

MINUTES OF THE Senate COMMITTEE ON Ways and MeansThe meeting was called to order by Senator August "Gus" Bogina at
Chairperson9:00 a.m./~~p.m.~~ on April 27, 1987 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Laura Howard, Lynne Holt, Ed Ahrens, Russ Mills, Julian Efird, Scott Rothe, Gloria Timmer, Ray Hauke, Carolyn Rampey, Alan Conroy, Ramon Powers

Revisor's Office: Norman Furse

Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

Senator Bogina distributed and reviewed information concerning the Status of the State General Fund (Attachment 1).Items for Omnibus Consideration, dated April 27, 1987, was distributed and reviewed by staff from the Legislative Research Department in addition to copies of the bill explanation for SB 433. (Attachments 2 and 2A). The following follows the outline on Attachment 1.Legislature, HB 2014 - This item was approved by the CommitteeDivision of Post Audit, HB 2595 - This item was approved by the CommitteeBoard of Indigents' Defense Services, SB 289 - The Committee approved expenditure authority as a no-limit fund in order to utilize the new Indigents' Defense Services Fund.Department of Human Resources

- A. 1. Senator Talkington moved, Senator Winter seconded, to introduce a bill which will allow for the appointment of the eighth administrative law judge within the division of workers' compensation. (Bill Draft 7 RS 1542) The bill is to be sent directly to the Senate Floor. The motion carried by voice vote.
- A. 2. HB 2573 - In regard to the 4.0 FTE new positions to serve as assistant rehabilitation administrators, the Committee recommended adding two new positions and using two currently vacant positions in the Department of Human Resources for the other two new positions.
- B. 1. GBA No. 3 - The Committee agreed with a reduction of \$271,494 and 6.5 FTE positions due to reduced financing for ESSI in FY 1987.
- B. 2. GBA No. 4-4 - This item was approved.
- B. 3. GBA No. 4-4 - The Committee approved the Governor's recommendation for \$150,000 from the Special Employment Security Fund to finance Job Service activities.
- C. 1. The Committee approved FY 1988 financing of \$57,045 for a Deputy Secretary of Human Resources and shift two FTE secretary positions to Workmens Compensation to reduce the need for two new positions.
- C. 2. The report on the fiscal impact of SB 112, as requested by the Senate Subcommittee, is attached. (Attachment 3)
- C. 3. The report as requested by the Senate Subcommittee regarding the FY 1986 expenditures for educational expenses of employees paid by the state, the nature of the training, and expenditures to date in FY 1987 was distributed and reviewed. (Attachment 4) During discussion regarding this item, Senator Winter expressed the hope

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the Department would review this subject to assure there are no abuses. It was felt by the Committee that there were some questionable classes listed.

Staff reviewed a letter dated April 20, 1987 to Chairmen Bogina and Bunten bringing to their attention items affecting the Department's FY 1987 and FY 1988 budget for omnibus consideration. (Attachment 5) During discussion, the Committee approved the addition of FY 1987 financing of \$23,108, plus interest, (\$25,855) from the State General Fund to pay for a federal audit exception against the CETA program.

Department of Revenue (Attachments 6, 7 and 8)

- A. 1. Alcoholic Beverage Control. SB 141 - During discussion, Secretary Duncan answered a question from Senator Winter by stating that it is the desire of Director Lamb, ABC Division, and himself to accept applications for licenses, process them, and have them issued as close to July 1st as they can. Their first priority is liquor-by-the-drink. He felt they could reasonably expect to handle drinking establishment licenses by July 1st.

The Committee concurs with GBA No. 4-1 in recommending nine positions in FY 1987. However, they also recommend adding an additional five positions to enable a May 18th hiring instead of a June 18th hiring in order to help facilitate an earlier and smoother implementation of liquor-by-the-drink laws. The Committee also concurs with the GBA No. 4-1 in recommending \$537,217 and 18.5 FTE positions in FY 1988.

2. Other ABC Questions for Omnibus Review - The Committee recommends addition of \$85,000 State General Fund in FY 1988 for the automation of the ABC Division and directed the Division and the Division of Information Systems and Communication to agree on an acceptable system following further review.

- B. 1. Other Bills. SB 48 - No action was taken pending GBA No. 5.

2. SB 241 - The Committee recommended the reduction of \$28,000 in FY 1988 due to the elimination of the requirement that the Director of Property Valuation must distribute guides showing fair market value of personal property.
3. SB 395 - The Committee did not recommend expenditures estimated to produce and affix the county name decal on each license plate.
4. HB 2080 - No action was taken. This issue should be discussed in 1988.
5. HB 2140 - The Committee recommends a FY 1988 State General Fund expenditure for one FTE position for an Attorney I.
6. HB 2169 - The Committee passed over this item.
7. HB 2491 - The Committee recommends the addition of a no-limit expenditure authority in FY 1988 for the new Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund.

- C. 1. Omnibus Items. K-BITS Positions and Funding. - The Committee recommends \$75,000 from the State General Fund and directs the Department to contract with Regents' faculty for an independent study of K-BITS. It also recommends the restoration of 7.0 FTE positions for those programmers and systems analysts working on K-BITS in the amount of \$251,390.

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2. Proposed New Tax Collections Unit - Senator Feleciano moved, Senator Kerr seconded, to recede from comments made by the Committee in the Committee Report objecting to the creation of a new Division of Collections within the Department of Revenue. The motion carried on a voice vote.

Secretary Duncan reviewed the Department's request for office space for the Division of Alcoholic Beverage Control. The consensus of the Committee was to approve \$38,567 State General Fund financing for an additional years lease at the Jayhawk Towers, until June 30, 1988, for ABC. Secretary Duncan reviewed the Department's request for a Manager of Planning and Research position. The Committee recommends restoring the 1.0 FTE position and \$42,724 State General Fund financing for FY 1988.

Kansas Racing Commission

HB 2044 - The Committee recommends the addition of a new no-limit account in the Racing Reimbursable Expense Fund as authorized in HB 2044 to recover and pay costs of fingerprinting and race track officials in FY 1988. Also, the Committee recommends the addition of a technical amendment designating authority to the State Finance Council to approve transfers of State General Fund financing authorized in HB 2221 for use by the Commission in FY 1988.

Board of Tax Appeals

- A. Technical Item - The Committee recommends the name of the Publication and Other Fees Fund be changed to the Duplicating Fees Fund in order to implement the revolving account to pay for copying records.
- B. The Committee discussed putting salaries and Other Operating Expenditures in one line item, as recommended by the Governor, which gives the agency more flexibility. No action was taken.
- C. The Committee recommends the addition of \$11,045, State General Fund, in FY 1988 for the financing of 940 additional square feet of space in the Docking State Office Building. The agency indicates severe overcrowded conditions.
- D. The Committee recommends the addition of \$2,000 in State General Fund financing for FY 1988 for travel and subsistence of the Board.

Board of Technical Professions (Attachment 9)

- A. Omnibus Item - The Committee approves the expenditure in FY 1988 of \$31,291 as requested by the agency for computer purchase from the Board's fee fund.

A motion was made by Senator Talkington, seconded by Senator Winter, to approve the minutes from the March 17, 19, 20, 23, and 30 (a.m. and p.m.), 1987. The motion carried on a voice vote.

The meeting recessed for lunch.

Afternoon Session

Department of Education

- A. Governor's Budget Amendment No. 2 -- Anti-Drug Abuse Funds - The Committee recommends reducing the State Department's FY 1988 appropriation for operating expenditure from the State General Fund by \$5,000.

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- B. HB 2075 - The Committee recommends \$14,500 from State General Fund for FY 1988 to implement the Kansas Training Information Program (K-TIP) as established by HB 2075.
- C. HB 2528 - The Committee recommends \$10,000 State General Fund financing for FY 1988 to prepare and administer the "state plan of accountability" for vocational education programs.

The Chairman announced, and there was a short discussion concerning, a request from Washburn University for a line item Washburn University Operating Grant of \$200,000. No action was taken.

Board of Healing Arts

- A. SB 34 - The Committee recommends \$70,000 for the new Executive Director for FY 1988 which will be offset by the savings of \$18,959, the amount budgeted for the salary and benefits of the Board Secretary position which would be abolished.

Department of Commerce (Attachments 10 and 11)

- A. GBA No. 3 - The Committee concurs with the GBA No. 3 in recommending \$65,495 State General Fund financing for 2.0 FTE positions in FY 1988 for the establishment of a Trade Services Unit within the Trade Development Division of the Department of Commerce.
- B. HB 2004 - The Committee recommends the addition of \$20,772 from the State General Fund in FY 1988 to fund mileage at \$6,422, operations at \$1,850 and special studies at \$12,500 associated with the Kansas Coal Commission as created by 1987 HB 2004. State General Fund support for any special studies would require a one-to-one match from contributions to the Coal Commission.
- C. SB 100 - The Committee recommends \$4,940 to finance four one-day meetings for the Commission and \$450 for operations, totaling \$5,390 from State General Fund for FY 1988

Low Income Tax Credit - The Committee recommends one special projects attorney position financed from the State General Fund for a limited term appointment for FY 1988. (Attachment 10)

Kansas Technology Enterprise Corporation (KTEC) - The Committee agrees to reappropriation of funds in FY 1988 for the Research Matching Grant Program and the Small Business Innovation Research Matching Fund, in addition to funding for operations with the proviso that these have three separate line item appropriations. (Attachment 11)

Film Commission - The Committee recommends the addition of \$31,013 from the Economic Development Initiatives Fund and 1.0 FTE position in FY 1988 for additional staff support for the Kansas Film Commission.

Kansas Fish and Game Commission (Attachment 12)

- A. GBA No. 4 - The Committee agrees with the Governor's recommendation to transfer \$15,000 from the Nongame Wildlife Improvement Fund to the Natural Heritage Inventory Account and Kansas University for partial funding of the Natural Heritage Inventory Program.
- B. HB 2058 - The Committee recommends a \$90,000 limit on the Migratory Waterfowl Propagation and Protection Fund established by HB 2058 and the addition of \$5,766 from the Fish and Game Fee Fund for

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temporary clerical assistance in FY 1988 to distribute migratory waterfowl stamps to vendors.

Department of Wildlife and Parks

- A. GBA No. 4 - The Committee concurs with GBA No. 4 in recommending the merger of the FY 1988 funding for the State Park and Resources Authority and the Kansas Fish and Game Commission under the Department of Wildlife and Parks created by Executive Reorganization Order (ERO) No. 22 and the statement in Section 10 (A) of ERO 22 and is of the opinion that no additional appropriation is necessary to implement the merger of the two agencies.

Kansas Bureau of Investigation

- A. FY 1988 Operating Budget and GBA No. 4 - The Committee concurs with GBA No. 4 as outlined on page 11, Attachment 2.
- B. HB 2140 - The Committee does not recommend a total appropriation of \$34,300 for 2.0 FTE Laboratory Technician positions and supplies.
- C. HB 2305 - The Committee recommends an increase by \$2,000 on the Criminal History Record Checks Fee Fund in FY 1988 for fingerprinting and search responsibility as prescribed in HB 2305.

Attorney General

- A. HB 2223 - The Committee recommends the establishment of the Board of Polygraphists Fee Fund and 0.6 FTE positions to implement provisions in HB 2223 with a spending limit of \$29,000. The Committee further recommends a transfer from the State General Fund of \$5,000 to the Fee Fund for start-up costs to be repaid by June 30, 1988.

Histroical Society

- A. SB 265 - A "no-limit" expenditure authority was recommended by the Committee for the Eisenhower Centennial Fund as created in SB 265.

State Board of Agriculture (Attachments 13 and 14)

- A. GBA No. 3, Item 36 -- State Water Plan - It was decided by the Committee to take no action until and unless SB 39 is passed.
- B. SB 123 - No action was taken.
- C. HB 2517 - The Committee recommended the establishment of an International Marketing Fund with a "no-limit" expenditure authority for FY 1988 as a line item.

Request for expenditure level increases - The Committee recommends, as outlined by the agency (Attachment 13), the increase of expenditure levels for a total of \$301,872 in FY 1988. This includes \$100,145 for the Corn Commission Fund, \$101,291 for the Grain Sorghum Commission Fund, and \$100,436 for the Soybean Commission fund.

Construction of the new solvent storage facility - The Committee recommends the addition of \$2,000 State General Fund financing to cover costs of materials as outlined by the agency in their letter dated April 21, 1987. (Attachment 14)

Grain Inspection Department (Attachment 15 and 16)

- A. SB 303 - The Committee recommends the reduction of the expenditure limitation by \$30,206 and the elimination of one of the Warehouse Examiner positions as per SB 303.

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1983 Scale truck replacement - The Committee recommends the addition of \$16,000 in FY 1988 for the replacement of the agency's 1983 scale truck which is reported to have 87,000 mile on it. (Attachment 15)

SB 303, New Section 2 (a) - There was discussion concerning the wording of this section (Attachment 16) and no action was taken. The Chairman was to speak with Senator Allen concerning this issue.

Adjutant General

A. GBA No. 3, Item 45 -- Active Duty Reimbursement - The Committee concurs with this item.

Secretary of State (Attachment 17)

A. GBA No.3, Item 44 -- State Census - During discussion concerning Attachment 17, staff noted that the requested funding amount for FY 1987 for the beginning work on the census is \$31,572, not the figure of \$36,875 as indicated in the letter from the Secretary of State. The Committee concurs with GBA No. 3, Item 44 and the requested amount for FY 1988.

Kansas Highway Patrol

A. Separation Pay - The Committee recommends a separate line item of a total of \$250,839, including \$226,684 from the State General Fund and \$24,155 from the Turnpike Fund for 13 individuals who have submitted letters of intent for retirement, six individuals wanting to retire but have not submitted their letters and four eligible individuals who have not yet committed to retiring. If any portion of these funds are not expended at the end of FY 1987 they shall be lapsed.

B. SB 109 - The Committee recommends the establishment of a Vehicle Identification Number (VIN) Fee Fund in FY 1988 with a no-limit expenditure unless relased by the Finance Council.

C. SB 87 - The Committee recommends the expenditure of \$9,440 in FY 1988 for additional training for the certified level of emergency medical personnel to work with first responder units.

Following a short break, the Committee continued discussion.

Department of HHealth and jEnvironment (Attachment 18)

A. GBA No. 4 - The Committee recommends the addition of \$3,400 for FY 1987 and \$19,067 for FY 1988 from the State General Fund for an Acquired Immune Deficiency Syndrome (AIDS) Task Force which is composed of 15 members. The Committee also concurs with the Governor's recommendation of \$135,800 from the State General Fund and 1.0 FTE position for FY 1988 to provide funding for AIDS testing, counseling and risk reduction. Information was requested concerning the cost per test.

B. Omnibus Item -- Community Right to Know - By consensus, the Committee deferred action on this item pending a recommendation from the Governor.

C. Omnibus Item -- Patient Care and Services (PaCS) - By concensus, the Committee deferred action on this item until receipt of a GBA addressing it.

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- D. Omnibus Item -- Conservation Fee Fund - The Committee deferred action on this item until discussion of the Kansas Corporation Commission budget review.
- E. SB 40 - The Committee did not approve the requested \$17,247 from the State General Fund for a .5 FTE Environmental Engineer and associated operating costs to perform the responsibilities associated with this bill as it was learned the agency could absorb the cost within its budget.
- F. SB 339 - The Committee recommends including the addition of \$58,950 from the State General Fund for FY 1988 to provide staff and funding for continuation of credentialing activities.

Adult care licensure and certification process - The Committee recommends an increase of the 1987 expenditure limitation of Medicare by \$73,500, a reduction of the Medicaid limitation by \$35,000 and the Health Facilities Review Fund by \$38,500 to accurately reflect the expenditures of the licensing and certification program.

Federal Medicare and Medicaid licensure and certification process - The Committee recommends the request from the Department of Health and Environment for the FY 1988 increase be financed with \$10,400 Medicare (Title XVIII funds), and \$26,766 Medicaid (Title XIX funds).

Radiation Control Subprogram - The Committee made no recommendation on the agency's request regarding the various fee fund decreases.

Radiation Control Subprogram - The Committee recommends an increase in the expenditure limitation of the Medicare fund due to additional X-ray inspections required by Medicare but does not recommend the requested position.

Kansas Corporation Commission

A. Omnibus Items

1. Utilities Division Salary Shortfall - The Committee recommends the addition of expenditure authority of \$27,000 in FY 1987 from the Public Service Regulation Fund for salaries and wages for the Utilities Division and notes that the additional funding for salaries and wages will be offset by operating expenditure reductions.
2. Federal Energy Grants - The Committee recommends, in FY 1988, the addition of expenditure authority of \$61,225 from federal Energy Extension Service Funds, \$65,486 from the federal Institutional Conservation Program Funds, \$44,400 from federal Energy Conservation Bank Funds. The increase in federal Energy Extension Services Funds is to be offset by a reduction of \$61,225 in the Energy Grants Management Fund.

The Committee recommends expenditure authority in FY 1988 for \$60,000 from OKC oil overcharge funds which were approved for expenditure by the 1986 Legislature but which will not be expended in FY 1987. The Commission did not receive federal Department on Energy approval for the OKC program until February, 1987.

- B. Omnibus Item -- Conservation Division - During discussion, Senator Feleciano moved, Senator Gaines seconded, relative to the Committee's concern regarding well plugging, that the KCC aggressively continue to pursue plugging at whatever level the KCC feels confident, and not at a minimum level, and establish whatever funding formula would be necessary to collect the required assessments from the industry. The motion passed on a voice vote.

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As an item to be placed under the Department of Health and Environment, the Committee recommends the addition of \$742,283 in FY 1988 from the State General Fund for the Environmental Remediation program with no transfer from the KCC Conservation fee fund to DH&E. The Committee requested a project tabulation illustrating expenditures from the Environmental Remediation Program.

- C. Omnibus Item -- Underground Injection Control -- Federal Funds -
The Committee recommends expenditure authority for the UIC funds in FY 1987 of \$163,725 and \$54,575 in FY 1988.

Department on Aging

GBA No. 4 - The Committee concurs with the GBA No. 4 and recommends the addition of \$673,732 Senior Community Service Employment Program funds and 1.0 FTE position in FY 1988. This recommendation provides \$39,440 for administrative costs and \$634,292 for grants for the employment and training program for senior citizens.

The meeting was adjourned.

①
 Status of SGF Budget R L R V
4/21/87
 (Thousands)

Prepared By		Date	
Approved By			

	1	2	3	4
		Governor Inc. GBAs 1-3	Legislature as of 4/17/87	Difference
<u>FY 1987</u>				
Beginning Balance		\$ 19,679	\$ 19,679	\$ -
Encumbrance lapses		500	500	-
Receipts		1,764,260	1,764,680	420
Expenditures		1,734,062	1,734,984	922
Ending Balance		50,377	49,875	(502)
<u>FY 1988</u>				
Beginning Balance		\$ 50,377	\$ 49,875	\$ (502)
Receipts		1,942,401	1,950,956	8,555
Expenditures		1,852,600	1,848,223	(4,377)
Ending Balance		\$ 140,178	\$ 152,608	\$ 12,430

ASSUMPTIONS

Receipts

The following bills will not pass:

- SB 1 - Severance tax exemptions
- SB 394 - Advance from POSIB for water assurance escrow.
- HB 2543 - Income tax equity act

Expenditures

1. Governor's budget amendments #1-3 will be adopted, except as rejected or altered as legislative action is taken.
2. The Senate retirement package will be adopted.
3. No bill affecting the Ad Valorem Tax Reduction demand transfer will be passed.
4. The Governor's original correctional programs capital improvements and operating reserve for expanded capacity will be adopted without changes.
5. Certain agencies or programs are reflected in the reported expenditures, even though they are not currently in any appropriation bill (e.g., the four MR institutions and special purpose MR grants)

NOTE: Miscellaneous receipts bills affecting SGF are not reflected. For instance, receipts and expenditures for SB 141, liquor by the drink, are excluded.

8804 (88804) - Bull Green

SJAAM

4/21/87

ATTACHMENT 1

ATTACH 4/27/87

②
SGF Receipts
(Thousands)

Prepared By	Date
Approved By	

		1	2	3	4
			Governor	Legislature	Difference
1	<u>FY1987</u>				
2	Consensus Estimate		\$ 1,764,865	\$ 1,764,865	\$ -
3	KPERS-School, interest		150	150	-
4	Transfers (net)		(755)	(335)	420
5					
6	<u>Total - FY 87</u>		\$ 1,764,260	\$ 1,764,680	\$ 420
7					
8					
9	<u>FY 88</u>				
10	Consensus Estimate		\$ 1,946,966	\$ 1,946,966	\$ -
11	Interest, KPERS-School and other recs		2,325	970	(1,355)
12	Severance tax exemptions		(1,700)	-	1,700
13	Reduction of Highway transfer		15,850	15,850	-
14	Lawsuit transfer, less interest		(7,900)	(7,900)	-
15	Transfer to county reappraisal		(10,880)	(7,430)	3,450
16	Other Transfers		(2,260)	(824)	1,436
17	Payback from lottery proceeds		-	3,324	3,324
18					
19	<u>Total - FY 88</u>		\$ 1,942,401	\$ 1,950,956	\$ 8,555
20					
21					
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8804 (88804) - Green

③
 FY 1987 Expenditures - SGF
 (Thousands)

Prepared By		Date	
Approved By			

	1	2	3	4
			Revenue	Legislature Difference
1	Governor's Budget Report	\$ 1,732,234	\$ 1,732,234	\$ -
2	Dept. of Revenue Operations		(410)	(410)
3				
4	Dept. of S.R.S.			
5	Cash grants & foster care	(951)	(700)	251
6	ICF/IMR payments	1,212	1,212	-
7	Medical assistance	(215)	2,990	2,215
8	Other	651	555	(96)
9	Subtotal - S.R.S.	697	3,067	2,370
10				
11	Regents Institutions			
12	Free releases at 75%		-	-
13	Additional tuition receipts	(192)	329	521
14	Utilities savings	(441)	(43)	398
15	KU work study		(30)	(30)
16	Hospital revenue		(1,500)	(1,500)
17	Subtotal - Regents	(633)	(1,244)	(611)
18				
19	Corrections			
20	Inmate capacity	1,475	1,475	-
21	Medical care	609	609	-
22	Other	(158)	(430)	(272)
23	Subtotal - Corrections	1,926	1,654	(272)
24				
25	Mental Health Institutions		(170)	(170)
26	KBI	165	241	76
27	KPERS - School, 3rd Q. actual	(350)	(350)	-
28	Youth Centers		(214)	(214)
29	Dist. of Commerce		196	196
30	all other agencies	23	(20)	(43)
31				
32	Total changes from original GBR	1,828	2,750	922
33				
34				
35				
36				
37				
38				
39				
40				

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FY 1988 SGF Expenditures

(Thousands)

Prepared By	Date
Approved By	

		1	2	3	4
			Governor	Legislature	Difference
1	Governor's Budget Report	\$ 1,860,304	\$ 1,860,304	\$ -	
3	Judicial Branch				
4	nonjudicial salary plan improvements			750	750
5	cost of appeals			-	-
6	additional district court judges			328	328
7	other			10	10
8	Subtotal - Judicial Branch			1,088	1,088
10	LA VTRF	473		4,663	4,190
11	Dept. of Revenue			(790)	(790)
13	Dept. of Commerce				
14	Trade development staff	65		65	-
15	KIT Program			(275)	(275)
16	European office			(100)	(100)
17	K-TECH research grants			(305)	(305)
18	Certified Develop. Co's			98	98
19	Accelerator promotion			250	250
20	Subtotal - Commerce	65		(267)	(332)
22	Regents and Institutions				
23	Unclassified salaries, faculty			(2,421) ^a	(2,421)
24	Unclassified salaries, students & nonstaff			(200) ^b	(200)
25	One-time special OOE			(656) ^c	(656)
26	Hospital revenue and scholarship repay.			165	165
27	Additional tuition	(492)		(949)	(457)
28	Utility savings	(441)		(442)	(1)
29	Widener Hall operation	129		129	-
30	Other	(171)		(83)	88
31	Subtotal - Regents	(975)		(4,457)	(3,482)
33	Secretary of State, census	3,360		3,360	-
35	State Library				
36	Interlibrary loan develop.			(100)	(100)
37	READS Program			100	100
39	(a) 3% for 6 mos.				
40	(b) 2 1/2% for 6 mos.				
	(c) 1% of educ. base OOE				

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8804 (88804) - Green

FY 1988 - SGF Expenditures

Prepared By		Date	
Approved By			

 4804 (84804) - Bull
 8804 (88804) - Green

		1	2	3	4
			Governor	Legislature	Difference
1	Dept. of Education				
2	State operations and misc.		23	102	79
3	Internship program			(63)	(63)
4	SDEA general aid			(3,279)	(3,279)
5	Transportation aid			(553)	(553) ^d
6	Special education aid			5,034	5,034 ^e
7	Bilingual aid			(99)	(99)
8	Ins service education			(75)	(75)
9	Voc. Ed. postsecondary			(361)	(361)
10	AVTS aid			(214)	(214)
11	C.C. equalization aid			(250)	(250)
12	Subtotal - Dept. of Education		23	242	219
13					
14	KPERS - School				
15	Amended present rate		290	290	-
16	Revised rate		(10,251)	(9,151)	1,100 ^f
17	Interest savings 7-1 to 12-1		-	(312)	(312)
18					
19	Corrections				
20	State operations savings			(182)	(182)
21	Inmate capacity		566	566	-
22	Steam lines		120	120	-
23	Subtotal - Corrections		686	499	(182)
24					
25	Board of Agriculture				
26	FACTS		100	100	-
27	Veterinarian			29	29
28	Water structures			50	50
29	Studies			65	65
30	Domestic marketing			112	112
31	International market, raw products			120	120
32	Other			13	13
33	Subtotal - Agriculture		100	489	389
34					
35	State Conservation Commission				
36	Lost share program			(129)	(129)
37	Black Vermillion plan.			(25)	(25)
38					
39	(d) 95%				
40	(e) 90% excess costs.				
	(f) 30% rate.				

Prepared By	Date
Approved By	

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8804 (88804) - Green

	1	2	3	4
			Executives	Legislature
				Differences
1	Dept. of Health & Environment			
2	Conservation funding shift		256	256
3	Deletion of positions		(183)	(183)
4	Aid to locals		100	100
5	MR facility survey		16	16
6	Prenatal program		(100)	(100)
7	Subtotal - H & E		89	89
8				
9	MR Institutions			
10	Inmate capacity	381	381	-
11	Title X X shift		(1,800)	(1,800)
12				
13	MH Institutions			
14	Inmate capacity	50	50	-
15	General fees shift		(712)	(712)
16	Other		(93)	(93)
17	Subtotal - MH	50	(755)	(805)
18				
19	Employee Compensation			
20	General salary plan		(2,000)	(2,000) g
21	Job rate study		-	-
22	Reallocation Reserve		(300)	(300)
23				
24	KPERS - Non-school			
25	Accelerate regular rate	(3,050)	(2,795)	305 h
26	Accelerate judges + KP & F rates		(900)	(900)
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	g) 2% for six months.			
40	h) 3% rate.			

FY 1988 - SGF Expenditures
(Thousands)

Prepared By	Initials	Date
Approved By		

	1	2	3	4
		Executive	Legislative	Difference
Dept of S.R.S.				
State operations		742	807	65
Aid to local units				
Special MR grants			-	-
MH/MR center aid			(34)	(34)
Other assistance				
ICF/MR payments		1,231	1,231	-
TGA program			(922)	(922)
Cash assistance, GA-V, ADC		(1,244)	(1,231)	13
Day care			1,522	1,522
Shard living penalty reduced			390	390
All other		351	(1,648)	(1,999)
Subtotal - SRS		1,080	115	(965)
all other Agencies		64	334	270
Total charges from Original GBR		(7,704)	(12,081)	(4,377)
Total Adjusted Expenditures		1,852,600	1,848,223	(4,377)

(1) 3% caseload increase, 1.5% grant increase for 12 mos.

8804 (88804) - Green

ITEMS FOR OMNIBUS CONSIDERATION

Legislature

House Bill No. 2014 (pending, Conference) would create a nine-member Commission on Access to Services for the Medically Indigent and Homeless effective July 1, 1987, and expiring December 31, 1989. The Commission would be composed of three public members and six legislators. The Budget Division fiscal note contains an estimate of expenditures over the Commission's life of \$30,100, assuming 12 two-day meetings and average distance from Topeka for the members (\$1,025 per meeting day). On that basis, the FY 1988 expenditures would be approximately \$15,000. Staff assistance is to be provided by the Legislature's regular staff agencies as authorized by the Legislative Coordinating Council and the Post Audit Committee. Assuming that any such services would not exceed those normally provided to interim special committees there are no additional budgetary requirements for staff agencies.

Division of Post Audit

House Bill No. 2595 (Second bill on Senate General Orders) changes the name of the Federal Audit Services Fund to the Audit Services Fund, effective in FY 1988. This name change is proposed in order to utilize the fund for the receipt and expenditure of moneys to be paid by the Lottery and Racing Commissions as reimbursement for costs of financial compliance audits. If H.B. 2595 passes, the Audit Services Fund should be appropriated for FY 1988. The present Fund is appropriated in H.B. 2126 without a limitation on expenditures. Technical language would also be desirable to indicate that, wherever an appropriation act of the 1987 Session refers to the Federal Audit Services Fund, such referral shall be deemed to apply to the Audit Services Fund.

Board of Indigents' Defense Services

Senate Bill No. 289 contains amendments relating to the amount and distribution of docket fees. The bill establishes a new Indigents' Defense Services Fund and provides for an additional \$.50 fee to be added to the docket fee for three types of cases: (1) criminal cases (including traffic cases); (2) juvenile proceedings; and (3) mental illness, drug abuse, and alcoholism treatment actions. Moneys in the fund are to be used exclusively to provide counsel and related services for indigent defendants. The fund will be administered by the State Board of Indigents' Defense Services. The Office of Judicial Administration estimates that the additional \$.50 fee on these court actions may generate up to \$123,000 for the Indigents' Defense Services Fund in FY 1988. The Board will require expenditure authority, either as a no-limit fund or a specific expenditure limitation in order to utilize the fund.

ATTACHMENT 2
4/27/87 SWAM

Department of Human Resources

A. Bills with Fiscal Impact. House Bill No. 2186 and House Bill No. 2573 have an administrative impact on the agency. Any additional expenditures would be financed from the Workers Compensation Fee Fund.

1. H.B. 2186 makes substantive and procedural changes in the Kansas Workmen's Compensation Act. The agency indicates that the probability of increased litigation resulting from the statutory changes will require the addition of at least one administrative law judge and one secretary at an estimated cost of \$90,596 annually. The agency further indicates that other additional judges may be needed if litigation increases substantially. Salaries and benefits of \$57,817 are requested for 2.0 FTE new positions, and other operating expenses of \$29,781 and allocated overhead (indirect costs) of \$2,998 are estimated in FY 1988.

K.S.A. 75-5708 limits the number of Administrative Law Judges to seven and all seven positions are currently allocated. In order to add an eighth judge as requested by the agency, current law limiting the number of judgeships would have to be amended.

2. H.B. 2573 expands the scope of duties for the Workers Compensation Program to include vocational rehabilitation. The new law provides that representatives of Workers Compensation would be actively involved with planning and monitoring rehabilitation services. The new law further specifies that the Director of Workers Compensation shall appoint a rehabilitation administrator and four assistant rehabilitation administrators.

The agency estimates that 4.0 FTE new positions to serve as assistant rehabilitation administrators would cost \$116,876 and that an existing position would need to be upgraded at a cost of \$3,736 to serve as the rehabilitation administrator. Other operating costs of \$37,000 and allocated overhead of \$5,995 are estimated in FY 1988. Total FY 1988 costs are estimated at \$163,607 to implement H.B. 2573.

B. Governor's Budget Amendments.

1. GBA No. 3 includes a reduction of financing and staffing for the Employment Security Systems Institute (ESSI). The Legislature made adjustments in FY 1988 expenditures and staff, but did not reduce FY 1987 approved levels. GBA No. 3 recommends a reduction of \$271,494 and 6.5 FTE positions due to reduced financing for ESSI in FY 1987.

2. GBA No. 4-4 includes two expenditure limitation adjustments in FY 1987 for the Job Training Partnership Act: increases of \$193,648 for the Title III Dislocated Workers Program and \$213,685 in the Title II-B Summer Youth Program. Both increases will raise the amount for state operations expenditures. Decreases in other assistance for JTPA clients are estimated at \$193,648 for Title III activities and \$213,685 for Title II-B activities in FY 1987 as funds are shifted.

For the Title III Program, the agency projects salaries and benefits of \$160,392 and \$33,256 for other operating costs. Some Job Service staff

will be used to increase delivery of Title III services and \$140,000 of Title III financing will provide a supplemental source of funding for Job Service which is experiencing a deficit situation for federal reimbursements in FY 1987. That problem also is addressed in item B3 below.

For the Title II-B Program, the agency projects salaries and benefits of \$158,083 and \$55,602 for other operating costs. Most of the salary funding will be used to hire school teachers during the summer as temporary employees to work in the Summer Youth Program.

3. Also in GBA 4-4, the Governor recommends amending K.S.A. 44-716a in order to make expenditures of \$150,000 from the Special Employment Security Fund to finance Job Service activities which are running short of federal funds.

The agency estimates a deficit of \$380,000 in federal reimbursements for the Job Service Program in FY 1987. The shortfall is due to two factors: lower than budgeted staff attrition which was assumed at 3.0 percent for salary turnover savings and termination of the Targeted Jobs Tax Credit Program federal reimbursements.

In addition to taking actions to reduce the projected deficit by not filling vacant positions and terminating temporary staff, financing of \$140,000 from JTPA (as recommended in item B2 above) will be used to supplement Job Service funding. In addition, the Governor recommends expenditure of \$150,000 from the Special Employment Security Fund in order to provide additional supplemental financing for the Job Service.

K.S.A. 44-716a statutorily limits expenditures from the Special Employment Security Fund to \$100,000 annually. The agency has budgeted that level of expenditure in FY 1987 for the Wheat Harvest Program and for moving its data processing operations to the Landon State Office Building. Any FY 1987 expenditure above the \$100,000 must be approved by the Secretary of Human Resources, the Governor, and the State Finance Council acting on this matter which is characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c.

Currently, H.B. 2272 (pending) authorizes expenditures from the Special Employment Security Fund as "No Limit." However, the statutory limitation does apply in regard to the \$100,000. The Legislature could provide in the Omnibus bill that expenditures of a certain amount above the statutory limit were authorized for a specified purpose, subject to State Finance Council approval, as an alternative to the Governor's recommendation of amending K.S.A. 44-716a and appropriating the \$150,000.

C. Omnibus Items.

1. The Senate Subcommittee added 1.0 FTE new position and no financing, pending recommendation of the salary from the Secretary during the Omnibus period, for a Deputy Secretary. The Secretary in a letter of April 20, 1987, estimates financing of \$57,045, of which \$1,711 would be provided from the State General Fund, will be required. In conjunction with the reorganization of the agency, 2.0 FTE secretarial positions assigned to the previous assistant secretaries have been abolished. Savings of \$41,172

associated with the two abolished positions are estimated in addition to reductions previously made by the Legislature for FY 1988. Financing of the Deputy Secretary could be offset partially by these reductions.

2. The Senate Subcommittee requested a report on the fiscal impact of S.B. 112 (pending) which would abolish the prevailing wage on public construction projects. The agency's fiscal note indicates State General Fund savings of \$1,164 in other operating expenditures if the bill passes.

3. The Senate Subcommittee requested a report on the FY 1986 expenditures for educational expenses of employees paid by the state, the nature of the training, and expenditures to date in FY 1987. That report is available as a handout for the Committee.

Department of Revenue

A. Alcoholic Beverage Control.

1. S.B. 141 implements liquor by the drink and makes numerous changes in the Kansas Liquor Control Act.

FY 1987 requests total \$64,325 from the State General Fund, of which \$28,230 would be for salaries and benefits of nine new positions and temporary clerical assistance, \$20,000 for legal services, \$15,238 for capital outlay expenses, and \$857 for other operating costs. GBA No. 4-1 recommends \$61,875 in FY 1987 and nine positions.

FY 1988 requests total \$560,855 from the State General Fund and 18.5 FTE new positions. Financing of \$447,017 for salaries and benefits is requested. Other operating expenditures include \$80,000 for travel and subsistence, \$30,036 for capital outlay, and \$3,802 for other costs. GBA No. 4-1 recommends \$537,217 and 18.5 FTE positions.

The agency indicates the following staff costs in FY 1987 and FY 1988 for the different groups of new employees requested:

	<u>FY 87</u>	<u>FY 88</u>
4.5 Office Assistants	\$ 7,380	\$ 72,186
3.0 System Analysts and Programmers	7,580	83,087
1.0 Revenue Analyst	3,270	28,564
1.0 Tax Examiner	2,070	17,950
5.0 Revenue Auditors	--	139,406
3.0 Liquor Control Investigators	--	75,444
1.0 Assistant Attorney General	--	30,380
TOTALS	<u>\$20,300</u>	<u>\$447,017</u>

clerk

In addition to funding for regular staff, the agency requests \$30,000 in FY 1987 to finance temporary assistance for legal services (\$20,000) and clerical help (\$10,000) to supplement current and requested new staff.

ABC is authorized 59.0 FTE positions in FY 1988. Staffing includes 16.0 office assistants and 3.0 office supervisors, 32.0 liquor control investigators, 1.0 auditor, 1.0 Assistant Attorney General plus 1.0 regular law clerk and one special project law clerk, 3.0 secretaries, and 2.0 supervisory staff including the Director and Chief Enforcement Officer.

The Audit Services Bureau has 16.0 Revenue Auditors assigned to in-state work, primarily sales tax. The Legislature provided 2.0 positions in 1983 to work private clubs.

The agency's ABC data processing plan (discussed in item A2 below) indicates that 2.0 systems analyst and programmer positions will be required by ABC in order to implement a licensing system, gallonage tax system, compliance system, and administrative system. Estimated effort is 325 days by 1.0 computer systems analyst and 465 days by 1.0 programmer. The agency's Data Processing Bureau is authorized 13.0 FTE systems analyst and programmer positions financed from the State General Fund in FY 1988. An additional 7.0 FTE State General Fund positions associated with K-BITS were deleted during the 1987 regular Session, but are subject to Omnibus review in item C1 below.

2. Other ABC Questions for Omnibus Review. The Conference Committee on H.B. 2272 and H.B. 2395 deferred consideration of the ABC request for new computer equipment until Omnibus.

The House deleted \$80,161 in FY 1987 and \$14,832 in FY 1988 to purchase a minicomputer and related equipment and software, pending relocation of ABC to the Docking State Office Building and submission of a new data processing plan based on needs at that site. The Senate had restored \$14,832 in FY 1987 and \$31,664 in FY 1988 to allow ABC to purchase computer equipment for connection with the DISC mainframe instead of acquiring a minicomputer system.

A data processing plan dated March 15, 1987 and revised April 6, 1987, has been prepared by the agency. The Senate Subcommittee received copies of the March 15 document. In addition, the Secretary has indicated that a special paper on the computer question and other ABC questions has been prepared for Omnibus consideration, but that paper was not available in time for review in preparing this memorandum.

Multiyear costs for ABC data processing equipment and software are listed for three options in the agency's plan of March 15 and the revised April 6 plan lists new cost estimates for the mainframe application:

	<u>Mainframe</u>	<u>Revised Mainframe</u>	<u>Microcomputer</u>	<u>Minicomputer</u>
FY 1987	\$ 14,832	\$ 17,912	\$ 47,917	\$ 80,161
FY 1988	31,664	57,176	17,142	9,360
FY 1989	47,336	45,104	35,642	39,668
FY 1990	59,720	57,488	31,142	5,178
TOTALS	<u>\$153,552</u>	<u>\$177,680</u>	<u>\$131,843</u>	<u>\$134,367</u>

B. Other Bills.

1. S.B. 48 requires mineral producers to file a report identifying any person or entity receiving mineral production payments. Any such person or entity would be subject to taxation under the Kansas Income Tax Act.

FY 1988 expenditures of \$36,425 from the State General Fund are requested. Included in the costs is 1.0 FTE new Tax Examiner at \$20,324 to help identify nonfilers and underreporters flagged by computer matches and to handle such accounts. Annual telephone expenses of \$480 are estimated. Capital outlay of \$646 to equip the new position also is requested, as well as \$284 to install equipment.

In addition, one-time costs of \$13,090 for programming and analyst help for automating the search procedures is requested. Computing costs of \$1,601 also are requested to pay DISC fees.

2. S.B. 241 eliminates the requirement that the Director of Property Valuation must distribute guides showing fair market value of personal property. Savings of \$28,000 from the State General Fund are estimated in FY 1988 if the guides are not distributed by PVD.

3. S.B. 395 (pending) concerns the 65 mile per hour speed limit and currently includes a provision which requires the placement of a three-quarter inch high county name decal on each license plate. Expenditures of \$317,000 from the DOV Operating Fund are estimated to produce and affix the county name decal, based on a cost quote from Center Industries which manufactures the tags.

4. H.B. 2080 allows the county commissioners of Montgomery and Wyandotte counties to submit to the county voters the question of imposing a countywide sales tax and pledging that revenue to finance construction or reconstruction of a courthouse, jail or law enforcement center.

Expenditures of \$20,489 from the State General Fund are requested in FY 1988 in anticipation of the agency having an increase of incorrect sales tax returns if a new tax rate is approved. Funding of \$18,694 for 1.0 FTE new position would finance an Office Assistant III to handle errors and make corrections. Other operating costs of \$1,795 also are requested.

Actual costs relative to H.B. 2080 probably would not occur until FY 1989.

5. H.B. 2140 places a stamp tax on marijuana and other controlled substances. Two new positions are requested to administer the new tax.

FY 1988 State General Fund expenditures of \$67,408 and 2.0 FTE new positions are requested for an Attorney I and Office Assistant III. Included in the request are annual salaries and benefits of \$36,644, \$480 for telephone costs, and one-time expenses of \$1,492 for capital outlay and \$368 for equipment installation.

6. H.B. 2169 exempts antique aircraft used exclusively for recreational or display purposes from all property and ad valorem taxes. Registration of the estimated 500 aircraft is required and the agency estimates costs of \$10,921 in FY 1988 to handle registering them.

FY 1988 expenditures of \$10,921 from the DOV Operating Fund would pay for 0.5 FTE Office Assistant III at \$9,347, \$350 for postage and registration forms, \$1,175 for capital outlay, and \$49 for equipment installation.

7. H.B. 2491 (pending) concerns ethyl alcohol as a motor fuel component; establishes the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund; and provides that qualified producers will be paid from the new Fund for distilling ethyl alcohol and selling to an alcohol blender. One new position is requested to administer the program.

FY 1988 expenditures of \$18,776 from the DOV Operating Fund are requested for 1.0 FTE new Tax Examiner I position at \$17,950 and \$826 of capital outlay. The new Fund should be included in the appropriations bill, if the proposed bill is approved.

C. Omnibus Items.

1. K-BITS Positions and Funding. The House deleted \$579,743 from the State General Fund and 8.0 FTE positions, pending completion of a performance audit of K-BITS. The Senate restored \$10,000 from the State General Fund to continue to run transient guest tax in FY 1988. The Senate deferred action on restoring \$251,390 for salaries and benefits of 7.0 FTE programmers and systems analysts working on K-BITS. The Conference Committee concurred with the Senate restoration of \$10,000 and the Secretary of Revenue was to prepare a plan indicating how many data processing staff should be retained. That plan was not available in time for review in preparing this memorandum.

2. Proposed New Tax Collections Unit. The House recommended that no reorganization be initiated until the Legislature has reviewed and approved comprehensive plans, and if any reorganization should be planned prior to the 1988 Session, that plans be submitted for review during Omnibus. The Senate concurred with the House recommendation, with the understanding that reconsideration of this matter depends upon provision during Omnibus of comprehensive information. No additional information was available in time for review in preparing this memorandum.

Kansas Racing Commission

House Bill No. 2044 (pending) establishes the Kansas Racing Commission. In addition, a new statutory fund is created which is not included in H.B. 2272. The Racing Reimbursable Expense Fund should be included in the Omnibus Bill. Fees for fingerprinting and reimbursements for track officials paid to the Racing Commission are to be deposited in this Fund, and expenditures for fingerprinting and paying track officials will be paid from this Fund.

Board of Tax Appeals

A. Technical Item. H.B. 2272 includes a Publication and Other Fees Fund with no limit expenditure authority which would allow any fees charged and collected by the Board pursuant to statute to be deposited in this Fund. The Board had requested creation of the fund to allow duplicating costs charged for copying its records to finance its copy machine. By statute, the Board also collects fees for industrial revenue bond filings and it would appear that the Fund title should be changed to "Duplicating Fees Fund" in order to implement the revolving account to pay for copying records. The currently approved item would allow fees from IRB filings also to be deposited in this Fund rather than the State General Fund where they are presently deposited as revenue.

Board of Technical Professions

A. Omnibus Item. The House Subcommittee deleted \$9,290 for computer-related equipment and software, pending development of a data-processing plan by the Board. The Senate Subcommittee recommended that a data processing plan be presented for consideration during Omnibus if the Board finalized its selection from two options. The first option had an estimated five-year cost of \$35,334 for an IBM System 36 minicomputer and the second option, recommended by DISC, was estimated at \$51,465 for mainframe computing and programming costs over five years. The minicomputer option does not include any programming costs if the vendor supplied software is not readily adaptable to office needs.

In a letter of April 21, 1987, the Board indicates a preference for the IBM System 36. The FY 1988 costs include \$19,112 for equipment, \$7,191 for software, and \$500 for training for a total of \$26,803. Maintenance of \$1,798 would be an annual expense.

The DISC recommended mainframe option has an estimated FY 1988 cost of \$24,825: \$8,325 for equipment, \$15,600 for programming of software, and \$900 for training. Annual operating costs of \$5,328 for DISC fees and software maintenance are estimated.

Department of Education

A. Governor's Budget Amendment No. 2 -- Anti-Drug Abuse Funds. H.B. 2587 (pending) includes an appropriation to the Department of Education for drug abuse education. However, in order to carry out the Governor's recommendation, as revised by the House Appropriations Committee and the Senate Ways and Means Committee, an adjustment must be made in the Omnibus Bill. It is the Governor's recommendation that a position in the Department of Education currently funded half from the State General Fund and half from the State Safety Fund be funded entirely from the State Safety Fund. That shift would free \$15,583 from the State General Fund to be used for drug abuse education. The House Appropriations Committee and the Senate Ways and Means Committee concur with the Governor's recommendation to fund the position entirely from the State Safety Fund, thus freeing \$15,583 from the State General Fund. However, the Committees recommend that only \$10,583 from the State General Fund

be used for the drug program and that the remaining \$5,000 be a reduction in State General Fund expenditures. The action required in the Omnibus Bill to implement the Committees' recommendation would be to reduce the State Department's FY 1988 appropriation for operating expenditures from the State General Fund by \$5,000.

B. House Bill No. 2075 establishes the Kansas Training Information Program (K-TIP). The purpose of K-TIP, which was recommended by the Legislative Commission on Economic Development, is to provide consumer information about employment placement rates and average salaries earned by recent graduates of vocational education programs. The information will be compiled and published annually by the State Board of Education and made available to students who are considering enrolling in a vocational education program. The State Board estimates that program expenditures from the State General Fund will be \$14,500 in FY 1988. As required by the bill, the State Board will publish the K-TIP report by December 1 of each year and include placement rates and salary information for persons who completed a vocational education program the prior fiscal year. Vocational education programs to be included in the K-TIP report are postsecondary programs offered by area vocational schools, community colleges, Washburn University, and Regents' institutions. Proprietary schools that want to participate may. The State Board also is authorized to conduct follow-up surveys and studies that will help it evaluate vocational education programs. The State Board will be assisted by an advisory committee representing participating institutions. The estimated cost of \$14,500 consists of \$6,500 for the wages of temporary employees who will compile information and do data processing; \$1,250 for computer costs; \$3,000 to be paid to the State Department of Human Resources for salary and employment data derived from unemployment insurance records; \$1,500 to print approximately 1,000 copies of the K-TIP report to send to each participating institution and high school in the state; \$1,000 for office and computer supplies; and \$1,250 for postage.

C. House Bill No. 2528 was recommended by the Legislative Commission on Economic Development to strengthen the oversight role the State Board of Education plays with regard to the vocational education programs it approves. The bill requires the State Board to prepare a "state plan of accountability" for vocational education programs that identifies criteria by which vocational education programs will be evaluated. Criteria specified in the bill include salary and placement information, employer satisfaction with graduates, and the performance of graduates on occupational licensing examinations. Responsibilities of the State Board under the bill involve the preparation and annual review of the plan and the submission of a report to the Governor and to the Legislature by February 1 of each year. In order to administer the plan, the State Board will survey employers to get performance information about graduates and obtain other data it needs to evaluate vocational education programs. The State Board estimates that expenditures from the State General Fund to prepare and administer the accountability plan will total \$10,000 in FY 1988. The amount consists of \$5,000 for the wages of temporary employees who will compile the report; \$3,000 for printing, data processing and office supplies; and \$2,000 for postage.

Board of Healing Arts

A. Senate Bill No. 34 (pending) would abolish the current position of Secretary of the Board of Healing Arts and create the new position of Executive Director to be appointed by the Board and confirmed by the Senate. The Executive Director would be an unclassified employee whose salary would be set by the Board and approved by the Governor. The Executive Director could not be a member of the Board. S.B. 34 also would authorize the Board to employ an administrative assistant, an unclassified employee whose salary would be set by the Board and approved by the Governor. At this time, the Board has not estimated the fiscal impact of the bill because it has not yet developed the criteria for the new position and therefore has not determined what the salary should be. S.B. 34 is similar to legislation introduced during the 1986 Session that did not pass. Had the legislation creating the new Executive Director position passed, the House Ways and Means Committee in 1986 recommended the salary be set at \$66,026 and the Senate Ways and Means Subcommittee that reviewed the budget recommended \$70,000. No additional money was recommended for the new position of administrative assistant because it was assumed that the position was a title change for a position that currently existed. Expenditures in FY 1988 for the salary of the new Executive Director would be offset by savings of \$18,959, the amount budgeted for the salary and benefits of the Board Secretary position that would be abolished.

Department of Commerce

A. Governor's Budget Amendment No. 3. GBA No. 3 recommends \$65,495 from the State General Fund and 2.0 FTE positions in FY 1988 to establish a Trade Services Unit within the Trade Development Division of the Department of Commerce. The recommendation includes \$55,507 for the salaries of a Trade Services Specialist and an Office Assistant III and \$9,988 for other operating expenses.

B. House Bill No. 2004 creates a 13-member commission to study ways to expand the markets for Kansas coal. Commission members are entitled to be paid subsistence allowances, mileage, and other expenses as provided in K.S.A. 75-3223 or a lesser amount as determined by the Secretary of Commerce. The Department of Commerce estimates total State General Fund expenditures of \$49,892 for the commission in FY 1988. The estimate includes \$23,042 for subsistence, mileage, and other expenses for 13 members for six two-day meetings, \$1,850 for printing, supplies and staff travel, and \$25,000 for the Department's share of the cost of surveys and studies. In addition, a special revenue fund is required for the receipt and expenditure of any contributions to the commission.

C. Senate Bill No. 100 creates a 15-member travel and tourism commission. Commission members are entitled to be paid mileage as provided in K.S.A. 75-3223(c) or a lesser amount as determined by the Secretary of Commerce. The Department of Commerce estimates total State General Fund expenditures of \$5,390 for the Commission in FY 1988. The estimate includes \$4,940 to finance four one-day Commission meetings and \$450 for supplies and printing expenses.

Kansas Fish and Game Commission

A. Governor's Budget Amendment No. 4. GBA No. 4 recommends the transfer of \$15,000 from the Nongame Wildlife Improvement Fund to the Natural Heritage Inventory Account at the University of Kansas for partial funding of the Natural Heritage Inventory Program.

B. House Bill No. 2058 requires that all persons who must purchase a hunting license must also purchase a state migratory waterfowl habitat stamp before hunting migratory waterfowl. The bill provides that the Commission shall enter into a contract with a nonprofit organization for the design and production of the stamp. The Commission estimates that expenditure of \$5,766 from the Fish and Game Fee Fund is required in FY 1988 for temporary clerical assistance to distribute the stamps to license vendors. In addition, the bill creates the Migratory Waterfowl Propagation and Protection Fund. The Commission estimates FY 1988 receipts of \$129,000 and expenditures of \$90,000 from this fund for waterfowl propagation projects.

Department of Wildlife and Parks

A. Governor's Budget Amendment No. 4. GBA No. 4 recommends the merger of the FY 1988 funding for the State Park and Resources Authority and the Kansas Fish and Game Commission under the Department of Wildlife and Parks created by Executive Reorganization Order (ERO) No. 22. The recommendation makes no changes in appropriations, expenditure limitations, financing structure, or position limitations from the Governor's recommendations for the individual agencies. It should be noted that section 10 (A) of ERO 22 provides that on July 1, 1987 "the balance of all funds appropriated and reappropriated to any of the state agencies abolished by this order is hereby transferred to the Kansas department of wildlife and parks and shall be used only for the purpose for which the appropriation was originally made." It is not believed to be necessary to provide additional appropriation language to implement the merger of the two agencies.

Kansas Bureau of Investigation

A. FY 1988 Operating Budget. During its consideration of the FY 1988 KBI budget, the Senate Subcommittee noted the agency's request for \$481,029 in additional operating expenditures and that the Bureau had requested a Governor's Budget Amendment for additional funds. The Subcommittee noted that some amount of increase to the Governor's recommendation appeared to be justified and recommended that the FY 1988 budget be reviewed in the Omnibus Bill at which point the agency appeal and any Governor's Budget Amendment could be evaluated. The Conference Committee concurred in this recommendation.

The KBI has requested an additional \$481,029 from the State General Fund for operating expenditures in FY 1988, including \$139,845 in salaries and wages and \$341,184 in other operating expenditures. The request for \$139,845 for salaries and wages includes \$89,179 to reduce the budgeted turnover rates in several agency programs. In addition, the agency requests an additional \$50,000 in State General Funds to offset operating expenditures in order to

utilize the Criminal History Record Check Fee Fund proceeds to hire temporary clerical personnel for noncriminal justice record checks. The agency request for additional other operating expenditures totals \$341,184 from the State General Fund and includes \$35,500 to reinstate the Crime Prevention program, \$109,381 for travel and subsistence, \$58,848 for capital outlay, \$47,316 for professional and scientific supplies, \$14,556 for printing, \$19,018 for repairing and servicing, and \$56,565 for other operating expenditures.

Governor's Budget Amendment No. 4 recommends additional funds for operating expenditures for the KBI in FY 1988 totaling \$189,392 and includes savings of \$9,531 for a net increase of \$179,861 to the recommended FY 1988 budget. The recommendation includes additional expenditures for agency travel (\$56,407), laboratory equipment maintenance (\$19,018), criminal drug testing supplies (\$45,076), laboratory safety equipment (\$13,588), printing of fingerprint cards and evidence submission manuals (\$23,157), holsters and ammunition to support the new handguns (\$11,189), and miscellaneous items (\$20,957). In addition, GBA No. 4 reduces salary and wage expenditures by \$9,531 to adjust turnover rates.

B. House Bill No. 2140 places a tax on marijuana and controlled substances illegally acquired, possessed, transported, transferred, or offered for sale. Under the bill, a tax is assessed according to gram weight or dosage unit of the taxed substance. The Department of Revenue states that it is reasonable to assume that the KBI laboratories will be responsible for the laboratory work required under the bill.

The KBI indicates that it does not currently weigh or count most items of marijuana or controlled substances, in that weight and count are not necessary for prosecution in most cases. The Bureau indicates that 2.0 FTE Laboratory Technician positions at a cost of \$28,700 and \$5,600 for supplies, including \$4,600 for two balance scales and \$1,000 for packaging and evidence handling supplies, would be required to implement the requirements of the bill with a total cost of \$34,300. The Bureau indicates that one laboratory technician would be located at the Topeka laboratory and one at the Great Bend laboratory.

C. House Bill No. 2305 requires incumbent sheriffs and chiefs of police, persons assuming those offices, and candidates for sheriff to be fingerprinted. The bill requires the city clerk or county election official to forward the prints to the KBI and the Bureau to certify either a conviction record, or lack thereof, to that official. The bill further requires the cost of the fingerprint search to be paid by the person being fingerprinted. Such proceeds would be deposited in the Criminal History Record Checks Fee Fund. The KBI estimates expenditure of \$2,000 from the fee fund in FY 1988 for temporary assistance in supporting fingerprinting and search responsibilities. Such expenditures would require an increase of \$2,000 to the expenditure limitation on the fund.

Attorney General

A. House Bill No. 2223 establishes the five-member Kansas Board of Polygraphists under the jurisdiction of the Attorney General. The act requires persons acting as polygraphists, polygraph examiners, or polygraph operators to be licensed, and the board is empowered under the act to grant licenses. The operation of the board would be fee-funded; however, the board would incur expenses before revenues sufficient to cover those expenses are generated.

It is estimated by the agency that a transfer of \$29,013 from the State General Fund to the Board of Polygraphists Fee Fund would provide one-time start-up costs and administration expenses for the first year of operation of the board. The estimate includes a 0.2 FTE director and 0.4 FTE secretary, start-up capital outlay of \$4,405 for office equipment and supplies, funding for five days of Board meetings, and 250 square feet of office space.

Historical Society

A. Senate Bill No. 265 creates the Eisenhower Centennial Commission, which is to be composed of five citizens appointed by the Governor, and requires the Commission submit a comprehensive report of centennial activities to the Governor by July 1, 1988. The bill authorizes the Commission to accept donations, gifts, and contributions and creates the Eisenhower Centennial Fund. Expenditure authority is required to permit the Commission to spend proceeds from this fund.

State Board of Agriculture

A. Governor's Budget Amendment No. 3, Item 36 -- State Water Plan. GBA No. 3 recommends the addition of \$66,562 and 2.0 FTE for the Board of Agriculture and an identical deletion from the Kansas Water Office to administer provisions of S.B. 39 and S.B. 40 that implement sections of the State Water Plan. S.B. 39 expands the authority of the Chief Engineer to regulate stream modifications. S.B. 40 (signed by the Governor) establishes an environmental review process for water projects permitted by the Chief Engineer. The Conference Committee on the agency's appropriation bill (H.B. 2182) deferred until the Omnibus appropriation bill consideration of GBA No. 3 pending passage of S.B. 39 which is in the House Committee on Energy and Natural Resources. It would appear that S.B. 39 will not be acted upon during the 1987 Session.

B. Senate Bill No. 123 increases the maximum pesticide business license fee from \$75 per category to \$100, requires that pest control technicians be registered and pay an annual fee of \$25 less the \$10 fee paid by a pesticide business for each uncertified applicator employed by the business, and increases the maximum agricultural chemical registration fee from \$15 to \$30 per product. The fiscal impact for S.B. 123 includes additional revenues of \$153,550 (\$115,050 to the Agricultural Chemical Fee Fund and \$38,500 to the Pesticide Use Fee Fund) and additional expenditures of \$5,763 from the Pesticide Use Fee Fund. The agency's appropriation bill (H.B. 2182) is based on

additional revenues of \$156,850 and no additional expenditures. The difference between H.B. 2182 and S.B. 123 will result in a shortfall of \$9,063.

C. House Bill No. 2517 (pending) creates the International Marketing Fund to allow the Board of Agriculture to receive funds from individuals and other entities who benefit from the international marketing efforts of the Division of Marketing. All expenditures from the fund would be used to promote international marketing of Kansas agricultural products. The agency's appropriation bill (H.B. 2182) does not include the International Marketing Fund.

Grain Inspection Department

A. Senate Bill No. 303 changes the minimum number of public grain warehouse examinations required to be conducted by the Kansas Grain Inspection Department from the current three in each 24-month period to one in each 12-month period. The agency notes that with passage of S.B. 303, one of its 16 Warehouse Examiners can be eliminated. Resulting savings of \$30,206 include \$22,206 in salary costs and \$8,000 in travel costs.

S.B. 303 also requires the agency director to charge a \$100 license fee for state-licensed facilities based on the storage capacity in bushels for each of the 195 functional units. Additional annual revenue is anticipated to total \$19,500.

Adjutant General

A. Governor's Budget Amendment No. 3, Item 45 -- Active Duty Reimbursement. GBA No. 3 recommends the addition of \$40,000 from the State General Fund in FY 1987 to restore funds expended from the agency's State Military Service Operations program for emergency active duty pay during the March blizzard in western Kansas. The recommendation would provide funds for emergency use for the remainder of FY 1987.

Secretary of State

A. Governor's Budget Amendment No. 3, Item 44 -- State Census. GBA No. 3 recommends the addition of \$3,360,000 in FY 1988 from the State General Fund for costs associated with a state census. H.B. 2038, which has been signed by the Governor, directs the Secretary of State to conduct a census of Kansas residents for the purpose of reapportioning state senatorial and representative districts by November 1, 1988.

Kansas Highway Patrol

A. Separation Pay. The Conference Committee on S.B. 244 deferred until the Omnibus appropriation bill consideration of financing separation pay of Patrol employees. The Patrol anticipates the number of retirees to increase by up to 24 individuals above the historical average of 20 as a result

of retirement enhancements approved during the 1985 Session (K.S.A. 74-49,109-111). Based on updated information provided by the Patrol on April 17, 1987, the agency requests \$135,679 (\$123,014 State General Fund and \$12,665 Turnpike Fund) for 13 individuals who have submitted letters of intent to retire. The Patrol also requests \$74,283 (\$62,793 State General Fund and \$11,490 Turnpike Fund) for six individuals who want to retire but have not yet submitted a letter, and \$40,877 from the State General Fund for four eligible individuals who have not yet committed to retiring. Potential expenditures total \$250,839, including \$226,684 from the State General Fund and \$24,155 from the Turnpike Fund.

B. Senate Bill No. 109 provides for the credit of vehicle identification number (VIN) check receipts to a newly created Vehicle Identification Number Fee Fund rather than to the State General Fund. Currently, \$1 of each charge made by designees of the Patrol Superintendent and the entire amount charged for inspections made by Patrol personnel are deposited in the State General Fund. S.B. 109 will reduce State General Fund receipts by \$280,000 based on approximately 20,000 VIN checks per month. The Patrol's FY 1988 appropriation bill (S.B. 142) does not include the Vehicle Identification Number Fee Fund. The Legislature may wish to consider the disposition of receipts deposited in the VIN Fee Fund.

C. Senate Bill No. 87 creates a certified level of emergency medical personnel to work with first responder units and who would be trained to perform basic life saving care until emergency medical service units arrive. Training includes not less than 45 hours in a preliminary emergency medical care course approved by the University of Kansas Medical Center. Not less than eight hours of supplemental instruction as prescribed and approved by the Emergency Medical Services (EMS) Council would be required annually for recertification. The bill establishes a certification fee of \$7.50 and a renewal fee of \$2.00, both to be credited to the State General Fund. EMS anticipates FY 1988 revenues of \$7,500 based on 1,000 first responders applying for certification. Additional expenditures of \$9,440 from the State General Fund in FY 1988 for initial examinations are anticipated by EMS, including the cost of examiner travel and wages, office supplies, postage, and telephone.

Department of Health and Environment

A. Governor's Budget Amendment No. 4 recommends funding from the State General Fund of \$3,400 for FY 1987 and \$19,067 for FY 1988 for the Acquired Immune Deficiency Syndrome (AIDS) task force. The 15-member task force is to develop a state plan for the coordination of health, social, legal, and educational responses to the disease. The recommendation provides funds for a special projects staff position (\$15,057) and other operating expenses of \$7,410 for the task force for seven months.

The Governor also recommends \$135,800 from the State General Fund and 1.0 FTE position for FY 1988 to provide funding for AIDS testing, counseling, and risk reduction. The recommendation includes \$87,000 for aid to counties experiencing major increases in AIDS testing, \$18,800 for the salary and wage costs of one Microbiologist Technician I, \$15,000 for test kits, and \$1,500 for postage and educational materials.

B. Omnibus Item -- Community Right to Know. During the budget review conducted by the appropriations committees the issue of federal community Right-to-Know legislation was highlighted for Omnibus consideration. It was learned that the federal legislation mandates activities which will need to be implemented in Kansas, apparently by Health and Environment and the Adjutant General. The Department has submitted a fiscal note of \$3,289 from the State General Fund for FY 1987 and \$384,307, also from the State General Fund, for FY 1988. The fiscal note includes funding of \$226,779 for 11.0 FTE positions which will be phased in throughout FY 1988, \$117,887 for operating expenditures, and \$39,641 for one-time equipment purchases.

C. Omnibus Item -- Patient Care and Services (PaCS). During legislative budget review the issue of PaCS was highlighted for Omnibus consideration. It was learned that the federal Department of Health and Human Services has mandated the use of the new PaCS' survey system for all facilities for Medicare and Medicaid certification. The state of Kansas does not currently have enough staff to implement the survey methods according to the federal regulators and has been informed by the federal government that the system must be implemented. The Department indicates that in order to implement the program the following is requested:

8 Health Surveyors	\$217,917
2 Regional Managers	62,026
Travel	28,616
Other Operating	7,774
Equipment	6,750
TOTAL	<u>\$323,083</u>

Funding for the program would be from federal Medicare funds (5.82 percent) and Medicaid funds (94.18 percent). A state match of approximately \$75,000 will be required in the SRS budget. Also, the Department indicates that 5.0 FTE positions and \$160,517 from Medicare and Medicaid funds will be requested for FY 1989 to complete the required staffing levels.

D. Omnibus Item -- Conservation Fee Fund. During Conference Committee deliberations the projected shortfalls in the Corporation Commission Conservation Fee Fund were discussed. The Conference Committee recommended that \$742,283 be deleted from the Environment Remediation program funding pending the receipt of more information on the fee fund. The recommendation deleted \$418,392 from the State General Fund and \$323,891 from the Conservation Fee Fund. No program or staff reductions were recommended. In order to fund the program as recommended by the Governor and both Houses, a total of \$742,283 from some funding source will need to be added.

E. S.B. 40 creates the Water Projects Environmental Coordination Act to implement the Environmental Coordination subsection of the State Water Plan. The bill requires that prior to approval or issuance of a permit for a proposed water development project, the permit granting agency would have to obtain a review by the appropriate state environmental review agencies of the proposed project and its environmental impact. The Department has requested \$17,247 from the State General Fund for a .5 Environmental Engineer and associated operating costs to perform the responsibilities associated with this bill.

F. S.B. 339 amends the Health Planning Act to delete all references to the Statewide Health Coordinating Council (SHCC) action and make the state's laws consistent with the September, 1986 repeal of federal health planning laws. Also, the bill amends the Kansas Act on Credentialing to delete references to the SHCC and require that the Secretary of Health and Environment carry out certain responsibilities relating to credentialing now assigned to the chairperson of SHCC. All current requirements for the Department's credentialing activities remain in effect.

Due to the repeal of the federal health planning laws, federal health planning funds are no longer available. Credentialing activities have been conducted by staff who were funded through those funds. These staff were deleted in the Governor's recommendations, leaving no staff to conduct credentialing activities in FY 1988. The issue was reviewed by the Senate Ways and Means and the House Appropriations Committees and highlighted for Omnibus review.

The agency has submitted a fiscal note of \$58,950 from the State General Fund for continuation of credentialing activities. The request includes \$35,373 for one Health Planning Project Reviewer, \$11,686 for a Secretary II position, \$7,160 for travel for the ten-member technical committee and staff, and \$4,731 for other operating expenditures.

Kansas Corporation Commission

A. Omnibus Items. During legislative discussions of the Commission's budget, several items were highlighted for review during the Omnibus Session when more complete and actual information would be available. The Commission submitted information regarding the following requests:

1. Utilities Division Salary Shortfall. The Utilities Division was budgeted for a 6.3 percent turnover rate in FY 1987. The rate was based on actual experience from previous years, however the turnover in FY 1987 was approximately 1 percent for the first seven months. The rate has increased recently but not to the budgeted level and the Commission requests an expenditure limitation increase of \$27,000 from the Public Service Regulation Fund for salaries and wages.

2. Federal Energy Grants. The Commission has been informed that additional federal energy grant funds are available to Kansas and requests expenditure authority increases for the following federal funds:

Energy Extension Service	\$ 61,225
Institutional Conservation Program	65,486
Energy Conservation Bank Fund	44,400
TOTAL	<u>\$171,111</u>

All of the above funds will be available in FY 1988. The Institutional Conservation Program Funds are to be used entirely for administrative costs and the Conservation Bank Funds are to be used for program grants only. Also, the Energy Extension Service Funds may be used to offset oil overcharge funds

approved in 1987 S.B. 255 thereby allowing a reduction of \$61,225 in the Energy Grants Management Fund.

In addition, the Commission requests expenditure authority in FY 1988 for \$60,000 from the OKC settlement. Approval for expenditure of \$250,000 from OKC funds was granted by the 1986 Legislature. However, because of delays in program approval by the federal Department of Energy, the program was not in place until February, 1987 and the \$60,000 will not be spent in FY 1987. The request would provide expenditure authority for that carryforward balance in FY 1988.

B. Omnibus Item -- Conservation Division. In early April 1987, the Commission informed the Legislature of a significant decline in receipts to the Conservation Fee Fund and the resulting budgetary implications of the decline. The House Committee directed the Commission to provide information regarding potential personnel actions, budget adjustments, and fee assessments to the Committees during the Omnibus budget review.

The Commission has submitted information which anticipates that revenues from oil and gas assessments will remain constant. The Commission projects an ending balance of \$500,000-\$600,000 in FY 1987, a reduction from the \$1.2 million currently budgeted. Assuming an ending balance of \$600,000, relatively constant receipts from oil and gas assessments, and expenditure levels as recommended by the Governor and the Legislature to date, the Conservation Fee Fund would realize an ending balance of a negative \$1.1 million in FY 1988.

In response to that possibility, the Commission has begun to implement the following:

1. A reduction in the workforce of approximately 20 percent to be achieved through holding positions vacant and through vacating authorized and filled positions. With a reduction of approximately 20 percent in the Commission staff by July 1, 1987, the Commission projects salary and wage savings of \$540,000. The Commission presently has 100.0 authorized positions with 4.5 positions vacant.
2. Reductions in the operating budget. Some savings in operating expenditures, such as travel, will be available due to the reduction in staff. In addition, the Commission proposes to eliminate contracts with professional engineers and geologists and force savings in other areas of the budget. Anticipated saving estimates range from \$258,500 to \$335,000.
3. Allow for only minimal well plugging activities in FY 1988 (approximately \$100,000). Expenditures for well plugging in FY 1986 were \$281,794 and \$112,344 has been expended to date in FY 1987.
4. Adjust fee schedules to increase existing assessments and possibly establish new revenue sources. An example of the adjustment of an existing fee would be to increase assessments on oil and gas by 18 percent and thereby generate \$390,000 more revenue.

If the intent to drill fee was reestablished, approximately \$75,000 could be collected. The Commission estimates that if existing fees were adjusted and several other fees implemented, approximately \$500,000 in additional revenue could be collected. The Commission does not propose to adjust fees at this time, but to review them later in FY 1988 and make adjustments at that time.

As of April 23, 1987 the Commission is proceeding with the adjustments in staffing and operating expenditures and is closely monitoring well plugging activities. No legislative action is necessary for continuation of these actions.

In addition, the Commission's estimates assume a transfer of \$270,000, as recommended by the Senate, from the fee fund to the Department of Health and Environment's Environmental Remediation program. The transfer was deleted, along with all State General Funds, from the Health and Environment budget during the Conference Committee discussions. The amount of the transfer is based on the approximate percentage of time spent on oil and gas clean-up activities by the Health and Environment staff. If a decision to fund the Health and Environment program from the State General Fund only were made, an additional \$270,000 would be available for the Conservation Division operations.

C. Omnibus Item -- Underground Injection Control -- Federal Funds. The Commission requests expenditure authority for the UIC funds in FY 1987 of \$163,725 and \$54,575 in FY 1988. Additional federal funds are available due to additional funds added by Congress for the UIC programs and due to unallocated carry-forward funds available to Kansas. The federal UIC funds will be used to supplant Conservation Fee Funds in the Conservation Division.

Department on Aging

Governor's Budget Amendment No. 4. The Governor recommends the granting of authority for the Department on Aging to receive and expend federal Title V funds from the Older Americans Act in the amount of \$673,732 for the Senior Community Service Employment Program (SCSEP).

The state's share of the Senior Community Service Employment Program which is received through the federal Department of Labor, is currently administered by two national contractors, National Green Thumb and National Association of Spanish Speaking Elderly. The Governor recommends the consolidation of the administration of the employment and training services into the Department on Aging, effective July 1, 1987. Although the funding will be provided through a different mechanism, it is expected that changes and interruptions in the existing Kansas programs will be minimal. The Department anticipates that \$634,292 of the total available funds will be subgranted to the two national organizations currently administering the program.

In addition, the Department requests that \$39,440 be used for administrative costs associated with the Title V grant. The request includes

\$30,862 for an Employment and Training Policy and Program Analyst, \$6,578 for other operating expenditures, and \$2,000 for required audits.

University of Kansas Medical Center

A. Governor's Budget Amendment No. 4 recommends an expenditure limitation increase of \$500,000 on the Hospital Revenue Fund for FY 1988 and a corresponding decrease in State General Fund appropriations. At its April 17, 1987, meeting the State Board of Regents increased the FY 1987 approved revenue estimate for the Hospital Revenue Fund to \$93 million, an increase of \$500,000 over the previous estimates. The Governor recommends that the anticipated \$500,000 remain in the fund balance for FY 1987 and be used in FY 1988.

B. Senate Bill No. 385 (Pending) authorizes the Medical Center to issue bonds for the construction of a second multi-level parking garage. The parking garage, which was reviewed and approved by the Joint Committee on State Building Construction, will be financed by approximately \$3.0 million from revenue bonds and \$500,000 from parking fee revenues. Creation of a fund for the Multi-level Parking Structure Phase II -- Construction Bonds is required.

C. Senate Bill No. 87 creates a certified level of emergency medical personnel to work with first responder units and to be trained to perform basic life savings care until emergency medical service units arrive. Training would include not less than 45 hours in a preliminary emergency medical care course approved by the Medical Center. A certification fee of \$7.50 and a renewal fee of \$2.00 are established by the bill and it is estimated that approximately \$7,500 from those fees will be credited to the State General Fund in FY 1988.

The Medical Center estimates additional expenditures of \$16,439 in FY 1988 for the first responder program. Included in the estimate is \$13,939 for a half-time field coordinator, \$1,500 for 50 instructors at three regional workshops, and \$1,000 for 20 field trips. (Additional fiscal impact of \$9,440 for this bill may be found in the Highway Patrol's writeup.)

D. Technical Adjustment. In order to fully fund the equipment purchases and capital improvement projects approved by the 1987 Legislature an additional \$45,000 must be transferred from the Hospital Revenue Fund to the Hospital Fund, increasing the transfer from \$1,631,172 to \$1,676,172.

University of Kansas

A. Senate Bill No. 385 (pending) authorizes construction of a multi-level parking facility at the University of Kansas Lawrence campus. The bill also authorizes issuance of bonds for construction of the facility, upon review by the Joint Committee on State Building Construction. Passage of S.B. 385 requires legislative consideration of two items. First, the University has indicated intent to utilize \$363,972 from the Parking Fees Fund to reduce

the amount of bonded indebtedness required by the parking plan. If the Legislature wishes to adopt this financing method, a \$363,972 expenditure limitation increase is necessary on the Parking Fees Fund during FY 1988. Secondly, as a technical matter it will be necessary to appropriate a fund into which proceeds of a bond issuance will be credited.

B. Joint Committee on Building Construction Recommendation. The Joint Committee on State Building Construction has authorized the University to proceed with planning for improvements at the Law Enforcement Training Center. The expenditure for preliminary and final planning would involve \$300,000 in expenditures during FY 1988. The University is requesting an expenditure limitation increase of \$126,467 on the Law Enforcement Training Center Fund to accommodate expenditures for this planning. The difference between this increase and the \$300,000 in final planning expenditures will be financed through reductions in other areas. The Joint Committee's recommendation also included a proviso limiting planning expenditures to \$300,000 and requiring Joint Committee review of the preliminary plans, prior to expenditure for final planning.

Board of Regents

A. House Bill No. 2013 establishes the Kansas Career Work Study program. The bill establishes in statute a program that has operated at the state universities and Washburn University, known as the Off Campus Work Study program. However, H.B. 2013 requires the Board of Regents to develop guidelines for operation of the program. Additionally, Section 3(4) of H.B. 2013 requires the Board of Regents to develop guidelines for operation of the program. Additionally, Section 3(4) of H.B. 2013 requires the Board to "Review budget requests of eligible institutions for operation of the program and allocate and distribute moneys appropriated therefor to the institutions." Further, Section 3(5) of the bill allows the Board authority to reallocate moneys appropriated for operation of the program among eligible institutions during the year. Finally, Section 4(b) allows institutions to use Career Work Study moneys for administration, subject to provisions of appropriations acts.

Appropriations contained in H.B. 2439 and H.B. 2225 authorize a total of \$496,155 for the off campus work study program. This total is appropriated to the various institutions as indicated below. The Legislature may wish to decide: (1) whether its appropriations for the revised program are as intended both in total and in allocation to each institution; (2) should each of those appropriations be lapsed and a single appropriation approved for the Board of Regents during FY 1988 or whether a proviso should be authorized for the Board allowing them to reallocate the existing appropriations; (3) whether to allow the universities an amount or percentage of the appropriation for program administration. H.B. 2013 gives the Board some administrative authority over Washburn University's administration of this program, without involvement of the State Department of Education. Finally, the Board of Regents is not requesting funds for administration of the program.

FY 1988 Appropriations for Off Campus Work Study

University of Kansas	\$158,065
Kansas State University	133,032
Wichita State University	100,463
Emporia State University	34,674
Fort Hays State University	34,543
Pittsburg State University	20,398
Washburn Nonstate University	15,000
TOTAL	<u>\$496,755</u>

Pittsburg State University

A. Governor's Budget Amendment No. 4. At the time the Senate considered revised FY 1987 utilities estimates for the Regents' Institutions, revised data was not available from Pittsburg State University. This data has now been received and Pittsburg State University is requesting a FY 1987 supplemental appropriation totaling \$44,800. The additional expenditures are largely the result of a 13 percent rate increase in electricity, which became effective during FY 1987. GBA No. 4 recommends that the Pittsburg State University budget be increased by \$44,800 during both FY 1987 and FY 1988, due to this revised estimate.

Kansas Public Employees Retirement System --
Employer Contribution Rates

A. Governor's Budget Amendment No. 3 revised the Governor's recommendations for KPERS-school employer contributions for FY 1987 and FY 1988. The Governor's FY 1987 revised recommendation for school employer contributions is \$32,607,232 (SGF) and is based upon actual covered payroll data for the three quarterly transfers that have been made. The Governor recommends a reduction of \$350,104 (SGF) from the original recommendation of \$32,957,336 (SGF).

Governor's Budget Amendment No. 3 revised the FY 1988 school employer contribution by \$290,000 (SGF) above the original recommendation. The increase is based on the April, 1987 payment that will be deferred until FY 1988 amounting to \$11,490,000 (SGF). In addition the Governor recommended \$500,000 (SGF) in interest to KPERS computed to an annual rate of 5.5 percent over the period of deferral. The Governor's revised recommendation of \$58,188,061 (SGF) is an increase of \$290,000 (SGF) above the original recommendation of \$57,898,061 (SGF).

B. Governor's Budget Amendment No. 3 also accelerates the FY 1989 certified KPERS employer contributions to FY 1988. The Governor's FY 1988 budget recommendations are based upon the FY 1988 certified employer contribution rates for KPERS nonschool and KPERS school at 3.9 percent and 4.1 percent, respectively. The KPERS actuary has since reported that the recommended FY 1989 employer contribution rates of 1.5 percent for KPERS nonschool and 3.7 percent for KPERS school. However, the Governor recommends that a uniform rate of 2.9 percent be certified for both school and nonschool.

Accordingly, the Governor recommends a reduction in expenditures for KPERS school employer contributions from \$58,188,061 to \$47,936,661 or a reduction of State General Fund demand of \$10,251,400.

In addition, there are several employees in the Department of Education who are members of the KPERS School Retirement System. The Governor recommends reduced contributions, based on the 2.9 percent employer contribution, of \$11,366 for this group of employees, \$6,933 of which would be financed from the State General Fund.

With respect to KPERS nonschool, Governor's Budget Amendment No. 3 also recommends reductions to the employers contributions based on the rate of 2.9 percent. The Governor recommends reductions in agency budgets of \$5,140,000, of which \$3,050,000 would be financed from the State General Fund. The Governor further recommends that the State General Fund savings be utilized to finance state employee compensation. Accordingly, the Governor recommends the State General Fund appropriations of \$7,000,000 included in H.B. 2574 could be reduced by \$3,050,000.

C. Governor's Budget Amendment No. 4 recommends accelerating the FY 1989 certified employers contribution rate to FY 1988 for the Judge's Retirement System (8.7 percent to 5.6 percent), for the Kansas Bureau of Investigation (KBI) (14.9 percent to 9.7 percent), and for the Highway Patrol (16.6 percent to 11.1 percent). The recommended accelerations by the Governor would save State General Fund employer contributions in FY 1988 in the amount of \$939,213. Of this amount, \$269,278 would be from the Judicial Branch, \$98,090 from the KBI, and \$571,850 from the Highway Patrol. There would also be a savings in special revenue fund by the Highway Patrol in the amount of \$81,603. The adjustments for the reduced Judges, KBI, and Highway Patrol employer contributions could be made by lapsing the savings from the appropriate FY 1988 agency appropriation bill in the Omnibus appropriation bill.

D. Senate Bill No. 163 delays the FY 1987 fourth quarter State General Fund transfer for KPERS school employer's contributions to July 1, 1987. The bill also provides that interest at the rate of 6.72 percent shall be paid to the KPERS Fund for the period of deferral. Interest for the deferral is estimated at \$188,000 on a delayed fourth quarter transfer of \$11,490,000.

E. House Bill No. 2354 (the Omnibus retirement bill) is currently in the Senate. This bill recommends a combined KPERS school and nonschool employer contribution of 3.0 percent for FY 1988. The bill contains two retirement enhancements that have an actuarial cost of an additional employer contribution of 0.1 percent. The estimated additional employer contributions for FY 1988 to provide the enhancements are \$853,560 (SGF) for KPERS school and \$514,045 for KPERS nonschool, of which \$282,725 would be from the State General Fund. The additional KPERS nonschool employer contributions for the enhancements could be adjusted in H.B. 2574, the state employee compensation bill. H.B. 2354 also recommends accelerating the FY 1989 certified employers contribution rate to FY 1988 for the Judge's Retirement System, for the Kansas Bureau of Investigation, and for the Highway Patrol.

Department of Corrections

A. Governor's Budget Amendment No. 4 -- Inmate Medical Reimbursement System. GBA No. 4 recommends \$82,980 (State General Fund) in FY 1988 for the Department of Corrections to contract for the establishment and operation of a medical reimbursement system to handle inmate medical costs. The contract is estimated to require start-up expenditures of \$45,240 and annual expenditures of \$37,740. The Governor recommends that the proposed medical reimbursement system be similar to the one operated by SRS which utilizes contract services in determining appropriate surgical and in-patient rates and would include a utilization review to determine the necessity and propriety of the length of a hospital stay and the services rendered for an ill inmate. The Governor also recommends a reduction of \$82,980 (State General Fund) in FY 1988 at the Kansas State Penitentiary for inmate health care, based on utilization of the proposed medical reimbursement system.

B. Governor's Budget Amendment No. 4 -- Mental Health and Substance Abuse Counseling. GBA No. 4 recommends \$47,565 (State General Fund) in FY 1988 for the Central Management program of the Department of Corrections for contracted mental and substance abuse counseling for inmates. The contracted program would be designed using graduate level clinicians from the University of Kansas, Emporia State University, and Wichita State University who would provide counseling services to inmates in the El Dorado Honor Camp, prerelease centers, and work release centers. The Governor estimates that the FTE equivalent of 4.9 clinicians could be achieved with the recommended funds. Currently, inmates at the honor camps, prerelease centers, and work release centers are returned to the State Penitentiary or the State Industrial Reformatory to receive counseling services as required by the Parole Board.

C. Governor's Budget Amendment No. 4 -- Crisis Intervention Program. GBA No. 4 recommends \$15,000 (State General Fund) in FY 1988 for continuation of a parolee crisis intervention program within the Department of Corrections. The Governor recommends the funds for the agency's Central Management program. The crisis intervention program provides emergency funds to parolees who lack the financial resources to cope with emergency situations. The most common use is to reimburse halfway houses which provide substance abuse and employment counseling for parolees thus averting their return to the prison system on a technical parole violation.

D. Governor's Budget Amendment No. 4 -- Accreditation Funds. GBA No. 4 recommends \$19,800 (State General Fund) in FY 1988 for costs associated with accreditation by the American Correctional Association (ACA) for three correctional facilities. The recommended funds would permit the El Dorado Honor Camp and the Toronto Honor Camp to seek reaccreditation from ACA. The funds would also permit the State Reception and Diagnostic Center to seek first-time accreditation from ACA.

E. Governor's Budget Amendment No. 4 -- Honor Camps Operation. GBA No. 4 recommends an additional \$23,000 (State General Fund) in FY 1987 for inmate health care costs in the Honor Camps program. An inmate from the Toronto Honor Camp recently had double by-pass heart surgery performed on him, resulting in a medical bill of \$23,000.

GBA No. 4 also recommends \$13,500 (State General Fund) in FY 1988 for operating expenditures at the Toronto Honor Camp based on an increased inmate population. Recent renovations at the Toronto Honor Camp permitted the inmate population at the camp to increase by nine.

F. Emergency Inmate Capacity Expansion Program. The Senate Ways and Means Committee and the Conference Committee on Senate Bill No. 200 recommended that the Governor's emergency inmate capacity expansion program be reviewed as an item for the Omnibus appropriation bill. The Governor initially recommended a reserve of \$6,500,000 (State General Fund) in the FY 1988 Governor's Budget Report for an inmate capacity expansion program. In Governor's Budget Amendment Nos. 3 and 4, the Governor's net recommendation is an additional \$192,951 (State General Fund) in FY 1987 and \$956,651 (State General Fund) in FY 1988 to fully implement the Governor's program. The total cost of the program as recommended by the Governor is \$7,649,602 (State General Fund) with \$192,951 in FY 1987 and \$7,456,651 in FY 1988 with a total of 199 additional FTE positions.

The Governor's recommended program includes 509 additional minimum security beds divided among four sites. The inmates would be housed on the campuses at Norton State Hospital (240), Osawatomie State Hospital (60), Winfield State Hospital (149 additional), and at the Forbes Industrial Park, Topeka (60). The recommended amounts contemplate hiring the first-institutional personnel and Central Management staff on June 18, 1987. Operating expenditures for FY 1988 would provide for the arrival of the first inmates on or shortly after July 1, 1987. Renovation expenditures would provide for facility renovation, some security fencing, and for moveable equipment. Recommended funds for FY 1988 would complete the renovation projects started in FY 1987 and provide for renovation of facilities located at Forbes in Topeka. In addition, the Governor recommends that a correction operated food service be established at Winfield and Osawatomie by November 1, 1987. The following table summarizes the Governor's recommendations:

Governor's Recommendations for 509
Additional Inmate Capacity

<u>Location</u>	<u>Additional Inmate Capacity</u>	<u>Additional FTE</u>	<u>Renovation Costs</u>	<u>FY 1988 Operating Costs</u>
Winfield	149	50.0	\$ 785,705	\$1,390,630
Norton	240	96.0	1,062,248	2,333,600
Osawatomie	60	34.0	671,443	862,306
Forbes/Topeka	60	13.0	98,500	314,340
General Management	--	6.0	--	130,830
TOTAL	<u>509</u>	<u>199.0</u>	<u>\$2,617,896</u>	<u>\$5,031,706</u>
GRAND TOTAL			<u>\$7,649,602</u>	

G. House Bill No. 2341 amends the Community Corrections Act to restrict chargebacks to only those youths committed to the state youth centers by district court judges, and not for youths placed in state facilities by administrative decision of the Department of Social and Rehabilitation Services (SRS). Currently, a chargeback or "penalty" of \$6,000 is assessed against the appropriate community corrections program state entitlement for every youth committed to a state youth center by the juvenile division of the district court or for youths placed in the youth center by SRS.

The Department of Corrections estimates that in FY 1988 approximately 80 youths will be administratively placed in state youth centers by SRS. Based on this estimate, the Department indicates the annual chargebacks will be reduced by \$480,000 and therefore increasing by a like amount the state aid to those participating community corrections counties for FY 1988.

H. House Bill No. 2467 provides that Correctional Industries of the Department of Corrections will be the sole agency responsible for disposing of state surplus property. Although the Department of Corrections assumed responsibility from the Department of Administration for the federal and state surplus property programs in 1986, the Director of Purchases still had authority to dispose of state surplus property. To implement the additional responsibilities in H.B. 2467 the agency requests \$88,970 and 3.0 additional FTE positions. The agency proposes funding the additional expenditures from receipts to the Correctional Industries Fund.

I. Senate Bill No. 367 (pending) would increase the expenditure limitation proviso for the total construction cost of the Ellsworth Correctional Work Facility (ECWF) from \$9,735,000 to \$10,600,000. The state entered into a lease-purchase agreement in 1986 with the Ellsworth Public Building Commission for the construction of a correctional facility. The additional construction expenditures on the facility of \$865,000 would be used to construct a medium custody correctional facility with a capacity of 352 inmates (256 medium custody inmates and 96 minimum custody inmates) instead of the currently authorized project which provides for 288 minimum custody inmates.

The Department of Corrections has requested that \$840,000 in additional construction funds for the conversion of the facility be procured through a second 15-year bond issue by the Ellsworth Public Building Commission. The FY 1988 estimated bond payment on the conversion funds is \$105,485 and is requested entirely from the State General Fund.

J. Ellsworth Correctional Work Facility Debt Service for FY 1988 in the amount of \$1,125,000 (State General Fund) was removed from S.B. 200 pending recommendations of the Joint Committee on State Building Construction on the conversion of the facility from minimum to medium custody. The Joint Committee on State Building Construction has recommended the requested \$1,125,000 for the debt service on the original bond issuance.

State Industrial Reformatory

A. Governor's Budget Amendment No. 3 -- Operating Expenditures. GBA No. 3 recommends an additional \$52,500 for operating expenditures to correct a technical oversight in the Governor's original recommendation. The Governor's

FY 1987 recommendation is based on an inmate population at the institution of 1,535, however, the Governor's recommended inmate-related expenses within the agency's budget is based on 1,500 inmates.

B. Governor's Budget Amendment No. 3 -- Lapse of Generator Funds. GBA No. 3 recommends reduced expenditures for installation of standby electrical generators at the institution. The original appropriation by the 1985 Legislature for the standby electrical generators was \$575,000. The bid received by the agency was \$365,000. The Governor recommends the lapse of \$210,000 (State General Fund) from the project in FY 1987.

Behavioral Sciences Regulatory Board

A. Senate Bill No. 78 and Senate Bill No. 288. S.B. 78 creates a new Professional Counselors Registration Act under which individuals who meet the standards set out in the bill may be registered by the Behavioral Sciences Regulatory Board. S.B. 78 provides for biennial renewal of registrations, a maximum registration fee of \$75, a maximum examination fee of \$100, and establishes a five-member advisory commission on professional counseling, which expires July 1, 1988.

S.B. 288 amends the Licensure of Psychologists Act to allow registration of masters level psychologists. S.B. 288 provides for biennial renewal of registrations, a maximum registration fee of \$100, and requires the Behavioral Sciences Regulatory Board to establish a three-member registration committee.

The Behavioral Sciences Regulatory Board anticipates that approximately 500 counselors and 400 master level psychologists will seek regulation through the passage of these two bills. The Board anticipates new fee fund receipts of approximately \$84,000 from the additional registrations and examinations in FY 1988. The Board also requests the following additional operating expenditures to handle the increased workload from additional regulation:

Salaries and wages	
Upgrade of existing positions	\$ 5,018
New Office Assistant II	15,705
Board member compensation	4,514
Subtotal-salaries and wages	<u>\$25,237</u>
Communications	\$ 7,918
Rents	952
Travel	16,354
Examinations	20,000
Court reporter/investigator	4,000
Miscellaneous	2,571
Capital outlay	<u>1,885</u>
TOTAL -- Additional Operating Expenditures Requested	<u>\$78,917</u>

Based on the projected receipts and requested expenditures, the Behavioral Sciences Regulatory Board projects an ending fee fund balance in FY 1988 of \$64,737.

Department of Social and Rehabilitation Services

A. Governor's Budget Amendment No. 4. GBA No. 4 recommends that a total of 100 mentally retarded persons be moved from state institutions to other placements, including private ICF/MRs or community-based facilities. The Governor also recommends that 50 clients on community waiting lists be served through special grants. GBA No. 4 includes funding for these placements for an average of five months in FY 1988 at an average rate of \$50 per day per client. The Governor's recommendations assume that 75 of the 100 clients moved from state institutions would be eligible for the federal Medicaid waiver program (Home and Community Based Services) and thus these grants would be financed with 55.2 percent federal funds.

The Governor also recommends funding for two special projects positions to coordinate and expedite the movement of clients to community placements.

The total amount of additional funding recommended in GBA No. 4 for these placements is \$624,061, of which \$309,249 is from the State General Fund and \$314,812 is from federal Medicaid funds.

The proposal is summarized below:

<u>GBA No. 4 - Mental Retardation Grants</u>	
Movement of 100 clients from institutions	\$ 760,417
Movement of 50 clients off community waiting lists	380,208
Special projects positions	58,540
Subtotal	<u>\$1,199,165</u>
Less: Federal matching funds	(314,812)
Amount in Governor's original recommendation for additional client movement in FY 1988	(575,104)
TOTAL - GBA No. 4 - State General Fund	<u>\$ 309,249</u>

The total amount in the Governor's original recommendation for special purpose mental retardation grants (including continuation funding for clients moved in previous years) was \$2,151,378. That amount was deleted from S.B. 196 by the Conference Committee recommendation that decisions regarding special mental retardation grants should be delayed until the Omnibus Session.

B. Governor's Budget Amendment No. 4. SRS has been informed by the federal government that the state procedures for establishing paternity in the state-operated child support enforcement program are not in compliance with federal requirements. If this deficiency is not corrected, the state could lose over \$400,000 in federal funds on an annual basis. This reduction in

federal funds has been suspended, pending submission of a state plan to correct the deficiency. GBA No. 4 recommends \$231,108, of which \$69,332 is from the SRS Fee Fund and \$161,776 is from federal child support enforcement funds to allow SRS to utilize additional part-time intermittent positions to address the deficiency. With the amount recommended in GBA No. 4 the total amount recommended in FY 1988 for part-time intermittent staff for this program is \$389,660, compared to the \$376,169 budgeted in FY 1987 and \$340,556 actual expenditure in FY 1986.

C. Homemaker Proposal. During the review of the SRS budget, the agency presented a proposal to change the salary structure and classification status for the staff of the Homemaker Program and utilize savings from those changes to finance an IRS requirement that SRS pay employer FICA contributions for nonmedical attendant care workers used in the Home and Community Based Services program. The House recommendations on the SRS budget adopted certain portions of the agency's proposal and deleted \$531,634 from the State General Fund. The Conference Committee recommended that the \$531,634 be reinstated and that this proposal be reviewed during the Omnibus Session.

Special Education Programs at the State
Mental Retardation Institutions

A. House Bill No. 2225 (pending), the appropriation bill for the Department of Education, would provide a categorical aid rate of \$13,476 per eligible teaching unit for special education services. The special education budgets for the state mental retardation hospitals are based on a categorical aid rate of \$12,500 per eligible teaching unit. The increased amount of categorical aid available to each hospital would provide the following offsetting reductions from the State General Fund for FY 1988:

<u>Hospital</u>	<u>SGF Reduction</u>
KNI	\$ 44,238
Parsons	38,590
Winfield	40,559
TOTAL	<u>\$123,387</u>

B. Alternatively, Senate Bill No. 420 would provide a categorical aid rate of \$14,096 per eligible teaching unit for special education services and count each paraprofessional position as a four-tenths full-time equivalent special teacher. The current law provides that a paraprofessional shall be counted as a one-half full-time equivalent special teacher. Based on the increased categorical aid available to each hospital and the proposed change in the paraprofessional full-time equivalent calculation, the following offsetting reductions from the State General Fund may be made for FY 1988:

<u>Hospital</u>	<u>SGF Reduction</u>
KNI	\$ 13,538
Parsons	19,658
Winfield	12,915
TOTAL	<u>\$ 46,111</u>

Title XIX and State General Fund Adjustments at the State Mental Retardation Institutions

Governor's Budget Amendment No. 4 recommends adjustments in the estimates of Title XIX receipts in FY 1988 as a result of a one-time exception in the Medicaid rate setting procedure of the state mental retardation institutions. A substantial increase in Title XIX receipts has been received in FY 1987 and GBA No. 4 recommends the following adjustments to the State General Fund appropriations and Title XIX Fund transfers in FY 1988:

<u>Hospital</u>	<u>Title XIX</u>	<u>SGF</u>
KNI	\$ 221,696	\$ (221,696)
Parsons	394,043	(394,043)
Winfield	699,393	(699,393)
Norton	(178,252)	178,252
TOTAL	<u>\$ 1,136,880</u>	<u>\$(1,136,880)</u>

GBA No. 4 also includes a total increase of \$217,000 in FY 1987 and \$44,865 in FY 1988 for transfers from the Title XIX Fund to the mental health hospitals. In summary, GBA Nos. 3 and 4 recommend increased Title XIX Fund expenditures of \$1,067,593 in FY 1987 and \$1,181,745 in FY 1988, based on the one-time settlement exception of \$1,680,586 and an increase of \$568,752 in projected receipts for FY 1988. To this point, the Legislative recommendations have been based on a \$1.8 million settlement exception, with the total amount used to offset FY 1988 State General Fund expenditures in the mental retardation institutions plus an additional \$217,000 of Title XIX receipts for Rainbow in FY 1987. GBA No. 4 recommends the expenditure of an additional \$449,338 from the Title XIX Fund in FY 1988, above the \$1.8 million settlement amount, based on revised Medicaid reimbursement projections and the proposed client movement from Winfield. GBA No. 4 would in effect provide for a total of \$2,249,338 in additional Title XIX receipts to offset State General Fund expenditures at the mental health and mental retardation institutions in FY 1987 and FY 1988. The Title XIX Fund projection for FY 1988 would be subject to change if the Legislature adopts a plan of client movement different than the recommendations contained in GBA No. 4.

Kansas Neurological Institute

The mental retardation institution budgets were removed from the FY 1988 appropriations bill (Sub. S.B. 161) and FY 1987 supplemental appropriations bill (S.B. 244) by the Senate Committee on Ways and Means following the decertification of Winfield in February, 1987. Subcommittee recommendations will be available for consideration by the appropriations committees during the review of items contained in the Omnibus Bill.

A. Governor's Budget Amendment No. 4 -- Current Year Operating Budget. GBA No. 4 recommends a total decrease of \$70,000 in State General Fund expenditures for FY 1987. The recommendation is based on projected savings in salaries and wages (\$85,000), resulting from a higher than expected level of turnover, and a reduction in the fee fund expenditure limitation due to lower than anticipated receipts. GBA No. 4 recommends a decrease of \$15,000 in fee fund financing and provides a corresponding increase in State General Fund expenditures for FY 1987.

Norton State Hospital

The mental retardation institution budgets were removed from the FY 1988 appropriations bill (Sub. S.B. 161) and FY 1987 supplemental appropriations bill (S.B. 244) by the Senate Committee on Ways and Means following the decertification of Winfield in February, 1987. Subcommittee recommendations will be available for consideration by the appropriations committees during the review of Omnibus Bill items.

A. Governor's Budget Amendment No. 3 -- Current Year Operating Savings. GBA No. 3 recommends a total decrease of \$78,883 in State General Fund expenditures for FY 1987. The recommendation is based on projected savings in salaries and wages (\$50,000), increased receipts to the fee fund (\$25,000), lower than anticipated expenditures in other operating areas (\$20,000), a reduction in the fee fund carry forward balance to FY 1988 (\$11,883), and a \$28,000 increase in capital outlay expenditures.

B. Governor's Budget Amendment No. 3 -- Use of Facilities for Inmate Housing. GBA No. 3 recommends a total increase of \$408,301 in State General Fund expenditures and the addition of 12.0 FTE positions in FY 1988 for the proposed placement of inmates at Norton. The recommendation would include increased expenditures for salaries and wages (\$151,633), utilities (\$30,000), food (\$215,168), capital outlay (\$10,000), and fees for other services (\$1,500).

Parsons State Hospital

The mental retardation institution budgets were removed from the FY 1988 appropriations bill (Sub. S.B. 161) and FY 1987 supplemental appropriations bill (S.B. 244) by the Senate Committee on Ways and Means following the decertification of Winfield in February, 1987. Subcommittee recommendations will be available for consideration by the appropriations committees during the review of items contained in the Omnibus Bill.

A. Governor's Budget Amendment No. 4 -- Current Year Operating Budget. GBA No. 4 recommends the FY 1987 addition of \$39,814 from the Title XIX Fund for a variety of operating expenditures resulting from deficiencies cited in a recent Health Care Financing Administration survey of the hospital.

Winfield State Hospital

The mental retardation institution budgets were removed from the FY 1988 appropriations bill (Sub. S.B. 161) and FY 1987 supplemental appropriations bill (S.B. 244) by the Senate Committee on Ways and Means following the decertification of Winfield in February, 1987. Subcommittee recommendations will be available for consideration by the appropriations committees during the review of items contained in the Omnibus Bill.

A. Governor's Budget Amendment No. 3 as Revised by GBA No. 4 -- Prerelease Center Expansion. Adjustments recommended in GBA No. 3 and a portion of the recommendations in GBA No. 4 relate to the proposed expansion of the Winfield Prerelease Center during the remaining months of FY 1987 and FY 1988. GBA No. 3, as revised by GBA No. 4, recommends an increase of \$6,933 in State General Fund expenditures for capital outlay items in FY 1987. In FY 1988, GBA No. 3 would provide for increased expenditures in salaries and wages (\$34,968) and utilities (\$19,791), and would decrease expenditures for food by \$71,931. The reduction in food expenditures is based on providing dietary services to the Winfield Prerelease Center for 4.5 months, rather than 12 months.

B. Governor's Budget Amendment No. 4 -- Medicaid Certification. GBA No. 4 recommends the addition of \$810,779 from the Title XIX Fund in FY 1987 for a variety of expenditures relating to compliance standards cited by federal Medicaid surveyors. The recommendation for FY 1987 would retain the 35 FTE staff positions which were to be gradually vacated by the end of the fiscal year, add funding for an additional 83.0 direct care, professional, and support staff positions, and provide for other operating expenditures resulting from deficiencies cited by federal surveyors. In FY 1988, GBA No. 4 recommends the addition of \$2,098,153 in State General Fund expenditures, based on the addition of 120 FTE positions and a reduction in the fee fund expenditure limitation. The recommendation provides a decrease of \$145,943 in fee fund financing and a corresponding increase in the State General Fund appropriation, due to lower than anticipated receipts. GBA No. 4 recommends a reduction in the client census from 440 to 340 by the end of the fiscal year and a corresponding reduction of 50 FTE positions, resulting in a year end FTE position total of 888.

Mental Health Institutions Categorical Aid

A. House Bill No. 2225 (pending), the appropriations bill for the Department of Education, will allow a categorical aid rate of \$13,476 per eligible teaching unit for FY 1988. The education budgets for Larned State Hospital, Osawatomie State Hospital, Rainbow Mental Health Facility and Topeka State Hospital, as contained in Sub. S.B. 161, are based on a categorical aid rate of \$12,500 per eligible teaching unit. Based on the increased categorical aid available to the hospitals the following offsetting reductions from the State General Fund may be made for FY 1988:

Larned State Hospital	\$ (12,339)
Osawatomie State Hospital	(19,433)
Rainbow Mental Health Facility	(20,279)
Topeka State Hospital	(28,892)
Total	<u>\$ (80,943)</u>

Alternatively, Senate Bill No. 420 (pending) provides that for purposes of calculating the reimbursement to school districts for special education services, a paraprofessional shall be counted as a four-tenths full-time equivalent special teacher. The current law provides that a paraprofessional shall be counted as a one-half full-time equivalent special teacher. Passage of S.B. 420 will allow a categorical aid rate of \$14,096 per eligible teaching unit for FY 1988. Based on the categorical aid available, if S.B. 420 passes, the following offsetting reductions to the State General Fund may be made for FY 1988:

Larned State Hospital	\$ (15,075)
Osawatomie State Hospital	(28,350)
Rainbow Mental Health Facility	(19,378)
Topeka State Hospital	(35,394)
Total	<u>\$ (98,197)</u>

Mental Health Institutions -- Title XIX

A. Governor's Budget Amendment No. 4 -- Shifts in Title XIX and State General Fund. Governor's Budget Amendment No. 4 recommends a shift in Title XIX funding at the mental health and mental retardation institutions in FY 1988. As a result of a one time exception in the Medicaid rate setting procedure of the state mental retardation institutions in FY 1987, a substantial increase in Title XIX receipts has been received. In addition, the Governor proposes to adjust the amounts transferred to each institution to more accurately reflect the amount of Title XIX generated by each of the institutions. The Governor recommends the following offsetting adjustments for the mental health institutions:

	<u>Title XIX Funds</u>	<u>SGF</u>
Larned State Hospital	\$ (499,447)	\$ 499,447
Osawatomie State Hospital	84,159	(84,159)
Rainbow Mental Health Facility	526,297	(526,297)
Topeka State Hospital	(66,144)	66,144
TOTAL	<u>\$ 44,865</u>	<u>\$ (44,865)</u>

Current legislative action has used the one-time lump sum settlement of \$1.8 million at the MR institutions, except for \$217,000 which was added to Rainbow's Title XIX transfer as a result of lower than anticipated fee collections.

Larned State Hospital

A. Governor's Budget Amendment No. 4 -- Operating Budget Savings. GBA No. 4 recommends the reduction of \$82,500 from the State General Fund in FY 1987. Larned has experienced savings of \$82,500 in salaries and wages. Legislative adjustments to Larned's budget in FY 1987 decrease operating expenditures from the Governor's original budget by \$82,500 from the State General Fund and make a reappropriation of \$82,500 to FY 1988, as reflected in Sub. S.B. 161.

B. Governor's Budget Amendment No. 4 -- Fee Fund Adjustment and Addition of Seven Registered Nurses. GBA No. 4 recommends an increase of \$350,000 in fee fund financing based on revised projections for Larned State Hospital in FY 1988. The Governor recommends using \$177,019 of the revised projection to finance seven new nursing positions and the remaining \$172,981 would be a reduction in Larned's state general fund appropriation. On March 4, 5, and 6 of this year, federal Medicare surveyors reviewed Larned State Hospital and found the hospital out of compliance because of the insufficient number of registered nurses at the hospital. Legislative adjustments to Larned's budget increased the hospital's fee fund by \$290,000 to provide a projected two-week ending balance in the fee fund and decreased the State General Fund by \$290,000. Revised projections of fee fund receipts indicate that the recommendation to increase the fee fund an additional \$60,000 could be adopted for FY 1988 and, if the Legislature wishes, may be used to partially finance the nursing positions. The projected ending balance in the fee fund would still be the equivalent of two-weeks of receipts.

Osawatomie State Hospital

A. Governor's Budget Amendment No. 4 -- Fee Fund Adjustment. GBA No. 4 recommends an increase of \$80,000 in fee fund financing for Osawatomie State Hospital in FY 1988 and a corresponding decrease in the State General Fund appropriation based on revised fee fund projections. Legislative adjustments to Osawatomie's budget increased the hospital's fee fund expenditure limitation by \$80,138 to provide a projected two-week ending balance in the fee fund and a corresponding reduction from the State General Fund. Consequently, the recommended shift from the State General Fund to the fee fund contained in GBA No. 4 is \$138 below legislative adjustments to Osawatomie's budget, as contained in Sub. S.B. 161.

B. Governor's Budget Amendment No. 4 -- Corrections' Expansion. GBA No. 4 recommends removing \$4,343 for the Corrections' expansion at Osawatomie in FY 1987 due to a delay in the project and shifting the funds to FY 1988. The Legislature's adoption of GBA No. 3 added \$5,683 for dietary, laundry, and utilities in FY 1987. Consequently, the FY 1987 General Fund recommendation contained in GBA No. 4 is \$1,340.

Rainbow Mental Health Facility

A. Governor's Budget Amendment No. 4 -- Funding Shifts and Operating Budgets. GBA No. 4 adds the Governor's concurrence to previous legislative action which increased Title XIX funding in FY 1987 by \$217,000 and made an

offsetting reduction of \$217,000 to the hospital's fee fund due to lower than anticipated receipts; increased the fee fund and decreased the State General Fund by \$217,000 in FY 1988; added \$28,411 to the State General Fund appropriation to fund the school budget in FY 1988; and added 4.0 FTE janitorial positions to convert from contracted janitorial services to in-house services.

Topeka State Hospital

A. Governor's Budget Amendment No. 4 -- Fee Fund Adjustment. GBA No. 4 recommends an increase of \$149,173 in fee fund financing for Topeka State Hospital in FY 1988 and a corresponding decrease in the State General Fund appropriation based on revised fee fund projections. Legislative adjustments to Topeka's budget increased the hospital's fee fund expenditure limitation by \$80,000 to provide a projected two-week ending balance in the fee fund. Revised projections of fee fund receipts for Topeka indicate that GBA No. 4 could be adopted for FY 1988, and fee fund financing for FY 1988 could be further increased by \$69,173 with a corresponding reduction in the State General Fund appropriation and still allow a projected ending balance in the fee fund equivalent to two-weeks of receipts.

Board of Nursing

A. Senate Bill No. 302 creates the Grants and Gifts Fund to allow the Board of Nursing to accept grants, donations, bequests, or gifts. The bill does not specify what the funds would be used for and the agency's appropriation bill (H.B. 2224) does not include the Grants and Gifts Fund.

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OMNIBUS APPROPRIATIONS BILL

Senate Bill No. 433

As Approved by the Senate

The Omnibus Appropriations Bill reduces FY 1987 operating expenditures by \$4,587,289 from all funds, with reductions of \$7,782,903 from the State General Fund. The bill reduces FY 1987 State General Fund and all funds capital improvements expenditures by \$15,049.

Fiscal Year 1988 operating expenditures totaling \$31,054,413 are approved by the Omnibus Bill, of which \$22,557,453 is from the State General Fund. Capital improvements totaling \$2,918,118 are included in the bill for FY 1988 of which \$2,087,679 is from the State General Fund.

These amounts do not include the Governor's original recommendation for the four state mental retardation institutions which had not previously been included in any appropriation bill considered by either house.

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ATTACHMENT 2-A
4/27/87 SWAM

SWAM

33
Senate
Committee
Recommendations

House
Committee
Recommendations

Conference Committee
Recommendations

Sec. 2 -- Legislature

The Senate Committee recommends the appropriation of \$15,000 from the State General Fund for FY 1988 to finance per diem, subsistence, and mileage costs of the nine-member commission on Access to Services for the Medically Indigent and Homeless created by H.B. 2014. The section also lapses \$54,078 from FY 1988 salaries and wages to reflect a revision in the KPERS rate from 3.9 percent to 3.0 percent.

Sec. 3 -- Division of Post Audit

The Senate Committee recommends the appropriations of the Audit Services Fund with no limit on expenditures for FY 1988. The Fund is established by H.B. 2595 to replace the present Federal Audit Services Fund. The section also lapses \$5,975 from FY 1988 salaries and wages to reflect a revision in the KPERS rate from 3.9 percent to 3.0 percent.

Sec. 4 -- State Board of Indigents' Defense Services

1. Appropriation of a no-limit Indigents' Defense Services Fund for FY 1988, which fund was created by S.B. 289 and will receive revenue from an additional \$.50 fee to be added to the docket fee in criminal, juvenile, and mental illness, drug, and alcoholism actions. The additional fee is expected to generate about \$123,000 for the fund in FY 1988.
2. Reduction of \$9,893 (SGF) in salaries and wages in FY 1988 to accelerate the FY 1989 certified employer's contribution rate for KPERS.

Senate
Committee
Recommendations

House
Committee
Recommendations

Conference Committee
Recommendations

Secs. 5 and 6 -- Department of Human Resources

1. Recommend introduction of a bill to amend K.S.A. 75-5708 and increase the authorized number of administrative law judges from 7.0 to 8.0. No financing to pay costs estimated in the agency's fiscal note for H.B. 2186 is recommended pending passage of the proposed bill since one of two requested new positions is an Administrative Law Judge.
2. Recommend adding 2.0 FTE new positions and reallocating 3.0 existing FTE positions to implement vocational educational provisions of H.B. 2573. New FY 1988 expenditures of \$163,607 are recommended from the Workers Compensation Fee Fund to implement provisions of H.B. 2573 and to provide five staff as required by the bill. Reductions of \$41,172 from all other funds result from reallocating two vacant positions from other areas where staff had been reduced because of reorganizations.
3. Concur with reduction of FY 1987 estimated expenditures for ESSI by \$271,494 as recommended in Governor's Budget Amendment No. 3.
4. Concur with FY 1987 expenditure limitation increases of \$193,648 for the Title III Dislocated Workers Program and of \$213,685 for the Title II-B Summer Youth Training Program as recommended by Governor's Budget Amendment No. 4.

Senate
Committee
Recommendations

House
Committee
Recommendations

Conference Committee
Recommendations

5. Concur with FY 1987 expenditure of \$150,000 from the Special Employment Security Fund to finance activities of Job Service as recommended by Governor's Budget Amendment No. 4. This recommendation increases total expenditures to \$250,000 in FY 1987 and the statutory limitation of \$100,000 in K.S.A. 44-716a is amended for one fiscal year.
6. Add FY 1988 financing of \$57,045 for a Deputy Secretary, including \$1,711 State General Fund, \$2,852 Workers Compensation Fee Fund, \$570 Boiler Inspection Fee Fund, \$570 OSHA Federal Fund, \$570 Occupational Information Fee Fund, \$570 JTPA Title III, \$6,275 JTPA Title II-A, \$1,141 JTPA Title II-B, and the remainder from funds with no limitations.
7. Add FY 1987 financing of \$25,855 from the State General Fund to pay for a federal audit exception against the CETA program.

Sec. 7 -- Department of Revenue

1. Add \$72,683 State General Fund financing in FY 1987, including \$36,588 for salaries and benefits of 14.0 new positions and other part-time staff; \$20,857 for other operating expenses; and \$15,238 for capital outlay expenses to implement S.B. 141 which amends the Kansas Liquor Control Act.

Senate
Committee
Recommendations

House
Committee
Recommendations

Conference Committee
Recommendations

2. Add \$537,217 State General Fund financing in FY 1988, as recommended in Governor's Budget Amendment No. 4, including \$421,980 for salaries and benefits of 18.5 FTE positions; \$83,802 for other operating expenses; and \$31,435 for capital outlay and other one-time expenses to implement S.B. 141 which amends the Kansas Liquor Control Act.
3. Add \$85,000 State General Fund financing in FY 1988 for acquiring data processing equipment and software which will be approved by DISC in order to provide automation for the Division of Alcohol Beverage Control.
4. Add \$38,567 State General Fund financing in FY 1988 for the Alcohol Beverage Control Division to remain in its current location for one additional year before moving to the Docking State Office Building.
5. Reduce estimated FY 1988 expenditures in Property Valuation Division by \$28,000 from the State General Fund since the distribution of valuation guides is no longer mandatory due to the passage of S.B. 241.
6. Add 1.0 FTE Attorney I and State General Fund financing of \$32,470 in FY 1988 for administering provisions of the stamp tax on marijuana and other controlled substances established by H.B. 2140.

Senate
Committee
Recommendations

House
Committee
Recommendations

Conference Committee
Recommendations

7. Add no limit expenditure authority in FY 1988 for a new fund established in H.B. 2491: the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund in order to allow payments to producers.
8. Restore 7.0 FTE positions and State General Fund financing of \$251,390 in FY 1988 to maintain the K-BITS programming team for post-implementation review of transient guest tax and incorporating improvements in the design of K-BITS.
9. Recommend financing of \$75,000 from the State General Fund in FY 1988 to contract with Regents' faculty to provide an independent evaluation of K-BITS for the 1988 Legislature.
10. Restore 1.0 FTE position and State General Fund financing of \$42,724 in FY 1988 for the Director of Planning and Research position.
11. Recede from earlier Committee reports objecting to the establishment of a new Division of Collections.

Sec. 8 -- Kansas Racing Commission

1. Add a new no limit account in order to receive and spend money in the Racing Reimbursable Expense Fund as authorized in H.B. 2044 to recover and pay costs of fingerprinting and race officiating at tracks in FY 1988.

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2. Add a technical amendment delegating authority to the State Finance Council to approve transfers of State General Fund financing authorized in H.B. 2221 for use by the Commission in FY 1988.

Sec. 9 -- Board of Tax Appeals

1. Change the name of a new account in FY 1988 from the Publication and Other Fees Fund to the Duplicating Fees Fund to allow the Board to receive and spend money collected for copying documents.
2. Add \$2,000 State General Fund financing in FY 1987 for travel and subsistence costs of the Board.
3. Add \$11,045 State General Fund financing in FY 1988 for expansion office space in the Docking State Office Building.

Sec. 10 -- Board of Technical Professions

1. Add \$31,291 of expenditure authority in FY 1988 from the Board's fee fund to allow purchase of computer and software equipment.

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Sec. 11 -- Department of Education

1. Deletion of \$5,000 in salaries and wages from the State General Fund for FY 1988 to implement recommendations concerning the anti-drug abuse program. The recommendation being implemented is to spend \$5,000 less from the State General Fund on administering the anti-drug abuse program than the Governor had proposed.
2. Addition of \$14,500 from the State General Fund for FY 1988 to implement the Kansas Training Information Program (K-TIP) established by H.B. 2075. The money would be for the wages of temporary employees and other operating expenditures connected with publishing an annual report containing employment placement rates and average salaries earned by recent graduates of vocational education programs.
3. Addition of \$10,000 from the State General Fund for FY 1988 to implement H.B. 2528, which requires the State Board to prepare a "state plan of accountability" for the vocational education programs it approves. The bill requires the State Board to identify criteria by which vocational education programs will be evaluated and submit an annual report to the Governor and to the Legislature. The money would be for wages for temporary employees and other operating expenditures.

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4. Addition of \$3,278,856 in general state aid to school districts for FY 1988, for a total of \$457,556,000. This is the amount recommended by the Governor.
5. Addition of \$107,000 for area vocational-technical school state aid for FY 1988, for a total of \$7,240,000. This would be an increase of \$107,000 (1.5 percent) over the original appropriation for FY 1987.
6. Addition of \$180,500 for postsecondary vocational education state aid for FY 1988, for a total of \$12,205,500. This would be an increase of \$180,500 (1.5 percent) over the original appropriation for FY 1987.

Sec. 12 -- State Board of Healing Arts

1. Expenditure limitation increase of \$51,041 in FY 1988 (from \$805,242 to \$856,283) to permit the expenditure of up to \$70,000 for the salary of the new position of Executive Director of the Board of Healing Arts created by S.B. 34. (The expenditure of \$70,000 for the new position would be offset by savings of \$18,959 from a position being abolished.) In addition, increase the Board's position limitation from 14.0 to 15.0.

Sec. 13 -- Department of Commerce

1. Addition of \$65,495 from the State General Fund and 2.0 FTE positions in FY 1988 for a Trade Services Unit within the Trade Development Division as recommended by GBA No. 3.

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2. Addition of \$20,772 from the State General Fund in FY 1988 to fund mileage (\$6,422), operations (\$1,850), and special studies (\$12,500) associated with the Kansas Coal Commission created by 1987 H.B. 2004. State General Fund support for any special studies would require a one-to-one match from contributions to the Coal Commission.
3. Addition of \$5,390 from the State General Fund in FY 1988 to fund mileage (\$4,940) and operating expenses (\$450) associated with the Kansas Travel and Tourism Commission created by 1987 S.B. 100.
4. Addition of \$31,013 from the Economic Development Initiatives Fund and 1.0 FTE position in FY 1988 for additional staff support for the Kansas Film Commission.
5. Addition of \$5,735 in FY 1987 and \$40,343 in FY 1988 from the State General Fund to fund a special project attorney position to administer the federal low income housing tax credit program.

Sec. 14 -- Fish and Game Commission

1. Addition of \$5,766 from the Fish and Game Fee Fund for temporary clerical assistance in FY 1988 to distribute migratory waterfowl stamps to vendors.

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2. Addition of the Migratory Waterfowl Propagation and Protection Fund with an expenditure limitation of \$90,000 for FY 1988 to implement 1987 H.B. 2058.
3. Authorize the transfer of \$15,000 from the Nongame Wildlife Improvement Fund to the restricted fees fund of the University of Kansas in FY 1988 for partial funding of the Natural Heritage Inventory Program.
4. Authorize the transfer of up to 50 percent of the cost of construction of a parking lot at Clinton State Park, up to a maximum of \$135,000, in FY 1988 from the Boat Account of the Fish and Game Fee Fund to the State Highway Fund.

Sec. 15 -- Park and Resources Authority

1. Addition of \$35,000 from the State General Fund in FY 1988 to construct a sewage lift station at Pomona State Park.
2. Addition of \$127,327 from the State General Fund in FY 1987 to repair flood damage at several state parks and allow the reappropriation of any unencumbered balance in excess of \$100 to FY 1988.
3. Authorize the transfer of \$35,000 in FY 1988 from the State General Fund to the State Highway Fund for partial funding of the cost of constructing a parking lot at Clinton State Park.

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Sec. 16 -- Kansas Technology Enterprise
Corporation

1. The Senate Committee amends the FY 1988 appropriation for KTEC to allow the reappropriation of the unencumbered balance of funding for the Small Business Innovation Research and Advanced Technology Research matching grant programs. In addition, the Senate Committee changes the FY 1988 State General Fund appropriation from one line item to three separate line items to follow appropriation patterns of years previous.

Sec. 17 -- Attorney General -- Kansas
Bureau of Investigation

1. Add \$179,861 from the State General Fund for operating expenditures in FY 1988 as recommended in GBA No. 4. The recommendation includes additional funds for agent travel (\$56,407), laboratory equipment maintenance (\$19,018), criminal drug testing supplies (\$45,076), laboratory safety equipment (\$13,588), printing (\$23,157), holsters and ammunition (\$11,189), and miscellaneous (\$20,957), and a reduction of \$9,531 in salaries and wages.
2. Increase the expenditure limitation on the Criminal History Record Checks Fee Fund by \$2,000 in FY 1988 to allow implementation of H.B. 2305 relating to fingerprinting of sheriffs and police chiefs.

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3. Delete \$98,090 from salaries and wages to accelerate the FY 1989 certified employers contribution rate to FY 1988 for the KBI. The effect of this recommendation is to reduce the employer contribution rate from 14.9 percent to 9.7 percent as recommended in GBA No. 4.

Sec. 18 -- Attorney General

1. Establish an expenditure limitation of \$29,000 on the Board of Polygraphists Fee Fund for FY 1988 and provide for 0.6 FTE positions to implement the provisions of H.B. 2223. The Senate further recommends that \$5,000 be transferred from the State General Fund to the fee fund for start-up costs with the requirement that those funds be repaid at the end of FY 1988.

Sec. 19 -- State Historical Society

1. Add "no limit" expenditure authority in FY 1988 for the Eisenhower Centennial Fund established by S.B. 265, which creates the Eisenhower Centennial Commission and authorizes the Commission to accept donations, gifts, and contributions.

Sec. 20 -- Kansas Department of Transportation

1. Addition of \$226,255 in expenditure authority in FY 1988 from the State Highway Fund for the Operations program. This adjustment is recommended due to the passage of H.B. 2467 regarding the state surplus property program which gives the Department of Corrections the authority to sell vehicles and equipment of

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that would otherwise have been handled as a trade-in by KDOT. The adjustment in expenditure authority is recommended since the amounts for vehicles and equipment in the FY 1988 KDOT budget were based on a net cost rather than the full purchase price.

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2. Addition of \$340,000 in FY 1988 from the State Highway Fund to construct a parking lot at Clinton State Park.

Sec. 21 -- State Board of Agriculture

1. Add \$2,000 from the State General Fund in FY 1987 due to increased costs associated with the construction of a solvent storage building at the agricultural laboratory. This item was recommended by the Joint Committee on State Building Construction.
2. Increase the FY 1988 expenditure limitations established on the Kansas Corn Commission Fund (by \$100,145), the Kansas Grain Sorghum Commission Fund (by \$101,291), and the Kansas Soybean Commission Fund (by \$100,436).
3. Establish an International Marketing Fund in FY 1988 with no-limit expenditure authority in order to receive and spend money from individuals and other entities who benefit from the international marketing efforts of the agency. The Fund was created by H.B. 2517.

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Sec. 22 -- Grain Inspection Department

1. Decrease the expenditure limitation by \$30,206 and decrease the position limitation by 1.0 FTE in FY 1988 from the Grain Inspection Fee Fund due to passage of S.B. 303 which decreases the frequency of warehouse inspections.
2. Add \$16,000 from the Grain Inspection Fee Fund in FY 1988 to replace a 1983 scale truck with 87,000 miles of use.

Sec. 23 -- Adjutant General

1. Add \$40,000 from the State General Fund in FY 1987 to restore funds expended from the agency's State Military Service Operations program for emergency active duty pay during the March blizzard in western Kansas. The recommendation would implement GBA No. 3.

Sec. 24 -- Secretary of State

1. Add \$3,360,000 from the State General Fund for costs associated with a state census, including \$31,572 in FY 1987 and \$3,328,428 in FY 1988. The recommendation would implement GBA No. 3.

Sec. 25 -- Kansas Highway Patrol

1. Add \$250,839 in FY 1987 for the separation pay of 23 individuals, including \$226,684 from the State General Fund and \$24,155 from the Turnpike Fund.

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2. Add \$9,440 from the State General Fund in FY 1988 for initial examination of emergency medical personnel to work with first responder units due to passage of S.B. 87.
3. Establish a Vehicle Identification Number (VIN) Fee Fund in FY 1988 with a \$0 expenditure limitation in which to deposit VIN inspection receipts which currently are deposited in the State General Fund. Annual VIN Fee Fund receipts are estimated at \$260,000. The Fund was created by S.B. 109.
4. Delete \$665,203 from salaries and wages to accelerate the FY 1989 certified employers contribution rate (Kansas Police and Fire Retirement System) to FY 1988. The reduction includes \$577,950 from the State General Fund and \$87,253 from special revenue funds. The recommendation is based on the passage of H.B. 2354.

Sec. 26 -- Department of Health and Environment

1. Addition of \$3,400 in FY 1987 and \$19,067 in FY 1988 from the State General Fund as recommended by GBA No. 4. The recommendation provides funding for a special projects staff member and other operating expenditures for the AIDS-Task Force.
2. Addition of \$135,800 from the State General Fund in FY 1988 and 1 FTE position as recommended in GBA No. 4. The recommendation provides \$87,000 for grants to local units and \$48,800 for salary and wage and operating expenditures for AIDS testing, counseling, and risk reduction activities.

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3. Addition of \$3,289 in FY 1987 and \$384,307 in FY 1988 from the State General Fund as recommended in GBA No. 5. The recommendation provides funding for a total of 11.0 FTE positions and operating expenditures required to implement the federally mandated Community Right-to-Know program.
4. Addition of \$742,283 in FY 1988 from the State General Fund for the Environmental Remediation program. The Conference Committee on S.B. 196, the appropriations bill for the Department of Health and Environment, deleted all State General Funds and the total transfer from the Conservation Fee Fund to this program. The Senate Committee recommends that the total amount of funding be from the State General Fund with no transfer from the fee fund due to the severity of the fee fund's decline in receipts.
5. Addition of \$323,083 and 10.0 FTE in FY 1988 as recommended in GBA No. 5 to provide staff and funding for implementation of the federally mandated Patient Care and Services System of Medicare and Medicaid certification surveys. The recommendation includes \$304,280 from federal Medicaid funds and \$18,803 from federal Medicare funds.
6. Addition of \$58,950 from the State General Fund and 2.0 FTE positions in FY 1988 to provide staff and funding for continuation of credentialing activities.

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7. Increase of the 1987 expenditure limitation of Medicare by \$73,500, a reduction of the Medicaid limitation by \$35,000 and the Health Facilities Review Fund by \$38,500 to accurately reflect the expenditures of the licensing and certification program.
8. Addition of \$22,333 from the State General Fund in FY 1988 in the Radiation Control program due to inappropriate funding shifts from fee funds. The increase will be offset by a projected increase of \$98,500 in fees related to the radiation subprogram which will be deposited in the State General Fund.
9. Addition of expenditure authority of federal Medicaid funds by \$25,400 in FY 1988 and federal Medicaid funds by \$26,766 in FY 1988 to reflect available funds and anticipated levels of reimbursable activities.

Sec. 27 -- Kansas Corporation Commission

1. Addition of expenditure authority of \$27,000 in FY 1987 from the Public Service Regulation Fund for salaries and wages for the Utilities Division. The Division has not realized turnover savings near the budgeted rate of 6.3 percent. The salary and wage increase will be offset by reductions in other areas of the operating budget.

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2. Addition in FY 1988 of expenditure authority of \$61,225 from federal Energy Extension Service Funds, \$65,486 from federal Institutional Conservation Program Funds, \$44,400 from federal Energy Conservation Bank Funds. The increase in federal Energy Extension Service Funds is to be offset by a reduction of \$61,225 in the Energy Grants Management Fund.
3. Addition in FY 1988 of expenditure authority of \$60,000 from OKC oil overcharge funds which were approved for expenditure by the 1986 Legislature but which will not be expended in FY 1987. The Commission did not receive federal Department on Energy approval for the OKC program until February, 1987.
4. Addition in FY 1987 of expenditure authority of \$163,725 from federal Underground Injection Control Funds and of \$54,575 from the same federal fund in FY 1988. The additional funding is available due to carryforward balances and additional UIC funds available to Kansas.

Sec. 28 -- Department on Aging

1. Addition of \$673,732 from the federal Senior Community Service Employment Program (SCSEP) Funds and 1.0 FTE position in FY 1988. The recommendation will provide \$39,440 for administrative costs and \$634,292 for grants for the employment and training program for senior citizens.

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Sec. 29 -- University of Kansas Medical Center

1. Addition of \$16,439 from the State General Fund and a .5 FTE position in FY 1988 to provide a half-time field coordinator and other operating expenditures for the Medical Center's additional responsibilities under S.B. 87. The bill requires certification and training of first responder units relating to emergency medical services.
2. Deletion of \$500,000 from the State General Fund and a corresponding increase in expenditure authority for the Hospital Revenue Fund in FY 1988. The recommendation is based on revised revenue projections.
3. Technical adjustment of \$45,000 in FY 1988 in transfer from the Hospital Revenue Fund to the Hospital Fund to fully fund approved equipment purchases and capital improvement projects.
4. Authorization of a fund for the construction bonds which will be issued for a second multi-level parking garage in FY 1988.
5. Addition of expenditure authority of \$236,550 from the Hospital Revenue Fund in FY 1988 to allow a one range salary increase for classified Medical Center Nurses I's and II's and a 5 percent increase for the unclassified Medical Center Nurse III's and Head Nurses. The recommendation is made to help the Medical Center's nursing salaries be more competitive with other hospitals.

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Sec. 30 -- University of Kansas

1. Appropriation in FY 1988 of a special revenue fund entitled Parking Structure Construction Bond Fund to which bond proceeds, authorized by S.B. 385, would be deposited if bonds are issued.
2. Increase the FY 1988 expenditure limitation on the Parking Fees Fund by \$363,972, allowing use of this fund to partially finance the multi-level parking facility authorized by S.B. 385.
3. Increase the FY 1988 expenditure limitation on the Law Enforcement Training Center Fund by \$126,467 and insert a proviso specifying that: (1) not more than \$300,000 may be spent for final planning and capital improvements; (2) such improvements be limited to sustaining the existing program at the center; and (3) that expenditures shall occur only upon review by the Joint Committee on State Building Construction and approval by the State Finance Council.
4. Appropriation of \$41,150 in FY 1988 from the State General Fund for Law School Operations. This appropriation is accompanied by a proviso specifying that expenditures may occur only after the Board of Regents has certified that Law School enrollments for the fall 1987 semester are less than 550 students.

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Sec. 31 -- Board of Regents

1. Insertion of a proviso in FY 1988 allowing the State Board of Regents to reallocate off-campus work-study appropriations between its institutions and Washburn University, in conjunction with H.B. 2013. The Senate Committee also recommends that during FY 1989, the Board request appropriations for the program as a single account, to be allocated among institutions by the Board.

Sec. 32 -- Kansas Public Employees
Retirement System

1. Addition of \$2,280,160 in FY 1988 from the State General Fund, for local school employers' contributions. This amount reflects the provisions of S.B. 163 which shifted the fourth quarter transfer (\$11,490,000) from the State General Fund for local school employers' contributions from FY 1987 to FY 1988 with interest paid on the deferral at the rate of 6.72 percent (\$188,000). The amount also assumes the acceleration of the FY 1989 certified employer contribution rate to FY 1988 and that a combined school and nonschool rate of 3.0 percent be certified for FY 1988. This action would generate savings of \$9,397,440 to the State General Fund based on an employer contribution rate of 3.0 percent instead of the current budgeted rate for FY 1988 of 4.1 percent. The net addition of State General Fund support for school employers' contributions in FY 1988 is \$2,280,160.

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2. Lapse \$10,963,768 in FY 1987 from the State General Fund for local school employers' contributions. The lapse is based on S.B. 163 which delayed the fourth quarter transfer in FY 1987 to FY 1988 for school employers' contributions.
3. Increase in the FY 1988 expenditure limitation on the administrative expenses account of the Kansas Public Employees Retirement Fund by \$222,787 for administrative costs associated with the implementation of H.B. 2354 (the Omnibus retirement bill).
4. Increase in the FY 1988 expenditure limitation on the administrative expenses account of the Kansas Public Employees Retirement Fund by \$12,000 to fund an increase in the consulting actuary fee. The actuary will supply additional information so KPERS will comply with the informational changes requested by the Governmental Accounting Standards Board.

Sec. 33 -- Department of Corrections

1. Add \$82,980 all from the State General Fund in FY 1988 for contracted utilization review services for inmate medical costs. The action concurs with Governor's Budget Amendment No. 4.

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2. Add \$47,565 all from the State General Fund in FY 1988 for contracted mental and substance abuse counseling for inmates using graduate level clinicians from the University of Kansas, Emporia State University, and Wichita State University. The program would provide counseling services to inmates in the El Dorado Honor Camp, prerelease centers, and work release centers. The action concurs with Governor's Budget Amendment No. 4.
3. Add \$15,000 all from the State General Fund in FY 1988 for a parolee crisis intervention program to help divert technical parole violators from reincarceration.
4. Add \$23,000 all from the State General Fund in FY 1987 for inmate medical costs in the Honor Camps program.
5. Add \$13,500 all from the State General Fund in FY 1988 for operating expenditures in the Honor Camps program, based on increased inmate population at the Toronto Honor Camp.
6. Add \$480,000 all from the State General Fund in FY 1988 for grants to community corrections counties, based on H.B. 2341. The bill exempts youths administratively placed by SRS in state youth centers from being assessed against the community corrections counties entitlement.

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7. Increase by \$88,970 the expenditure limitation on the Correctional Industries Fund in FY 1988 and add 3.0 additional FTE positions to implement H.B. 2467. The bill provides that the Department of Corrections shall be the only state agency responsible for the state surplus property program.
8. Add \$37,319 all from the State General Fund in FY 1988 for inmate/parolee drug screening. A proposal from the agency to contract with a single laboratory at a reduced price has not materialized.
9. Add \$30,000 all from the State General Fund in FY 1987 for salaries and wages in the Honor Camps program, based on the most recent expenditures to date.
10. Add \$1,125,000 all from the State General Fund in FY 1988 for the annual debt service payment to the Ellsworth Public Building Commission for the Ellsworth Correctional Work Facility.
11. Add \$105,000 all from the State General Fund in FY 1988 for a second lease purchase agreement with the Ellsworth Public Building Commission for conversion of the Ellsworth Correctional Work Facility from a minimum custody facility (288 inmates) to a medium custody facility (256 medium custody inmates and 96 minimum custody inmates). The additional construction funds for the conversion of the facility total \$840,000. The action concurs with Governor's Budget Amendment No. 5.

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12. Add \$124,480 all from the State General Fund in FY 1988 for several capital improvements to establish a game bird program in the Honor Camps program. The improvements would include an office-hatchery-storage building, brooder-growing house, breeder pens, and flight pens.
13. Transfers and allows expenditures of \$65,520 from the Forestry, Fish and Game Commission Fee Fund to the Honor Camps--Game Bird Fund for operating expenditures associated with the game bird program.
14. Add \$120,000 all from the State General Fund in FY 1988 for a lease purchase agreement with the Hutchinson Public Building Commission for the construction of an alternative incarceration ("boot camp") facility that would be constructed on the grounds of the State Industrial Reformatory. The Hutchinson Public Building Commission would issue up to \$1,000,000 of bonds for construction of the 100 inmate bed facility.
15. Add \$1,010,000 all from the State General Fund in FY 1988 and 37.3 FTE positions for additional mental and substance abuse counseling services and related operating costs.

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16. Add \$317,951 in FY 1987 and \$4,400,022 in FY 1988, all from the State General Fund for an inmate emergency capacity expansion program. The action includes 102.0 additional FTE positions to implement the program. The funds would provide renovation and operating costs of \$4,717,973 and provide housing for 390 additional inmates. The capacity expansion program includes the following components: Osawatomie State Hospital (80 inmates); Norton State Hospital (100 inmates); Forbes/Topeka (60 inmates); Topeka State Hospital (50 additional inmates); and placement of inmates in contracted local jails (100 inmates).

Sec. 34 -- Kansas Correctional Institution
at Lansing

1. Add \$1,000 from the State General Fund in FY 1988 for inmate drug screening. A proposal from the agency to contract with a single laboratory at a reduced price has not materialized.

Sec. 35 -- State Reception and
Diagnostic Center

1. Add \$6,500 from the State General Fund in FY 1988 for inmate drug screening. A proposal from the agency to contract with a single laboratory at a reduced price has not materialized.

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Sec. 36 -- Kansas State Penitentiary

1. Add \$4,000 from the State General Fund in FY 1988 for inmate drug screening. A proposal from the agency to contract with a single laboratory at a reduced price has not materialized.
2. Delete \$82,980 from the State General Fund in FY 1988 for inmate medical health care services and supplies based on the use of a contracted vendor for utilization review.

Sec. 37 -- State Correctional-Vocational
Training Center

1. Add \$25,000 from the State General Fund in FY 1987 for operating expenditures based on the most recent expenditures to date.
2. Add \$24,188 from the State General Fund in FY 1988 for operating expenditures (food and inmate pay) based on the most recent expenditures to date and projecting that need forward to FY 1988.
3. Add \$3,766 from the State General Fund in FY 1988 for inmate drug screening. A proposal from the agency to contract with a single laboratory at a reduced price has not materialized.

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Sec. 38 -- State Industrial Reformatory

1. Add \$52,500 from the State General Fund in FY 1987 for operating expenditures to correct a technical oversight in the Governor's original recommendation. The action accepts GBA No. 3.
2. Lapse \$210,000 in FY 1987 from a State General Fund capital improvement project to install standby electrical generators at the institution based on actual bids received for the project. The action accepts GBA No. 3 on the reduction of funds for the project.
3. Add \$140,577 from the State General Fund in FY 1987 for food and utilities based on the most recent expenditures to date.
4. Add \$2,000 from the State General Fund in FY 1988 for inmate drug screening. A proposal from the agency to contract with a single laboratory at a reduced price has not materialized.
5. Add \$154,184 from the State General Fund in FY 1988 for operating expenditures (food and utilities) based on the most recent expenditures to date and projecting that need forward to FY 1988.

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Sec. 39 -- Pittsburg State University

1. Appropriation from the State General Fund of \$44,800 during FY 1987 and \$44,800 during FY 1988 for utility expenditures, as recommended by GBA No. 4.

Sec. 40 -- Behavioral Sciences Regulatory Board

.. Addition of \$78,917 in expenditure authority in FY 1988 for the Behavioral Sciences Regulatory Board due to the passage of S.B. 78 and S.B. 288 which adds master level psychologists and professional counselors to the classes of occupations regulated by the Board. The amount recommended would provide funding for one additional position, upgrades of two existing positions and other operating expenditures.

Sec. 41 -- Department of Social and
Rehabilitation Services

1. Addition of \$4,420,039 in FY 1987, of which \$2,190,287 is from the State General Fund and \$2,229,752 is from federal funds, for shortfalls in the Medical Assistance budget. Addition of \$8,552,541 in FY 1988, of which \$3,977,580 is from the State General Fund and \$4,574,961 is from federal funds, also to finance projected shortfalls in the Medical Assistance budget.

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2. Addition of \$2,402,087 from the State General Fund and \$314,812 in federal funds in FY 1988 for special purpose mental retardation grants. This recommendation would provide for the following: (1) continuation of grants started in FY 1986 and FY 1987 (\$1,576,274); (2) movement of 100 additional clients from state institutions to community placements at an average of \$50 per day for five months, and assuming that 75 of the 100 clients will be eligible for federal matching funds through the Medicaid waiver program (\$760,417); and (3) funding for movement of at least 50 clients off community waiting lists at an average of \$50 per day for five months (\$380,208). It is recommended that any savings the agency may realize by placing clients for less than \$50 per day should be used to fund additional placement of clients from community waiting lists.

3. Addition of \$58,540 from the State General Fund in FY 1988 for two special projects positions to coordinate the special mental retardation grants.

4. Addition of \$1,229,380 in FY 1988, of which \$614,690 is from the State General Fund and \$614,690 is from federal funds, to finance partial elimination of the fifth cost center in the nursing home reimbursement system. The amount recommended would allow one-half of the fifth cost center to be eliminated beginning January 1, 1988.

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5. Addition of \$577,088 from the State General Fund in FY 1988 for the non-medical attendant care program. The amount recommended would fund payment of employer FICA contributions as required by the IRS (\$262,552), travel for non-medical attendant care workers (\$250,000), and 10 non-medical attendant care worker supervisors (\$64,535).
6. Addition of \$304,280 in FY 1988 of which \$76,070 is from the State General Fund, for the Patient Care and Services (PACs) Survey System. SRS contracts with the Department of Health and Environment for Medicaid nursing home inspections and this amount would allow expansion of the contract to implement the PACs program.
7. Addition of \$231,108 in FY 1988, of which \$69,332 is from the SRS Fee Fund and \$161,776 is from federal funds. This amount is recommended for additional part-time staff to do paternity determinations for the child support enforcement program and thus avoid the loss of federal funds.
8. Addition of 12.0 FTE positions in FY 1988 for Vocational Rehabilitation Services for transitional programs for developmentally disabled students exiting special education programs. This recommendation is only for additional position authority and does not entail additional expenditures beyond the amounts contained in 1987 S.B. 196.

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Sec. 42 -- Youth Center at Topeka

1. Add \$31,840 in FY 1988 to increase the school contract administrative fee from 7 percent to 10 percent.
2. Add \$14,382 in FY 1987 for a projected salaries and wages shortfall.

Sec. 43 -- Youth Center at Beloit

1. Add \$17,479 in FY 1988 to increase the school contract administrative fee from 7 percent to 10 percent.

Sec. 44 -- Youth Center at Atchison

1. Add \$18,247 in FY 1988 to increase the school contract administrative fee from 7 percent to 10 percent.

Sec. 45 -- Kansas Neurological Institute

1. This section authorizes FY 1988 expenditures totaling \$17,268,908, of which \$7,964,247 is from the State General Fund, based on the Governor's budget recommendations and amendments. These appropriations were not included in a regular appropriations bill for FY 1988. The appropriation of these funds would provide \$19,500 for capital improvement projects, \$40,478 from the State General Fund for dietary services associated with the proposed expansion of the Topeka Prerelease Center, a reduction of \$13,538 from the State

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General Fund pending passage of S.B. 420 which would provide a categorical aid rate of \$14,096 rather than \$12,500, and a FTE limitation of 748.5 positions in FY 1988, the same number authorized in FY 1987. These appropriations concur with the Governor's recommendations, except for the addition of \$35,000 from the State General Fund for the agency's participation in an active treatment training program.

2. This section also authorizes a total reduction of \$85,000 in operating expenditures for FY 1987, based on the Governor's recommendations and amendments. The adjustments to the operating budget for FY 1987 include: (a) reduction of State General Fund expenditures for salaries and wages by \$85,000, due to projected savings resulting from a higher than expected level of turnover; and (b) a shift of \$15,000 from fee fund financing to State General Fund expenditures, based on lower than anticipated receipts.

Sec. 46 -- Norton State Hospital

1. This section authorizes FY 1988 expenditures totaling \$6,518,030, of which \$3,140,904 is from the State General Fund, based on the Governor's budget recommendations and amendments. These appropriations were not included in a regular appropriations bill for FY 1988. The appropriation of these funds would provide \$46,200 for capital improvement projects, \$241,794 from the State General Fund for the proposed placement of inmates in

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the custody of the Department of Corrections at Norton, and a FTE limitation of 258.0 positions, a reduction of three positions from the number authorized in FY 1987. These appropriations concur with the Governor's recommendations except for (a) the addition of \$10,000 from the State General Fund for the agency's participation in an active treatment training program; and (b) a reduction of \$166,507 from the State General Fund and 9 FTE positions, rather than 12, for the proposed placement of inmates at Norton.

2. This section also authorizes a total reduction of \$42,000 in operating expenditures for FY 1987, based on the Governor's recommendations and amendments. The adjustments to the operating budget for FY 1987 include (a) reduction of State General Fund expenditures for salaries and wages by \$50,000 due to projected savings resulting from a higher than expected level of turnover; (b) reduction of State General Fund expenditures for other operating purposes by \$20,000 due to lower than anticipated expenditures; (c) increased receipts to the fee fund and a reduced carryforward balance providing a reduction of \$36,883 from State General Fund expenditures and a corresponding increase in the fee fund expenditure limitation; and (d) addition of \$28,000 in State General Fund expenditures for capital outlay purchases associated with the proposed placement of inmates in the custody of the Department of Corrections at Norton.

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Sec. 47 -- Parsons State Hospital and
Training Center

1. This section authorizes FY 1988 expenditures totalling \$12,475,672, of which \$5,575,267 is from the State General Fund, based on the Governor's budget recommendations and amendments. These appropriations were not included in a regular appropriations bill for FY 1988. The appropriation of these funds would not provide any capital improvement projects in FY 1988, a reduction of \$19,658 from the State General Fund pending passage of S.B. 420 which would provide a categorical aid rate of \$14,096 rather than \$12,500, and an FTE limitation of 496.5 positions, the same number recommended in FY 1987. These appropriations concur with the Governor's recommendations, except for the addition of \$35,000 from the State General Fund for the agency's participation in an active treatment training program.
2. This section also authorizes the addition of \$39,814 in other operating expenditures from the Title XIX Fund for FY 1987, based on the Governor's recommendations and amendments. The Governor's base recommendations provide for an increase in the FTE limitation from 478.5 positions to 496.5 positions. The increase in the FTE limitation corresponds with the transfer of 48 clients from Winfield to Parsons by the end of this fiscal year.

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Sec. 48 -- Winfield State Hospital and
Training Center

1. This section authorizes FY 1988 expenditures totalling \$21,444,748, of which \$11,162,541 is from the State General Fund, based on the Governor's budget recommendations and amendments. These appropriations were not included in a regular appropriations bill for FY 1988. The appropriation of these funds would provide \$79,200 for capital improvement projects and an FTE limitation of 938.0 positions, an increase of 85 positions over the number authorized in FY 1987 and two positions above the number recommended in the Governor's amendments for FY 1987. The appropriation of these funds would provide a reduction in the average daily census from 440 clients to 340 by the end of the fiscal year and a corresponding reduction of 50 FTE positions, resulting in a year-end FTE position total of 888. These appropriations concur with the Governor's recommendations, except for the addition of \$35,000 from the State General Fund for the agency's participation in an active treatment training program.

2. This section also authorizes a total increase of \$810,779 in other operating expenditures for FY 1987, based on the Governor's recommendations and amendments. The adjustments to the operating budget for FY 1987 include (a) addition of \$810,779 in expenditures from the Title XIX Fund due to deficiencies cited in a recent federal survey of the institution, and (b) increase of 83 positions over the FTE limitation of 853.0 positions.

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Sec. 49 -- Larned State Hospital

1. Reduction of \$12,339 pending passage of S.B. 420 from the FY 1988 State General Fund appropriation for Larned, based on a categorical aid rate of \$14,096 rather than \$12,500 as included in Sub. S.B. 161. The recommendation would offset increased categorical aid with reduced State General Fund.
2. Addition of \$33,962 to the school contract in FY 1988 to increase the administrative fee paid to the contracting school district from 5 percent to 10 percent.
3. Increase of \$60,000 to the hospital fee fund and a reduction from the State General Fund of \$117,019 in FY 1988 for a total of \$177,019 to finance seven new nursing positions. On March 4, 5, and 6 of this year, federal Medicare surveyors found the hospital out of compliance because of the insufficient number of registered nurses. Revised projections of fee fund receipts indicate that the ending balance in the fee fund would still be the equivalent of two weeks of receipts.
4. Decrease in FY 1988 the expenditure limitation of the Title XIX fund by \$499,447 and a corresponding increase in the State General Fund appropriation of \$499,447. Adjustments were made in the Title XIX amounts to be transferred to each of the mental health and mental retardation institutions to more accurately reflect the amount of Title XIX generated by each of the institutions.

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Sec. 50 -- Osawatomie State Hospital

1. Reduction of \$28,350 pending passage of S.B. 420 from the FY 1988 State General Fund appropriation for Osawatomie, based on a categorical aid rate of \$14,096 rather than \$12,500 as contained in Sub. S.B. 161. The recommendation would offset increased categorical aid with reduced State General Fund.
2. Addition of \$18,730 to the school contract in FY 1988 to increase the administrative fee paid to the contracting school district from 5 percent to 10 percent.
3. Lapse \$4,343 from the FY 1987 State General Fund appropriation in H.B. 2395 due to the delay in the Corrections' expansion project at Osawatomie.
4. Increase in the FY 1988 expenditure limitation of the Title XIX fund of \$84,159 and a corresponding decrease in the State General Fund appropriation of \$84,159. Adjustments were made in the Title XIX amounts to be transferred to each of the mental health and mental retardation institutions to more accurately reflect the amount of Title XIX generated by each of the institutions.
5. Addition of \$63,163 from the FY 1988 State General Fund appropriation to fund the proposed Corrections' expansion project at Osawatomie for a total appropriation for the project of \$113,623 for 80 inmates for a full fiscal year.

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Sec. 51 -- Rainbow Mental Health Facility

1. Reduction of \$20,279 pending passage of S.B. 420 from the FY 1988 State General Fund appropriation for Rainbow based on a categorical aid rate of \$14,096 rather than \$12,500 as included in Sub. S.B. 161. The recommendation would offset increased categorical aid with reduced State General Fund.
2. Addition of \$26,740 to the school contract in FY 1988 to increase the administrative fee paid to the contracting school district from 5 percent to 10 percent.
3. Decrease in FY 1988 the expenditure limitation of the Title XIX fund by \$66,144 and a corresponding increase in the State General Fund appropriation of \$66,144. Adjustments were made in the Title XIX amounts to be transferred to each of the mental health and mental retardation institutions to more accurately reflect the amount of Title XIX generated by each of the institutions.

Sec. 52 -- Topeka State Hospital

1. Reduction of \$35,394 pending passage of S.B. 420 from the FY 1988 State General Fund appropriation for Topeka based on a categorical aid rate of \$14,096 rather than \$12,500 as included in Sub. S.B. 161. The recommendation would offset increased categorical aid with reduced State General Fund.

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2. Increase of \$69,173 to the hospital fee fund limitation due to revised fee fund projections and a corresponding decrease to the State General Fund in FY 1988.
3. Increase in FY 1988 the expenditure limitation of the Title XIX fund by \$526,297 and a corresponding decrease in the State General Fund appropriation of \$526,297. Adjustments were made in the Title XIX amount to be transferred to each of the mental health and mental retardation institutions to more accurately reflect the amount of Title XIX each institution generates.

Sec. 53 -- Board of Nursing

1. Establish appropriations authority for FY 1988 to expend funds collected in the Board of Nursing Gifts and Grants Fund created in S.B. 302.

Sec. 54 -- Judicial Branch

1. Addition of \$150,000 (SGF) in FY 1987 for salaries and wages to meet a shortfall in judicial salaries resulting from the 3.8 percent reductions in the lapse bill (H.B. 2049).
2. Reduction of \$516,586 (SGF) in salaries and wages in FY 1988 to accelerate the FY 1989 certified employers contribution rate for Judges' Retirement and KPERS. The acceleration of the employer contribution rate is contained in H.B. 2354.

Senate
Committee
Recommendations

House
Committee
Recommendations

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Recommendations

Sec. 55 -- Department of Administration

1. Addition of \$6,000 (SGF) in FY 1988 for remodeling the House gallery to provide handicapped accessibility for the public in the Statehouse and \$21,900 for electrical wiring improvements in the Statehouse.

Sec. 56 -- State Finance Council

This section lapses \$2,412,464 from the FY 1988 appropriation to the State Finance Council for salary plan changes and reflects the revision of the KPERS-nonschool rate from 3.9 percent to 3.0 percent.

Sec. 57 -- Legislative Coordinating Council

This section lapses \$21,023 from the FY 1988 appropriation to the Legislative Coordinating Council and reflects the revision of the KPERS-nonschool rate from 3.9 percent to 3.0 percent.

Kansas Department of Human Resources

REPORT ON EXPENDITURES FOR WAGE RATE DETERMINATIONS AND
FISCAL IMPACT ON THE DISCONTINUATION OF WAGE SURVEYS

This report outlines the costs associated with performing wage surveys as they were originally incurred, as we anticipated such costs in our FY 1986 budget request and as those costs are currently being experienced.

In June of 1984 the Governor ordered the Department of Human Resources to commence performing wage rate determinations. No funds were appropriated for this function but we were informed that supplemental funds would be requested if the survey required considerable expenditures.

The project was commenced in September or October of 1984 and was completed on a piecemeal basis in February, March, and April 1985. This survey was the first to be undertaken thus an administrative position completed a majority of the work involved. The administrative person utilized the services of a clerical person on a limited part-time basis. No actual man hour costs were computed since the administrative person also was involved on a daily basis with resolving labor relations cases. We did not, however, seek supplemental funds during FY 1985.

The Department was advised that the wage surveys were to be continued in FY 1986. Our FY 1986 program plan and budget request was prepared showing employment standards as one function and labor relations as a second function. Even at that point in time we were beginning to utilize personnel budgeted under one of these programs to perform functions under the other program. Further case load under both employment standards and labor relations were increasing dramatically.

As a result of the increase in case loads and considering the extra work of performing the wage survey, it was felt two new positions were necessary. Therefore a request was made to add one clerical position within the employment standards budget and one administrative position within the labor relations budget. The clerical request was based about 80% to 90% on the need for clerical assistance in handling wage claim and labor relations correspondence and 10% to 20% as part-time clerical to perform clerical assistance on the wage rate determination project. The administrative position request was based upon the concept that position would spend approximately 5-6 months working at least one half to 3/4 day on wage surveys (November through March) and the remainder of the year the position would assist in resolving labor relation and wage payment cases.

In addition to the "part-time" positions to perform wage surveys it was felt that certain other operating expenditures would be required. Those anticipated expenditures show in the FY 1986 Budget request and are as follows:

- 1) Object Code 200 - \$3,000
- 2) Object Code 220 - \$ 560
- 3) Object Code 250 - \$3,000
- 4) Object Code 290 - \$1,216
- 5) Object Code 370 - \$ 400

These were rough estimates because it was virtually impossible to keep the records of wage survey expenditures separate from other employment standards and labor relations expenditures during our first survey. Additionally we had only one appeal from our first year wage rate determinations. We knew that the appeal rate would grow once the parties utilizing our rates became familiar with the survey methodology. As a result we requested \$3,000 for travel for the purpose of hearing wage rate appeals. There was also a request for \$1,216 for the F.W. Dodge reports which list all public construction projects and the names of contractors who worked on

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acts. (During FY 1986 we determined that the Dodge report was unnecessary and continued the service).

Our 1986 budget requests were approved by the Governor and the Legislature and both the clerical position and the administrative positions were filled.

The second wage survey was commenced in October 1985 and was completed on April 1, 1986. As a matter of practicality we found, during the second annual survey, that the time required of the administrative person decreased drastically since the procedures were in place and the survey work became quite routine and clerical in nature. The administrative tasks thereafter consisted of; 1) supervision of the clerical; 2) checking accuracy of clerical; 3) answering questions from interested parties, and 4) conducting wage appeal hearings. The cost of the second survey were as follows:

Clerical Cost - - - - -	\$4,165.60
Materials & mailing cost -	\$1,040.00
Administrative cost- - - -	\$ 875.52
Travel Cost- - - - -	\$ 124.16
Total cost of survey - - -	\$6,205.28

Detailed computations of the above costs are attached.

We are now engaged in the third survey and we find that survey procedures are quite well established thus requiring less supervision of the clerical person actually performing the work. It is estimated that our clerical costs and materials mailing costs will remain substantially the same as the costs incurred during the last survey. It is also believed that administrative costs will decrease unless a larger number of appeals are taken.

We must point out, however, certain occurrences which have worked a considerable hardship on this section. First a clerical position was eliminated on approximately January 1, 1987 in order to comply with the 3.8% budget cut. This position was the position that was originally created as part-time help to perform wage survey work. As a result of the loss of this position because of the 3.8% reduction we are now falling behind in clerical work related to employment standards, labor relations and apprenticeship.

Secondly, we wish to point out that the section further eliminated an attorney position to comply with the 3.8% budget cut. Thus the time of the administrative person formerly devoting time to wage surveys is now being utilized to conduct wage claim (employment standards) hearings.

In summary the net result of the elimination of the wage rate survey will be an approximate savings of \$1,164.16 in materials, mailing and travel costs. All personnel are and will be utilized to perform employment standards and labor relations work. If either position is eliminated we will be unable to sustain our work load and will not be capable of delivering timely service to Kansas citizens.

In order to illustrate the need for the positions to perform employment standards and labor relations duties the increasing case load over the last six years is shown below:

<u>FISCAL YEAR</u>	<u>EMPLOYMENT STANDARDS CASES</u>	<u>LABOR RELATIONS CASES</u>
1981	1,207	-
1982	1,264	-
1983	1,400	116
1984	1,817	121
1985	1,973	141
1986	2,137	132

his case load increase was manageable because of the change made within the employment standards and labor relations section to cross train individuals to perform duties under any "function". This full utilization of personnel has worked quite well and thus we have avoided having to request additional personnel to perform the employment standards or labor relations functions. If any further position reductions are made to this section we will not be able to keep up with the case load.

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Kansas Department of Human Resources
 Computation of Cost for the Second Wage Survey

CLERICAL POSITION AND MATERIALS AND MAILING

<u>OCTOBER</u>	<u>MAN HOURS</u>	<u>COST OF FORM - MAILING</u>
1) Compilation of names and addresses of contractors	8	\$310
2) Enter names and addresses on computer	16	
3) Send notice to contractors association and labor organizations	<u>3</u>	<u>\$ 3</u>
Total Costs	27	\$313

NOVEMBER

1) label and mail correspondence to approximately 3,600 interested parties requesting information	<u>40</u>	<u>\$420</u>
Total Costs	40	\$420

NOVEMBER - FEBRUARY

1) receive and tabulate wage rate data	<u>240</u>	<u>0</u>
Total	240	0

DECEMBER 15

1) label and mail second notice correspondence to contractors who did not respond to first notice	<u>16</u>	<u>\$264</u>
Total Costs	16	\$264

FEBRUARY 1 - APRIL 1

1) enter wage data into computer	<u>120</u>	<u>0</u>
Total	120	0

(cont.)

Kansas Department of Human Resources
 Computation of Cost for the Second Wage Survey (cont.)

<u>APRIL 1</u>	<u>MAN HOURS</u>	<u>COST OF FORM - MAILING</u>
1) disseminate wage rates to interested parties	<u>5</u>	<u>\$ 42.50</u>
Total Costs	5	\$ 42.50

APRIL 1 to MARCH 30

1) send notice of appeals	
2) receive and process correspondence	60
3) send wage rates to parties	—
Total	60

MAN HOUR COSTS

MATERIALS AND MAILING COSTS

27	\$313
40	\$420
240	\$264
16	<u>\$ 43</u>
120	
5	Total \$1,040
<u>60</u>	

508 hrs. @ \$8.20 hr. = \$4,165.60
\$1,040.00

Total clerical and
materials \$5,205.60

ADMINISTRATIVE POSITION COSTS/TRAVEL

OCTOBER 1 to APRIL 1

MAN HOURS

1) supervises clerical and reviews data	40
2) Responds to questions from inter- ested parties	—
Total	40

APRIL 1 - MARCH 31

1) hold wage rate hearings and adjusts data	<u>24</u>
Total	24

(cont.)

Kansas Department of Human Resources
 Computation of Cost for the Second Wage Survey (cont.)

Total Man Hours = 64

64 hours @ \$13.68 hours = \$875.52

TRAVEL AND PER DIEM

11 appeals hearings were conducted between April 1, 1986 and February 25, 1987.

<u>APPEAL</u>	<u>MAN HOURS</u>	<u>MILES</u>
Plumber/Pipefitter and Drywall Hanger for Shawnee County	2	0
Electrician for Leavenworth County	1	0
Electrician for Riley County	1	0
Drywall Hanger for Douglas County	1	0
Carpenter, plumber/pipefitter, roofer and Sheet Metal Worker - Norton County all handled procedurally in office	4	0
Plumber/pipefitter Sedgwick County	5	336
Carpenters for Olathe	5	116
Electricians for Crawford County	<u>5</u>	<u>324</u>
Total	24	776
		<u>@ .16</u>
		\$124.16

Total administrative cost and mileage = \$999.68

Clerical Cost	-	\$4,165.60
Materials and Mailing	-	\$1,040.00
Administrative Costs	-	\$ 875.52
Travel	-	<u>\$ 124.16</u>

Total Cost of Survey \$6,205.28

These costs are based upon our best information and all pertain to the second survey.

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DEPARTMENT OF HUMAN RESOURCES-----OUT-SERVICE TRAINING INFORMATION FOR WAYS & MEANS SUBCOMMITTEE

Attachment D

July 1, 1985 to June 30, 1986

NAME	WORK UNIT	CLASS TAKEN	TUITION	BOOKS	TOTAL	EDUCATIONAL INSTITUTION	ADMIN. LEAVE	JOB REL.	CAREER DEVELOP.
GODFREY, LouAnn	KOICC	Lotus 1-2-3	\$200.00	\$- 0 -	\$200.00	ESSI	No	X	
WEISHAR, Tim	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
SLY, Teresa	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
WILCOX, Marilynne	Wkrs' Comp.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
WESTFALL, Marcella	Wkrs' Comp.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
YBARRA, Steve	ESSI	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
TORRES, Connie	Data Proc.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
SICKA, Ron	Research Anal.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
McCLURE, Tom	Research Anal.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
SCOTT, Maejean	Fiscal Mgt.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
HERD, James	Lbr. Mgt. Rel.	Property II	279.00	- 0 -	279.00	Washburn University	No	X	X
WEIBEL, Max	Lbr. Mgt. Rel.	College Algebra MA116	159.00	- 0 -	159.00	Washburn University	No		X
WEIBEL, Max	Lbr. Mgt. Rel.	Princ. Econ. II EC206	159.00	- 0 -	159.00	Washburn University	No		X
FINLEY, Phillip	ESSI	Intro. Elec. DP CM110	159.00	36.65	195.65	Washburn University	No	X	
BELL, Jane	JTPA	College Algebra MA116	159.00	28.45	187.45	Washburn University	Yes	X	
TORRES, Connie	Data Proc.	RPG Programming II	159.00	28.45	187.45	Washburn University	No	X	
FOSTER, Martha	Benefits	Intro. to Word Processing	106.00	9.62	115.62	Washburn University	No	X	
ABBOTT, Dana	Lbr. Mgt. Rel.	Intro. to Word Processing	106.00	10.25	116.25	Washburn University	No	X	
ABBOTT, Scott	Data Proc.	COBOL Programming	159.00	- 0 -	159.00	Washburn University	No	X	
BARTLOW, Jennie	Mex. Amer. Aff.	Honors English	159.00	21.20	180.20	Washburn University	No	X	
BARTLOW, Jennie	Mex. Amer. Aff.	Theory of Communication	159.00	39.20	198.20	Washburn University	No	X	X
BOHL, Twila	ESSI	COBOL Programming	159.00	24.95	183.95	Washburn University	No	X	
BURBANK, Tammy	Lbr. Mgt. Rel.	Intro. to Word Processing	106.00	10.25	116.25	Washburn University	No	X	
BUCK, Michelle	Handicapped Comm.	Word Processing	159.00	17.30	176.30	Washburn University	Yes	X	
BURNS, Karen	Contributions	Princ. of Acctg. I	159.00	43.90	202.90	Washburn University	No	X	
FORBES, Cheryl	Data Proc.	Form. Reason. Com Prog. PHIIO	159.00	20.00	179.00	Washburn University	No	X	
GODFREY, LouAnn	Cost Model	Theory of Communication	159.00	25.30	184.30	Washburn University	No	X	X
GODFREY, LouAnn	Cost Model	Accounting I	159.00	50.30	209.30	Washburn University	No	X	X
HAVERKAMP, Monica	ESSI	COBOL Programming	159.00	28.33	187.33	Washburn University	No	X	X
HENRY, Caroline	Legal	Intro. to Legal Terminology	159.00	19.95	178.95	Washburn University	No	X	
KLEIN, Shirley	Legal	Intro. to Legal Terminology	159.00	19.95	178.95	Washburn University	No	X	
KNATT, Al	EEO	Public Personnel Admin.	159.00	28.03	187.03	Washburn University	No	X	X
KOKKER, Sandra	Benefits	Intro. to Word Processing	106.00	10.25	116.25	Washburn University	No	X	
KURGER, Joni	Lbr. Mgt. Rel.	Intro to Word Processing	106.00	10.25	116.25	Washburn University	No	X	
MATTHEWS, Larry	ESSI	Intro. to UNIX System	159.00	42.45	201.45	Washburn University	No	X	
MILLS, Patricia	Data Proc.	RPG Programming	159.00	28.45	187.45	Washburn University	No	X	
MILLS, Patricia	Data Proc.	Basic Algebra	159.00	29.50	188.50	Washburn University	No	X	X
NORRIS, Ruth	WIN Admin.	English 101	159.00	28.45	187.45	Washburn University	No	X	
O'HARA, Catherine	Lbr. Mgt. Rel.	Fund. of Ind. Safety SY105EA	159.00	24.70	183.70	Washburn University	No	X	
RADFORD, Pam	Research Anal.	COBOL Programming CM121EA	159.00	24.95	183.95	Washburn University	No	X	
SHELOR, Deborah	Data Proc.	Cultural Anthropology	159.00	- 0 -	159.00	Washburn University	No		X
Page Total			\$6,784.00	\$661.08	\$7,445.08				

Attachment D

ATTACHMENT 4

4/27/87 Susan

DEPARTMENT OF HUMAN RESOURCES-----OUT-SERVICE TRAINING INFORMATION FOR WAYS & MEANS SUBCOMMITTEE (cont.)

July 1, 1985 to June 30, 1986

NAME	WORK UNIT	CLASS TAKEN	TUITION	BOOKS	TOTAL	EDUCATIONAL INSTITUTION	ADMIN. LEAVE	JOB REL.	CAREER DEVELOP.
RENFRO, Dennis	Data Proc.	Formal Reas. for Comp. Prog.	\$159.00	\$20.00	\$179.00	Washburn University	No	X	
REYNOLDS, Kimberly	Data Proc.	Formal Reas. for Comp. Prog.	159.00	20.00	179.00	Washburn University	No	X	
SHELOE, Deborah	Data Proc.	Oper. Systems Control Language	159.00	30.00	189.00	Washburn University	No	X	
STARK, Carrie	ESSI	COBOL Programming	159.00	24.95	183.95	Washburn University	No	X	X
SUMNER, Shelli	Internal Sec.	Mgt. Information System	159.00	40.90	199.90	Washburn University	No	X	
SWENSON, David	ESSI	Fund. of Data Communications	159.00	33.45	192.45	Washburn University	No	X	
TORRES, Connie	Data Proc.	COBOL Programming CN121EA	159.00	24.95	183.95	Washburn University	No	X	
WICHMAN, Kele	Lbr. Mgt. Rel.	Intro. to Word Processing	106.00	10.25	116.25	Washburn University	No	X	
DONNER, Ron	JTPA (Hays)	Intermediate Acctg. II	144.00	19.00	163.00	Fort Hays State Univ.	No	X	
DONNER, Ron	JTPA (Hays)	Business Law I	144.00	33.95	177.95	Fort Hays State Univ.	No	X	
WILSON, Susan	JTPA Garden City	English I	55.00	20.00	75.00	Garden City Comm. Coll.	No	X	
TEASLEY, Stan	Vet. Comm. (Pd. Lbr. Mgt.)	Public Policy & State Admin.	174.00	- 0 -	174.00	Kansas University	No	X	
TEASLEY, Stan	Vet. Comm. (Pd. Lbr. Mgt.)	Public Finance Systems	174.00	- 0 -	174.00	Kansas University	No	X	
BARTLOW, Jennie	Mex. Amer. Aff.	Public Speaking CS150M	159.00	18.00	177.00	Washburn University	No	X	
BELL, Jane	JTPA	Statistics MA140E	159.00	40.90	199.90	Washburn University	Yes	X	
BOHL, Twila	ESSI	Assembler Language Tech.	159.00	35.45	194.45	Washburn University	No	X	
FERETTI, Jacqueline	Lbr. Mgt. Rel.	Intro. to Word Processing	106.00	22.20	128.20	Washburn University	No	X	
FLINT, Maria	Data Proc.	Intro. Elect. Data Processing	159.00	32.90	191.90	Washburn University	No	X	
HENNES, Joseph	ESSI	Assembler Language Tech	159.00	35.45	194.45	Washburn University	No	X	
HENRY, Caroline	ESSI	COBOL Programming	159.00	24.95	183.95	Washburn University	No	X	X
HERD, James	Lbr. Mgt. Rel.	Research/Writing legal methods	371.00	29.10	400.10	Washburn University	No	X	X
KRUGER, Joni	Lbr. Mgt. Rel.	Business & Technical Writing	159.00	21.60	180.60	Washburn University	No	X	
LEWIS, Paul	Data Proc.	Form. Reas. for Comp. Prog.	159.00	22.65	181.65	Washburn University	No	X	
NITCHER, Janet	JTPA	Intermediate Accounting	159.00	40.45	199.45	Washburn University	No	X	
O'HARA, Catherine	Lbr. Mgt. Rel.	Safety Course SY115EA(777)	159.00	- 0 -	159.00	Washburn University	No	X	
OLIVER, Anita	JTPA	Intro. to Data Proc.	159.00	39.90	198.90	Washburn University	No	X	
OLIVER, Anita	JTPA	Intermediate Accounting I	159.00	40.45	199.45	Washburn University	No	X	
RADFORD, Pam	Research Anal.	Info. Structures CM305EA	159.00	24.45	183.45	Washburn University	No	X	
RADFORD, Pam	Research Anal.	Assemb. Lang. Tech CM231EA	159.00	35.45	194.45	Washburn University	No	X	X
SHELOE, Deborah	Data Proc.	Math Statistics	159.00	40.90	199.90	Washburn University	No	X	
STATTELMAN, Stephen	Fiscal Mgt.	Intro. to Data Proc.	159.00	32.90	191.90	Washburn University	No	X	
SWENSON, David	ESSI	Systems Anal. for Mgt. CM337	159.00	26.65	185.65	Washburn University	No	X	
TORRES, Connie	Data Proc.	Assembler Lang. Tech.	159.00	35.45	194.45	Washburn University	No	X	X
WEIBEL, Max	Lbr. Mgt. Rel.	Princ. Acctg. IAC225	159.00	12.50	171.50	Washburn University	No	X	X
WEIBEL, Max	Lbr. Mgt. Rel.	Princ. Economics I EC202	159.00	37.95	196.95	Washburn University	No	X	X
YOUNG, Patricia	Wkrs' Comp.	Understanding Interp. Commun.	159.00	16.00	175.00	Washburn University	No	X	
LUEKER, Penelope	Cont. (Wichita)	Managerial Accounting 220	127.35	33.80	161.15	Wichita State Univ.	No	X	
LUEKER, Penelope	Cont. (Wichita)	Aspects of bus. organiz. 232	127.35	16.20	143.55	Wichita State Univ.	No	X	
ABBOTT, Patti	Data Proc.	CICS-I	200.00	- 0 -	200.00	ESSI	No	X	
MILLS, Patricia	Data Proc.	CICS-I	200.00	- 0 -	200.00	ESSI	No	X	
TORRES, Connie	Data Proc.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	

Page Total

\$6,580.70	\$993.70	\$7,574.40
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DEPARTMENT OF HUMAN RESOURCES-----OUT-SERVICE TRAINING INFORMATION FOR WAYS & MEANS SUBCOMMITTEE

(cont.)

Attachment D - 3 -

July 1, 1985 to June 30, 1986

<u>NAME</u>	<u>WORK UNIT</u>	<u>CLASS TAKEN</u>	<u>TUITION</u>	<u>BOOKS</u>	<u>TOTAL</u>	<u>EDUCATIONAL INSTITUTION</u>	<u>ADMIN. LEAVE</u>	<u>JOB REL.</u>	<u>CAREER DEVELOP.</u>
ARNOLD, Richard	ESSI	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	
GRAHAM, Martin	ESSI	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	
SANDERS, Ford	ESSI	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	
DICK, Thelma	Research & Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	
JOHNSON, Beth	Research & Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	
PIERCE, Bud	Personnel	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	Yes	X	
WESTENBERGER, Matilda	Research Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	No	X	
MORRISSEY, William	Wkrs' Comp.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
WESTFALL, Marcella	Wkrs' Comp.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
FINSON, Shelly	Research Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	Yes	X	
RADFORD, Pamela	Research Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	Yes	X	
DICK, Thelma	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	Yes	X	
JOHNSON, Beth	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	Yes	X	
WESTENBERGER, Matilda	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	Yes	X	
MORRISSEY, William	Wkrs' Comp.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
LAYMAN, Julia	JTPA	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
NITCHER, Janet	JTPA	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
SICKA, Ron	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
ARMSTRONG, Max	ESSI	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
HOWARD, Dale	ESSI	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
FINLEY, Philip	ESSI	Intro. to El. Data Pro. CM110EV	159.00	36.65	195.65	Washburn University	No	X	
SCHNEIDER, Charles	JTPA	Data Base Logic Modeling	200.00	- 0 -	200.00	ESSI	No	X	
BRODACYNKI, Daniel	Research Anal.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
HARRY, Sharon	Mex. Amer. Aff.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
HULL, Laurie	Mex. Amer. Aff.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
SCOTT, MaeJean	Fiscal Mgt.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
SICKA, Ron	Research Anal.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
ABBOTT, Scott	Data Proc.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
YBARRA, Stephen	ESSI	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
TORRES, Connie	Data Proc.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
LEE, Claude	Appeals	Appeals Mgt. Train. Conf.	465.00	- 0 -	465.00	Univ. of Nevada-Reno	No	X	
KOTICH, A.J.	Empl. Security	Appeals Mgt. Train. Conf.	465.00	- 0 -	465.00	Univ. of Nevada-Reno	No	X	
GINGERICH, Judith	Research Anal.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
WEISHAAR, Tim	Research Anal.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
PLUMMER, Bill	ESSI	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
ARMSTRONG, Max	ESSI	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
HOWARD, Dale	ESSI	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
BOHL, Twila	ESSI	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
BOHL, Twila	ESSI	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	

Page Total

\$8,289.00 \$36.65 \$8,325.65

Attachment D

DEPARTMENT OF HUMAN RESOURCES-----OUT-SERVICE TRAINING INFORMATION FOR WAYS & MEANS SUBCOMMITTEE (cont.)
 July 1, 1985 to June 30, 1986

<u>NAME</u>	<u>WORK UNIT</u>	<u>CLASS TAKEN</u>	<u>TUITION</u>	<u>BOOKS</u>	<u>TOTAL</u>	<u>EDUCATIONAL INSTITUTION</u>	<u>ADMIN. LEAVE</u>	<u>JOB REL.</u>	<u>CAREER DEVELOP.</u>
GINGERICH, Judith	Research Anal.	Lotus 1-2-3	\$200.00	\$- 0 -	\$200.00	ESSI	No	X	
LAYES, Bill	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
KOTICH, A.J.	Employ. Security	1985 Employment Law Conf.	450.00	- 0 -	450.00	Natl. Employment Law Inst.	No	X	
COZAD, Karl	Legal	1985 Employment Law Conf.	450.00	- 0 -	450.00	Natl. Employment Law Inst.	No	X	
LEE, Claude	Appeals	Mgt. Problems for Ch. Judges	465.00	- 0 -	465.00	Univ. of Nevada-Reno	No	X	
WEISHAAR, Tim	Research Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	Yes	X	
Sly, Teresa	Research Anal.	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	Yes	X	
WICHMAN, Kele	Lbr. Mgt. Rel.	Legal Terminology	159.00	30.95	189.95	Washburn University	No	X	
Page Total			\$2,324.00	\$30.95	\$2,354.95				
Grand Total FY 1986			\$23,977.70	\$1,722.38	\$25,700.08				

DEPARTMENT OF HUMAN RESOURCES-----OUT-SERVICE TRAINING INFORMATION FOR WAYS & MEANS SUBCOMMITTEE

Attachment D

July 1, 1986 to present - March 30, 1987

<u>NAME</u>	<u>WORK UNIT</u>	<u>CLASS TAKEN</u>	<u>TUITION</u>	<u>BOOKS</u>	<u>TOTAL</u>	<u>EDUCATIONAL INSTITUTION</u>	<u>ADMIN LEAVE</u>	<u>JOB REL.</u>	<u>CAREER DEVELOP.</u>
HERNANDEZ, Frank	Fiscal Mgt.	Lotus 1-2-3	\$200.00	\$- 0 -	\$200.00	ESSI	No	X	
GENTRY, Erin	Fiscal Mgt.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
RALSTON, Winona	Fiscal Mgt.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
FINSON, Shelly	Research Anal.	Lotus 1-2-3	200.00	- 0 -	200.00	ESSI	No	X	
BUSSART, Lorna	Research Anal.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
GRAVENSTEIN, Sylvia	Contributions	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
REED, Dawn	Fiscal Mgt.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
BAUM, Mark	Data Proc.	CICS I	200.00	- 0 -	200.00	ESSI	No	X	
SHELOR, Deborah	Data Proc.	CICS I	200.00	- 0 -	200.00	ESSI	No	X	
MARKLEY, Steve	Internal Security	13th Computer Security Conf.	695.00	- 0 -	695.00	Computer Security Inst.	No	X	
FRANKLIN, Donald	ESSI	Focus 101/103 Train. Semin.	475.00	- 0 -	475.00	Information Builders, Inc.	No	X	
GODFREY, LouAnn	KOICC	dBase I	200.00	- 0 -	200.00	ESSI	No	X	
WILLIAMS, Randy	KOICC	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
RADFORD, Pamela	Research Anal.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
WILLIAMS, Randy	KOICC	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
ARNOLD, Richard	Data Proc.	dBase III	200.00	- 0 -	200.00	ESSI	No	X	
BAUM, Mark	Data Proc.	Systems Design Techniques	200.00	- 0 -	200.00	ESSI	No	X	
CORONA, Carl	Data Proc.	ANS COBOL	200.00	- 0 -	200.00	ESSI	No	X	
GODFREY, LouAnn	KOICC	Personal Computer Concepts	150.00	- 0 -	150.00	ESSI	No	X	
RADFORD, Pamela	Research Anal.	Personal Computer Concepts	200.00	- 0 -	200.00	ESSI	No	X	
ABBOTT, Dana	Lbr. Mgt. Rel.	Principles of Acctg. I	177.00	30.00	207.00	Washburn University	No	X	X
BUCK, Michelle	Handicap Comm.	Business & Technical Writing	177.00	45.00	222.00	Washburn University	No	X	
HELBERT, Susan	Lbr. Mgt. Rel.	Principles of Management	177.00	30.00	207.00	Washburn University	No		X
HERD, James	Lbr. Mgt. Rel.	Civil Procedure	306.00	- 0 -	306.00	Washburn University	No	X	X
KRUGER, Joni	Lbr. Mgt. Rel.	Principles of Econ. I	177.00	30.00	207.00	Washburn University	No		X
KRUGER, Joni	Lbr. Mgt. Rel.	Principles of Acctg. I	177.00	30.00	207.00	Washburn University	No		X
MARSHALL, Stanley	Lbr. Mgt. Rel.	Computer Applications	57.00	12.00	69.00	Cloud Co. Comm. Coll.	No	X	
WEIBEL, Mas	Lbr. Mgt. Rel.	Management Info. System(BU2502)	177.00	20.00	197.00	Washburn University	No	X	X
WEIBEL, Max	Lbr. Mgt. Rel.	Statistics (MA140E)	177.00	20.00	197.00	Washburn University	No	X	X
WEIBEL, Max	Lbr. Mgt. Rel.	Investments (BU483EA)	177.00	20.00	197.00	Washburn University	No		X
SCHREINER, Shelli	Internal Security	Labor Economics	177.00	50.00	227.00	Washburn University	No		X
SHELOR, Deborah	Data Proc.	Economic Statistics	177.00	58.43	235.43	Washburn University	No		X
BAILEY, Charles	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
CARLTON, Darrell	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
CLEAVER, George	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
DALKE, Robert	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
EUBANKS, Gary	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
FAKES, Clarence	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
JACK, James	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	

Attachment D

DEPARTMENT OF HUMAN RESOURCES-----OUT-SERVICE TRAINING INFORMATION FOR WAYS & MEANS SUBCOMMITTEE

(cont.) Attachment D - 2 -

July 1, 1986 to present - March 30, 1987

<u>NAME</u>	<u>WORK UNIT</u>	<u>CLASS TAKEN</u>	<u>TUITION</u>	<u>BOOKS</u>	<u>TOTAL</u>	<u>EDUCATIONAL INSTITUTION</u>	<u>ADMIN. LEAVE</u>	<u>JOB REL.</u>	<u>CAREER DEVELOP.</u>
KING, Marvin	Job Service	Interaction/Guide/ParaProf.	\$126.00	\$- 0 -	\$126.00	Kansas State University	No	X	
RINGLE, Francis	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
STOFER, Lloyd	Job Service	Interaction/Guide/ParaProf.	126.00	- 0 -	126.00	Kansas State University	No	X	
DeVOSS, Phillip	Job Service	Organ. of Employ. in Counseling	180.00	- 0 -	180.00	Kansas State University	No	X	
HUDANIK, Andrew	Job Service	Organ. of Employ. in Counseling	180.00	- 0 -	180.00	Kansas State University	No	X	
SPRAGUE, Donald	Job Service	Organ. of Employ. in Counseling	180.00	- 0 -	180.00	Kansas State University	No	X	
ROBERTS, Marcella	Wkrs' Comp.	Intro. to Law/Legal Systems	177.00	32.95	209.95	Washburn University	No	X	X
SMELSER, Richard	Wkrs' Comp.	Advanced Lotus	195.00	- 0 -	195.00	Washburn University	No	X	
WESTFALL, Marcella	Wkrs' Comp.	Advanced Lotus	195.00	- 0 -	195.00	Washburn University	No	X	
MORRISSEY, William	Wkrs' Comp.	Advanced Lotus	195.00	- 0 -	195.00	Washburn University	No	X	
WILCOX, Marilynne	Wkrs' Comp.	Advanced Lotus	195.00	- 0 -	195.00	Washburn University	No	X	
COKER, Georgie	Wkrs' Comp.	Advanced Lotus	195.00	- 0 -	195.00	Washburn University	No	X	
FINSON, Shelly	Research & Anal	Personal Comp. Concepts	200.00	- 0 -	200.00	ESSI	Yes	X	
FINSON, Shelly	Research & Anal.	Data Base III	200.00	- 0 -	200.00		Yes	X	
Grand Total FY 1987			\$10,205.00	\$378.38	\$10,583.38				

KANSAS

DEPARTMENT OF HUMAN RESOURCES



OFFICE OF THE SECRETARY

401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182
913-296-7474

Mike Hayden, Governor

Dennis R. Taylor, Secretary

April 20, 1987

The Honorable August Bogina, Jr.
Chairperson, Committee on Ways and Means
Room 123-S, Statehouse
Topeka, Kansas 66612

and

The Honorable William Buntin
Chairperson, Committee on Appropriations
Room 154-S, Statehouse
Topeka, Kansas 66612

Gentlemen:

There are several items affecting the Department's FY 1987 and FY 1988 budget that I would like to bring to your attention and respectfully request they be given consideration in the omnibus appropriation bill.

There are three items of concern for FY 1987:

1. We request the expenditure limitation be raised by \$193,648, from \$147,852 to \$341,500 for State Operations under the Title III Dislocated Worker Program. The scope of the dislocated worker activity has increased rapidly during the past year. We propose to use some Job Service staff in addition to Job Training Partnership Act (JTPA) staff to increase the delivery of Title III services across the state. Not only will this give more assistance to dislocated workers but it will also provide some financial relief to the deficit situation now being faced by the Job Service program.

Attachment A provides more details of this request.

2. We request the expenditure limitation for State Operations in the JTPA Title II-B Summer Youth Program to be increased by \$213,685, from \$707,602 to \$921,287. This program operates primarily when schools are out of session (mid May to mid August). Of the \$707,602 current limitation we have spent \$456,000 leaving only \$251,602 available for May and June of this year. We estimate our May and June expenditures to be \$465,287, thus our need for the \$213,685 limitation increase. Our expenditures in May and June of last year were \$512,025.

Attachment B provides more details of this request.

Reviewed

ATTACHMENT 5
2/27/87 SWAM

- In January of 1987 a deficit of approximately \$380,000 was projected for FY 1987 for the Job Service Program. We request an appropriation of \$150,000 of penalty and interest money from the Special Employment Security Fund to partially cover this deficit. Although several actions have been taken to reduce this projected deficit, these actions alone will probably not eliminate the entire deficit. Therefore we are requesting \$150,000 to cover any remaining deficit.

Attachment C provides more details of this request.

We understand there is a technical problem with language in K.S.A. 44-716a concerning the delegation of approval of expenditures over \$100,000 to the finance council. Perhaps this should be reviewed for amended language that would allow both the finance council and the legislature to approve expenditures over \$100,000.

Items of concern for FY 1988 are as follows:

- We request an appropriation from the State General Fund in the amount of \$209,054 to reimburse the federal government for an audit exception in the Comprehensive Employment and Training Act (CETA) program. This audit was for the period 10-1-78 through 9-30-81. These questioned costs involved what the auditors contended to be unsatisfactory resolution of subgrantee audits by the Department of Human Resources. Through an appeal process this audit exception has now been reduced to \$183,656.49. We have appealed \$160,549.92 of this amount to the Tenth Circuit Court of Appeals. The questioned costs are now accruing interest at the rate of about \$50 per day. By the end of fiscal year 1988 the principal and interest would be approximately \$209,054. The repayment of the questioned costs and interest, if upheld by the court, must be paid from non-federal funds.
- The funding needed to finance an unclassified administrative position to assist the Secretary of Human Resources is \$57,045 including fringe benefits. Based upon past experience of another similar position the cost of this position would be allocated to funds in the percentages shown below:

<u>Fund #</u>	<u>Fund Name</u>	<u>Percent</u>
1000-0100	State General Fund-Salaries & Wages	3
2121-0000	E.S.S.I. Federal Fund	3
2124-9900	Workers' Compensation Fee Fund	5
2128-0000	Boiler Inspection Fee Fund	1
3335-0000	Employment Security Admin. Fund	72
3339-9900	O.S.H.A. Federal Fund	1
3457-0000	Occupational Information Systems Fund	1
3440-0020	JTPA Title III Formula Fund	1
3658-0020	JTPA Title IIIA Admin. Fund	11
3659-0020	JTPA Title IIB Summer Youth	2
	Total	100

*Documental
 FY 88*

3. Because of action taken by the House Appropriations Committee in Congress to extend the Work Incentive (WIN) program through September 30, 1987, we request 24 FTE positions be restored for the first three months of FY 1988. This would allow the program to continue at the current level for those three months. No information is available on the exact dollar amount that would be made available to Kansas if the program is extended for that three month period but an estimate based upon previous allocations would indicate an approximate amount of \$257,600. This amount would be divided with the Department of Social and Rehabilitation Services (SRS) with the Department of Human Resources (DHR) receiving approximately \$182,000. The WIN program requires a 10% matching of state funds that has always been paid by SRS. The state match required on the \$182,000 is \$20,222. This amount is not currently in the SRS budget. It is estimated that during this three month period \$9,000 would be paid directly to WIN participants in the form of Other Assistance Grants and Benefits.
4. If Senate Bill No. 334 is enacted amending the Kansas Administrative procedures act formal adjudication must commence within 90 days of receipt of complaints. To meet this time frame an additional Attorney I and an Office Assistant II would be needed. The cost of these two positions including fringe benefits is \$46,724. Also other operating costs would increase by \$6,000 and \$2,998 would be needed for allocated overhead costs. We request an appropriation of \$55,722 from the State General Fund if Senate Bill No. 334 becomes law. Detailed information may be found in the fiscal note that was filed on this bill.
5. With the enactment of House Bill No. 2186 we expect there will be increased litigation resulting in the need for one additional Administrative Law Judge and a Secretary II. An additional \$57,817 will be needed for salaries and fringe benefits to support these two additional positions. Other Operating Expenditures will be \$29,781 and allocated overhead costs will be \$2,998. The total fiscal impact will be \$90,596. Detailed information may be found in the fiscal note that has been filed on this bill.

K.S.A. 75-5708 will need to be amended to allow for the appointment of eight Administrative Law Judges. The current statute allows for only seven.
6. If House Bill 2573 is enacted it provides for an entirely new function for the Workers' Compensation Division.

The rehabilitation administrator would be actively involved in assuring that an appropriate rehabilitation plan is designed for injured workers. The bill requires the appointing of four assistant rehabilitation administrators at a cost of \$116,876. With added responsibilities the current Rehabilitation Administrator position would need to be reclassified at a cost of \$3,736. Other Operating Expenditures would amount to \$37,000 and allocated overhead costs would be \$5,995. The total fiscal impact would be \$163,607 if this bill is enacted.

More detailed information may be found in the fiscal note that has been filed on this bill.

In accordance with the request of the Senate Ways and Means Subcommittee information concerning educational expenses of employees for FY 1986 and FY 1987 is provided in attachment D. Also a report has been presented to both the House and Senate subcommittees concerning expenditure reductions if Senate Bill No. 112 is enacted and the prevailing wage is discontinued.

I appreciate your consideration of the above items for inclusion in the omnibus appropriation bill. My staff and I are available if you have questions or need additional information.

Sincerely,



Dennis R. Taylor
Secretary of Human Resources

DRT:SOS:bjk

Attachments:



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

April 27, 1987

The Honorable August P. Bogina, Jr., Chairman
Senate Committee on Ways and Means
State House - Room 123-S
Topeka, KS 66612

The Honorable Bill Bunten, Chairman
House Committee on Appropriations
State House - Room 514-S
Topeka, KS 66612

Gentlemen:

The Department of Revenue has a number of issues to be considered during your deliberations on the Omnibus Bill.

The Legislature has passed several bills which require additional administrative costs. These include: **HB 2080** allowing special sales tax levies for law enforcement facilities in Wyandotte and Montgomery counties; **SB 48** providing for reports on and withholding of mineral production payments; **HB 2140** imposing a tax on certain controlled substances; **HB 2491** providing incentives for ethyl alcohol producers; and **SB 141** implementing liquor by the drink. A description of these costs is included in the memorandum provided by your staff. **SB 1 and SB 395**, if passed in their current form, would also impose added costs on the Department.

Additionally, there are several issues which remain outstanding from the earlier deliberations on our budget. These include:

- Office space for the Division of Alcoholic Beverage Control;
- Data processing support for the Alcoholic Beverage Control Division;
- Staffing of the Kansas Business Integrated Tax System; and
- The recommendation to create a Division of Collections.

The Department has prepared a briefing paper outlining the status of each of these issues, our recommendation thereon and the rationale for that recommendation. These papers are attached.

Finally, I request that the House and Senate Committees reconsider an earlier decision to eliminate the position of Manager of the Planning and Research Bureau in the Department. This position was deleted largely because it had been devoted to implementing the lottery, and it was assumed the incumbent manager would take a position with the Lottery. While that may eventually occur, it is by no means a certainty. If the incumbent desires to return to the Department, it will require institution of lay off procedures. Also, it seems inappropriate to eliminate a position simply because the Department chose to assign one of its key persons to a project that was a high priority of two Governors and the Legislature. A briefing paper on this issue is also attached.

Thank you for your attention to these matters. Please contact me if I can provide additional information.

Sincerely

A handwritten signature in black ink, appearing to read 'HTD', with a long, sweeping horizontal line extending to the right.

Harley T. Duncan
Secretary of Revenue

MANAGER OF PLANNING AND RESEARCH POSITION

STATUS: Both the House and Senate deleted the position of Manager of the Planning and Research Bureau. This was done on the grounds that in the recent past, the position had been dedicated to K-BITS management and lottery implementation. Department staffing and operations, therefore, could presumably accommodate the elimination of the position.

RECOMMENDATION: Restore 1.0 FTE and \$42,724 State General Fund for FY 1988.

RATIONALE:

1. Eliminating the position ignores the fact that it is a valuable one. It operates as both a working analyst and manager of nine other analysts in the Bureau. Without the position, the department's ability to meet ongoing analysis needs as well as other special projects is necessarily limited, and supervision of other analysts falls to the Secretary and the Special Assistant.
2. Assignment of the last two managers to lottery and K-BITS was simply an effort to match backgrounds and expertise to the needs and requirements imposed on the Department. It was not a statement regarding the need for the position.
3. Eliminating the position sends a strong, negative message to classified employees about the desirability of assuming high visibility special projects at the request of the Governor and a Secretary. The reward for what everyone considers to be a well done job is elimination of the position. This is likely to inhibit the desire to assume such projects and could well cause management difficulties where they did not previously exist.
4. Eliminating the position penalizes the agency for responding to legislative and gubernatorial interest in a well-planned, quick start-up of the lottery. The Department devoted some of its better personnel to the lottery effort, and its reward is the loss of a key management and analysis position.
5. Abolishing the position was premised in large part on an assumption that the incumbent would take a position with the Kansas Lottery. While this may eventually occur, it is by no means a certainty. If the incumbent desires to return to the Department, it will require institution of lay-off procedures.

Department of Revenue
April 27, 1987

DIVISION OF ALCOHOLIC BEVERAGE CONTROL

OFFICE SPACE

STATUS: The House and Senate have deleted funds for rent of non-state owned office space for the ABC Division and recommended that ABC be moved back to the Docking State Office Building in space already allocated to the Department of Revenue by July 1, 1987. It was agreed that the issue would be reviewed as part of the Omnibus Bill.

RECOMMENDATION: It is recommended that ABC remain in the Jayhawk Towers during FY 1988, but be moved back to the Docking State Office Building by July 1, 1988. This will require restoring funds (\$38,567 - SGF) for rent in the Jayhawk Towers for FY 1988. It will also require funds (\$35,000 - SGF) for moving costs, construction, and the purchase of moveable partitions for the move to the Docking State Office Building.

RATIONALE:

1. The Department has determined that the ABC Division can be accommodated in the space allocated to it in the DSOB. The Department's primary concern with the move relates to two timing issues. First, we believe it is imprudent to move the ABC offices in the midst of implementing liquor by the drink and related legislation. Second, we are concerned that sufficient time be allowed to plan the move adequately and to properly prepare the space for occupancy.
2. Senate Bill 141 imposes significant new responsibilities on the Department, including licensing liquor by the drink establishments, licensing and defining the operations of caterers, regulating temporary liquor permits, enforcing minimum food requirements for drinking establishments, private clubs and cereal malt beverage establishments, approving local cereal malt beverage licenses, and instituting changes in the delivery and tax systems. These will require developing several new applications and procedures, processing a large number of applications, and developing and promulgating a substantial number of new rules. This will require the full attention of the Department from now through at least March 1988. Moving the ABC offices would consume a significant portion of the available implementation time and would prove substantially disruptive to the effort.
3. The desirable location of ABC within the DSOB space allocated to the Department is on the 11th floor. This will allow the Department to place its public traffic areas in accessible locations as well as consolidate its "tax secure" areas in a minimum number of locations. To locate ABC on the 11th floor will require: (a) moving Audit Services to 3rd floor; (b) moving the Division of Vehicles to 1st floor; and (c) moving Department of Administration offices to the Landon Building. The sequencing of these events makes it likely that the space for ABC will not be ready for occupancy until January 1988 at the earliest. Moving ABC prior to this time will require either that ABC be temporarily located in the building and moved twice (which will be twice as disruptive to SB 141 implementation) or that the Department sacrifice some of the organizational objectives we have planned for over the last year.
4. The complications caused by an early move of the ABC Division argue that we should renew the Jayhawk lease for an additional year and plan to move ABC to the DSOB by June 30, 1988.

ADDITIONAL COMMENT: If ABC is to be moved to the DSOB in FY 1988, funding will be required for moving costs, construction and purchase of moveable partitions. Estimated costs total \$35,000. Partition costs of about \$26,000 are based on a Department of Administration guideline of \$4.00 per square foot for such items.

A comparison of "pre-move" and "post-move" space allocations and a set of general floor plans are attached as requested by the legislative committees.

Department of Revenue
April 27, 1987

DIVISION OF ALCOHOLIC BEVERAGE CONTROL

DATA PROCESSING SUPPORT

STATUS: The House deleted funding (\$80,161 - SGF - FY 1987 and \$5,175 - FY 1988) the Department had scheduled for purchase of an IBM System 36 (S/36) minicomputer and related equipment to handle the automation of the ABC Division. The deletion was based on the possible move of ABC and to await an information systems plan being prepared by the Department when the budget was reviewed.

The Senate restored funding (\$14,832 - FY 1987 and \$31,644 - FY 1988) to finance the central processor alternative identified in the ABC information systems plan. The rationale for the central processor alternative was that current ABC applications reside on the mainframe and that a move to the DSOB would accommodate the alternative.

It was agreed by the conferees on HB 2221 that the data processing issue would be reconsidered as part of the Omnibus bill.

RECOMMENDATION: It is recommended that the Legislature appropriate \$85,000 SGF for FY 1988 to begin the automation of the ABC Division. The Legislature should not speak to any particular processing alternative. Rather, it should endorse the automation of ABC and direct the Department and the Division of Information Systems and Communications to agree upon an acceptable processing alternative after further review.

RATIONALE:

1. All parties agree that the ABC Division is in need of automation. Virtually all its processes and functions are manual in nature, and its office functions have not been automated. The Division operates much as it has since 1949. These manual operations are inefficient and labor intensive. The licensing, regulatory and office functions of ABC are tailor-made for data processing applications.
2. The passage of liquor by the drink and related legislation imposes significant new and added responsibilities on ABC. These responsibilities simply intensify the need to automate the Division operations to the extent possible.
3. A legitimate difference of opinion exists between the Department and DISC as to the best means of meeting the ABC automation needs. DISC is concerned that the ABC solution fit well with a long range approach to department-wide information processing needs and that the Department evaluate fully certain utilities now available on the mainframe. The Department is concerned that DISC recognize the merit present in the steps that have been taken to standardize our processing approaches and the cost figures outlined in our information systems plan. The issue will benefit from further investigation and work by both agencies.
4. The \$85,000 recommended figure is similar to the costs to be incurred through FY 1988 under either the mainframe alternative or the S/36 approach. The mainframe costs have been revised in a subsequent version of the information systems plan to reflect additional word processing costs associated with the mainframe alternative.
5. The Division of Information Systems and Communications supports this approach.

KDOR 4/27/87

KANSAS BUSINESS INTEGRATED TAX SYSTEM

STATUS: The **House** deleted \$579,743 SGF and 8.0 FTE dedicated to continued work on K-BITS implementation pending completion of a legislative post audit of the system and reconsideration of the system as part of the Omnibus Bill.

The **Senate** concurred with the Post Audit recommendation that the Department implement the transient guest tax, discontinue work on sales tax, and conduct a "long range plan of data processing needs, including an evaluation of the need for K-BITS or some other system." The new Secretary was directed to submit this plan and evaluation prior to January 11, 1988. It deferred action on restoring the 7.0 analysts and programmers (\$251,390 - SGF) dedicated to K-BITS pending preparation of a plan detailing how these personnel would be used if all were retained with special attention to how many would work on K-BITS and how many would work on specific other projects.

The **House Government Organization Committee** recommended that the Legislative Coordinating Council retain an independent consultant with experience in accounting and computer systems who has not been associated with the project to evaluate the desirability of K-BITS as a tax processing system. The Committee Chairman has also requested that an interim committee review the project if the consultant is not retained.

RECOMMENDATION: (A) Retain the 7 member K-BITS development team as an intact unit through December 31, 1987 to perform a post-implementation review of transient guest tax as recommended by Post Audit and to make certain modifications to the K-BITS design to improve user acceptance.

(B) Endorse and fund the Government Organization Committee recommendation calling for an independent review of the utility of the K-BITS design as a tax processing system to be completed by January 1, 1988.

RATIONALE:

1. The specific post-implementation review changes to be addressed include the handling of unverified credits, updating local penalty and interest, revision in the payment crediting schemes and various routines to ease access to and use of the information in the system. These items have been identified as the largest obstacles to user acceptance of the system. Modifying these elements to accommodate user concerns will improve the utility of the system should it remain only a transient guest tax system or be expanded to include sales and other taxes. The estimated person-days necessary to accomplish the scheduled changes will require the full 7 person staff through December 31, 1987.
2. Retaining the development staff as an intact unit will enable the Department to smoothly proceed with implementation of sales tax or other taxes should the consultant review indicate the desirability of continuing with the system. If the staff is dispersed and assigned to other projects, significant delays, difficulties and relearning should be expected if the system is to be continued.
3. The independent review is desirable if the Legislature and the department are to be comfortable with the decision regarding the long-term future of K-BITS. It will bring a fresh perspective to questions about the desirability of an integrated tax system, the

utility of the double entry accounting system, the currency and propriety of the technology, and other questions not satisfactorily answered in the Post Audit report. It should also be helpful in assessing methods of overcoming problems the department has encountered. Without such a review, the State is on the verge of walking away from a \$3 million investment without a second opinion. This would be followed immediately by decisions about what we should do to improve the sales tax processing system which is where this whole effort began.

ADDITIONAL COMMENTS: (A) The original deletion by the House (\$579,743) included the budget for staff, sales tax development costs, and sales tax processing costs. That budget assumed sales tax would be processed under K-BITS for one quarter of FY 1988. If no work is done on sales tax, it will be necessary to restore \$156,400 - SGF in processing costs so that sales tax can be processed on the current system in the last quarter of FY 1988.

(B) If it is decided that absolutely no further work should proceed on K-BITS, it should not be assumed that the positions assigned to the project can be eliminated. Dedicating a significant amount of resources to K-BITS over the past several years has caused the Department to accumulate a large backlog of data processing projects. Virtually all of our resources are dedicated to property reappraisal, VIPS, K-BITS or routine maintenance of current systems such as income tax, minerals tax, driver license and the income tax simulation model. At the present time, we have a large number of unassigned projects in backlog. If all work on K-BITS is halted, existing staff would be converted to several priority projects in FY 1988. Among the priority candidates are:

- Further development of the Office Information Systems approach of the department;
- Remote driver license entry and issuance
- Further support for computer matching of 1099's and other documents for income tax compliance
- Automated warrant production, direct entry of Field Services activities, and other improvements in Accounts Receivable Management, and
- Additional support for reappraisal activities.

In addition, we would have to assemble a team of analysts and users to begin a project of determining what modifications should be made to our current sales tax processing system to make it more useful, reliable and effective. Resources from current staffing will also be required to support ABC if additional staff is not provided.

Department of Revenue
April 27, 1987

DIVISION OF COLLECTIONS

STATUS: The House Appropriations Subcommittee recommended the the Department of Revenue not initiate any reorganization until further review by the legislature. The Senate Ways and Means Subcommittee concurred with the delayed implementation of the Division of Collections until additional information was provided the legislature during the Omnibus session.

RECOMMENDATION: It is recommended that the Legislature endorse creation of a Division of Collections.

RATIONALE:

1. A committee, formed at the direction of the Secretary, studied the accounts receivable/collection process of the department. The recommendation of the committee to the Secretary was to reorganize the department, creating a Division of Collections.
2. The department's collection functions are currently scattered among four divisions, (Taxation, Operations, Secretariat and ABC) and six bureaus (Income and Inheritance, Sales, Quality Control, Field Services, Legal and Liquor Excise). This leads to delays, a lack of coordination and a lack of accountability in the collection of delinquent taxes. The department seeks to create one functional collection entity with sole responsibility for delinquent tax collection.
3. The department intends to approach collections from a taxpayer entity concept. The taxpayer's accounts will be reviewed to determine that all accounts are current thus alleviating the possibility that while the department is attempting to collect on a delinquent sales tax account that the same taxpayer is delinquent in their withholding account also.
4. The desire of the department is to reorganize the structure of the entities responsible for the collections process. The department desires to move from a tax specific to a functional organization in the collections area. This is purely a reorganization and is within the Secretary's statutory authority. This reorganization will provide the department:
 - increased collections and better compliance
 - improved management information so that prudent decisions can be made
 - better accountability of collection activities
 - more timely processing of accounts receivables allowing the department to make better use of existing personnel
5. The department stresses that this is a reorganization. K.S.A. 75-5127 gives the Secretary the authority to organize the department. This statute reads, "The

secretary of revenue may organize the department of revenue in the manner he or she deems most efficient, so long as the same is not in conflict with law". The department is not expanding present services nor is it adding services. Collections has been and remains a responsibility of the department. The department has merely responded to a real problem with changes in the organizational structure of the department. The intent is to collect a greater level of delinquent taxes, encourage better voluntary compliance and better manage activities.

6. There are no requests for positions or increased operating expenses associated with this request. The department approaches this reorganization with the belief that a unified effort of collections can provide a more comprehensive collection effort by the department. The department plans to assign approximately 132 current positions to the Collections Division. These positions were identified through review of various responsibilities assigned to the different units, an overview survey, an individualized survey, and distinguishing the collection activity workflow to determine when and how each bureau is involved.
7. The department may approach the budget committees in future fiscal years requesting monies to review the feasibility of an Automated Collection System and additional attorney positions. The department will clearly identify the cost of the system and will follow the procedures set forth in the budget process to inform the necessary parties and identify the associated costs.
8. The Department has attempted to respond to legislative requests for further information. Attached are the report of the Accounts Receivable Committee recommending the Division, a concept paper presented to the Senate Subcommittee and a memorandum outlining the positions to be transferred to the Division.

Department of Revenue
April 27, 1987

M E M O R A N D U M

TO: MR. LARRY D. HUMES, SPECIAL ASSISTANT TO THE SECRETARY

FROM: MARK ANDREWS, DIRECTOR OF PERSONNEL SERVICES BUREAU

DATE: APRIL 13, 1987

RE: IDENTIFICATION OF "COLLECTION DIVISION" EMPLOYEES

In response to your request of March 27, 1987, a proposed staffing pattern for the expected Division of Collections has been completed.

The Personnel Services, Planning and Research, and Internal Audit Bureaus combined resources to accomplish the development of a staffing recommendation.

Three different sessions were held in order to gather information from incumbents in different work areas initially considered as performing collection duties.

Attached are copies of the survey documents used in the work analysis information sessions.

The following list the bureaus and units that were considered, the results, and recommendation.

Records Services Bureau:

The work performed by this bureau is in support activities and not in actual collection activity. Although the fiscal, document processing, and file sections provide support they are not performing duties directly related to the collection function.

Due to the fact that the support services provided by this bureau are extended agency wide and that the necessity to have similar positions in the collections division is non-existent, it is recommended that no positions from the Records Services Bureau be assigned to the Division of Collections.

Quality Control:

The prominent section of collection activity in this bureau is located in the Financial Documents for All Taxes section. This is commonly referred to as Accounts Receivable section. Fifteen of the 16 positions have position descriptions directly related to collections. Other sections have some positions with small percentages of time devoted to collections. The positions designated could accommodate those collection functions performed in the other positions. Recommended 15 positions from the Quality Control Bureau be assigned to the Division of Collections.

ATTACHMENT 7
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Field Services Bureau:

This bureau is the focal point of collections activity in the department. Recently the Tax Registration Section had been transferred from the Records Services Bureau to the Field Services Bureau. Based upon operational definition it is recommended that this Tax Registration Section and the Revenue Manager I position within its line of reporting be excluded from the Division of Collections and be reassigned to the Director of Operations. This would reduce the 112 positions currently in the Field Services Bureau to 87 positions. Recommendation is that all remaining 87 positions be assigned to the Division of Collections.

Sales and Excise Tax Audit Bureau:

The following summarizes an analysis of Collection functions performed by personnel of this bureau. The analysis was derived from review of departmental procedures, flowcharts and of the questionnaires completed by departmental personnel.

Five revenue auditors reside in the Sales and Excise Tax Audit Bureau. Their function is to provide an upper-level desk audit of returns for this tax.

Because they provide expertise which will be necessary to properly carry out the collection of these taxes, 1 position should be transferred. It appears that a fair amount of normal workload will be taken from this section upon reorganization, so that 1 position will not hamper the effectiveness of this unit.

The Sales and Compensating Tax Section - Audit Unit is composed of 11 tax examiners, whose function is to examine sales and compensating tax returns. Because a significant portion of these duties are collection functions, it is recommended that 4 positions be transferred to the Division of Collections.

The Fair Share Unit would not be transferred as it is considered preparatorily adjunct to the collection function.

The Delinquency Control unit is composed of 6 tax examiners and 1 office assistant. Since the nature of their duties is handling delinquent accounts, it is recommended that 2 examiners be transferred to the Division of Collections.

The Motor Fuel Tax section administers the collection of motor fuel taxes. It is composed of 5 tax examiners and 6 other clerical personnel. Since they perform collection-related duties on delinquent motor fuel accounts, 2 examiners need to be transferred to provide expertise in the motor fuel tax area for the Collections Division.

The Cigarette and Miscellaneous Excise Tax section performs the related processing and administrative duties for these taxes. For the most part, collection of delinquent taxes is not a significant aspect of administering these taxes. However, to obtain expertise in this area, it is recommended that 1 examiner of the 4 positions in this section be transferred to the Division of Collections.

It is recommended that 10 positions from Sales & Excise be assigned to the Division of Collections.

Income and Inheritance Tax Bureau:

The Collections Activity Survey Committee identified the equivalent of 16 positions that perform collection activities within the bureau. The following summarizes the committee's findings for the Income and Inheritance Tax Bureau.

The Withholding Unit consists of 24 positions plus 3 positions assigned to a fair share area. The unit audits accounts, performs compliance monitoring and reviews monthly returns when problems are found. Specific collection activities include phone and written correspondence with delinquent accounts, recommending and performing action to satisfy account balances, and preparing and verifying delinquent account balances.

From the Withholding Unit 13 positions have been identified to transfer to the Division of Collections. These positions include 1 Office Assistant III, 3 Office Assistant II's, 1 Tax Examiner II and 8 Tax Examiner I's. These positions perform those collection activities listed above that will be necessary in collection from delinquent accounts.

No transfer of positions from the Fair Share, Audit Unit Processing, Audit Unit Correspondence, and the Homestead Units.

The Taxpayer Compliance unit consists of seven positions. This unit is responsible for written and phone correspondence for delinquent individual income tax returns. They also review delinquent accounts for current updates and assess penalty and interest for accounts not responding to the Department's first past due notice. These functions are essential in the collection of delinquent accounts.

Two Tax Examiner II's and one Tax Examiner I were identified by the committee to be transferred.

It is recommended that 16 positions from Income and Inheritance be reassigned to the Division of Collections.

Legal Services:

The very purpose for the reorganization of the collection function in the department is to be more efficient and effective in bringing about the current payment of taxes due. This in and of itself requires an aggressive program of resolute. In order to accomplish this goal of timely compliance the legal staff support recommended need is 4 Attorney II positions.

Summary:

The total number of positions to be assigned to the Division of Collections is 132 positions. These positions were identified by the committee through review of various responsibilities assigned to the different units, an overview survey, an individualized survey, and distinguishing the collection activity workflow to determine when and how each bureau is involved.

The overwhelming preponderance of responders to the question...Do you agree that the collection function starts as was just stated? (based on definition provided by Collections Division Project Team) answered yes.

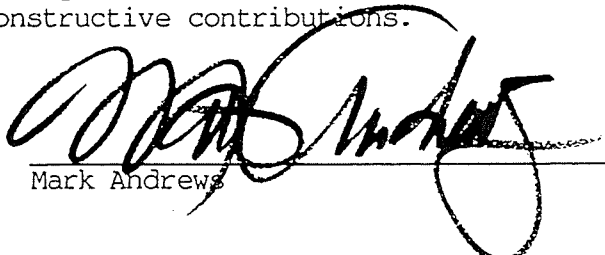
One respondent noted agreement as long as the time periods prescribed by statute and regulation and each bureau's policies are maintained prior to releasing the account to the Collections Division.

Several responses took exception due to specific needs of certain taxes. On non-filers, the main recommendation was it becomes a collections function after a revocation hearing. Attached is a comment sheet prepared by James LePage, Chief of The Quality Control Bureau.

Other relevant concerns centered on taxpayer assistance, specifically, where and when. Pivotal in some thoughts was the update mandate of accounts receivables on C.R.T.'s.

Attached to this report are two organizational structure charts for the Division of Collections. The first shows the bureaus selected to provide positions and the numbers of positions to be reassigned to the Division of Collections. The second chart is a proposed organizational chart of the assignments and reporting levels within the Division of Collections.

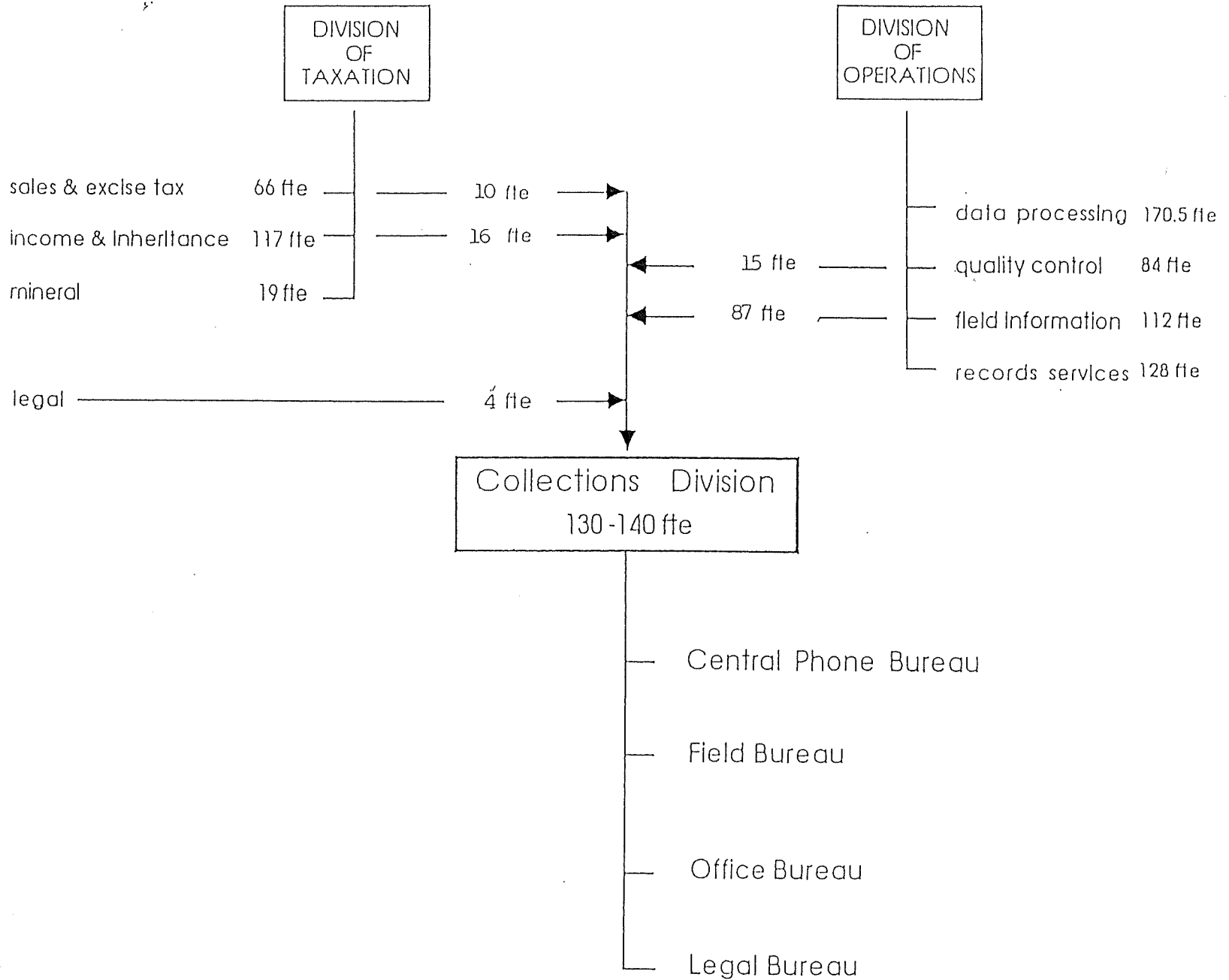
The Collections Activity Survey Committee trusts that this information will be beneficial to the Secretary of Revenue in future decisions pertaining to the Division of Collections. The committee also expresses its gratitude to the Special Assistant to the Secretary and to each participant in this endeavor for their cooperation and constructive contributions.



Mark Andrews

MA:dmk
Attachment

proposed organizational structure: collections division



ACCOUNTS RECEIVABLE VS. COLLECTIONS

The establishing of an accounts receivable balance should not be confused with the actual collecting of money due the department. There are various processes that establish accounts receivable (a/r) balances. Some of which are data processing of original returns, taxpayer submitting amended information, office audits, field audits, and additional information obtained by a third party. These situations do not always lead the department to establishing correct a/r balances at the first attempt. Due to statute, policy, or procedures the department allows the taxpayer a period of time to respond to the additional tax the department is assessing by either paying the balance, provide additional information, or requesting a hearing to clarify the correct liability. Since we do not demand payment immediately, it seems that there is not a valid accounts receivable to collect until this time period has elapsed. Any taxpayers not responding in one of the above ways, within the specified period of time, has an outstanding accounts receivable balance and should be considered a collections item.

There is a distinct point in the current system that these accounts can be identified. This is when Quality Control refers the accounts to Field Services Bureau. To classify any receivable before this time as a collection item would have the department wasting resources attempting to collect liabilities that are erroneous.

As far as non-filers are concerned, should not a jeopardy assessment first be established with notification to taxpayer, the receivable aged, then collected. There are situations create by current processing constraints that cause non-filer notices to be generated, when in fact the return has been filed or notification has been received by the department that the taxpayer is no longer in business and does not need to file a return. Once the taxing Bureau has established that there needs to be returns filed and liability is due and receivable aged then it becomes a collection item.

This point in the current system is again when the account is referred to Field Services Bureau.

Quality Control collectively agrees that the collections process begins after the period we give the taxpayer to respond to our first correspondence and the receivable becomes a valid amount due the Department.

MEMORANDUM

TO: Mr. Gary L. Stotts, Acting Director
Division of the Budget

Date: April 21, 1987

FROM: Kansas Department of Revenue

RE: House Substitute
For Senate
Substitute Bill 141
As Engrossed

Brief of Bill

Substitute Senate Bill 141, as amended by the House of Representatives, would amend various statutes of the Kansas Liquor Control Act. These statutes regulate the manufacture, distribution, and sale of alcoholic beverages in Kansas.

The bill would implement the liquor-by-the-drink constitutional amendment approved by the voters in the general election in November 1986 and amend other statutes dealing with the manufacture, distribution, and sale of alcoholic beverages. Senate Bill 141 would provide for the licensing of public liquor-by-the-drink in counties that approved the amendment. Liquor-by-the-drink establishments would be referred to as drinking establishments.

The bill would continue the prohibition on open saloons but would exempt drinking establishment licenses from the prohibition.

Drinking establishments could be operated in a county that approved the constitutional amendment (wet counties). Such establishments would be required to derive at least 30 percent of their gross receipts from the sale of food unless the voters of the county approved a proposition allowing liquor-by-the-drink without a minimum food sales requirement.

Senate Bill 141 provides for voters within a county to repeal liquor-by-the-drink, to permit liquor-by-the-drink, or to repeal the 30 percent minimum food requirement. The proposition would be placed on the ballot by filing a petition signed by a number of qualified voters equal to at least 10 percent of the voters who voted for the office of Secretary of State at the most recent preceding general election. A resolution by the county commissioners would also bring the proposition to the voters of a county.

The state residency requirement for drinking establishments would be established at one year. No county residency would be required.

Sales in drinking establishments would be subject to the 10 percent excise tax. Senate Bill 141 would restrict the hours that a drinking establishment and private club could serve liquor to 9 a.m. to 2:00 a.m. daily.

The license fee for a drinking establishment license would be \$1000.

A category of caterers licenses would be established by Senate Bill 141 with a license fee of \$ 500. A caterer would be a person, partnership or

corporation permitted to sell liquor-by-the-drink on unlicensed premises within wet counties. Caterers would be required to maintain a principal place of business in a wet county. The state residency requirement for caterers would be one year with no county residency required.

A caterer would be permitted to rebate a portion of its receipts from the sale of liquor to the sponsor of an event.

Senate Bill 141 would require caterers to derive at least 30 percent of its gross receipts from the sale of food on a per event basis unless the voters of the county vote to repeal the food requirement. Sales by caterers would be subject to the 10 percent excise tax. Hours of operation would be limited to 6 a.m. to 2 a.m. A caterer would be required to maintain a principal place of business in a wet county. Prior to catering to an event, a caterer would have to notify local law enforcement officials. The location of a caterer's principal place of business would be used for the purpose of distributing excise tax revenue to the city or county.

The Director of the Alcoholic Beverage Control would be required to develop procedures under which a person could obtain both a drinking establishment and a caterer's license by submitting a single application and application fee. A hotel/caterers license would also be created.

The licensure requirements for drinking establishment, caterer and hotel licensees would be the same as current private club requirements.

Provisions for the use of a temporary permit to sell liquor-by-the-drink in wet counties would be established by Senate Bill 141. The issuance of temporary permits would be governed by rules and regulations. Application for a temporary permit would be required to be filed with the Director seven days prior to the event unless the Director waives such requirement for good cause. A \$25 a day fee would be charged to temporary permittees. Temporary permits would be valid for a maximum of three days and each applicant would be limited to four temporary permits in a calendar year. Proceeds generated from an event for which a temporary permit is issued could be allocated only for the purposes stated in the application.

The bill would permit consumption of alcoholic liquor in licensed drinking establishments, on the state fairgrounds on race days set by the racing commission, in nonclassroom space on property under the control of the State Board of Regents, and on Washburn University property. Cities and counties would be able to permit, by ordinance or resolution, consumption of alcoholic liquor on city or county property. The bill would specify the types of private property on which liquor could be consumed and would continue the existing prohibition against open saloons.

Senate Bill 141 would authorize the licensing of drinking establishments, caterers, hotels and temporary permits upon publication of the bill in the State Register. The licenses, however, would not become effective until July 1, 1987.

Senate Bill 141 would amend K.S.A. 79-41a04, requiring that 70 percent of excise tax revenue be returned to any city with a population of more

than 6,000. Any city with a population of 6,000 or less would receive 46 2/3 percent of the amount collected within the city. Currently the break point is set at a population of 10,000.

The enforcement tax would be applied at wholesale on all sales made directly to drinking establishments and private clubs beginning July 1, 1987. With direct delivery of bulk wines and all beer, the application of the enforcement tax would make the products subject to the enforcement tax as they currently are under the four-tier system. The only change would be that sales of CMB to clubs and drinking establishments would also be subject to the enforcement tax.

Senate Bill 141 would authorize distributors to sell and deliver cereal malt beverage, strong beer and bulk wines to drinking establishments, private clubs, caterers and hotels located within franchised territories. Direct deliveries would be permitted beginning July 1, 1987. A distributor would have the ability to charge for delivery.

Beginning July 1, 1987, liquor retailers would be permitted to sell and deliver spirits, wine and strong beer to drinking establishments and caterers located within the county in which the retailer's premises reside or any adjacent county. Retailers would be authorized to charge a delivery fee. Rules and regulations would be required to be adopted by the Secretary of Revenue to govern delivery fees charged by retailers.

Effective July 1, 1987, a reclassification of distributor licenses would occur. Instead of the current liquor, beer and cereal malt beverage classifications, distributors licenses would fall into the categories of spirits, wine, and beer (CMB and strong).

The bill would allow a person to have both a retail liquor license and a CMB license.

The requirement that carriers of liquor obtain a bond would be removed.

Senate Bill 141 would establish a new license fee structure in addition to the fees for the new licenses. The liquor retail license fee would be increased from \$100 to \$250. The fee for class A private clubs which are social in nature would be increased. The new fee would be \$500 if the club has fewer than 500 members and \$1000 if the club has 500 or more members. Veteran and fraternal class A club license fees would remain at \$250. The class B club license fee would continue at \$1000. The drinking establishment fee would be \$1000. A hotel license, in which the entire premises would be licensed, would be \$3000. The caterer's fee would be \$500. A drinking establishment/caterers combination license would be \$1500. A hotel/caterers license would be \$3500.

The bill would implement a CMB stamp system where the applicant would send a copy of its application to the Director. The Director would have the authority to issue a stamp to the applicant. The fee for the stamp would be \$25.

On-premise sales of CMB would be permitted on Sundays if the CMB establishment garners 30 percent of its gross sales in food.

Senate Bill 141 would increase the minimum fine for underage purchase,

possession or consumption of alcoholic beverages occurring away from licensed premises from \$25 to \$100, making it consistent with violations occurring on licensed premises.

The county residency requirements for a retailer, distributor, private club, farm winery and cereal malt beverage licensees would be eliminated. The requirement that club license applicants have five years total residency in the state but that only one year of those five need to be immediate would be amended. Only the one year state residency requirement would apply.

A corporation which has a stockholder owning more than 25 percent of the stock who has been a stockholder in a corporation which has been convicted of a violation or has had its license revoked would not be eligible for a new license. This would close the loophole, allowing clubs to reincorporate to get around ineligibility.

Manufacturers and distributors would be prohibited from providing or selling furniture or fixtures to clubs, drinking establishments or retailers except tapping and dispensing equipment and interior decorations and signs valued at \$100 or less.

Senate Bill 141 would permit liquor retailers to advertise prices and brands, effective July 1, 1989.

Liquor retailers would be prohibited from selling liquor below acquisition cost.

Wine and spirits distributors would be permitted to sell below acquisition cost.

Senate Bill 141 would require beer wholesalers to pay gallonage taxes rather than breweries as is the practice currently.

The bill would prohibit any convicted felon from obtaining a license, eliminating the exception in K.S.A. 41-311a2. No convicted felon would be eligible for a cereal malt beverage retailers license. If, while holding a license, a licensee's spouse becomes ineligible to also hold a license, the licensee would not become ineligible as is currently the case. When a license is initially issued, however, both spouses would still need to be eligible.

The prohibition against granting liquor licenses to persons who appoint law enforcement personnel would be amended to limit the prohibition to non-elected official who appoint or supervise such positions.

Senate Bill 141 would allow a retailer and/or a distributor to serve as an officer, director or on the board of a class A club as long as retailer/distributor does not sell liquor to the club.

A framework for the establishment of microbreweries would be provided for by Senate Bill 141. A microbrewery license would allow the manufacture and sale for off-premise consumption, of beer up to 8 percent alcohol by weight. A microbrewery license would also permit the selling of beer to distributors. Free tasting for consumption on the premises would also be permitted. A microbrewery licensee could also obtain a drinking

establishment license to sell its beer and other liquor on the premises. If incorporated, a majority of the microbrewery stock must be owned by individuals who meet all of the licensing requirements specified in K.S.A. 41-311. In order to obtain a microbrewery license, a person would have to demonstrate an ability to produce a minimum of 100 barrels in a year's time. If a microbrewery produces more than 5,000 barrels (155,000 gallons) of beer in a year, it would no longer qualify as a microbrewery and would need to get a manufacturers license. Half of all products used in the manufacture of domestic beer would have to be grown in Kansas. The sale of beer for consumption off the premises would be restricted to 6 a.m. to midnight Monday through Saturday and noon to 6 p.m. on Sunday. If the microbrewery has a drinking establishment license, sales for on-premise consumption would be restricted to the hours established for drinking establishments. The license fee for a microbrewery would be \$250. Licensing of microbreweries could begin January 1, 1988.

Senate Bill 141 would amend current farm winery statutes to allow for the manufacture and sale of domestic wine to distributors and to consumers for off-premise consumption. Free tastings on the premises would be permitted. A farm winery licensee would be permitted to obtain a drinking establishment license, allowing the sale for on-premise consumption. The sale of wine for consumption off the premises would be restricted 6 a.m. to midnight Monday through Saturday and noon to 6 p.m. on Sunday. If the farm winery has a drinking establishment license, sales for on-premise consumption would be restricted to the hours established for drinking establishments. The license fee for a farm winery would be \$250.

Senate Bill 141 would eliminate the ABC Board of Review effective July 1, 1987. The functions of the Board would be assumed by the Secretary of Revenue.

Senate Bill 141 would allow the Secretary of Revenue to adopt rules and regulations similar to the Bureau of Alcohol, Tobacco and Firearms guidelines regarding point-of-sale materials.

After January 1, 1988, all liquor and CMB suppliers would be required to obtain a permit to do business in the state unless the supplier is a licensed manufacturer or wholesaler.

The effective date of this bill would be from and after its publication in the Kansas Register.

Fiscal Impact

During Fiscal Year 1988, enactment of Senate Bill 141 would increase FY 1988 General Funds Revenue by approximately \$1,224,957.

Approximately \$690,332 would be generated in FY 1988 by applying the enforcement tax to all direct sales of beer and bulk wines from a wholesaler to a private club or drinking establishment.

Applying the enforcement tax on bulk wine and strong beer sold directly to clubs and drinking establishments would guarantee that the enforcement tax continues to be applied on these products. Therefore, it would not translate into any type of change in revenue.

Applying the eight percent enforcement tax to sales of CMB to clubs and drinking establishments would, however, represent a change. It is estimated that CMB sales to clubs and drinking establishments would decrease substantially since the advantage of direct delivery of CMB vs. the current four-tier strong beer system would disappear. Clubs and drinking establishments would sell strong beer rather than CMB. Whether clubs and drinking establishments do, in fact, substitute strong for CMB is immaterial, however, because there is no significant difference in the price of the two strengths of beer, and hence, no difference in potential tax revenues.

According to the ABC Division's Statement of Revenue, fiscal year 1986 CMB gallonage tax revenue was \$4,622,087, which, divided by the gallonage tax of \$.18, equates to 25,678,261 gallons of CMB. Assuming 15 percent of CMB gallonage is sold by private clubs, 3,851,739 gallons of CMB was sold to private clubs in fiscal year 1986 (25,678,261 x .15). Based on ABC records of distributors wholesale prices of CMB, the average price per gallon of sales of beer for on-premise consumption was \$2.24. Multiplying the 3,851,739 gallons by the \$2.24 per gallon price indicates total sales of \$8,627,895. Thus, the enforcement tax collected would be \$690,232 (8,627,895 x .08).

Senate Bill 141 would produce a realignment of licensees in regards to the numbers of private clubs, liquor retailers, liquor-by-the-drink establishments, etc. With the new license fees for drinking establishments, caterers and temporary permits, the realignment would generate approximately \$1,106,750 in General Fund revenue in Fiscal Year 1988, for an **increase of \$434,725** over Fiscal Year 1986 revenue. License fee revenue allocated to Social Rehabilitation Services would increase by roughly \$173,875 in Fiscal Year 1988.

Total FY 86 license fee revenue				
	<u>fee</u>	<u>No. of lic.</u>	<u>General Fund</u>	<u>SRS</u>
Manufacturer	\$2500	1	\$2,500	-
Liquor Wholesale	\$1250	10	\$12,500	-
CMB Wholesale	\$300	54	\$16,200	-
Strong Beer Whole.	\$150	65	\$9,750	-
Retail liquor	\$100	1037	\$103,700	-
Class A club	\$250	399	\$49,875	\$49,875
Class B club	\$1000	955	\$477,500	\$477,500
Total		2391	\$672,025	\$527,375

Estimated FY 1988 license fee revenue				
	<u>fee</u>	<u>est. no.</u>	<u>General Fund</u>	<u>SRS</u>
Manufacturer	\$2500	1	\$2,500	-
Spirits Wholesale	\$1000	10	\$10,000	-
Wine Wholesale	\$1000	30	\$30,000	-
Beer Wholesale	\$1000	63	\$63,000	-
Retail liquor	\$250	900	\$225,000	-
Class A club	\$250	300	\$37,500	\$37,500
	\$500	70	\$17,500	\$17,500
	\$1000	30	\$15,000	\$15,000
Class B club	\$1000	500	\$250,000	\$250,000
Drinking estab.	\$1000	500	\$250,000	\$250,000

Caterer	\$500	25	\$6,250	\$6,250
Caterer/Drink. Est.	\$1500	100	\$75,000	\$75,000
Hotel/Caterer	\$3500	20	\$35,000	\$35,000
Temporary Permits	\$25	1500	(avg. 2 days) \$75,000	-
Total		2618	(minus temporary permits)	
			\$1,106,750	\$701,250

General Fund revenue

FY 1986: \$672,025
 Est. FY 1988: \$1,106,750

SRS revenue

FY 1986: \$527,375
 Est. FY 1988: \$701,250

The effect of Senate Bill 141 upon gallonage taxes and the private club liquor tax is indeterminable. The realignment of licenses, however, is not expected to change consumption levels.

The CMB stamp system would increase fiscal year 1988 General Fund Revenue by approximately \$125,000 (\$25 * 5000). Since licensing of CMB outlets is done at the local level, the number of CMB establishments is unknown. Estimations start at approximately 5000.

Review of additional revenue

Applying enforcement tax on CMB sales to clubs & DE estab.:	\$690,232
Realignment of licenses and new license fees:	\$434,725
CMB stamp system:	\$125,000
Total FY 1988 additional revenue:	\$1,249,957

Administrative Impact

During Fiscal Year 1987, enactment of Senate Bill 141 would increase the annual administrative expenses to the Department of Revenue by \$48,466. Additional one-time administrative expenses of \$15,859 would be incurred by the Department during Fiscal Year 1987 (see attached tables A-1 and A-2). These expenses would be incurred as additional Office Assistants are needed to handle the increased workload resulting from the new categories of licenses. These positions would assist in the processing, filing, etc. of new drinking establishment, caterer, hotel and temporary permit licenses, corresponding with license applicants, comparing sales figures. Contracted legal assistance would be required to enable the Department to write the extensive rules and regulations needed to effectively implement this bill.

For Fiscal Year 1988, an additional \$530,819 in annual expenses and \$30,036 in one-time expenses would be incurred by the Department (see attached tables A-1 and A-2). These expenses would be the result of (4) Revenue Auditor I, (1) Revenue Auditor II, (3) Liquor Control Investigators, (4) Office Assistants, (1) Revenue Analyst II, (1) Systems Analyst III, (2) Programmer II, (1) Tax Examiner, contracted legal assistance, and temporary clerical assistance. The Revenue Auditors would be needed to enforce the 30 percent minimum food requirement for drinking establishments and assist with inspections, investigations, etc. The Revenue Auditors would also enforce the 50 percent minimum food requirement for reciprocating private clubs. The three additional Liquor Control Investigators would be necessary in addressing the increase in

workload brought about by liquor-by-the-drink, caterers and temporary permits. Increases in investigations, background checks of new licensees, monitoring of caterers and the use of temporary permits would all contribute to a significant increase in workload. Sunday CMB sales also represents a significant increase in workload in regards to enforcement. A Revenue Analyst would be needed to coordinate and develop procedures for the processing of the new licenses, assist in the automation of the Division and assist in management analysis of the Division. An additional Assistant Attorney General would be needed to handle the increased caseload, the potential increase in tax payment violations, and assist in making the temporary rules and regulations permanent. A Tax Examiner for the Sales and Excise Tax Bureau would be needed to monitor, audit and close out the various excise tax accounts, evaluate and provide tax information so that applicants for drinking establishments can be cleared of tax liability. Contracted legal work would be needed to assist in the writing of rules and regulations.

Implementation of a CMB stamp and review system would increase the annual administrative expenses \$8,602. The printing of the stamps would increase cost by approximately \$750. (1) Office Assistant I would be required to process the applications and handle the mailing. The position would be needed on a temporary basis (6 months), resulting in a cost of \$7,852.

Annual Expenses
House Substitute for Senate Substitute Bill 141

Salaries and wages

	<u>FY 1987</u>	<u>FY 1988</u>
I. Salaries and Benefits		
(3) Office Assistant I @ \$15,704	\$5,400	\$47,112
(1) Office Assistant II @ \$17,222	\$1,980	\$17,222
(1) Office Assistant I @ \$15,704 (6 months)		\$7,852
(4) Revenue Auditor I @ \$27,394		\$109,576
(1) Revenue Auditor II @ \$29,830		\$29,830
(3) Liquor Control Investigator I @ \$25,148		\$75,444
(1) Revenue Analyst II at \$28,564	\$3,270	\$28,564
(1) Attorney II (Asst. Attorney General) @ \$30,380)		\$30,380
Contract legal @ \$20,000	\$20,000	
Temporary clerical @ \$10,000	\$10,000	
(1) Tax Examiner I @ \$17,950	\$2,070	\$17,950
(1) Systems Analyst III @ \$28,299	\$2,360	\$28,299
(2) Programmer II @ \$27,394	\$3,150	\$54,788
Total Salaries and Benefits	<u>\$48,230</u>	<u>\$447,017</u>
II. Contractual Services		
(8) Mileage, 20,000 @ \$.23 per mile		\$36,800
(8) Per Diem, 100 days @ \$54 per day		\$43,200
Printing of 5000 CMB stamps		\$900
(3) Telephone @ \$504 per year	<u>\$126</u>	<u>\$1,512</u>
Total Contractual Services	<u>\$126</u>	<u>\$82,412</u>
III. Commodities		
(10) Stationary and Supplies @ \$150	<u>\$110</u>	<u>\$1,390</u>
Total Commodities	<u>\$110</u>	<u>\$1,390</u>
IV. Expenditure Request Summary		
Annual Expenses		
Total Salaries and Benefits	\$48,230	\$447,017
Total Contractual Services	\$126	82,412
Total Commodities	<u>\$110</u>	<u>\$1,390</u>
Total Annual Expenses	<u>\$48,466</u>	<u>\$530,819</u>

One-Time Expenses
House Substitute for Senate Substitute Bill 141

	<u>FY 1987</u>	<u>FY 1988</u>
I. Capital Outlay		
(10) 60" x 30" executive double pedestal @ \$350	\$2,800	\$700
(10) Chair, swivel tilt arm	\$1,520	\$280
(3) Chair, steno posture @ \$125	\$375	
(5) Calculator, 12 column printing and display @ \$106	\$424	\$106
(3) Typewriter, 13" IBM electromechanical @ \$713	\$2,139	
(3) File, 4-drawer, letter @ \$140	\$420	
(1) Table, 70" x 38" work, steel	\$350	
(5) Z 181 lap top portable microcomputer @ \$1390	\$6,950	
(8) Equipment (radio, lights, sirens, etc.) @ \$3500		\$28,000
1) Equipment (law books, shelves etc.) @ \$750		\$750
(1) Open shelf, 90" x 15" x 36" 8-shelf legal size @ \$200		\$200
(1) CRT Workstation @ \$140	\$140	
(1) Printer Stand @ \$120	\$120	
Total Capital Outlay	<u>\$15,238</u>	<u>\$30,036</u>
II. Contractual Services		
(3) Telephone, installation @ \$207	<u>\$621</u>	
Total Contractual Services	\$621	<u>\$0</u>
III. Expenditures Request Summary		
One-Time Expenses		
Total Capital Outlay	\$15,238	\$30,036
Total Contractual Services	<u>\$621</u>	
Total One-Time Expenses	<u>\$15,859</u>	<u>\$30,036</u>



KANSAS STATE BOARD OF TECHNICAL PROFESSIONS

(913) 296-3053

Suite 507, Landon State Office Building 900 Jackson Street Topeka, Kansas 66612-1214

April 21, 1987

The Honorable Gus Bogina, Chairperson
Senate Ways and Means Committee
123-S
State Capitol
Topeka, Kansas

Dear Senator Bogina:

Subject: Kansas State Board of Technical
Professions Budget: Bill No. 2224

It was requested by the chairperson for the House Subcommittee on Appropriations and the Senate Ways and Means Subcommittee that the Board of Technical Professions present a data processing plan for consideration during the omnibus review. In accordance with that request, a data processing plan and a finalized recommendation is now being respectfully submitted for your review.

The Kansas State Board of Technical Professions has approved Option I of that plan which is the purchase of a departmental data processing system. This recommended system is a mini-computer which would be purchased in accordance with the State of Kansas Contract #27306-A. The cost involved for the 1988 fiscal year would be \$31,291. Subsequent year's costs would be only for maintenance.

The Kansas State Board of Technical Professions feels that this option represents the most cost effective alternative for the Board, and for the State of Kansas. There are adequate reserves in the Board of Technical Professions' Fee Fund to acquire this system, and this expenditure would not require an increase in license fees in the near future.

Thank you for your consideration and review of this request.

For the Board,

Betty L. Rose
Executive Secretary

BLR:pa

ATTACHMENT 9
4/27/87 SWAM
4/27 9

BOARD OF TECHNICAL PROFESSIONS

The Board of Technical Professions requested funds to purchase a computer system in its FY 88 budget request. The House subcommittee deleted those funds pending development of a data processing plan. The Board has now prepared the following data processing plan. Accordingly, the Board would now request consideration be given to approve the purchase of a computer system.

Background

In 1982 the board purchased two IBM Displaywriters for the purpose of processing and maintaining permanent license records for approximately 15,000 individuals and over 300 corporate files. At the present time the board uses the IBM Displaywriter to process and maintain records for engineers, architects, land surveyors and landscape architects. Many of the problems that existed when the word processing equipment was purchased still exist today. This is due to the limitations of the equipment and the activity levels involved in accessing data located among 17 diskettes.

The Board has developed the following analysis to identify our long range needs:

Objectives

1. Immediate access to all active files by all office personnel.
(Active files = all pending application and pending license files.)
(See Attachment B for number of applicants for calendar 1986).
2. Immediate access to all good-standing files by all office personnel. (Good-standing files = all presently licensed professionals whose renewals are currently paid.)
3. Ability to prepare, edit and print form letters to specific groups

within the active files.

4. Ability to view and print variety of statistical information regarding active files and good standing files.
5. Ability to prepare, edit and print forms and records from information contained within active and good standing files.
6. Ability to print renewal notices and pocket cards.
7. Ability to print mailing labels for groups within the active and good standing files.
8. Preserve permanent record of each licensee in concise form that includes all pertinent data.
9. Maintain back-up of all permanent records.

The board intends to acquire a system that would allow the transfer of individual records between files to avoid the necessity to delete records from one file and re-key the information to a different file. In addition, the capability to search and sort the entire data base is needed. The board also has need for word processing capability, administrative and budget controls, calendaring, and certificate printing. (See Attachments A and B for categorization of factors regarding objectives).

The word processing equipment originally purchased to achieve these objectives has proven to be inadequate.

The physical processing of the data has changed from card files to diskettes; however, physical manipulation of diskettes creates a different set of processing problems.

Flaws or Inadequacies in Present System

1. Response to Telephone Inquiries - A good portion of office staff time is spent in responding to telephone inquiries regarding status

of application files; exam results; exam re-take information; additional exam requirements (the next step) and general licensing requirements. Specific inquiries regarding an applicant's file status are referred to the office personnel in charge of the applicant's records. The staff member then responds based on locating either the original application file or one of several card files which are all cross-referenced. The switching to various personnel and subsequent thumbing through card files is time-consuming. Cards may be easily misplaced and subject to error.

2. Repetitive Typing - Active files (those in the process of becoming licensed) require frequent updatings and generate mounds of "paper work", correspondence, forms, records, form letters. Pertinent file data such as name, address, profession and type of application are repetitively typed (particularly on inside addresses and envelopes). Staff members spend excessive time updating file cards and manually typing these pieces of "paper work".
3. Renewals - Under the present system, a separate card file is maintained for each licensee with only his name, address and license number. Productivity is decreased due to the duplication of effort in that when the money is received for a renewal fee, that information must be entered on the cash receipts diskette and also on the permanent license file diskette. In terms of the volume we are working with, this process is very time consuming.
4. Statistics - A variety of statistical information is necessary to the operation of the board office such as exam ordering information. A good deal of statistical information is not

absolutely mandatory but would be beneficial in preparing the annual budget and for public information. With the present system, all statistics must be gleaned by manually counting cards in the various card files. Some statistics are simply not available because records are not kept in such a way as to reflect the desired information.

5. Permanent Records - Several board members have voiced a concern, and rightly so, regarding the present method of keeping permanent records. The current system does not have a secure backup to retain permanent records. Due to the lack of storage, all of the records are not on the computer. Many permanent records are having to be hand-typed.

Options

The Board of Technical Professions and DISC have examined a number of options for improving the present system. These options include: (1) purchase a departmental processor for the board, (2) purchase a departmental processor on a time basis, (3) DISC development of a mainframe application using FOCUS software to store and retrieve information via personal computer links to the data base, or (4) maintain the current situation.

Options 1 and 2: Acquire a Departmental Processor

This system would involve the purchase of hardware and software from a vendor. Software would be provided by a vendor and training would be provided to allow the board to operate the system. Features include multiuser access, ad hoc reporting capability, and certificate printing capability. The Board would be responsible for providing data base backup and for operating the system. The system would include a cpu, 3 terminals, 1 personal computer, 2 printers and the appropriate software.

Option 3: Mainframe Application

DISC, in cooperation with the Board, would develop a system, including data base design to facilitate access to necessary records, in a FOCUS application to be operated on a cpu in DISC. This system would provide the capability for multiuser access to the data base, the ability to create ad hoc reports as needed, and to provide efficient processing of requests from applicants and licensees. The system would also provide for future growth and enhancement capabilities. Focus as a fourth generation language permits users to design and format most of their own reporting needs. The system would include 4 workstations to be located in the Landon State Office Building, 2 laser printers, and word processing software. DISC would provide off-site backup of data base files.

Option 4: Retain the Present System

In this situation the board would continue to operate with the IBM Displaywriter. As the volume of records increase, additional floppy disks will be required to provide space for the files. The board will continue to operate with inefficiency with duplicated information and the necessity to re-key information when an individual is removed from one file to another.

Attachment A

FACTORS REGARDING OBJECTIVES

ACTIVE FILES

Definition - Active files are the files of those individual applicants who are in the process of becoming licensed. The file is either incomplete; awaiting board action; awaiting an examination; or awaiting exam results. The files are distinctly categorized as either "Pending Applications" or "Pending Licenses".

File Contents - Pending Applications: Name; address; profession; file number; type of application (reciprocity or exam); and status of application;

Pending Licenses: Name; address; profession; file number; exam requirements; experience requirements; exam history; and experience verified.

Active Files by Specific Group Categorizations

Pending Application Files

Exam:

Architect	18
Engineer	
P.E.	38
E.I.T.	5
L.A.	2
L.S.	3
Total Pending exam apps	<u>66</u>

Reciprocity:

Architect	18
Engineer	26
L.A.	2
L.S.	13

Total Pending reciprocity 59

Average Number of Pending Applications: 125

Pending License Files

Exam or Further Exam Required:

Architect	125
Engineer	70
L.A.	50
L.S.	39

Total further exams 384

Further experience required:

Architect	4
Engineer	2
L.A.	12
L.S.	0

Total further experience 18

Average Number of Pending Licenses 402

Average Number of Active Applications 527

Types of Form Letters, Forms and Records Required for Active Files

Pending Application Files

Acknowledgement of receipt of application:

- For Arch. Exam
- For L.A. Exam
- For P.E. Exam
- For L.S. Exam
- For EIT Exam
 - Student (& admittance)
 - Non-Student
- For Arch License of Reciprocity
 - NCARB Cert. not received
 - NCARB Cert. received - no KS application
 - NCARB Cert. & KS form received
- For L.A. License by Reciprocity
- For L.S. License by Reciprocity
- For P.E. License by Reciprocity

Notice of Approval of Application:

- For Arch. Exam
- For L.A. Exam
- For PE Exam
- For L.S. Exam
- For EIT Exam (Non-Student)
- For Arch License by Reciprocity
- For L.A. License by Reciprocity

For L.S. License by Reciprocity
For P.E. License by Reciprocity

Ballot Forms:

List of all applicants FOR SPECIFIC EXAM
whose files are complete

List of all applicants for Reciprocity
whose files are complete

Records:

Composite ballot form for each application for recording
response of individual members of a section (approval,
discuss, exam only, evaluation)

Pending License Files

Notice of exam score - Further exam required
(variety of form letters depending on profession and status)

Notice of exam score - Further experience required
(variety of form letters depending on profession and status)

Notice of exam score - All requirements for licensure met
(variety of form letters depending on profession and status)

Records:

Examination Roster - List of all applicants who have been
approved for exam, including retakes

License Roster - List of all applicants who have passed all
exams and verified all experience requirements

Ballot Form:

Exam Scores entered on roster of examinees for specific
section approval

GOOD STANDING FILES

Definition - Good-standing files are the renewal records of currently licensed individuals

File Contents - Name; address; profession(s); license number(s); discipline (engineering only); renewal date

Number of Good Standing Files (Currently Licensed Professionals) By Renewal Dates

Even-numbered Years (A - L)	
Arch. (June)	1051
Engrs. (March)	3377
L.S. (March)	359
L.A. (Dec.)	162
Total Annual Renewals	<u>4949</u>
Odd-numbered Years (M - Z)	
Arch. (June)	1051
Engrs. (March)	3376
L.S. (March)	359
L.A. (Dec.)	162
Total Annual Renewals	<u>4948</u>

TOTAL CURRENT LICENSEES 9897

Types of Form Letters, Forms & Records Required for Good Standing Files

Renewal Notices
(All professions at appropriate time - see above)

Pocket Cards
(After payment of current renewal - see above)

Rosters

Architects in Good Standing, A - L

Architects in Good Standing with Kansas Address, A-L

Architects in Good Standing with non Kansas Address, A - L

Architects in Good Standing, M-Z

Architects in Good Standing with Kansas

Address, A-L

Architects in Good Standing with non-Kansas
Address, M-Z

(Repeat six categories of rosters above for
each profession - P.E., L.S., and L.A.)

PERMANENT RECORD FILES

Definition - Permanent records are the individual files of each individual licensed professional or certified E.I.T. which contains all information upon which the board based their decision to grant licensure (either original or by reciprocity) or E.I.T. certification.

File Contents: Composite Record Sheet: Name; age, address; date of application; date of board approval; date of licensure; license number; occupation; degree; verified experience; exams passed and grades of exams passed. Also status if deceased, revoked or suspended (for disciplinary reasons).

Actual Original File:

1. Original Application (date, age, name, address, etc.)
2. Transcript (verification of degree or educational credits)
3. Reference forms (verification of experience)
4. Correspondence (explanation of any discrepancies or extraordinary circumstances of licensure)

NOTE: Whether permanent record files are kept in either of the above described manners, file contents never change and are never updated except to record verification of EIT status to another state.

Number of Permanent Records by Profession

Architect	3,127
Engineer	
P.E.	10,627
EIT	8,556
Land Surveyor	892
Landscape Architect	435
Total Permanent Records -	<u>23,637</u>

Types of Form Letters, Forms and Records Required for Permanent Records Files

Forms:

 Composite Record Sheet (as explained)

 Verification Forms - for transmitting licensure data to other state boards upon request.
 (Form letters are provided by state of inquiry)

Attachment B

APPLICATIONS RECEIVED DURING 1986

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Archit.	3	9	28	36	8	9	7	5	8	6	8	5	132
Engineer	82	19	17	16	10	23	33	55	14	21	13	24	327
LAs	2	1	40	7		1						12	63
LSSs	12	1			1	2	2	4		1		3	26
EITs	83	257	3	3	1		1	48	142	1	5	3	547
TOTAL	182	287	88	62	20	35	43	112	164	29	26	47	1095

The bottom line totals show how many actual new pending applications are on the pending applications (PENDAP) disk for each month. The applicants stay on PENDAP until they are licensed, which means after they pass their test. The Architects and Landscape Architects only have one test a year, so they will stay on PENDAP for a year. The Professional Engineers and Land Surveyors and EITs have two tests a year, so they stay on PENDAP for approximately 6 months.

Some of the applicants will fail their test, approximately half, and will want to retake the exam. (This is approximately 550 examinees, based on half of the total of 1095 listed above.) These applicants stay on PENDAP until they pass.

The Architects and Landscape Architects exams are in June. The Engineers, LSSs, and EITs exams are in April and in October.

STATE OF KANSAS



DEPARTMENT OF COMMERCE
400 S.W. 8th, 5th Floor
Topeka, Kansas 66603-3957
Phone (913) 296-3481
Telex No.—4931494KS

Harland E. Priddle, Secretary

Mike Hayden, Governor
April 24, 1987

The Honorable Gus Bogina
State Senator
Capitol, 123-S
BUILDING MAIL

Dear Senator Bogina:

Low Income Tax Credit--1 FTE/OOE

The 1986 Tax Reform Act made approximately \$3 million available to Kansas in the form of a low income housing tax credit. Following a meeting with Secretary Flentje, Representative Bunten, one of the housing developers, and myself, Governor Hayden placed the responsibility for the program in the Department of Commerce. The attached briefing paper was prepared for that meeting.

The administration of the tax credit will be highly technical and will require an attorney and limited operating funds. We request that you include funds in the Omnibus Bill to operate the program. A specific cost proposal is attached.

Trade Development Division--2 FTE/Equipment

The Governor's budget amendment includes two positions and minimal equipment purchases for a trade analysis and support services staff for the new Trade Division. These two additional positions will be responsible for the development of trade export directories, industry surveys, market profile analysis, trade lead services, and general support of the rest of the division. We consider these extremely important to the effective operation of the division and request that they be included in the Omnibus Bill.

Sincerely,


Harland E. Priddle
Secretary

tl
Enclosure

ATTACHMENT 10
4/27/87 SWAM

4/27 10

*Limited
Terms*

STATE OF KANSAS



DEPARTMENT OF COMMERCE
400 S.W. 8th, 5th Floor
Topeka, Kansas 66603-3957
Phone (913) 296-3481
Telex No.—4931494KS

Harland E. Priddle, *Secretary*

Mike Hayden, *Governor*

April 24, 1987

The Honorable Gus Bogina
State Senator
Capitol, 123-S
BUILDING MAIL

Dear Senator Bogina:

Low Income Tax Credit--1 FTE/DDE

The 1986 Tax Reform Act made approximately \$3 million available to Kansas in the form of a low income housing tax credit. Following a meeting with Secretary Flentje, Representative Buntin, one of the housing developers, and myself, Governor Hayden placed the responsibility for the program in the Department of Commerce. The attached briefing paper was prepared for that meeting.

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Sincerely,

Harland E. Priddle
Secretary

tl
Enclosure

STATE OF KANSAS



DEPARTMENT OF COMMERCE
400 S.W. 8th, 5th Floor
Topeka, Kansas 66603-3957
Phone (913) 296-3481
Telex No.—4931494KS

Mike Hayden, *Governor*

Harland E. Priddle, *Secretary*

M E M O R A N D U M

TO: Bill Buntin, Representative
Ed Flentje, Secretary of
Administration
Gary Stotts, Acting Director
of the Budget

FROM: David Barclay

RE: Low Income Housing Tax Credit
Special Project Position

DATE: April 3, 1987

The State of Kansas is charged with the administration of a low income housing tax credit passed by Congress in the 1986 Tax Reform Act. Secretary Flentje and Secretary Priddle have concluded that this function is most appropriately placed in the Department of Commerce.

It is our intention to place the administrative responsibility for the function in the Community Development Division of the Department of Commerce.

The attached fiscal note sets out the cost of a special project Attorney II position and associated operating costs.

DB:jg

Attachment

Amendments to Department of Commerce Budget* to finance Low
Income Housing Tax Credits

Fiscal Year 1987

Department of Commerce

Administration Division	\$ 700
Community Development Division	<u>5,035</u>
	5,735

Fiscal Year 1988

Department of Commerce

Administration Division	\$ 2,575
Community Development Division	<u>\$37,768</u>
	\$40,343

*The Department of Commerce budgets communication costs and stationery and supply costs for expenses carried in the Administration Division's budget.

Dollar Effects on Agency Operation

Proposed Budget for Administration of
LOW INCOME HOUSING TAX CREDITS

May 11, 1987 through June 30, 1987

Attorney II, Range 29, Step 1

Code

100	Salary and Fringe	\$3,635
200	Communication	600
210	Freight & Express	50
220	Printing, Advertising and Publication	550
250	Travel and Subsistence	250
260	Fees and Other Services	50
370	Stationery & Office Supplies	100
411	Books & Library Materials	500
	TOTAL	\$5,735

Proposed Budget for Administration of
LOW INCOME HOUSING TAX CREDITS

July 1, 1987 through June 30, 1988

Code

100	Salary and Fringe	\$33,612
200	Communication	2,400
210	Freight and Express	100
220	Printing, Advertising and Publication	1,500
240	Repairing and Servicing	100
250	Travel and Subsistence	1,706
260	Fees and Other Services	150
270	Professional & Scientific Supplies and Materials	100
370	Stationery and Office Supplies	175
411	Books and Library Materials	500
	TOTAL	\$40,343

3

BRIEFING PAPER
LOW INCOME HOUSING CREDIT

Background

The 1986 Tax Reform Act established a low-income housing tax credit for taxpayers, developers, and limited partner investors who own qualifying low-income rental properties. The credit is based on the costs of development and the number of qualified low-income units. Congress' intent was to significantly increase the supply of low-income housing.

Kansas Allocation of Credit

Kansas has been allocated approximately \$3 million in tax credits under the program. This is based on \$1.25 per capita per year.

Qualifying Low-Income Housing Projects

Project Types: New construction, substantial rehabilitation, moderate rehabilitation, simple acquisition of existing properties, and repairs by existing owners.

Federal Regulations

The U.S. Treasury is charged with preparing the federal regulations for the program. They have not yet been promulgated and Treasury is unsure when they will be completed. A few states have proceeded to tentatively allocate tax credits to developers prior to the promulgation of the federal regulations. These are typically states that have state housing authorities. They appear to feel comfortable proceeding on the basis of only the federal law and no regulations.

Administration

The Act provides that the Governor designate an agency to administer the credit. If the Governor takes no action, the state public housing finance agency is automatically designated. Since Kansas has no such entity, an appropriate state agency needs to be selected.

- a. Existing Agencies. Logical options include the Departments of Administration, Commerce, Revenue, or SRS. SRS operates the state's low-income housing programs. DOC currently administers the allocation of housing revenue bonds.
- b. Proposed Finance Authority. A finance authority like that proposed in 1987 SB 73 is the entity used in most other states to administer the program.

As an alternative, states may opt to decentralize the program and allow local agencies to select projects under a state adopted plan.

Targeting of Credits

A project must have a minimum of either 20% of its units occupied by low-income households with incomes under 50% of area median income, or 40% of its units occupied by low-income households with incomes under 60% of area median income. Income limits are adjusted for various household sizes, and can also be adjusted in low-income or high-cost housing areas.

Rents for low income units cannot be greater than 30% of maximum income for each household size. Rent includes tenant-paid utilities.

Prepared by: DOC 3/31/87

Department of Commerce
Trade Development Division

Budget Appeal FY-1988

The Trade Development Division is assigned a series of operational activities including, but not limited to, providing technical export and domestic marketing assistance to Kansas agricultural producers and businesses; identify potential marketing projects and target markets; organize trade missions; develop and maintain market intelligence and trade practice information; develop specific demand profiles for targeted export markets; participate in trade exhibitions; maintain a trade lead service; coordinate and host select domestic and foreign trade delegations to Kansas; conduct seminars and trade conferences; provide direct consultations; survey potential domestic suppliers and export interests; prepare and distribute supplier guides, export listings, etc.; maintain relations with the Kansas foreign offices.

The Division is also assigned responsibility components which include international trade development for agricultural commodities, processed food products, and agri-business products and services; and international and domestic trade development for manufactured products, processes, services, and all other non-agricultural products.

In total, it must be readily recognized that the new Trade Development Division has been assigned substantial responsibility for a wide range of products and commodities.

Successful accomplishment of this charge will only be achieved by implementing a balanced program with an organizational structure identifying three operational units: (1) agricultural products and processed foods trade development; (2) industrial and manufactured products trade development; and (3) trade analysis and support services.

The current organization and staffing pattern provides for operational units (1) and (2); but does not provide for operational unit (3) Trade analysis and support services.

The proposed budget adjustment is designed to provide a minimum base of staffing and equipment for an effective Trade Analysis and Support Services program for the Division.

Specific projects and activities assigned to this program will include:

1. Export Directories: the development, maintenance, and distribution of export directories is an excellent tool for international trade expansion. The directories will be designed into a series to be product specific, current, and computerized. A key component will be a comprehensive survey some 4,000 Kansas businesses to secure detailed product information and export marketing plans. Typically the printed version of this information will be selectively distributed to buying interests in 172 foreign countries.

2. Industry Surveys: these surveys will be on going in nature and will be targeted to specific commodity types. The surveys will be designed to develop detailed company profiles, marketing needs and services. This project will compliment the Export Directory but will also serve as base data for developing the computerized "Kansas Supplier Listing" for domestic trade promotion. This project will entail conducting four surveys per year with each being targeted to specific business type or group.

3. Market Profile Analysis: The program will work with Federal Government agencies (such as the U.S. Dept. of Commerce and the U.S. Dept. of Agriculture); national commercial organizations (U.S. Chamber of Commerce and Agricultural Associations); Foreign business and government contacts (Kansas Foreign offices, Kansas-Henan, Kansas-France relations); and in state contacts (Chamber of Commerce, farm groups, universities) to source detailed market information, both international and domestic. A key to this activity will be to utilize computerized net working to facilitate data exchange and avoid duplication. This data base is then utilized by the division in targeting and planning individual trade development projects. Currently the marketing division has approximately 26 country profiles for agricultural exports only. It is projected that the new trade division will utilize those 26 plus develop an additional 26 oriented toward non-agricultural products in FY-88.

4. Trade Lead Services: This unit will design and implement a computerized "trade lead match to qualified Kansas suppliers" program. Select methods to source quality trade leads will be developed. These leads will input into the computer which will identify the appropriate supplier companies. The process will then prepare the trade lead details and prepare for delivery to suppliers on 24 hour turn around. The program in its first year of operations is projected to process 400 to 500 qualified export leads which will be applicable to approximately 1,600 Kansas firms.

In the future the program is projected to expand foreign leads but also to include domestic leads, and an unused manufacturing capacity matching service.

5. General Support: This program will also cooperate in developing a communication system and or publications to serve both the division and industry. In addition some word processing will be preformed.

This unit will be critical for the division to successfully accomplish its goals.

ERF:bc



KANSAS
TECHNOLOGY
ENTERPRISE
CORPORATION

April 27, 1987

The Honorable Gus Bogina, Chairman
Senate Ways and Means Committee
Statehouse, Room 123-S
Topeka, Kansas 66612

Dear Senator Bogina:

This letter is to request reappropriation of fiscal year 1987 funds for fiscal year 1988 for two programs administered by the Kansas Technology Enterprise Corporation (KTEC).

(1) In order to allow our organization to honor commitments we have made to a number of companies and academic researchers, we request Research Matching Grant Funds to be carried forward to FY 88. Following is an example of the authorization language used in the previous year:

"Provided, That any unencumbered balance in excess of \$100 as of June 30, 1986, is hereby reappropriated for fiscal year 1987."

(2) We request Small Business Innovation Research Matching Funds to be carried over to FY 88 due to the fact that time is very limited for the KTEC Board of Directors to develop a review process and disburse the funds by the end of FY 87 (KTEC had its initial Board meeting on April 23, 1987).

A detailed discussion of these issues is attached. Your consideration is greatly appreciated.

Sincerely,

Phillips V. Bradford, Sc.D.
Acting President

PVB:KMC:cld

Attach.

cc: Paul West, Legislative Research

ATTACHMENT 11
4/27/87 SWAM
4/27 //

Program Explanation
Research Matching Grants and
Small Business Innovation Research

1. Research Matching Grant Program

Under the program, grants are awarded to universities for the purpose of conducting specified research projects for particular companies. The companies are required to provide 60% of the funding for the project, while the State (formerly the Kansas Advanced Technology Commission, and now its successor, the Kansas Technology Enterprise Corporation) provides 40% of the funding. No state funds are released to the universities until the appropriate matching funds are provided by the given company. Therefore, even though state funds might be committed to a project, they might be slowly "drawn down" on an installment basis over the duration of the project, which typically ranges from twelve to eighteen months. There is also a lead time associated with the start up of most projects between the date the grant is announced and the actual start of the research. This lead time normally ranges from a few weeks to several months and is dependent upon faculty schedules and corporate cash flow situations.

All of the funds in the Research Matching Grant projects account have been committed to projects which are designed to strengthen the Kansas economy through university-industry collaborative research and development.

A concrete example for purposes of illustration follows: In January of 1986, a grant awarded to the University of Kansas to conduct a study entitled "Basic Studies in Transdermal Drug Movement." \$108,000 in state funds were committed, matched by \$162,000 in corporate funds from IPRX, Inc.

It was agreed by all three parties involved that payment would occur in four payments of \$27,000 in state funds, each matched by \$40,500 from IPRX, with the first payment due as the project was actually started in the summer. In August, 1986, the first payment was received from IPRX, matched by state funds. The second payment was made in January, 1987. The final two payments are scheduled for May 1, 1987, and August 1, 1987.

Clearly, the freedom to carry projects from one fiscal year to the next is critical to the program.

2. Small Business Innovation Research Matching Fund

This is a new program assigned to the Kansas Technology Enterprise Corporation (KTEC) for the purpose of providing matching funds to awardees of the federal Small Business Innovation Research program. Awards are made by federal agencies to small, technology-based companies in order to bring new products to commercialization. State matching funds are intended to bridge time gaps between Phase I and Phase II of the federal program.

The request to carry over funds budgeted to the program is based on the late formation of the KTEC Board versus the time necessary to equitably award the funds.



Kansas Fish & Game

HEADQUARTERS
BOX 54A, RT. 2, PRATT, KS 67124

(316) 672-5911

April 23, 1987

Senator August Bogina
Room 123-S, State Capitol Building
Topeka, KS 66612

Dear Senator Bogina:

The State Waterfowl Habitat Stamp (H.B. 2058) has now been signed into law and will be effective for the 1987 waterfowl season. The fund created by H.B. 2058 will begin receiving income, probably in September or October of 1987 as money is deposited by vendors. It is important that authority for the Fish and Game to expend money from that fund be granted to this agency by the 1987 Legislature.

We would prefer that a "No Limit" budget authority be granted as that would provide needed flexibility to administer and use the funds properly. If that is not possible, we would suggest that budget authority to expend at least \$90,000 during FY '88 be granted.

That amount is based on roughly 30,000 federal waterfowl stamps sold annually in Kansas. There should also be an estimated 30,000 state waterfowl stamps sold, and at \$3.00 each, at least \$90,000 in revenue is anticipated. Because 1987 will be the "first of state" stamp sale, more than 30,000 stamps are expected to be sold. The sales may go as high as 45,000 stamps.

Beginning in 1985, Kansas has received approximately \$206,000 from Ducks Unlimited for waterfowl habitat on a matching basis. Currently, we have project agreements with D.U. which will utilize about \$22,000 of the available funds. That amount will be credited against the 1985 funds from D.U. of about \$57,000. Any first-year funds from D.U. not used by December 31, 1987 will revert back to D.U.

Authority to spend funds from the state waterfowl habitat stamp fund will allow us to avoid any reversion. Plus, that budget authority will enable us to better plan for utilization of the funds in cooperation with D.U. We are presently preparing more waterfowl habitat projects to present to D.U., but those projects, once finalized, are contingent on having funds from the state waterfowl stamp available for agency use.

We are requesting that appropriate language be added to the omnibus appropriations bill which would authorize this agency to utilize waterfowl stamp funds during FY '88. For your information, this request has also been sent to Representative Bill Buntzen, Chairman of the House Appropriations Committee.

Sincerely,

Bill Hanzlick, Director
Kansas Fish and Game Commission

ATTACHMENT 12
4/27/87 SWAM

meg

EQUAL OPPORTUNITY EMPLOYER

12

4/27

STATE OF KANSAS



STATE BOARD OF AGRICULTURE

21 April 1987

SAM BROWNBACK, Secretary

Senator August Bogina, Chairman
Senate Committee on Ways & Means
State Capitol, Room 123-S
Topeka, KS 66612

Dear Senator Bogina:

A revision is necessary to this Agency's FY 1988 Budget for the Grain Commodity Research and Market Development subprogram. Because the timing of the harvest of fall crops does not coincide with the state budget formulation time table, estimates of revenues to be collected and expenditures are not finalized at the time of budget submission. Thus, each year it is necessary to submit a revision of those revenue estimates and expenditure proposals once they are more accurately projected.

As originally submitted in the FY 1988 Budget, expenditures were estimated, for the Corn, Grain Sorghum and Soybean Commissions, at \$1,093,305. Upon realization of actual revenue levels the following increases to expenditure levels are requested by each commodity commission respectively:

Expenditure level increase of:	
Corn Commission Fund	\$100,145
Grain Sorghum Commission Fund	\$101,291
Soybean Commission Fund	\$100,436
TOTAL INCREASE	<u>\$301,872</u>

The above increases in expenditure limitations would raise the total Budget Request, for this subprogram, from the Governor's Recommendation of \$1,075,734 to \$1,377,606.

This increase in expenditure limitations would be expended entirely in object code 290 to finance additional contracts and grants. Such additional expenditures were established by each of the Corn, Grain Sorghum and Soybean Commissions. Thus, the expenditures for object code 290 would be increased from \$936,211 to \$1,238,083.

Thank you for your consideration of this matter. If I can provide additional information to further illuminate this request, please do not hesitate to contact me.

Sincerely,

Sam Brownback
Kansas Secretary of Agriculture

cc Scott Rothe, Fiscal Analyst
State Board of Agriculture
Representative Bill Buntin

ATTACHMENT 13
4/27/87 SWAM

FY 1988 REVISED REQUEST

GRAIN COMMODITIES

Contractual Services (Object Code 290):

Increase of:	Corn Commission	\$100,145
	Grain Sorghum	101,291
	Soybean Commission	100,436
		<hr/>
	TOTAL INCREASE	\$301,872

Which increases object code 290
(other contractual) from \$936,211 to \$1,238,083

	<u>Governor's Recommendation</u>		<u>Agency Request</u>
Grain Commodities Total Budget from	\$1,075,734	to	\$1,377,606

STATE OF KANSAS



STATE BOARD OF AGRICULTURE

21 April 1987

SAM BROWNBACK, Secretary

Senator August Bogina, Chairman
Senate Committee on Ways & Means
State Capitol, Room 123-S
Topeka, KS 66612

Dear Senator Bogina:

The purpose of this letter is to keep you informed of the latest information regarding the status of the construction of the new solvent storage facility at the Division of Laboratories of the Kansas State Board of Agriculture.

As a brief refresher, we have \$9,887 approved for this project in FY 1987. However, all of the bids received for the project were considerably higher than the approved funding, therefore at the request of the Joint Committee on State Building Construction we met with the State Architect's Office to solve the problem.

Attached is a letter to Senator Joe Harder that summarizes our meeting with Mr. Hipp and representatives of the Department of Corrections. It was determined, at that meeting, that the project could be accomplished using inmate labor but that an additional \$2,000 would be needed to cover the cost of materials used on the project.

In the event that the Joint Committee on State Building Construction does not meet between now and the end of the Legislative Session, I wanted you to be aware of this additional request for funds so that it might be included in the Omnibus Appropriations Bill.

If you have any questions or desire additional information, do not hesitate to contact me.

Sincerely,

Sam Brownback
Kansas Secretary of Agriculture

cc Scott Rothe, Fiscal Analyst
State Board of Agriculture
Representative Bill Bunten

ATTACHMENT 14
4/27/87 SWAM

Enclosure

STATE OF KANSAS



STATE BOARD OF AGRICULTURE

9 April 1987

SAM BROWNBACK, Secretary

Senator Joe Harder, Chairman
Joint Committee on State Building Construction
State Capitol, Room 143-N
Topeka, KS 66612

Dear Senator Harder:

Per your request, Max Foster, Director, Division of Laboratory of the Kansas State Board of Agriculture contacted the State Architects Office regarding what changes could be made to the solvent storage construction project in order to reduce the cost of the structure.

As a result, a meeting was held Thursday morning, March 9, 1987, with representatives from the State Department of Corrections, the State Architects Office and the Kansas State Board of Agriculture. The construction project was fully detailed and explained during the meeting and both Steve Davis and David Schoecher of the Department of Corrections stated that the project can be effectively accomplished using inmate labor.

Mr. Gene Sanneman of the State Architects Office made a revision to the estimate of the total construction cost for the solvent storage facility, and it now appears we will need about \$12,000 to completely fund the project.

Since there is \$9,887.00 (FY 1987) approved for this project we are requesting an additional \$2,000.00 of Capitol Improvement funding for FY 1987 to effectively complete the job.

If we can be of any further assistance, do not hesitate to contact me.

Sincerely,

Sam Brownback
Kansas Secretary of Agriculture
(913) 296-3556

SB:jaw

cc Representative Bill Bunten
Representative Rochelle Chronister
Representative Lee Hamm
Representative David Heineman

Representative Don Mainey
Senator August Bogina
Senator Richard Gannon
Senator David Kerr

THE STATE OF KANSAS



MIKE HAYDEN
GOVERNOR

T. D. WILSON
DIRECTOR

GRAIN INSPECTION DEPARTMENT

GENERAL OFFICE

700 Jackson, Suite 800, P.O. Box 1918, Topeka, Kansas 66601-1918

INSPECTION DIVISION

WAREHOUSE DIVISION

PHONE (913) 296-3451

April 23, 1987

INSPECTION POINTS

ATCHISON	KANSAS CITY
COLBY	SALINA
DODGE CITY	TOPEKA
HUTCHINSON	WICHITA



The Honorable August Bogina
Senator of Kansas
Chairman, Senate Ways & Means
Room 123-S
State Capitol
Topeka, Kansas

Dear Senator Bogina:

The Kansas State Grain Inspection Department would like to request that your committee add \$16,000 to the Omnibus Bill to replace our 1983 scale truck which has 87000 miles on it.

We had approved in our FY-87 budget the same amount to replace this truck. We requested H.B. 2490 to transfer our scale testing program to the Board of Agriculture large scale testing program. The Budget Division deleted this amount from our FY-87 budget. The private scale companies weren't in the position to do the testing without further study. Therefore, H.B. 2490 was tabled for future study.

The Kansas State Grain Inspection Department would appreciate it if you would please add the \$16,000 to our FY-88 budget so we may continue to service the grain industry.

I am sure you are aware that our agency is totally fee funded and we receive no general funds.

Sincerely,

T. D. Wilson
Director

TDW:csk
cc: Scott Rothe
Sabrina Wells

ATTACHMENT 15

4/27/87 SWAM

THE STATE OF KANSAS

MIKE HAYDEN
GOVERNOR



*Not necessary
final draft to be*

T. D. WILSON
DIRECTOR

GRAIN INSPECTION DEPARTMENT

GENERAL OFFICE

700 Jackson, Suite 800, P.O. Box 1918, Topeka, Kansas 66601-1918

INSPECTION DIVISION

WAREHOUSE DIVISION

PHONE (913) 296-3451

April 27, 1987



INSPECTION POINTS

ATCHISON	KANSAS CITY
COLBY	SALINA
DODGE CITY	TOPEKA
HUTCHINSON	WICHITA

TO: Representative James E. Lowther - Room 155E - State Capitol

FROM: T. D. Wilson, Director *T.D.W.*

SUBJECT: S.B. #303, New Sec 2 (a)

We are recommending that this section be changed to read:

New Sec. 2 (a) Whenever any amount of grain is received in any public warehouse from a producer and is sold by the producer to the public warehouseman with payment by check, if the check fails to clear the bank or other financial institution on which it is drawn within 10 days after the check is issued, has been presented for payment due to the lack of sufficient funds in the account, the sale of such amount of grain may be voided by the producer by notifying the public warehouseman in writing that the sale is void. In any such case, the public warehouseman shall include such amount of grain in the public warehouseman's daily position record and other records as an open storage obligation upon receiving such written notice voiding the sale.

TDW:csk

cc: Senator August Bogina, Jr.
 Senator Jim Allen
 Representative Clifford V. Campbell

*ATTACHMENT 16
 4/27/87 SWAM*

LEGISLATIVE RESEARCH DEPARTMENT
SUMMARY OF ESTIMATED FISCAL IMPACT

April 24, 1987

Bill Status: Signed by Governor

	FY 1987		FY 1988	
	State General Fund	All Other Funds	State General Fund	All Other Funds
Revenue	\$ --	\$ --	\$ --	\$ --
Expenditure	36,875	--	3,323,125	--

Short Title: State Census

H.B. 2038, which has been signed by the Governor, directs the Secretary of State to conduct a census of Kansas residents for the purpose of reapportioning state senatorial and representative districts by November 1, 1988. The bill allows the Secretary of State to contract with boards of county commissioners and employ additional personnel as required.

Governor's Budget Amendment No. 3 includes \$3.36 million from the State General Fund to allow the agency to conduct a census. On April 20, 1987, the agency submitted a revised fiscal impact statement to the Division of the Budget concurring with the total of \$3.36 million. The agency requests, however, that the amount be split between fiscal years, including \$36,875 for FY 1987 and \$3,323,125 for FY 1988. Requested FY 1987 expenditures include \$20,733 for the salaries of four positions, and \$16,142 for two months supplies, rent, and telephone installation and lease. Requested FY 1988 expenditures include \$1,054,467 for salaries, \$604,800 for postage, \$467,500 for supplies, \$268,800 for advertising, \$252,000 for printing, \$218,400 for data processing and programming, and \$457,158 for other expenditures.

ATTACHMENT 17
4/25/87 SWAM

Bill Graves
Secretary of State



2nd Floor, State Capitol
Topeka, KS 66612-1594
(913) 296-2236

STATE OF KANSAS

April 20, 1987

Mr. Gary L. Stotts
Acting Director of the Budget
Room 152-E, State Capitol
Topeka, Kansas 66612

Re: Updated Fiscal Letter, HB 2038 (State Census Bill)

Dear Mr. Stotts:

We have been requested to submit an updated fiscal letter describing in more detail the impact of HB 2038, the bill that directs the Secretary of State's office to conduct a one-time state census for use in legislative apportionment in 1989.

As has been included in Gov. Hayden's amendments to his FY 1988 budget, we estimate the census will cost \$3.36 million to conduct. It is our request and recommendation that \$36,875 be appropriated for FY 1987 so that our agency can begin work on the census immediately, and that \$3,323,125 be appropriated for FY 1988, with any unencumbered balances to be reauthorized for FY 1988 and FY 1989. We also would request that these appropriations be by line-item, which would increase our flexibility in administering this project. Proposed expenditures are summarized below:

PROPOSED CENSUS EXPENDITURES FOR FY 1987

Salaries and Wages:

Director (3 mo. @ 4,047)	12,171
Financial Assistant (2 mo. @ 1,563)	3,126
Staff Assistant (3 mo. @ 1,226)	3,678
Secretary (2 mo. @ 879)	1,758

20,733

Other Operating Expenses:

Deposit on office space	1,000
Rent & Utilities (2 mo. @ 2,467)	4,934
Moving Expense	1,500
Phone Installation	3,932
Start-up Office Supplies	1,400
Phone System Lease (2 mo.)	1,626
Consulting Expense (35 hrs. @ \$50/hr.)	1,750

16,142

TOTAL FY 87 REQUEST:

36,875

Page Two
April 16, 1987
Mr. Gary Stotts

PROPOSED CENSUS EXPENDITURES FOR FY 1988

Wages and Salaries		1,054,467
Other Operating Expenses		
Equip., Supplies, Contract Services	467,500	
Data Processing and Programming	218,400	
Rent & Utilities	178,866	
Postage	604,800	
Printing	252,000	
Advertising & Public Relations	268,800	
Travel, Food & Lodging	84,000	
Telephone	128,842	
Consulting Fees	65,450	
		2,268,658
TOTAL FY 1988 REQUEST:		3,323,125

As may be obvious, these budget estimates envision the use of some furniture and property previously acquired by the Secretary of State's office, such as some older desks, typewriters and computer terminals we kept in contemplation of doing the census, as well as the IBM System 36 computer we recently replaced. Also, some of our current staff temporarily will have additional duties. I mention these things to emphasize the conservative approach we took in preparing the census budget.

Please do not hesitate to contact this office if we may be of any further assistance. Also, if you anticipate any problem with a line-item approach to these appropriations, please let me know.

Sincerely,



JOHN R. WINE, JR.
Assistant Secretary of State

JRW:bia

PERSONNEL FOR KANSAS CENSUS

Director	15 mo.		60,000
Ast. Dir./Admin.	15 mo.		32,000
Ast. Dir./Operations	15 mo.		32,000
Dir./Public Relations	15 mo.		24,000
Ast. Dir./Public Relations	12 mo.		18,000
Exec. Ast. for Dir. & Asts.	15 mo.		25,000
Exec. Ast./Public Relations	12 mo.		16,000
Office Manager (Sec. III)	15 mo.		26,000
Secretary/Clerk	15 mo.		15,000
Secretary/Clerk	15 mo.		15,000
Data Processing Director	12 mo.		24,000
Data Processing Ast.	12 mo.		24,000
Comptroller	15 mo.		26,000
Research Dir./Map Coordinator	12 mo.		18,000
Regional Directors (5)	6 mo.	\$10/hr.	52,800
Crew Leaders (20)	3 mo.	\$8/hr.	84,460
Crew Clerks (5)	2 mo.	\$6/hr.	4,400
Data Mappers (20)	2 mo.	\$6/hr.	138,540
Enumerators (200)	2 mo.	\$6/hr.	440,000

Total W&S Estimate:

1,075,200



DEPARTMENT OF HEALTH AND ENVIRONMENT

*Same letter to
Rep. Bunden*

April 24, 1987

The Honorable August Bogina, Jr.
Chairman, Senate Ways and Means
Room 123-S, Statehouse
Topeka, Kansas 66612

Dear Senator Bogina:

I am appreciative of the hard work done by both Houses of the Legislature in their review of the Governor's recommended budget for our agency. Although most of the issues have been resolved or are now a part of the legislative process, there are still a few items that need attention if agency operations are not to be adversely affected. The issues that still need to be addressed are as follows:

1. The FY 1987 adult care licensure and certification process is funded from a combination of Medicare, Medicaid, Health Facility Review, Health Care Stabilization, and State General Funds. Medicare and Medicaid funding is received as reimbursements for services provided and the remaining funds are by legislative transfer or appropriation. The mix of services is difficult to predict a year in advance which results in more or less funding earned in relation to budget expenditure limitations. Experience for the first seven months of FY 1987 plus projections for the remaining five months indicate that the FY 1987 expenditure limitation for Medicare, Title XVIII, needs to be increased \$73,500 and the expenditure limitation for Medicaid, Title XIX, reduced \$35,000, and the expenditure limitation for Health Facilities Review Fund be reduced \$38,500.
2. The Federal Medicare and Medicaid licensure and certification process requires surveyors to travel to health care facilities for a major part of their work. The \$193,050 recommended for FY 1988 travel is less than the actual expenditure experience of \$159,283 for FY 1986 after adjustment for the increase of State car mileage from \$.16 to \$.23 per mile, projected increase in subsistence, and addition of the Quality Assurance Program. An additional \$37,166 is necessary for the Bureau to complete its statutory requirements as well as comply with the Title XVIII and Title XIX contracts. We request the FY 1988 increase be financed with \$10,400 Medicare, Title XVIII funds; and \$26,766 Medicaid, Title XIX funds.

*ATTACHMENT 18
4/27/87 SWAM*

Hon. August Bogina, Jr.
April 23, 1987

3. The Governor's recommended budget for the Radiation Control Subprogram for FY 1987 decreases the Power Generating Facility Fee Fund \$2,000, the Diagnostic X-Ray Fund \$5,880, and the Radiological Env. Co-op Monitoring Fund \$1,349 with corresponding increases for FY 1988. This total shift of \$9,229 from FY 1987 to FY 1988 will not be possible due to the manner in which the revenue is earned for these funding sources. If the FY 1987 decreases are permitted to remain in effect, the work on these projects will have to be curtailed to remain within the funding available and earnings will not be generated to reappropriate to FY 1988.

We propose that FY 1987 travel (Object 250) be increased \$9,229 by reinstatement of the \$9,229 funding from the Power Generating Facility Fee Fund, the Diagnostic X-Ray Fund, and the Radiological Env. Co-op Monitoring Fund.

We also propose the FY 1988 reinstatement of \$1,955 for Printing and Advertising and \$11,149 for Travel. These amounts are necessary to do the work associated with the monitoring of generators of radioactive materials. In addition to State General Fund financing for the above amounts, \$9,229 will be necessary due to the inappropriate shift of fee funds from FY 1987 to FY 1988 as noted above. This would make a total SGF reinstatement request of \$22,333.

The Bureau has submitted a set of proposed regulations requiring radioactive materials licensees and X-Ray registrants to pay a fee that would be credited to the State General Fund. On Page 82 of the FY 1988 KDHE Budget, this fee source is projected to bring in \$98,500 in new revenue. This new source of revenue will more than offset the FY 1988 \$22,333 State General Fund reinstatement request.

4. Since preparation of the FY 1988 Budget by the Radiation Control Subprogram, additional X-Ray inspections are being required by the Medicare, Title XVIII, program. The Medicare, Title XVIII, Federal program will pay KDHE for the additional work but an increase in expenditure limitation will be necessary to utilize this funding. We request a \$15,000 increase in the Medicare, Title XVIII, funding for a .5 FTE position for the Radiation Control Subprogram.

The Division of the Budget has also been made aware of these issues.

-3-

Hon. August Bogina, Jr.
April 23, 1987

I respectfully request that appropriate sections be included in the Omnibus Appropriation Bill to effect the changes outlined above.

Sincerely,

Jack D. Walker, M.D.
Secretary

JDW:asc