

Approved 2-16-88
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~am~~/p.m. on February 10, 1988 in room 514-S of the Capitol.

All members were present except: All present.

Committee staff present: Diane Duffy, Ellen Piekalkiewicz, Gloria Timmer, Ed Ahrens,
Julian Efird, Paul West, Scott Rothe, 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.

Gloria Timmer, Kansas Legislative Research Department, presented an overview of Systemwide Issues for the Board of Regents' Institutions following the Systemwide Budget Memo 88. Staff distributed a table listing issues on which systemwide decisions are required (Attachment 1).

Enrollment--Staff reviewed the two computations of enrollment--headcount and full-time equivalent.

Student Tuition--Staff noted that fees are maintained at a level so that fee income amounts to 25 percent of the total educational costs.

Fee Releases--These do not become part of the base budget. The Governor's recommendation on fee release is 75 percent of the revenues resulting from larger than expected enrollment. The Governor's amounts vary from the Board request because the methodology used to figure the amounts differs.

Enrollment Adjustment--The Board request is based upon corridors of 5 percent increase and 2.5 percent decrease. For FY 1989, the Governor recommends enrollment adjustments as requested.

Unclassified Salaries--The Governor concurs with the institutions' requests for \$12,673,567 to provide an average 5 percent increase for unclassified personnel salaries.

Classified Salaries--The Governor's recommendation includes the Board request plus a 4 percent salary increase for all classified personnel distributed throughout the individual budgets.

Student Salaries--The Governor recommended a 4 percent increase in the student salary base per Board request.

Other Operating Expenditures--The Governor has recommended a 4 percent base increase for other operating expenditures.

Utilities--The Regents request this year for utilities did not include any percentage increase. They also did not make a request for energy conservation projects. The Committee's decision in this area will include whether or not to make excess funds available for energy saving capital improvements.

Servicing New Buildings--The Board's request is 49.2 FTE and \$1,897,559. The Governor's recommendation is \$1,400,419 and 29.8 FTE. The difference is basically the difference between number of months that are funded.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:30 ~~XX~~/p.m. on February 10, 1988

Committee decisions in this area will focus on whether the formula based on square footage by which these funds are appropriated should be changed.

Margin of Excellence--All faculty has been recommended for a 5 percent salary increase. An additional amount has been recommended under the Margin of Excellence. The Governor recommends a total of \$5,013,471 for instructional faculty increases in FY 1989. Staff distributed a chart illustrating the FY 1989 Faculty Salary Parity Requests under the Margin of Excellence (Attachment 2). None of the requests for funding for the Mission Related Targeted Enhancements for the six universities are recommended by the Governor. The FY 1989 budget for the KU Medical Center does include a total recommendation of \$1.7 million for new programs.

Chairman Buntin announced that at tomorrow's meeting the Committee will make decisions on the systemwide issues.

HB 2685 - FY 1989 Appropriations for Fee Agencies.

BOARD OF PHARMACY, Bill Sec. 16

Representative Bill Roy presented the subcommittee report (Attachment 3). The subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989. Due to substantial ending balances, several members questioned the necessity of a fee increase that is effective May 1, 1988 and suggested this be looked at next year. Representative Goossen moved adoption of the FY 1988 and FY 1989 subcommittee reports. Seconded by Representative Teagarden. Motion carried.

BOARD OF ACCOUNTANCY, Bill Sec. 3

Representative Ken Grotewiel presented the report (Attachment 4). The subcommittee concurs with the Governor's recommendations with several adjustments. Representative Lowther moved adoption of the subcommittee report. Seconded by Representative Chronister. Motion carried.

CONSUMER CREDIT COMMISSION, Bill Sec. 13

Representative Fred Gatlin presented the subcommittee report (Attachment 5). The subcommittee concurs with the Governor's recommendation for FY 1988 and FY 1989. Representative Solbach moved, seconded by Representative Wisdom, the adoption of the subcommittee report. Motion carried.

ABSTRACTERS BOARD OF EXAMINERS, Bill Sec. 2

Representative Tim Shallenburger presented the subcommittee report (Attachment 6). The subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989. Because of low ending balances, the subcommittee recommends a fee increase by the Board. Representative Wisdom moved the adoption of the subcommittee report. Seconded by Representative Williams. Motion carried.

The meeting was adjourned at 3:25 p.m.

FY 1989 FACULTY SALARY PARITY REQUESTS--BY BUDGET ACTIVITY

HA
2-10-88
Attachment 2

	KU	KSU	WSU	ESU	PSU	FHSU	TOTAL
INSTRUCTION *	\$1,490,000	\$1,101,267	\$1,282,159	\$274,536	\$392,455	\$473,054	\$5,013,471
RESEARCH	162,000	367,038	1,841	1,124	0	0	532,003
PUBLIC SERVICE	28,000	319,241	0	1,994	4,933	301	354,469
ACADEMIC SUPPORT **	174,000	105,727	0	24,849	33,433	46,595	384,604
STUDENT SERVICES	62,000	43,360	0	22,540	30,907	35,699	194,506
INSTITUTIONAL SUPPORT	93,000	52,070	0	23,557	34,190	46,351	249,168
PHYSICAL PLANT	18,000	11,297	0	1,400	2,082	0	32,779
TOTAL	\$2,027,000	\$2,000,000	\$1,284,000	\$350,000	\$498,000	\$602,000	\$6,761,000

* The Governor recommends the amounts included in the Instruction areas of the institutions' requests.

** Of the totals requested for academic support staff, the Board of Regents indicates that the following amounts can be attributed to library staff:

KU	63,000
KSU	33,832
WSU	0
ESU	8,449
PSU	11,033
FHS	12,115

	\$128,429
	=====

Amounts are based on ratios of FY 1987 library unclassified salaries to total FY 1987 academic support unclassified salaries.

SUBCOMMITTEE REPORT

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 51

Budget Pg. No. 1-215

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 276,013	\$ 275,588	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Board's current year estimate of expenditures is \$276,013, a reduction of \$2,133 from the amount approved by the 1987 Legislature. Major internal shifts in expenditures include an increase for attorney fees (\$5,000) and decreases in salaries and wages (\$3,393), travel and subsistence (\$2,932), and communications (\$2,049). Net other changes increase expenditures by \$1,241.

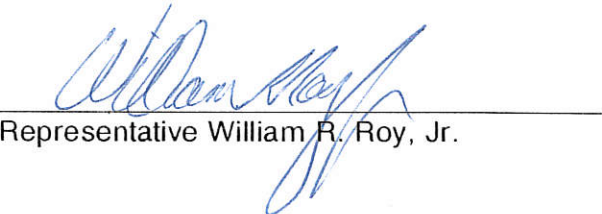
The Governor recommends current year expenditures of \$275,588, a reduction of \$425 from the Board's estimate. The recommendation reflects reduced salary expenditures of \$425 associated with revised fringe benefit rates and lower unclassified salary expenses.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the budget as recommended by the Governor.



Representative Duane A. Goossen



Representative William R. Roy, Jr.

pharmacy/PW

HA
2-10-88
Attachment 3

SUBCOMMITTEE REPORT

Agency: Board of Pharmacy

Bill No. 2685

Bill Sec. 16

Analyst: West

Analysis Pg. No. 51

Budget Pg. No. 1-215

<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	\$ 271,438	\$ 279,451	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Board requests an FY 1989 budget of \$271,438, a decrease of \$4,475 or 1.7 percent from the current year estimate. The budget request provides for increases of \$6,772 for salaries and wages and \$2,970 for examination supplies, and a decrease of \$12,774 for fees for other services from the current year estimate. The change in fees for other services reflects the final payment on a computer system in FY 1988. Net other changes increase expenditures by \$854.

The Governor recommends an FY 1989 budget of \$279,451, an increase of \$3,863 from the current year recommendation of \$275,588. The recommendation reflects an increase of \$8,013 in salary expenses from the Board's FY 1989 request. The Governor concurs with the balance of the Board's FY 1989 request.

House Subcommittee Recommendations

FY 1989. The Subcommittee concurs with the budget as recommended by the Governor, with the following comments:

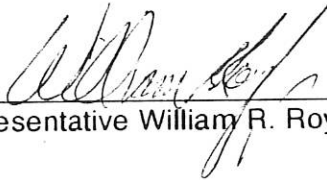
1. The Subcommittee notes that the Board of Pharmacy is considering an impaired provider program for pharmacists. The Subcommittee makes no recommendation regarding this program pending the development of a written proposal.
2. The Subcommittee notes that the Governor's recommendation does not include the increased fees which were in the Board's budget request. The fee increases, however, have already been established by rule and regulation and will go into effect on May 1, 1988. The Subcommittee notes that the increased fees are anticipated to increase FY 1989 net receipts by \$24,520.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 129,697	\$ 166,988	\$ 165,238
Net Receipts	<u>304,584</u>	<u>273,838</u>	<u>295,221</u>
Total Funds Available	\$ 434,281	\$ 440,826	\$ 460,459
Less: Expenditures	<u>267,293</u>	<u>275,588</u>	<u>279,451</u>
Ending Balance	<u>\$ 166,988</u>	<u>\$ 165,238</u>	<u>\$ 181,008</u>



Representative Duane A. Goossen



Representative William R. Roy, Jr.

SUBCOMMITTEE REPORT

Agency: Board of Accountancy

Bill No. 2685

Bill Sec. 3

Analyst: Duffy

Analysis Pg. No. 2

Budget Pg. No. 1-195

<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	\$ 178,449	\$ 176,765	\$ (800)
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The agency requests expenditure authority of \$178,449, a 5.8 percent increase over the amount approved for FY 1988. The agency requests funding for the existing 3.0 FTE positions and proposes no major changes in the Board's operation.

The Governor recommends an expenditure limitation of \$176,765 for FY 1989.

House Subcommittee Recommendation

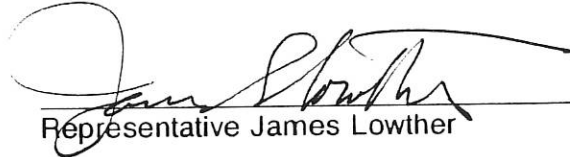
FY 1988. The House Subcommittee concurs with the Governor's FY 1988 recommendations.

FY 1989. The House Subcommittee concurs with the Governor's FY 1989 recommendation with the following adjustments:

1. The Subcommittee recommends a reduction of \$2,450 from printing and advertising for the printing of registers for distribution to CPA permit holders. The Subcommittee believes that with the Board's computer capabilities, the Board should be able to provide a current list to any permit holder upon request.
2. The Subcommittee recommends the addition of \$500 to other professional services for a total of \$1,000 for court reporter and investigative services.
3. The Subcommittee recommends the addition of \$1,500 for the purchase of professional examinations and grading services for a total of \$61,410.
4. The Subcommittee recommends the reduction of \$350 from salaries and wages for temporary employees for a total of \$351.

HA
2-10-88
Attachment 4

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 38,740	\$ 38,180	\$ 34,726
Net Receipts	<u>142,519</u>	<u>164,447</u>	<u>167,867</u>
Total Funds Available	\$ 181,259	\$ 202,627	\$ 202,593
Less: Expenditures	<u>143,079</u>	<u>167,901</u>	<u>176,765</u>
Ending Balance	<u>\$ 38,180</u>	<u>\$ 34,726</u>	<u>\$ 25,828</u>



Representative James Lowther



Representative Ken Grotewiel

SUBCOMMITTEE REPORT

Agency: Consumer Credit Commissioner Bill No. 2685 Bill Sec. 13

Analyst: Rothe Analysis Pg. No. 19 Budget Pg. No. 1-93

<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	\$ 287,601	\$ 290,937	\$ —
FTE Positions	7.0	7.0	—

Agency Request/Governor's Recommendation

The Commissioner requests \$287,601 for FY 1989, \$11,791 (3.9 percent) below the revised FY 1988 estimate of \$299,392 (which is a reduction of \$30,190 and 1.0 FTE position below the amount approved by the 1987 Legislature). The FY 1989 request includes \$217,825 for salaries (\$6,738 increase), \$8,945 for communications (\$860 increase), \$17,214 for rent, \$30,565 for travel (\$944 increase), and \$13,052 for all other costs (\$20,333 decrease). For FY 1989 the agency deleted costs for software programming (\$14,300), legal fees (\$6,000), and keyplex services (\$1,100). A nonreportable payment of \$65,000 for consumer credit education would be made in FY 1989.

The Governor recommends \$290,937 for FY 1989, an increase of \$3,336 above the Commissioner's request and \$7,476 below the amount recommended for FY 1988. The FY 1989 recommendation includes increases of \$8,360 for a 4 percent salary adjustment and \$968 for other salary adjustments. Decreases include \$445 from communications, \$4,527 from printing, \$720 from travel, and \$300 from supplies. The Governor recommends the payment of \$65,000 to conduct a consumer credit education program.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation.

FY 1989. The Subcommittee concurs with the Governor's recommendation and makes the following observations:

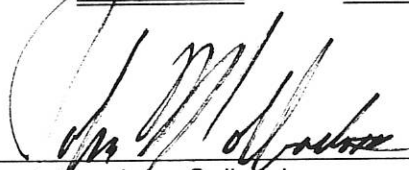
1. The Subcommittee notes that due in part to agency computerization, the Commissioner was able to delete 1.0 FTE financial examiner and to reduce FY 1988 approved expenditures by \$30,190. For FY 1989 the Commissioner was able to delete contracted computer expenditures totaling \$21,400. The agency's long-time ability to live within its budget indicates a commendable business management policy.
2. The Subcommittee concurs with the Governor's recommendation to transfer \$65,000 in FY 1989 to the Kansas Council on Economic Education (KCEE). Contracted consumer credit education has

*HA
2-10-88
Attachment 5*

been a difficult contractual agreement to work out and implement. However, past adjustment problems with the KCEE have been resolved and that contract now dovetails well with efforts of an active and consumer-oriented Commissioner who travels across Kansas providing additional consumer credit information directly to the public while becoming better informed herself on the level of public awareness. The Subcommittee commends the Commissioner and the KCEE in their successful efforts to ensure that the public continues to be informed about consumer credit issues.

The fee fund analysis, based on the house Subcommittee's recommendation, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 277,624	\$ 279,346	\$ 252,353
Net Receipts	<u>336,494</u>	<u>336,420</u>	<u>355,940</u>
Total Funds Available	\$ 614,118	\$ 615,766	\$ 608,293
Less: Expenditures	(269,772)	(298,413)	(290,937)
Nonreportable Expenditures	<u>(65,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>
Ending Balance	<u>\$ 279,346</u>	<u>\$ 252,353</u>	<u>\$ 252,356</u>



Representative John Solbach
Subcommittee Chairperson



Representative Fred Gatlin

SUBCOMMITTEE REPORT

Agency: Abstracters Board of Examiners Bill No. 2685 Bill Sec. 2
 Analyst: Efird Analysis Pg. No. 1 Budget Pg. No. 1-193

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Fee Fund	\$ 14,555	\$ 15,822	\$ —
FTE Positions	--	--	—

Agency Request/Governor's Recommendation

FY 1988. The Board requests an increase of \$456 in the approved expenditure limitation in order to pay the cost-of-living raise for its staff which was authorized by the 1987 Legislature, but not adjusted by the State Finance Council last summer. The Governor's recommendations would reduce the approved budget of \$15,609 by \$322, primarily by reducing estimated travel reimbursements to offset an adjustment in part-time salaries.

FY 1989. The Board's FY 1989 request is \$1,510 less than its current fiscal year estimate. Reductions in Board compensation and travel costs are included in the requested budget for FY 1989. The Governor's recommendations include an increase of \$535 more than this fiscal year, with the additional funding allocated to salaries and wages for cost-of-living increases.

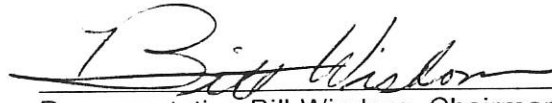
House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommended expenditures for FY 1988 and FY 1989.


Fee Fund Analysis. The recommended budget for FY 1988 and FY 1989 will reduce the carryover balances of the fee fund. The Subcommittee is concerned that this trend has persisted for several years and feels that the carryover needed for agency operations is falling too low. Therefore, the Subcommittee recommends that the Board raise its fees in order to produce more receipts in FY 1989. K.S.A. 58-2801 permits the Board to charge annual license fees not to exceed \$50 and directs the Board to set license fees by rules and regulations. The Board's revenue estimates for FY 1988 and FY 1989 assume license fees of \$25 each fiscal year.

HA
 2-10-88
 Attachment 6

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 13,895	\$ 11,520	\$ 8,433
Net Receipts	<u>11,280</u>	<u>12,200</u>	<u>12,600</u>
Total Available	\$ 25,175	\$ 23,720	\$ 21,033
Less Expenditures	<u>13,655</u>	<u>15,287</u>	<u>15,822</u>
Ending Balance	<u>\$ 11,520</u>	<u>\$ 8,433</u>	<u>\$ 5,211</u>



Representative Bill Wisdom, Chairman



Representative Tim Shallenburger

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