		\$		313,754

Section 20 Kansas Correctional Institution at Lansing

Subsection

(a)	\$	8,300	--	Operating Expenditures - Reductions in capital outlay and clothing purchases and a reduction to salaries and wages from a new hire at a lower than budgeted step.
(b)	\$	38,924	--	Capital Improvement - Lapse of uncommitted funding to install an emergency generator.
(c)	\$	5,549	--	Capital Improvement - Lapse of uncommitted amount to install a fire sprinkler system in the infirmary.
TOTAL		\$		52,773

Section 21 State Industrial Reformatory

Subsection

- (a) \$ 67,912 -- Operating Expenditures - Reductions in clothing, utilities, food and other minor reductions to operating expenditures.
- (b) \$ 82,000 -- Capital Improvement - Lapse of uncommitted amount to construct a 64 bed addition to the 96-bed minimum security facility.

TOTAL \$ 149,912

Section 22 Youth Center at Topeka

Subsection

- (a) \$ 39,666 -- Operating Expenditures - Converts three of five paid holidays to compensatory time-off.

TOTAL \$ 39,666

Section 23 Youth Center at Beloit

Subsection

- (a) \$ 16,221 -- Operating Expenditures - Converts three of five paid holidays to compensatory time-off.

TOTAL \$ 16,221

Section 24 State Board of Indigents' Defense Services

Subsection

- (a) \$ 55,210 -- Indigents' Defense Services - Reduces temporary salaries, increases turnover savings (\$43,358), makes various O.O.E. adjustments (\$11,852).

TOTAL \$ 55,210

Section 25 Insurance Department

Subsection

(a) \$ 148,218	-- Insurance Company Regulation - Salaries and wages make up 60% of the reduction. Seven positions are currently vacant and will remain unfilled throughout FY 1987. An additional amount will be saved by shifting some personnel to duties which can be charged off against the fee fund accounts. The reduction will also preclude the printing of consumer awareness brochures and reduce out-of-state travel, tuition payments for employees and supplies. Equipment purchases will be delayed. The reduction amount presumes a voluntary salary reduction by the Insurance Commissioner.
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TOTAL \$ 148,218

Section 26 Kansas Commission on Interstate Cooperation

Subsection

(a) \$ 5,477	-- National Memberships and Other Operating Expenditures - Reduces various contractual services expenditures
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TOTAL \$ 5,477

Section 27 Judicial Council

Subsection

(a) \$ 13,824	-- Judicial Research - Reduction of temporary pay (\$2,300), travel and communication and printing and advertising, permitting no new publications for distribution.
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TOTAL \$ 13,824

Section 28 Youth Center at Atchison

Subsection

(a) \$ 20,343	-- Operating Expenditures - Converts three of five paid holidays to compensatory time-off.
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TOTAL \$ 20,343

Section 29 Kansas Arts Commission

Subsection

(a) \$ 41,603 -- Promotion of the Arts - Reduces arts grants by 11.5 percent with respect to the FY 1986 level; the reduction will not affect the agency's eligibility to receive federal funds.

TOTAL \$ 41,603

Section 30 Kansas Neurological Institute

Subsection

(a) \$ 299,358 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, and increases turnover reductions.

TOTAL \$ 299,358

Section 31 Kansas State University

Subsection

(a) \$ 549,117 -- Salaries and Wages - Reduction in salary and wage expenditures is achieved by freezing vacant positions which in the Education program will result in larger classes and fewer class offerings in the spring and summer. This translates into nonrenewal of contracts for adjunct professors from the community and for graduate teaching assistants.
Thirty summer school classes would be cancelled. No employees funded directly by general use monies would be laid off under this plan.

(b) \$ 1,335,283 -- Other Operating Expenditures - Reductions in contractual services for the Education program and the Educational Support Service programs. Of the reduction 66 percent is from the contractual services. Resulting in cancellation of maintenance contracts; limiting travel; reducing substantially use of "service clearing" operations such as

computer services, facilities operations, technical equipment repair shops, printing services and photo services; and not purchasing new serial publications for the library. Service clearing services are those that are purchased by departmental OOE dollars which are in turn used to purchase materials and provide staff. Some service clearing staff may have to be laid off because of reduced purchases by the departments. However, the university makes no reduction in its position limitation to reflect such a change. The university also has eliminated university wide reserves set aside for the purchase of instructional equipment, academic computing, classroom improvements, faculty enrichment and student recruitment.

- (c) \$ 8,532 -- Centers of Excellence - Reflects reductions in operating expenditures for the program.
- (d) \$ 167,535 -- Operating Expenditures for Utilities - Reflects the university's decision to cap building temperatures at 70 degrees during the day time and 55 degrees during the evenings for the winter. This action would also require that the air conditioning not be utilized on campus prior to May, 1987. However, \$100,000 of this savings is the result of the temporary closure of Weber Hall for remodeling. During the remodeling of the facility utility costs were dramatically reduced since no classroom activity or laboratory activity was carried on at that time.
- (e) \$ 12,243 -- International Grains Program - Accomplished by leaving vacant an existing staff position. This position has been used in past years as a milling consultant to nations and firms requesting technical assistance in milling operations.
- (f) \$ 3,501 -- International Livestock Program - Accomplished by reducing various objects of expenditure.

- (g) \$ 344,821 -- Extension - Accomplished by leaving vacant two positions, one community development position in the northwest area office and a nutrition position in the state office. In addition the reduction will result in deferring the purchase of computers, typewriters, and audiovisual equipment. Also, reductions in operating budgets will require cancellation of 10 to 15 percent of the meetings and workshops scheduled with various groups around the state (including those in economic distress). Support for meetings and workshops will be reduced through reduced printing of publications, newsletters and issuance of video tapes and computer software.
- (h) \$ 47,333 -- Experimental Fields - No vacant positions will be filled. Other operating costs including the replacement of equipment and the purchase of supplies will be reduced. This action could slow research and result in the deferring of various research projects until sufficient funds for staff, materials and equipment are again available.
- (i) \$ 16,247 -- Student Salaries and Wages - This reduction will result in less hours worked by student employees.
- (j) \$ 9,229 -- Wheat Research - Amount will be reduced from either other operating expenditures or salaries and wages depending upon availability of funds.
- (k) \$ 451,036 -- Organized Research - Reduction will be accomplished through the leaving vacant of a number of graduate research assistant positions and through reductions in telephone, mail, and travel expenses together with the delay in the purchase of machinery and equipment.
- (l) \$ 34,062 -- Southwest Kansas Branch Station Operations - Various operating expenditures will be curtailed.
- (m) \$ 17,773 -- Colby Branch Station Operations - Various operating expenditures will be curtailed to meet this target.

(n) \$	39,948	-- Fort Hays Branch Station Operations - Various operating expenditures will be curtailed to accomplish this reduction.
(o) \$	23,952	-- Southeast Kansas Branch Station Operations - Various operating expenditures will be curtailed to meet this target.
TOTAL \$		3,060,612

Section 32 Kansas State University Veterinary Medical Center

Subsection

(a) \$	195,413	-- Other Operating Expenditures - The veterinary school plans to limit faculty and administrative travel and to reduce expenditures for repair and replacement of equipment. Reduced operating funds will translate into a restriction in telephone use, reduced copying of classroom material and reduced availability of teaching animals.
(b) \$	34,166	-- Other Operating Expenditures for Utilities - Reduction will be accomplished by setting thermostats at 55 degrees at night, week ends and holidays and at a maximum of 70 degrees in those areas during work days. Air conditioning will not be turned on until May 1.
TOTAL \$		229,579

Section 33 Emporia State University

Subsection

(a) \$	205,092	-- Salaries and Wages - Proposed reduction in salaries and wages would be the result of a freeze of faculty and administrative positions, and graduate assistantships. No estimate as to how many positions are frozen or what amount graduate teaching assistant hours will be reduced.
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(b) \$ 358,002	-- Other Operating Expenditures - Reduction in other operating expenses would be achieved by reducing faculty travel, canceling equipment purchase, and reducing library acquisitions.
(c) \$ 60,000	-- Operating Expenditures for Utilities - Reduction would be achieved by reducing the thermostat settings in university buildings and closing the university on vacation periods in order to conserve energy.
(d) \$ 2,485	-- Student Salaries and Wages - Reduces student salary and wage expenditures by reducing the number of hours of student employment. No students scheduled to lose their jobs but their hours worked will be reduced.
TOTAL \$ 625,579	

Section 34 Pittsburg State University

Subsection

(a) \$ 200,748	-- Salaries and Wages - Reflects the holding vacant of nine existing positions and a ten percent cut in the number of hours of employment for students. No layoffs will occur under this plan.
(b) \$ 419,677	-- Other Operating Expenditures - Reflects the cutting of capital outlay expenditures by one-third of the budgeted amount. Contractual services and commodity expenditures are being reduced by the university by 15.4% in each organizational unit of the institution.
TOTAL \$ 620,425	

Section 35 Larned State Hospital

Subsection

(a) \$ 241,955	-- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover reductions and reduces various other operating expenditures.
TOTAL \$ 241,955	

Section 36 Legislative Coordinating Council

Subsection

(a)	\$	16,733	--	Legislative Coordinating Council - Reflects revised budget as submitted by the agency.
(b)	\$	55,932	--	Legislative Research Department - Reflects budget submitted by the agency which represented reduction of \$40,096 from authorized budget plus additional reduction of \$836 in turnover and \$15,000 reserved for contingencies.
(c)	\$	66,021	--	Office of the Revisor of Statutes - Reflects budget submitted by the agency which represented reduction of \$57,593 from authorized budget plus additional reduction of \$8,428 in contractual services expenditures.
(d)	\$	2,180	--	Legislative Educational Planning Committee - Reflects miscellaneous reductions in operating expenditures.
TOTAL		\$	140,866	

Section 37 Legislature

Subsection

(a)	\$	257,727	--	Operations - Reflects reductions of \$48,064 for interim committee activities, \$77,693 for capital outlay, \$30,000 for special expenses, and \$101,970 for per diem compensation and subsistence allowances, reflecting a decision by the LCC to introduce legislation to reduce both allowances by \$3 per day for the period January 1, 1987, through June 30, 1987.
TOTAL		\$	257,727	

Section 38 State Library

Subsection

(a)	\$	11,168	-- Administrative Services - Reductions from holding a new clerical position vacant and other minor adjustments in other operating expenditures.
(b)	\$	10,460	-- Reference Services - Turnover savings resulting from holding a Library Assistant position, reductions in the amount of library materials purchased for the reference collection, and other minor reductions in OOE.
(c)	\$	7,788	-- Kansas Library Network Services - Reduces the contingency used to reimburse libraries for materials lost through interlibrary loan transactions.
(d)	\$	450	-- Services to the Blind and Physically Handicapped - Reduction in purchase of professional and trade journals concerning services to the blind and physically handicapped.
(e)	\$	76,884	-- Interlibrary Resource Sharing and Automation - Reduces production of Kansas Union Catalog from biannual to annual production.
TOTAL \$		106,750	

Section 39 Lieutenant Governor

Subsection

(a)	\$	5,344	-- Operations - Represents a five percent reduction.
TOTAL \$		5,344	

Section 40 Osawatomie State Hospital

Subsection

(a) \$ 152,345 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, adjusts school contract costs due to a reduction in the number of classrooms and reduces various other operating expenditures.

TOTAL \$ 152,345

Section 41 State Park and Resources Authority

Subsection

(a) \$ 25,060 -- Administration - Salaries and wages are reduced \$3,543 by freezing a vacant secretarial position. The remainder of the reduction is primarily in the areas of printing (curtailment of bulk distribution of park guides and brochures); maintenance materials (reduction of contingency fund for minor maintenance); and capital outlay (deferral of replacement schedule for two-way radios).

(b) \$ 55,306 -- State Park Operations - Salaries and wages are reduced \$10,248 by a freeze on vacant positions. The bulk of the remaining reduction is in clothing (deferral of replacement schedule); fuel (lower cost/gal. estimate); and motor vehicle supplies (lower cost/gal. estimate for gasoline).

TOTAL \$ 80,366

Section 42 Parsons State Hospital and Training Center

Subsection

(a) \$ 125,206 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover reductions and reduces various other operating expenditures.

TOTAL \$ 125,206

Section 43 Department of Corrections

Subsection

- | | | |
|-----|------------|--|
| (a) | \$ 9,500 | -- Central Management - Consists of cuts in contractual services and an increase of \$5,750 in turnover; includes a 3.8% cut to the Secretary of Corrections salary for the remaining five pay periods. |
| (b) | \$ 16,325 | -- Community Services - Primarily reductions to Pre-Release and Work Release programs for food, stationery, other contractual services and several smaller cuts to other object codes. |
| (c) | \$ 19,100 | -- Honor Camps - Increases turnover and decreases medical care for the inmate population; no anticipated problem with turnover or medical care barring a major illness. |
| (d) | \$ 727,247 | -- Community Corrections - Grant reductions are comprised of a one quarter delay for Douglas County's entrance, carryover savings from two programs, utilization of a 45% charge-back rate for the final two quarters and excess chargebacks from the entitlements granted the first two quarters. |
| (e) | \$ 316,339 | -- Capital Improvements - Reduction of amount for site evaluations and planning for institution construction. |
| (f) | \$ 46,000 | -- Capital Improvements - Excess funds from the renovation of the third floor of Topeka Pre-Release Center. |
| (g) | \$ 5,563 | -- Major Repairs, Special Maintenance and Remodeling - Currently unprogrammed balance of Maintenance Account. |
| (h) | \$ 117,123 | -- Lease Purchase Payment for the Ellsworth Correctional Work Facility - Represents earned interest used to offset the \$1.2 million payment for the Ellsworth Correctional Work Facility. |

TOTAL \$ 1,256,097

Section 44 Kansas Parole Board

Subsection

(a)	\$ 16,547	-- Parole from Adult Correctional Institutions - Represents reductions in travel and savings by not filling a vacant position for three months; assumes a 3.8% cut to board members salaries.
TOTAL \$ 16,547		

Section 45 Kansas State Penitentiary

Subsection

(a)	\$ 275,360	-- Operating Expenditures - Reductions primarily from utilities, repairing and servicing, maintenance, rents, other supplies, inmate incentive pay, food and travel and subsistence.
(b)	\$ 163,791	-- Capital Improvement - Lapse uncommitted amount to construct the medium security institution and the administration/support services building scheduled for completion in March, 1987.
(c)	\$ 10,000	-- Capital Improvement - Lapse uncommitted amount for installation of fire doors and alarms.
(d)	\$ 50,000	-- Capital Improvement - Lapse uncommitted amount to replace the locking system in B cellhouse and renovate locking system in C cellhouse.
TOTAL \$ 499,151		

Section 46 Division of Post Audit

Subsection

(a)	\$ 43,464	-- Operations - Reflects budget submitted by the agency which represented reduction of \$32,037 from authorized budget plus additional reduction of \$11,427 in miscellaneous operating expenditures.
TOTAL \$ 43,464		

Section 47 Kansas Public Broadcasting Commission

Subsection			
(a) \$	95	--	Operations - Reduces administrative expenses of the commission.
(b) \$	100,000	--	Grant to Smoky Hills Public Television Corporation - This amount was set aside to assist in the purchase of KLBY-TV in Colby, Kansas. As this station has now been purchased by a private party, the amount is no longer needed.
TOTAL \$	100,095		

Section 48 State Reception and Diagnostic Center

Subsection			
(a) \$	75,563	--	Operating Expenditures - Salaries and wages reduced due to a delay in hiring five correctional officers for the 32 bed expansion and in filling the chief of clinical services position. Also, over \$15,000 is reduced in Support Services with the majority coming from utilities.
TOTAL \$	75,563		

Section 49 Rainbow Mental Health Facility

Subsection			
(a) \$	2,802	--	Operating Expenditures - Converts three of five holidays from pay to compensatory time.
TOTAL \$	2,802		

Section 50 State Board of Regents

Subsection

(a)	\$	27,930	--	Salaries and Wages - Reflects higher than anticipated unclassified turnover reductions.
(b)	\$	7,700	--	Contractual Agreements - Optometry Education - One of 35 optometry seats purchased by the state for Kansas Optometry students in out of state institutions is currently vacant.
(c)	\$	197,000	--	Scholarships and Tuition Grants - Reduces the state scholarship program because applications for the program have declined by 25%, because the grade point average to retain a scholarship has been increased from 3.0 to 3.3, and a decline in the state scholars has been experienced because of increased financial need standards. The Board indicates that no eligible qualified scholars would be denied a scholarship of a result of this reduction.
TOTAL \$		232,630		

Section 51 Board of Tax Appeals

Subsection

(a)	\$	30,675	--	Operating Expenditures - Assumes a 3.8 percent reduction in salaries of Board members for five months; turnover savings resulting from late hiring of a new Attorney position; travel was reduced; reduction in fees for court reporter and technical legal consulting for cases which are complex and infrequent; various other reductions in OOE.
TOTAL \$		30,675		

Section 52 Department of Revenue

Subsection

- (a) \$ 472,440 -- Salaries and Wages - Transfer of 13.0 positions Motor Fuel Tax Registration and Motor Fuel Refund Processing from State General Fund to Vehicle Operating Fund as duties of these positions concern motor fuel taxes; this action is consistent with legislative direction that has shifted other positions. Freeze 19.0 vacant positions for increased turnover deductions. Establish new minimum wage temporary class for tax processing seasonal personnel resulting in savings.
- (b) \$ 495,045 -- Other Operating Expenditures - Reduces data processing costs based on current estimates and usage. Establish new policy in printing and distribution of tax forms by providing only 15 copies of the forms to practitioners consistent with the IRS policy. Reduce travel in several divisions.
- (c) \$ 156,478 -- Reappraisal Operating Expenditures - Reduces data processing costs based on current estimates and useage in several programs.
- (d) \$ 80,000 -- Aid to Counties for Reappraisal - 1% reduction of \$8,000,000 for aid to counties for reappraisal.
- TOTAL \$ 1,203,963

Section 53 Norton State Hospital

Subsection

- (a) \$ 94,735 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover deductions and reduces other operating expenditures.
- TOTAL \$ 94,735

Section 54 Kansas State School for the Visually Handicapped

Subsection

(a) \$ 24,425 -- Operating Expenditures - Reduces \$11,761 from salaries and wages through increased turnover and reduces \$4,979 in other operating expenditures. An additional \$7,685 in SGF expenditures is reduced and replaced by fee fund monies.

TOTAL \$ 24,425

Section 55 Kansas State School for the Deaf

Subsection

(a) \$ 158,992 -- Operating Expenditures - Reduces \$77,002 from salaries and wages by delaying filling position vacancies, using less overtime and less staff when school is in session on state holidays; reduces \$81,990 in other operating expenditures cutting back on supplies and foregoing the replacement of capital outlay equipment.

TOTAL \$ 158,992

Section 56 Secretary of State

Subsection

(a) \$ 51,848 -- Other Operating Expenditures - As Proposed by the Secretary of State in response to 3.8 percent target reduction

(b) \$ 1,439 -- Salaries and Wages - As Proposed by the Secretary of State in response to 3.8 percent target reduction

TOTAL \$ 53,287

Section 57 Department of Social and Rehabilitation Services

Subsection

(a) \$ 2,015,741 -- Public Assistance - Reduces the Aid to Dependent Children (ADC) and General Assistance (GA) programs. The reduction is accomplished by reducing the monthly grant

for ADC and GAU recipients by 3.8% for the last five months of FY 1987, \$1,191,236, and restricting the TGA program for the last six months of FY 1987 to one month of benefit in lieu of a maximum of four months as currently authorized \$824,505.

(b) \$ 8,908,703

-- Medical Assistance - Reduction is accomplished by implementing the following program adjustments effective January 1, 1987: (1) restrict dental services to only ADC eligible children enrolled in EPSDT, no adults receiving public assistance will be eligible for dental services, \$451,837; (2) eliminate TGA-Medical Assistance program, \$1,369,333; (3) limit services provided to GAU medical assistance clients to coverage for community mental health, partial hospitalization, prescribed drugs, family planning, home health, and local health department services as prescribed within Medicaid limitations. In addition, physician services will be limited to eight per year and inpatient hospital service reimbursement will be capped at \$225 per year, \$1,596,933; (4) reduce the per diem amount paid to adult care homes by not eliminating the fifth cost center as approved by the 1986 Legislature and reducing the percentile limits utilized for determining the maximum payments to adult care homes, \$1,103,000; (5) reduce the maximum paid to the following providers by 10%: physicians, pharmacists, dentists, medical equipment suppliers, home and community based service providers, home health agencies, optometrists, and audiologists, \$1,323,466; (6) implement a Medicare repricing program which will generate savings by applying third party billing criteria to Medicare and implement federal Medicare regulations which do not allow a higher payment than the Medicare maximum, \$2,413,404; (7) change outpatient hospital services to a fee-for-service basis by establishing a maximum reimbursement rate in the claim processing system for each outpatient service provided to Medikan and Medicaid recipients, \$250,394; (8) institute a prepayment review on specific categories of claims or procedures in order to identify unnecessary and excessive payments, \$227,488; and (9) utilize savings from Medicare buy-in and third party resource data match, \$172,848.

- (c) \$ 66,321 -- Income Maintenance - Reduces state operations expenditures for rent, travel and subsistence, office supplies, and includes a financing shift to maximize use of federal funds.
- (d) \$ 44,705 -- Vocational Rehabilitation - Reduces state operations expenditures for travel and subsistence, fees, capital outlay, and repairs.
- (e) \$ 6,331 -- Blind Services - Reduces state operations expenditures for repairs, supplies, and capital outlay.
- (f) \$ 12,910 -- Alcohol and Drug Abuse Services - Reduces state operations expenditures for travel and subsistence and capital outlay.
- (g) \$ 237,587 -- Administration - Reduces state operations expenditures for part-time intermittent positions, rent and utilities, travel and subsistence, and computer expenses.
- (h) \$ 255,826 -- Youth Services - Reduction is accomplished by reducing travel and subsistence, \$10,826, reducing the amount paid to providers of residential and family foster care by 3.8% effective 1/1/87, \$228,000, and implementing a 3.8% reduction in day care provider rates effective 1/1/87, \$17,000.
- (i) \$ 74,730 -- Adult Services - Reduces state operations expenditures for travel and subsistence, printing, capital outlay, and contractual services. In addition, \$64,271 of expenditures for grants and projects are shifted from State General Fund to Social Services block grant - federal.
- (j) \$ 4,822 -- Mental Health and Retardation Services - Operating - Reduces travel and subsistence expenditures.
- (k) \$ 53,460 -- Physicians Professional Liability Insurance - Reduces the amount for state hospital physicians professional liability insurance.
- (l) \$ 47,574 -- Student Stipend For Mental Retardation Institutions - Deletes the amount appropriated for student stipends at mental retardation institutions in FY 1987.

TOTAL \$11,728,710

Section 58 State Conservation Commission

Subsection			
(a)	\$	1,859	-- Operating Expenditures - Funds budgeted for travel are reduced by \$1,259. Printing funds are reduced by \$600, the amount budgeted for the agency's combined 1985-1986 annual report.
(b)	\$	129,399	-- Water Resources Cost-Sharing - Removes uncommitted funds available for cost-share grants to landowners for water conservation projects.
(c)	\$	1,684	-- Construction of Watersheds - The amount is the uncommitted balance remaining in the account.
(d)	\$	11,355	-- Targeted Cost-Share Program - The amount of the reduction is equal to the uncommitted balance in the account. The lapse will reduce the amount of funds available for cost-share grants to landowners for water conservation projects in those areas of the state designated as high priority.
TOTAL	\$	144,297	

Section 59 Kansas Soldiers Home

Subsection			
(a)	\$	79,203	-- Salaries and Wages - Reduction generated by eliminating funding for temporary labor in the personal care and maintenance programs, and by increasing turnover deductions.
TOTAL	\$	79,203	

Section 60 Department of Education

Subsection			
(a)	\$	86,500	-- Salaries and Wages - Increases turnover reductions by \$14,000 and shifts financing to federal and other funds of \$72,500.
(b)	\$	37,038	-- Other Operating Expenditures - Includes reductions of \$34,216 for development phase of internship program, \$33,652 for travel, and \$12,817 for miscellaneous expenses offset by increases of \$28,647 for legal costs incurred for the Brown case and \$15,000 for expenses to conduct a search for a new Commissioner of Education.

- (c) \$ 33,264 -- Fort Leavenworth School District - Lapses amount not paid on September 15, 1986. Reflects actual payment of \$898,656 to the Fort Leavenworth School District.
- (d) \$17,270,312 -- School Equalization Aid - 3.8% reduction in appropriation for state school equalization aid.
- (e) \$ 1,686,936 -- School Transportation Aid - 3.8% reduction in appropriation for state school transportation aid.
- (f) \$ 792,484 -- Community College Credit Hour Aid - 3.8% reduction in appropriation for community college credit hour state aid.
- (g) \$ 220,933 -- Community College Out-District State Aid - 3.8% reduction in appropriation for community college out-district state aid.
- (h) \$ 24,614 -- Bilingual Education - 3.8% reduction in appropriation for bilingual education programs aid.
- (i) \$ 272,206 -- Area Vocational-Technical School Program - 3.8% reduction in appropriation for program aid to AVT schools.
- (j) \$ 256,874 -- Municipal University Fund - Reduction of \$123,000 to reflect revised estimate to fully fund credit hour state aid to Washburn University (\$3,523,000) less 3.8% reduction of \$133,874.
- (k) \$ 39,525 -- Municipal University Out-District State Aid - Reduction of \$13,419 to reflect revised estimate to fully fund out-district state aid to Washburn University (\$687,000) less 3.8% reduction of \$26,106.
- (l) \$ 3,033,096 -- Special Education Services Aid - 3.8% reduction in appropriation for special education services aid.
- (m) \$ 3,244 -- Educable Deaf-Blind and Severely Handicapped Aid - 3.8% reduction in appropriation for support of programs for severely handicapped and educable deaf blind children.
- (n) \$ 458,896 -- Post-Secondary Aid for Vocational Education - 3.8% reduction in appropriation for post secondary aid to AVT schools.

- (o) \$ 67,440 -- Vocational Education Aid - USD's - Lapses \$67,440 in state aid to local school districts for support of vocational education programs. Lapsed amount is 14.8 percent of appropriation of \$457,000.
- (p) \$ 10,954 -- Kansas Foundation for Agriculture Project Grant - Lapsed amount would reduce appropriation for agriculture project grant to \$14,046 to more accurately reflect anticipated expenditure level.
- (q) \$ 134,320 -- Inservice Education - Reduction of \$110,000 to reflect revised estimate to fully fund inservice education state aid (\$640,000) plus 3.8% reduction of \$24,320.
- (r) \$ 11,055 -- Municipal University State Aid For Student Off-Campus Work Study - Lapsed amount would reduce authorized expenditures for state aid to Washburn University for work study programs to \$14,200 to more accurately reflect anticipated expenditure level.
- (s) \$ 19,081 -- Community College General State Aid - 3.8 reduction in appropriation for community college general state aid.

TOTAL \$24,458,772

Section 61 Kansas Technical Institute

Subsection

- (a) \$ 122,480 -- Other Operating Expenditures - Reductions are the result of delayed equipment purchases and the delay in the purchase of various supplies by using existing inventories.

TOTAL \$ 122,480

Section 62 Topeka State Hospital

Subsection

(a) \$ 351,915 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time, increases turnover savings and adjusts school contract costs.

TOTAL \$ 351,915

Section 63 State Treasurer

Subsection

(a) \$ 60,777 -- Administration and Fiscal Services - Reductions from freezing a vacant clerical position; freeze on temporary and overtime expenditures; additional turnover reductions; assumed 3.8 percent reduction in State Treasurer's salary for five months; substitution of \$10,000 in fee funds for equivalent amount of state general funds; various other reductions to OOE.

TOTAL \$ 60,777

Section 64 Judicial Branch

Subsection

(a) \$ 153,840 -- Appellate Operations - Reduces salary and wage expenditures by \$74,601. Accomplished by reducing temporary funding and not filling vacant positions. Assumes voluntary 3.8% wage reductions for judges; \$58,996 in other operating expenditures is cut along with an additional \$20,243 reduction in capital outlay.

(b) \$ 750,763 -- District Courts - Reduces salary and wage expenditures by reducing temporary monies and assumes freeze of vacancies for remainder of FY 1987; also assumes a reduction of \$143,856 in judicial salary reductions of 3.8% for five months in FY 1987. Travel reductions have also been made consistent with FY 1986 actuals and the agency's expenditures to-date totaling \$79,801.

(c) \$ 10,810 -- Judicial and Professional Review - Includes a \$4,260 reduction in salaries and wages reflecting FY 1986 expenditure level and a \$6,550 reduction in other operating expenditures.

TOTAL \$ 915,413

Section 65 University of Kansas

Subsection

(a) \$ 2,299,375 -- Salaries and Wages - Reduction is the result of freezing all vacancies in the instruction program. In addition, some graduate teaching assistant positions and adjunct professor positions will not be hired for the spring semester and it is possible that some individuals who had contracts for the fall will not have their contracts renewed for the spring semester. Salary expenditures will also be reduced as a result of a 25% reduction in the class offerings in summer school.

(b) \$ 537,503 -- Other Operating Expenditures - Accomplished by reducing the summer school offerings by 25%, by curtailing the purchase of classroom equipment, and the purchase of computer services and other services offered through "service clearing" programs. Commodity expenditures will also be reduced by offering fewer classes in the spring and summer and by reducing inventory levels.

(c) \$ 17 -- Supplemental Retirement Benefits - This amount has been prorated by the university administration against the supplemental retirement benefits account and will be obtained through higher than anticipated shrinkage in such expenditures.

(d) \$ 814 -- Law School Operating Expenditures - Reduction through either turnover savings or other operating expenditure savings. This amount is the target that was assigned this program by the university administration.

- (e) \$ 7,841 -- Carruth O'Leary Hall Rent - Reduction in rental payments for office space will be accomplished through reducing the use of the facility and thereby reducing rental payments made.
- (f) \$ 4,085 -- Capital Complex Program - Reduction by the Capital Complex Public Management Degree program through either a vacancy freeze or reductions in other operating expenditures.
- (g) \$ 35,160 -- Student Salary and Wages - Expenditures will be reduced by this amount through a reduction in the hours worked by graduate assistants and other student employees.
- (h) \$ 28,000 -- Student Off-Campus Work Study Program - Accomplished by issuing no new work study contracts for the spring semester. Existing work study contracts will be honored.
- (i) \$ 4,851 -- Fire Service Training Program - Reduced travel and equipment purchases together with higher than anticipated salary savings.
- (j) \$ 15,642 -- Research in Tertiary Oil Recovery - Reduction accomplished by freezing vacant graduate research assistant positions and reducing the number of hours worked by student assistants in this program. In addition, other operating expenditures will be reduced through inventory reduction and reductions in travel and subsistence costs.
- (k) \$ 3,239 -- Affiliated Research - Parsons State Hospital - Salary and wage or other operating expenditure reductions will have to be made by this research unit to assimilate this reduction. At the present time no plan is available concerning the distribution of this cut between salaries and wages and other operating expenditures.
- (l) \$ 142,955 -- Geological Survey - The major reduction will be in the hiring of student research assistants and other student help. A number of graduate research assistant positions will not be filled in the spring. Other operating cost savings will also be required which will result in reduced expenditures for research projects.

- (m) \$ 7,930 -- Equipment Matching Funds - Reduces state funds available to match expenditures from federal funds for the purchase of equipment.
- (n) \$ 72,615 -- General Research - Reduces the number of research assistants hired and delays research projects in order to make other operating expenditure savings or to save funds which would have been expended to fill vacant positions.
- (o) \$ 6,670 -- Centers of Excellence - Reduction accomplished through other operating expenditure reductions or the freezing of vacant positions. A specific plan for this savings has yet to be developed.

TOTAL \$ 3,166,697

Section 66 University of Kansas Medical Center

Subsection

- (a) \$ 1,417,181 -- Operating Expenditures - Reduction is accomplished by holding existing vacant administrative, maintenance and clerical positions open and not recruiting to fill vacancies for high paid specialist faculty positions. Other operating costs are reduced by reconfiguring the new computer system thereby reducing the cost of its installation. In addition, travel and other contractual costs are reduced. Only \$37,678 was deleted from the hospital program since such program is almost completely self supporting. Major savings were accomplished in the Education program by holding faculty positions vacant.
- (b) \$ 17,528 -- Student Salary and Wages - Accomplished by reducing the hours of student employment.
- (c) \$ 251,490 -- Contractual Agreements and Scholarships for Medical Education - Reduction possible as a result of higher than anticipated turnover in existing slots. Because of attrition, the university will save this amount of money in the current fiscal year. No

individual currently receiving a medical scholarship and currently eligible for such scholarship will be denied a scholarship as a result of this reduction.

(d) \$ 358,251 -- Stipends, Fringe Benefits, Contractual Support and Medical Malpractice - Of this amount, \$120,000 represents reductions as a result of lower than expected medical malpractice insurance costs. The remaining reduction is accomplished through freezing the House Staff program on the Kansas City campus at the existing head count and salary stipend level.

TOTAL \$ 2,044,450

Section 67 Kansas Commission on Veterans Affairs

Subsection

(a) \$ 15,189 -- Other Operating Expenditures - Reductions applied to rent, travel, utilities, and communications.

TOTAL \$ 15,189

Section 68 Kansas Water Office

Subsection

(a) \$ 14,151 -- Annual Repayment on Water Storage Costs on Clinton Reservoir - The reduction is possible because the Corps of Engineers has

revised the annual principal and interest amount owed by the state. The revised amount is based on final construction costs of the reservoir, whereas the previous payments had been based on estimated costs.

TOTAL \$ 14,151

Section 69 Winfield State Hospital

Subsection
 (a) \$ 89,860 -- Operating Expenditures - Converts three of five holidays from pay to compensatory time off.

TOTAL \$ 89,860

Section 70 Wichita State Universtiy

Subsection
 (a) \$ 360,034 -- Salaries and Wages - Accomplished through the freezing of vacant classified and unclassified positions.
 (b) \$ 89,214 -- Student Salaries and Wages - Reduction is accomplished by reducing the number of hours of student employment.
 (c) \$ 840,492 -- Other Operating Expenditures - Reductions in capital outlay purchases, reductions in library acquisitions, reduction in commodity purchases by utilizing existing inventories, and reduction in the purchase of various "service clearing" services. Travel and subsistence costs are also reduced.
 (d) \$ 103,614 -- Operating Expenditures for Utilities - Anticipated as a savings by the university in its utility expenditures. Reductions in utility usage will be necessary to accomplish this change.

TOTAL \$ 1,393,354

Section 71 Department of Revenue - Homestead Property Tax Refunds

Subsection

(a)	\$	600,000	--	Reflects new consensus revenue estimate
TOTAL	\$	600,000		



1/8/87 E
SW

State of Kansas

Office of Judicial Administration

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FOR IMMEDIATE RELEASE:

January 8, 1987

Supreme Court Justices Alfred G. Schroeder and David Prager today questioned the constitutionality of a proposal by Governor-elect Mike Hayden to deal with the state's revenue shortfall.

The outgoing and incoming chief justices raised the issue at a news conference this morning in which they reacted with surprise to a budget reduction plan submitted to the House Appropriations Committee by Budget Director Gary Stotts. The plan calls for lapsing \$915,000 of the Judicial Branch budget during the balance of the fiscal year and includes reducing judicial salaries by 3.8 percent.

The proposed bill would reduce the salaries of a reported 170 state officers. Of those, 154 are Kansas judges. Over 1,000 state employees outside the judiciary are paid at a rate of more than \$50,000 a year, yet only 16 other than judges are to have a reduction in salary under the terms of the governor-elect's proposed bill.

The justices said they were surprised at the proposal in light of discussions they had with Governor Carlin and Governor-elect Hayden in Mid-December.

ATTACHMENT F
1/8/87 SWAM
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"We told the governor and governor-elect at that time that we do not believe Governor-elect Hayden's plan to make up the revenue shortfall from judiciary salaries is constitutionally permissible in light of Article III, Section 13 of the Kansas Constitution," the justices said.

The Constitution provides: "The justices of the supreme court and the judges of the district courts shall receive for their services such compensation as may be provided by law, which shall not be diminished during their terms of office, unless by general law applicable to all salaried officers of the state."

"Because we cannot constitutionally cut judicial salaries, we submitted a proposal to the governor-elect that we felt would solve the budget deficit. We are now making that proposal public.

"Our proposal is a two-tiered suggestion that calls for each of the branches of government, their departments and their agencies, to make a sincere, conscientious effort to reduce costs by reducing or postponing general fund expenditures not involving personnel salaries. Secondly, the remainder of the necessary reduction in expenditures should be allocated to an across-the-board percentage decrease in compensation of officers and employees earning more than \$20,000 annually for the last half of the fiscal year applied by statute to an equal percentage rate. The total general fund state payroll of over

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\$525 million in FY 1986 would seem to indicate that this reduction would amount to between one and two percent for the six-month period."

The justices said such a statewide solution to the fiscal crisis must be found to avoid disrupting not only the Judicial Branch of Government but other state-funded services as well.

By contrast, the solution to the entire budget shortfall suggested by the two justices would:

- Enable all state officers to contribute equally, thus avoiding a possible violation of the Kansas constitutional mandates;
- Avoid possible legal controversy and litigation which could well disrupt the orderly process of dealing with the current deficit problem;
- Afford all branches of Kansas state government the opportunity to cooperate and work together for the benefit of the people of Kansas;
- Simplify the preparation of the statutes necessary to solve the problem;
- Encourage cooperation among the three branches and the various agencies of the state as future problems arise; and
- Lessen the impact on other state entities also confronted with a serious disruption in services, such as welfare and education.

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"Since we submitted this proposal on December 18, 1986, we have not heard anything from the governor-elect or from his transition team. And contrary to statements in the media attributed to Governor-elect Hayden, we have not found \$1 million to cut from the balance of our current fiscal-year budget, nor will we be able to do so without layoffs and the accompanying disruption of the Kansas court system. We also have not volunteered to reduce the salary of judges unless the requirements of the Constitution are met.

"Finally, any disruption in an already strained court system does not make fiscal sense in light of the fact that the trial courts of this state generate approximately \$18 million annually in court costs which are sent to the state. Disrupting the courts will surely have an impact on those collections as well."

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1/8/87 D
SWAM

Suggestions of the Kansas Judicial Branch for the handling of the 1986-87 revenue shortfall:

- I. The problem which faces Kansas state government-- a predicted shortfall in FY 1987 state general fund revenues of \$93 million below previous estimates.

- II. The tentative proposal of the Executive Branch--a 3.8% reduction (7.6% annualized) for all state general fund budgets.

- III. The unique position of the Kansas Judicial Branch in the Kansas budget perspective:
 - A. Courts produce over \$18 million per year in revenue for the state. (This figure does not include child support collected in cases where support has been assigned to the state.)

 - B. The state's annual cost for the entire Judicial Branch of government is approximately the same as for constructing eleven miles of state highways.

 - C. 97% of the judicial budget in the amount of \$40,688,526 is allocated to salaries out of a \$42,045,787 total general fund budget.

 - D. 3% of the judicial budget is allocated to all state-funded operations, including:
 - 1. District court travel, necessary to provide judicial services to all Kansans, especially in the 55 counties with no resident general jurisdiction judge;
 - 2. Judicial education necessary to maintain the quality of Kansas judicial procedures and decisions;
 - 3. Travel of the Court of Appeals to hold court in various locations, necessary to make the appellate process available to citizens;
 - 4. Printing of Kansas appellate opinions; and
 - 5. All routine judicial and administrative costs of the appellate courts.

ATTACHMENT G
1/8/87 SWAM

E. The Supreme Court has authorized significant cost-saving steps including a hiring freeze and temporary reductions in important programs of education and travel.

1. The annual post-legislative judicial education conference and other educational programs, both in and out of state, have been canceled for FY 1987.
2. Publication of the Judicial Branch employee newsletter providing a valuable communication link between the Supreme Court and employees in 105 counties has been suspended.
3. Publication of the annual executive summary of the Kansas Judicial Branch has been suspended.
4. Travel of judges from lower caseload areas to high caseload areas to prevent backlogs has been curtailed.
5. A freeze on filling of nonjudicial personnel vacancies has been imposed.

IV. Kansas constitutional provisions appear to require that the impact of salary reductions of state officers must fall equally on all salaried state officers of all branches.

Executive: Article I, Section 15:

"The officers mentioned in this article shall at stated times receive for their services such compensation as is established by law, which shall not be diminished during their terms of office, unless by general law applicable to all salaried officers of the state."

Judicial: Article III, Section 13:

"The justices of the supreme court and judges of the district courts shall receive for their services such compensation as may be provided by law, which shall not be diminished during their terms of office, unless by general law applicable to all salaried officers of the state."

V. The effect of a 3.8%, or \$1.6 million dollar, cut in Judicial Branch appropriations during the first six months of 1987 would require that compensation of employees be reduced. As a result:

- A. It might be necessary to suspend personnel who help produce the \$18 million revenue each year for the general fund.
- B. It might be necessary to discharge or suspend up to 224 court services officers who supervise nearly 22,000 convicted persons on probation or parole.
- C. It might be necessary to consolidate low-caseload operations.
- D. Unless a reduction in pay is equalized among the legislative, executive, and judicial departments, it might result in a violation of the Kansas constitutional provisions.

VI. The solution suggested by the Judicial Branch in order to carry our fair share of the burden and yet comply with the constitutional standards is this:

- A. Each branch, department, and agency of the state should make a sincere, conscientious effort to reduce or postpone general fund expenditures not involving personnel salaries in order to reduce the deficit.
- B. The remaining deficit should be allocated to an across-the-board percentage decrease in compensation applied at an equal percentage rate to:
 - 1. All constitutional officers;
 - 2. All statutory officers; and
 - 3. All full-time and part-time classified and unclassified employees of the executive, judicial, and legislative branches whose compensation on a full-time basis would amount to the equivalent of a salary of \$20,000 per year or more. (This helps the employees who can least afford a cut.)

VII. The desirability of this procedure is this:

- A. It distributes the burden equally on the employees in all branches, all departments, and all agencies of Kansas state government.

- B. It enables all state officers to contribute equally, thus avoiding a possible violation of the Kansas constitutional mandate.
- C. It avoids possible legal controversy and litigation which could well disrupt the orderly process of dealing with the current deficit problem.
- D. It affords all branches of Kansas state government the opportunity to cooperate and work together for the benefit of the people of Kansas.
- E. It may simplify the preparation of the statutes necessary to solve the problem.
- F. It will encourage cooperation among the three branches and the various agencies of the state as future problems arise.