

Approved 2-16-88
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntен at
Chairperson

1:30 ~~xxx~~/p.m. on February 8, 1988 in room 514-S of the Capitol.

All members were present except: Representatives Dyck and Brady (both excused)

Committee staff present: Diane Duffy, Legislative Research
Ellen Piekalkiewicz, Legislative Research
Laura Howard, Legislative Research
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

HB 2479 - An Act providing for Kansas exemplary disadvantaged person employability program recognition awards.

Ben Barrett, Kansas Legislative Research Department, explained that HB 2479 was recommended by the Task Force on Business Training of the Commission on Kansas Economic Development as a result of 1986 Interim work by that Task Force. This bill provides five financial awards per year to public educational institutions that provide vocational training for exemplary performance and training in placing handicapped and disadvantaged persons in employment. The amendments by the House Economic Development Committee reduced the amount awarded to \$75,000 and specified gaming revenue as the funding source. The bill was designed to do three things: (1) target for training initiatives those people most disadvantaged or handicapped and place them in a productive niche; (2) offer financial awards for program activities that effectively address the employability of such persons; (3) create an atmosphere of competition.

HB 2514 - An Act providing for Kansas exemplary rural assistance program recognition awards.

The concepts in HB 2479 were incorporated in HB 2514. This bill provides an incentive award program that emphasizes entrepreneurship in rural areas to address the depressed economies in these areas. In response to Representative Fuller's question, staff stated that the language defining criteria for judging effectiveness of a program was stricken because the Task Force wanted to avoid having the awards based strictly on low unit cost or numbers served.

HB 2673 - An Act concerning certain claims against the state; amending K.S.A. 46-920 and 46-922 and repealing the existing sections.

Bill Wolff, Kansas Legislative Research Department, explained that HB 2673 authorizes state agencies to pay property damage and personal injury claims not to exceed \$500 and the bill raises the internal payment threshold for the Department of Corrections from \$250 to \$500. The Special Claims Against the State Committee recommends that this bill be enacted.

The Administration requested the introduction of a bill dealing with the Economic Development Initiatives Fund. The breakdown for the fund is now 60 percent to economic development, 30 percent to reappraisal, and 10 percent to Corrections. This bill designates 60 percent of the funds for economic development, 20 percent for Corrections, and

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse. at 1:30 ~~XX~~/p.m. on February 8, 1988

20 percent for natural resources development after reappraisal is paid. Representative Helgerson moved introduction of the bill. Seconded by Representative Guldner. Motion carried.

HB 2685 - FY 1989 Appropriations for Fee Agencies.

The Committee began consideration of subcommittee reports on the Fee Agencies.

BOARD OF BARBER EXAMINERS, Bill Sec. 5

Representative Debbie Schauf presented the subcommittee report (Attachment 1). The subcommittee concurs with the Governor's recommendation for FY 1989 with the addition of \$564 for the annualization of the salaries of the Board's inspectors. In view of the diminishing ending balances, the subcommittee believes serious discussions should begin next year to combine this agency with the Board of Cosmetology. Representative Chronister moved the adoption of the subcommittee report. Seconded by Representative Guldner. Motion carried.

SAVINGS AND LOAN DEPARTMENT, Bill Sec. 18

Representative Schauf presented the subcommittee report (Attachment 2). The subcommittee concurs with the Governor's recommendations with a slight adjustment. In response to a question, it was noted the agency did not request funds for service contracts on the two desk-top computers authorized in the budget. Representative Teagarden moved the adoption of the subcommittee report. Seconded by Representative Chronister. Motion carried.

BOARD OF COSMETOLOGY, Bill Sec. 8

Representative Ken Grotewiel presented the subcommittee report (Attachment 3). The subcommittee concurs with the Governor's recommendations. Representative Grotewiel noted that the revenue base for this agency is stable with 1,000 new licensees this year. Representative Guldner moved adoption of the subcommittee report. Seconded by Representative Teagarden. Motion carried.

The meeting was adjourned at 2:25 p.m.

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners

Bill No. 2685

Bill Sec. 5

Analyst: Piekalkiewicz

Analysis Pg. No. 11-13

Budget Pg. No. 1-202

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 78,829	\$ 79,235	\$ 564
FTE Positions	2.5	2.5	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 request of \$79,253 would maintain the same staffing levels approved for the current fiscal year and includes operating expenditures at a level of \$1,274 above the \$77,555 estimated for FY 1988. The request includes increases in salaries and wages, printing and advertising, and communications.

The Governor's recommendation for FY 1989 of \$79,235 increases the agency's request by \$406, reflecting recommended salary increases and fringe benefit rate adjustments. The recommendation includes a \$2,496 reduction in travel and subsistence.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation of \$74,479.

FY 1989. The Subcommittee concurs with the Governor's recommendation of \$79,235 with a \$564 technical adjustment for the annualization of the salaries of the Board's inspectors for a total of \$79,799.

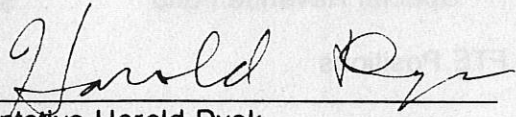
The Subcommittee notes its concern about the Board's decreasing ending balances, which have dropped \$9,592 from FY 1988 to FY 1989. The Subcommittee believes that the Board has the necessary financial resources to support its operation for FY 1989. However, the Subcommittee believes that for the long-term viability of this function and for the best possible service to the public and industry that discussions begin in earnest next year to combine the agency with the Board of Cosmetology.

The Subcommittee is concerned that there are two vacancies on the Board and, in addition, one member's appointment expired in April, 1987 and has not been reappointed.

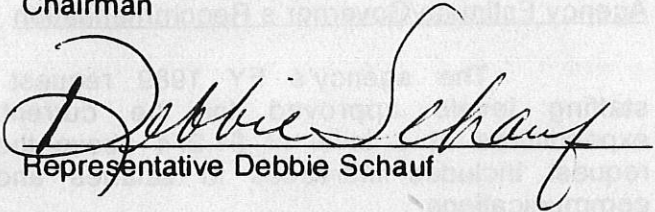
The fee fund analysis, based on the House Subcommittee's adjustment, is as follows:

*HA
2-8-88
Attachment 1*

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 48,501	\$ 46,614	\$ 43,051
Net Receipts	71,632	70,916	70,207
Total Funds Available	\$ 120,133	\$ 117,530	\$ 113,258
Less: Expenditures	73,519	74,479	79,799
Ending Balance	\$ 46,614	\$ 43,051	\$ 33,459



Representative Harold Dyck
Chairman



Representative Debbie Schauf

2685-100

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11/11/87

SUBCOMMITTEE REPORT

Agency: Savings and Loan Department Bill No. 2685 Bill Sec. 18

Analyst: Howard Analysis Pg. No. 59 Budget Pg. No. 1-181

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 218,681	\$ 207,856	\$ 180
FTE Positions	5.5	5.5	--

Agency Estimate/Governor's Recommendation

The agency request for FY 1989 totals \$218,681, an increase of \$21,706 over the current year estimated expenditures. The request would maintain the present level of staffing at 5.5 FTE positions. The request includes \$34,122 for travel, an increase of \$18,122 from the FY 1988 estimate. The Governor recommends \$207,856 in expenditures for FY 1989, a reduction of \$10,825 from the agency request. The recommendation includes an increase to salaries (\$6,952), a reduction in travel (\$16,622), and a reduction in capital outlay (\$180).

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the recommendations of the Governor.

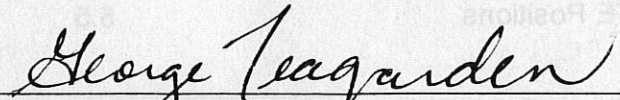
FY 1989. The Subcommittee concurs with the Governor's recommendations with the following exceptions:

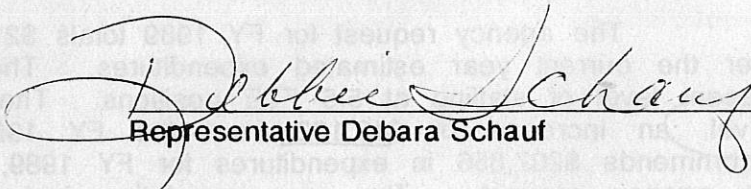
1. Add \$180 for the purchase of a programmable calculator for the Commissioner.
2. The Subcommittee would note that three appointments on the seven-member Savings and Loan Board have expired, including two industry representatives and one public representative. Two of these appointments expired June 30, 1987. The Subcommittee expresses concern over the delay in filling these appointments and urges the Governor's Office to act expeditiously to replace these board members.

The fee fund analysis, based on the recommendations of the Subcommittee, is as follows:

HA
2-8-88
Attachment 2

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 207,562	\$ 172,615	\$ 117,589
Net Receipts	<u>155,245</u>	<u>137,780</u>	<u>176,948</u>
Total Funds Available	\$ 362,807	\$ 310,395	\$ 294,537
Less: Expenditures	<u>(190,192)</u>	<u>(192,806)</u>	<u>(208,036)</u>
Ending Balance	<u>\$ 172,615</u>	<u>\$ 117,589</u>	<u>\$ 86,501</u>


Representative George Teagarden


Representative Debara Schau

2685-597/lh

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology

Bill No. 2685

Bill Sec. 8

Analyst: Piekalkiewicz

Analysis Pg. No. 22-24

Budget Pg. No. 1-202

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 269,656	\$ 274,999	--
FTE Positions	8.0	8.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 request for \$269,656 would maintain the same staffing levels approved for the current fiscal year and includes operating expenditures at a level of \$11,382 above the \$258,274 estimated for FY 1988. The request includes increases in salaries and wages, communications, professional and office supplies, capital outlay, and rent.

The Governor's recommendation for FY 1989 of \$274,999 increases the agency's request by \$5,343, due to recommended salary increases and fringe benefit rate adjustments.

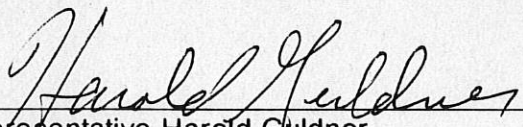
House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation of \$258,255.

FY 1989. The Subcommittee concurs with the Governor's recommendation of \$274,999.

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

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 89,385	\$ 106,994	\$ 115,139
Net Receipts	<u>265,402</u>	<u>266,400</u>	<u>268,000</u>
Total Funds Available	\$354,787	\$ 373,394	\$ 383,139
Less Expenditures	<u>247,793</u>	<u>258,255</u>	<u>274,999</u>
Ending Balance	\$106,994	\$ 115,139	\$ 108,940


 Representative Harold Guldner


 Representative Ken Grotewiel

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 2-8-88
 Attachment 3