

Approved 3-14-88  
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 March 1, 1988 in room 514-S of the Capitol.

All members were present except: All present.

Committee staff present: Diane Duffy, Ellen Piekalkiewicz, Russ Mills,  
Scott Rothe, Carolyn Rampey, Lynn Holt, Ed Ahrens,  
Kansas Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

HB 2808 - Appropriations for FY 1989, General Government agencies  
of the Executive Branch.

#### **KANSAS SOLDIERS HOME**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 with adjustments (Attachment 1). Representative Guldner moved the adoption of the subcommittee report. Seconded by Representative Dyck. Motion carried.

#### **KANSAS ARTS COMMISSION**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 with adjustments noted in the report (Attachment 2). Representative Brady moved the subcommittee report be adopted. Seconded by Representative Dyck. Motion carried.

#### **ATTORNEY GENERAL--KBI**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and concurs with adjustments for FY 1989 (Attachment 3). Regarding Recommendation #3 to introduce legislation allowing the KBI to collect fees, the Subcommittee explained that the \$3.00 fee for daycare licensing record checks is credited to the SGF and, therefore, the costs to the KBI of running the checks are not being covered. The intent is that the legislation will let the money flow where the expenses are. Representative Brady moved adoption of the subcommittee report. Seconded by Representative Dyck. Motion carried.

#### **PUBLIC DISCLOSURE COMMISSION**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 (Attachment 4). Representative Dyck moved adoption of the subcommittee report. Seconded by Representative Brady. Motion carried.

#### **STATE TREASURER**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 (Attachment 5). Representative Ott moved adoption of the subcommittee report. Seconded by Representative Wisdom. Motion carried.

#### **INSURANCE DEPARTMENT**

Representative Guldner reviewed the subcommittee report for FY 1988 and FY 1989 (Attachment 6). Representative Guldner moved adoption of the subcommittee report. Seconded by Representative Dyck. Motion carried.

CONTINUATION SHEET

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

**SECRETARY OF STATE**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 with the exceptions noted on the report (Attachment 7). Representative Mainey moved adoption of the subcommittee report. Seconded by Representative Chronister. Motion carried.

**GOVERNOR'S DEPARTMENT**

The Subcommittee concurs with the Governor's recommendations and Representative Brady filed a minority report (Attachment 8). Representative Brady moved adoption of the minority report. Seconded by Representative Teagarden. Motion failed. Representative Guldner moved adoption of the subcommittee report. Seconded by Representative Dyck. Motion carried.

**LIEUTENANT GOVERNOR**

The Subcommittee concurs with the Governor's recommendation and Representative Brady filed a minority report (Attachment 9). Representative Guldner moved adoption of the subcommittee report. Seconded by Representative Dyck. Motion carried.

**ATTORNEY GENERAL**

Representative Brady reviewed the FY 1988 subcommittee report (Attachment 10). Representative Brady moved adoption of the FY 1988 subcommittee report. Seconded by Representative Dyck. Motion carried. Regarding the FY 1989 subcommittee report (Attachment 11), it was noted that the Attorney General will spend \$500,000 in FY 1988 for the water rights litigation with Colorado. Expenditures for FY 1989 are estimated at \$700,000 to \$1 million. The geological evidence of damages will be expensive to compile for the court, but the Subcommittee was advised that Kansas has the potential to recoup millions. Following discussion on the minority report on the FY 1989 budget (Attachment 12), Representative Brady moved adoption of the minority report. Seconded by Representative Teagarden. Motion failed. Representative Dyck moved the adoption of the subcommittee report. Seconded by Representative Guldner. Motion carried.

**KANSAS COMMISSION ON THE BICENTENNIAL OF THE U.S.**

The Subcommittee recommends no adjustments to Section 17 of HB 2808 regarding the Bicentennial Commission (Attachment 13). Representative Guldner moved adoption of the subcommittee report. Seconded by Representative Brady. Motion carried.

**COMMISSION ON VETERANS AFFAIRS**

Representative Hoy reviewed the subcommittee report (Attachment 14). Representative Hoy moved adoption of the subcommittee report. Seconded by Representative Turnquist. Motion carried.

**DEPARTMENT OF HUMAN RESOURCES**

Representative Teagarden reviewed the subcommittee report on FY 1988 (Attachment 15). Representative Teagarden moved adoption of the FY 1988 subcommittee report. Seconded by Representative Miller. Motion carried. Representative Vancrum presented the FY 1989 report (Attachment 16). Representative Vancrum moved adoption of the subcommittee report for FY 1989. Seconded by Representative Teagarden. Motion carried.

**KANSAS, INC.**

Representative reviewed the subcommittee report for FY 1988 and FY 1989 (Attachment 17). Representative Hoy moved adoption of the subcommittee reports. Seconded by Representative Turnquist. Motion carried.

**KANSAS TECHNOLOGY ENTERPRISE CORPORATION**

Representative Turnquist presented the FY 1988 subcommittee report (Attachment 18). Representative Turnquist moved adoption of the FY 1988

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S, Statehouse, at 1:30 ~~xm~~/p.m. on March 1, 1988

subcommittee report. Seconded by Representative Hoy. Motion carried. Regarding the FY 1989 subcommittee report (Attachment 19), Representative Miller asked if the amounts reappropriated from FY 1988 and FY 1989 in Recommendations #13 and #18 were then taken as a reduction in the FY 1989 budget. The Subcommittee stated they were not. Representative Turnquist moved adoption of the FY 1989 subcommittee report. Seconded by Representative Hoy. Motion carried.

**DEPARTMENT OF COMMERCE**

Representative Helgerson reviewed the FY 1988 subcommittee report (Attachment 20). Representative Miller was advised that the total funding for the Minority Business program is approximately \$60,000 SGF. Several members questioned whether the state should replace federal cuts in this and other programs. Representative Vancrum made a motion to delete Recommendation #1 from the FY 1988 subcommittee report. Seconded by Representative Ott. It was noted the turnover rate for the agency is 1.5 percent with salaries and wages of \$3.1 million for FY 1989. With the intention of considering this question further in the discussion on the FY 1989 subcommittee report, Representative Vancrum withdrew his motion with the permission of his second, Representative Ott. Representative Hoy moved the adoption of the FY 1988 subcommittee report. Seconded by Representative Helgerson. Motion carried.

On the FY 1989 subcommittee report, discussion concerned offsetting the increase in the SGF for the Minority Business program while retaining the program (Attachment 21), Representative Vancrum made a motion to add a provision to this report to increase the assumed turnover savings from 1.5 to 2.5 percent agencywide. Seconded by Representative Miller. Motion carried. Representative Heinemann asked about Rec. #14 to delete \$50,000 from the EDIF associated with the education awards program. Representative Helgerson stated the subcommittee did not feel this should be a priority for EDIF funds. Representative Helgerson moved adoption of the FY 1989 subcommittee report, as amended. Seconded by Representative Hoy. Motion carried.

**STATE BOARD OF TAX APPEALS**

Representative Miller reviewed the subcommittee reports (Attachment 22). For FY 1989, the subcommittee deleted 3 FTE positions with financing because they felt the increased work of reappraisal will more likely begin in FY 1990. The Subcommittee also felt reappraisal may be better dealt with through special positions rather than FTE's. Representative Miller moved adoption of the subcommittee report. Seconded by Representative Teagarden. Motion carried.

The subcommittee report on the Commission on Civil Rights to complete HB 2808 will be taken up at tomorrow's meeting--Wednesday, March 2, 1988. The meeting was adjourned at 3:45 p.m.







**SUBCOMMITTEE REPORT**

Agency: Kansas Soldiers Home

Bill No. 2796

Bill Sec. 15

Analyst: Duffy

Analysis Pg. No. 560

Budget Pg. No. 2-31

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 923,239	\$ 932,443	\$ (10,000)
General Fees Fund	<u>2,171,888</u>	<u>2,126,303</u>	<u>0</u>
Subtotal	<u>\$ 3,095,127</u>	<u>\$ 3,058,746</u>	<u>\$ (10,000)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 116,727	\$ --
State Inst. Bldg. Fund	<u>184,981</u>	<u>102,000</u>	<u>--</u>
Subtotal	<u>\$ 184,981</u>	<u>\$ 218,727</u>	<u>\$ --</u>
<b>TOTAL</b>	<u>\$ 3,280,108</u>	<u>\$ 3,277,473</u>	<u>\$ (10,000)</u>
 FTE Positions	 135.8	 135.8	 --

Agency Estimate/Governor's Recommendation

The agency's FY 1988 estimate for operating expenditures of \$3,095,127 is as authorized by the 1987 Legislature. No supplemental funding or significant change to the approved budget is proposed.

The Governor recommends an operating budget of \$3,058,746 in FY 1988, a reduction of \$36,381 from the approved estimate. Reductions are reflected in communications, utilities and food. The FY 1988 recommendation includes additional funds for salaries and wages for the registered nurse (RN) salary upgrade (\$3,096) and adjustment to fringe benefit rates. The FY 1988 recommendation also includes capital outlay expenditures of \$40,500, an increase of \$21,600 over the agency's FY 1988 estimate. In addition, the Governor recommends that two capital improvement projects totaling \$116,727 requested from the State Institutions Building Fund for FY 1989 be funded from the State General Fund in FY 1988. The Governor's recommendation for financing of the operating budget reflects a State General Fund supplemental appropriation of \$7,062 and a decrease in expenditures from the Fee Fund of \$45,585 in FY 1988.

House Subcommittee Recommendation

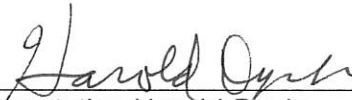
FY 1988. The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. The Subcommittee recommends the reduction of \$10,000 from salaries and wages in FY 1988 because the agency has been unable to fill a Medical Records Technician position which was approved by the 1987 Legislature. The Subcommittee notes that the position was approved because the agency's medical records

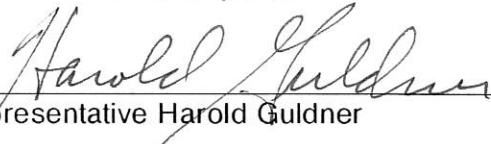
*HA  
3-1-88  
Attachment 1*

had been cited as deficient in surveys by the Kansas Department of Health and Environment and the Veterans Administration. The Subcommittee joins the agency's concern over the inability to find a qualified applicant to fill the position and understands that the agency is considering contracting with a licensed medical records technician from a private hospital to consult with the medical records department. The Subcommittee encourages the agency to investigate all options, including using employees currently employed by the state. For example, the Subcommittee learned that Larned State Hospital currently has two licensed medical record technicians. The Subcommittee believes that they may be able to provide temporary assistance until the agency is able to recruit or train their own licensed medical record technician.

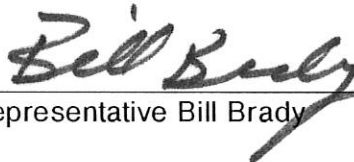
2. The Subcommittee wishes to note that although we concur with the Governor's recommendation to shift from the agency's FY 1989 capital outlay request a tractor (\$20,000), the Subcommittee is concerned that \$20,000 may not be adequate to purchase a new, reliable tractor to meet the needs of the Soldiers Home. The Subcommittee directs the agency to review the replacement costs and explore the possibility of purchasing a used tractor.
3. The Subcommittee recommends that the expenditure limitation of the Soldiers' Home fee fund be reduced from \$2,171,888 to \$2,126,303 to accurately reflect the recommendation of the Governor.



\_\_\_\_\_  
Representative Harold Dyck  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Harold Guldner



\_\_\_\_\_  
Representative Bill Brady

**SUBCOMMITTEE REPORT**

Agency: Kansas Soldiers Home

Bill No. 2808

Bill Sec. 15

Analyst: Duffy

Analysis Pg. No. 560

Budget Pg. No. 2-31

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,046,969	\$ 1,093,870	\$ (35,000)
General Fees Fund	<u>2,133,048</u>	<u>2,188,887</u>	<u>--</u>
Subtotal	<u>\$ 3,180,017</u>	<u>\$ 3,282,757</u>	<u>\$ (35,000)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ --
State Inst. Bldg. Fund	<u>186,727</u>	<u>20,000</u>	<u>--</u>
Subtotal	<u>\$ 186,727</u>	<u>\$ 20,000</u>	<u>\$ --</u>
 TOTAL	 <u>\$ 3,366,744</u>	 <u>\$ 3,302,757</u>	 <u>\$ (35,000)</u>
 FTE Positions	 135.8	 135.8	 --

Agency Estimate/Governor's Recommendation

The agency requests a total of \$3,366,744 for expenditures in FY 1989, a 2.6 percent increase over the total expenditures approved for FY 1988. The agency requests funding for the existing 135.8 FTE positions and proposes no major changes in the operation of the Soldiers Home.

The Governor recommends an FY 1989 operating budget of \$3,282,757, an increase of \$224,011 (7.3 percent) over the FY 1988 recommendation. The FY 1989 recommendation include additional funds for the salary upgrade for RNs (\$10,180), a 4 percent increase for classified employees (\$86,831), a 5.8 percent merit pool for unclassified employees (\$2,436), and adjustment to fringe benefit rates. The Governor recommends \$2,600 for capital outlay items, a reduction of \$21,600 from the agency's request. A tractor and mimeograph machine were shifted from FY 1989 and recommended for FY 1988. The Governor's recommendation for FY 1989 financing includes \$1,093,870 from the State General Fund, an increase of \$46,901 over the agency's request and \$2,188,887 from the fee fund, an increase of \$55,839 from the \$2,133,048 requested by the Soldiers Home.

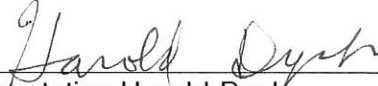
House Subcommittee Recommendation

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

1. The Subcommittee recommends the reduction of \$30,000 from utilities for total FY 1989 utility expenditures of \$270,000.



2. The Subcommittee recommends the reduction of \$5,000 from salaries and wages for temporary employees for total expenditures of \$37,416 for temporary employees.



\_\_\_\_\_  
Representative Harold Dyck  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Harold Guldner



\_\_\_\_\_  
Representative Bill Brady

2808-640

**SUBCOMMITTEE REPORT**

Agency: Kansas Arts Commission

Bill No. 2808

Bill Sec. 10

Analyst: Holt

Analysis Pg. No. 544

Budget Pg. No. 1-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 381,444	\$ 326,765	\$ 7,172
Programming Grants	<u>1,288,694</u>	<u>802,984</u>	<u>77,347</u>
TOTAL	<u>\$ 1,670,138</u>	<u>\$ 1,129,749</u>	<u>\$ 84,519</u>
<b>State General Fund:</b>			
State Operations	\$ 301,660	\$ 254,797	\$ 7,172
Programming Grants	<u>855,940</u>	<u>309,801</u>	<u>--</u>
TOTAL	<u>\$ 1,157,600</u>	<u>\$ 564,598</u>	<u>\$ 7,172</u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ --	\$ --	\$ --
Programming Grants	<u>--</u>	<u>50,000</u>	<u>87,768</u>
TOTAL	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ 87,768</u>
FTE Positions	10.0	8.0	--

Agency Request/Governor's Recommendation

The agency's request for operating expenditures in FY 1989 totals \$1,670,138, of which \$1,157,600 is from the State General Fund. Total requested expenditures represent an increase of \$646,112, or 63.1 percent, above the agency's revised estimate, which is largely attributable to the proposed addition of 2.0 FTE positions (\$39,223) and to requested increased expenditures for arts programming (\$573,831). Requested State General Fund expenditures of \$855,940 for arts programming in FY 1989 reflect an increase of \$496,139 above estimated current year State General Fund expenditures.

The Governor's recommendation for operating expenditures in FY 1989 totals \$1,129,749, of which \$564,598 is from the State General Fund. Total recommended expenditures represent an increase of \$113,274 above the FY 1988 recommendation, due to increases of federal funds (\$93,353), fee fund and special gifts fund expenditures (\$530), and authorized expenditures from the Economic Development Initiatives Fund (\$50,000), offset by a reduction from the State General Fund (\$30,459) and projected unexpended programming grant moneys (\$150). Recommended total expenditures for arts programming exceed by \$88,121 or 12.3 percent current year recommended expenditures of \$714,863. No funding is recommended for the two requested additional positions.

House Subcommittee Recommendation

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

*HA  
3-1-88  
Attachment 2*

1988 recommendation of \$1,016,475 (\$595,057 from the State General Fund; \$421,418 from other funds) with the following adjustment:

1. Add \$82,808 in federal funds for arts programming. The agency did not realize that the Governor had recommended \$122,808 to be carried forward to FY 1989 and had expended all but approximately \$40,000 of the recommended carryforward balance. This recommendation need not be reflected in the House supplemental bill (H.B. 2796), as the agency's federal moneys are credited to a no-limit fund.

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

1. Add \$6,817 from the State General Fund for the salary and fringe benefits differential of the unclassified Executive Director. An Executive Director was hired in December, 1987 at a higher salary than that of her predecessor. Although the salary was approved by the Governor, due to the timing of the appointment, the salary differential was not reflected in the Governor's recommendation. In addition, \$355 is recommended for the differential in the 5.8 percent merit pool for unclassified employees.
2. Add \$87,768 from the Economic Development Initiatives Fund for the proposed Rural Arts Initiatives program. It is recommended that these expenditures finance matching grants for predominantly rural counties in the state and that they not be used for program administration. The Subcommittee notes that in its proposal to the Governor, Kansas, Inc. recommended \$700,000 from the State Economic Development Initiatives Fund for the arts. The Subcommittee also recalls the House Appropriation Committee's report from the previous year which recognized the importance of the arts to the state's economic growth and recommended that a portion of the state gaming revenues, pending future Appropriation Committee action, be appropriated for arts programs in future fiscal years. The Subcommittee believes that recommended expenditures of \$87,768 for programming grants represent an important step in responding to the recommendations of Kansas, Inc. and the House Committee. The Subcommittee also recommends that the 1989 Legislature determine the need, if any, for additional administrative support or staff after the Rural Initiatives program has been operational for several months.
3. Reduce \$10,421 from federal funds in FY 1989. Pursuant to the Governor's FY 1989 recommendation, the agency learned that it will have \$55,000 more in federal Basic State Grant support than had been anticipated. However, this projected increase will be more than offset by reduced carryforward expenditures from FY 1988. The agency has requested that the Governor include \$10,000 in a Budget Amendment to offset this projected shortfall and the Subcommittee defers to the Governor's decision on this matter.

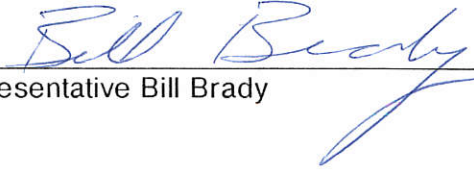




Representative Harold Dyck  
Chairperson



Representative Harold Guldner



Representative Bill Brady

**SUBCOMMITTEE REPORT**

Agency: Attorney General -- KBI

Bill No. 2808

Bill Sec. 4

Analyst: Duffy

Analysis Pg. No. 472

Budget Pg. No. 4-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$13,414,383	\$ 7,085,084	\$ 25,200
Special Revenue Funds	<u>227,227</u>	<u>227,227</u>	<u>--</u>
TOTAL	<u>\$13,641,610</u>	<u>\$ 7,312,311</u>	<u>\$ 25,200</u>
FTE Positions	222.0	163.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 request for state operations total \$13,641,610, of which \$13,414,383 is from the State General Fund. The request is an increase of \$7,141,605 over the current year estimate. The request includes \$227,227 from Special Revenue Funds, including \$142,227 from the Criminal History Record Check Fees Fund.

The Governor recommends FY 1989 operating expenditures of \$7,312,311. The FY 1989 recommendation includes \$174,748 for a 4 percent increase for classified employees, \$8,105 for a 5.8 percent merit pool for unclassified employees, and adjustments to fringe benefit rates. The recommendation includes expenditures of \$7,085,084 from the State General Fund, \$142,227 from the Criminal History Record Check Fees Fund, \$65,000 from federal funds, \$10,000 from the Conversion account, and \$10,000 from the Evidence Purchase account.

House Subcommittee Recommendations

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

FY 1989. The House Subcommittee concurs with the recommendation of the Governor for FY 1989 with the following adjustments:

1. The Subcommittee recommends the addition of \$25,200 for a Programmer II position for the Administration program. This position was recommended by the Governor; however, funds to support the position were inadvertently omitted from the Governor's budget recommendation.
2. The Subcommittee recommends a "no limit" expenditure limitation for the Criminal Justice Statistics--federal fund, which currently carries an expenditure limitation of \$40,000. The Subcommittee understands that additional federal funds may be available. The Subcommittee notes that the terms of the federal grant exclude using the federal funds for salaries and wages.

*HA  
3-1-88  
Attachment 3*

3. The Subcommittee recommends an increase in the expenditure limitation for the Missing Persons Clearing house--federal fund from \$5,000 to \$15,000. The Subcommittee understands that additional federal funds (\$10,000 to \$15,000) may be available for training purposes.
4. The Subcommittee recommends the establishment of a special revenue fund with an expenditure limitation of \$2,000 for the Attorney General's Committee on Crime Prevention. This fund would allow the KBI to accept and spend money for training seminars.
5. The Subcommittee recommends the establishment of a special revenue fund with a "no limit" expenditure limitation for the Forensic Laboratory. According to Bureau officials, noncriminal justice agencies would be charged fees for laboratory tests and the revenue would be used for the acquisition of laboratory equipment and materials. In addition, federal drug funds maybe available for the acquisition of laboratory equipment.
6. The Subcommittee recommends the establishment of a special revenue fund with a \$0 expenditure limitation for investigations performed for the Lottery and Racing Commission. The Subcommittee recommends that the KBI charge the Lottery and Racing Commission for the total costs, including basic agent salaries, incurred by the KBI in conducting investigations. The Subcommittee recommends that all amounts recovered by the KBI from the Lottery and Racing Commission be used to offset State General Fund expenditures in the KBI. The Governor recommended and the Legislature concurred with a State General Fund Emergency Supplemental for the addition of eight FTE (seven Special Agent Is and one Clerical) and associated operating costs for an investigation gaming unit to handle the necessary investigations resulting from the addition of parimutuel wagering and the statewide lottery. Investigations were being conducted at the expense of the Bureau's regular activities. The Subcommittee believes that these costs and others associated with the Lottery and Racing Commission should be recovered by the KBI and used to reduce the obligation of the State General Fund in future years.
7. The Subcommittee recommends the introduction of legislation to allow the KBI to fix, charge and collect fees. The KBI is authorized to fix, charge and collect fees by proviso in the appropriation bill for two current fee funds (Local Law Enforcement Personnel Education and Training Fees Fund and the Criminal History Record Check Fees Fund). The Subcommittee understands that there is some question as to the legality of authorizing the director of the KBI to fix, charge, and collect fees by proviso, therefore, the Subcommittee believes that in light of this question that authorization be established in substantive legislation. The Subcommittee notes that if this



legislation does not pass, any additional fee funds that are created will require provisos to authorize the KBI to collect fees.

The Subcommittee suggests that the bill require the KBI to fix, charge and collect fees for services provided noncriminal justice entities including governmental agencies and private organizations in accordance with rules and regulations. The Subcommittee believes that some type of fee schedule for the various services and various entities is necessary to allow the KBI to recover all or a portion of costs.

The Subcommittee is aware of a problem between the Kansas Department of Health and Environment (KDHE) and the KBI which involves the reimbursement of the KBI for record checks. The Subcommittee directs the KBI to review the \$3 fee currently being charged to determine if it is appropriate and to work with KDHE to resolve any differences.

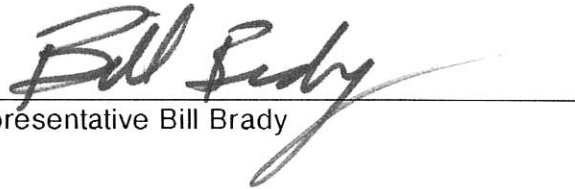
8. The Subcommittee understands that \$12,000 was included in the agency's FY 1989 budget request to provide standardized rape kits for Kansas hospitals. Although the Governor's recommendation did not include funding, the KBI intends to provide the kits and will absorb the costs within the recommended operating budget, according to Bureau officials.



Representative Harold Dyck  
Subcommittee Chairperson



Representative Harold Guldner



Representative Bill Brady

**SUBCOMMITTEE REPORT**

Agency: Public Disclosure Commission      Bill No. 2808      Bill Sec. 8  
 Analyst: Piekalkiewicz      Analysis Pg. No. 484      Budget Pg. No. 1-159

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 219,187	\$ 192,312	\$ --
FTE Positions	5.0	5.0	--

Agency Request/Governor's Recommendation

The Commission requests an FY 1989 budget of \$219,187. The request includes a total of \$158,976 for salaries and wages for 6.0 FTE, \$5,500 for temporary help for computer data entry, \$14,350 for legal services, \$10,248 for rent, \$9,722 for communications, \$7,414 for travel and subsistence, and \$12,977 for other operating expenditures.


The Governor recommends \$192,312 for the Commission for FY 1989, including reductions in communications (\$2,422), travel and subsistence (\$2,081), and legal services (\$1,000) from the agency request. The recommendation includes \$3,387 for the requested temporary help.

House Subcommittee Recommendation

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

**FY 1989.** The House Subcommittee concurs with the Governor's recommendations with the following comment:

1. While the Subcommittee recognizes the agency's need for temporary help for the specific task of data entry, the Subcommittee feels that the fulltime staff of the agency should become proficient in computer skills to enable them to access information and generate reports.

  
 Representative Harold Dyck  
 Chairman

  
 Representative Harold Gudner

  
 Representative William Brady

**SUBCOMMITTEE REPORT**

Agency: State Treasurer

Bill No. 2796

Bill Sec. 11

Analyst: Mills

Analysis Pg. No. 566

Budget Pg. No. 1-187

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,693,289	\$ 1,694,565	\$ --
Aid to Local Units	60,474,071	60,692,808	--
Debt Service	<u>661,810</u>	<u>661,810</u>	--
Total	<u>\$ 62,829,170</u>	<u>\$ 63,049,183</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 1,658,289	\$ 1,659,565	\$ --
Aid to Local Units	<u>52,844,061</u>	<u>53,062,798</u>	--
Total	<u>\$ 54,502,350</u>	<u>\$ 54,722,363</u>	<u>\$ --</u>
FTE Positions	52.0	52.0	--

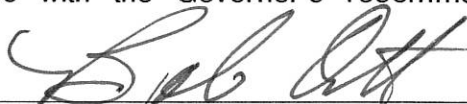
Agency Estimate/Governor's Recommendation

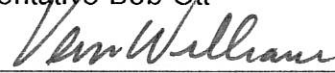
**FY 1988.** The revised FY 1988 expenditure estimates submitted by the agency total \$1,693,289 for state operations, exclusive of debt service, and \$661,810 for debt service. This revised estimate equals the amount approved by the 1987 Legislature and maintains the staffing level of 52.0 FTE positions.

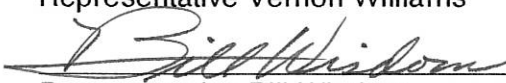
The Governor recommends an FY 1988 state operations expenditure of \$1,694,565, of which \$35,000 is from the Unclaimed Property Contract Fund. The amount recommended is an increase of \$1,276 over the agency estimate, all of which is attributable to revised calculations for FICA and group health insurance. The Governor recommends an FY 1988 supplemental appropriation of \$1,276 for the revised salary recommendation. The Governor concurs with the estimate for debt service of \$661,810.

House Subcommittee Recommendation

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

  
 \_\_\_\_\_  
 Representative Bob Ott

  
 \_\_\_\_\_  
 Representative Vernon Williams

  
 \_\_\_\_\_  
 Representative Bill Wisdom

st-treas/RM

HA  
 3-1-88  
 Attachment 5

**SUBCOMMITTEE REPORT**

Agency: State Treasurer

Bill No. 2808

Bill Sec. 16

Analyst: Mills

Analysis Pg. No. 566

Budget Pg. No. 1-187

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89 As Amended</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,796,384	\$ 1,789,121	\$ --
Aid to Local Units	65,528,000	66,047,000	--
Debt Service	<u>680,591</u>	<u>680,591</u>	--
<b>Total</b>	<b><u>\$ 68,004,975</u></b>	<b><u>\$ 68,516,712</u></b>	<b><u>\$ --</u></b>
<b>State General Fund:</b>			
State Operations	\$ 1,761,384	\$ 1,747,621	\$ --
Aid to Local Units	<u>57,828,000</u>	<u>58,347,000</u>	--
<b>Total</b>	<b><u>\$ 59,589,384</u></b>	<b><u>\$ 60,094,621</u></b>	<b><u>\$ --</u></b>
<b>FTE Positions</b>	<b>54.0</b>	<b>52.0</b>	<b>--</b>

Agency Estimate/Governor's Recommendation

The agency requests FY 1989 expenditures for state operations of \$1,796,384, exclusive of debt service. Of the total request, \$1,761,384 is from the State General Fund and \$35,000 is from the Unclaimed Property Contract Fund. The request represents an increase in State General Fund expenditures of \$103,095 or 6.2 percent over the FY 1988 estimate of \$1,658,289. The request would increase the current level of staffing from the 52.0 FTE positions authorized for FY 1988 to 54.0 positions, an increase of 2.0 FTE positions. The two new positions are in the Bond Registration subprogram: one Financial Securities Officer I (\$15,228) and one Office Assistant II (\$13,140). The FY 1989 request also includes funding for overtime payments and seasonal help (\$16,040); for two three-year insurance policies covering money and securities in the Treasurer's safekeeping and vault contents (\$15,035); for the Treasurer's share of the state's assessment for the funding of the Governmental Accounting Standards Board (\$5,536); for three independent valuations of municipal securities pledged to the Treasurer (\$9,000); for an intercom system for the various departments in the office (\$2,000); and for lease payments on existing computer hardware (\$14,977) and a new memory upgrade, terminal, and printer (\$3,400 for a three-year lease-purchase arrangement totaling \$10,200). The agency's FY 1989 budget request estimates university debt service at \$680,591.

The Governor recommends FY 1989 expenditures of \$1,789,121 for state operations, which is composed of \$1,747,621 from the State General Fund, \$35,000 from the Unclaimed Property Contract Fund, and \$6,500 from the Bond Registration Fee Fund. The Governor's recommendation would fund the 52.0 FTE positions currently authorized. The Governor's recommendation for FY 1989 includes funding for 4 percent salary increases for classified employees (\$30,727) and a 5.8 percent merit pool for unclassified employees (\$21,200); for renewal of two insurance contracts which cover money and securities in the Treasurer's safekeeping (\$15,035); for three independent valuations of municipal securities

pledged to the Treasurer (\$9,000); and for lease payments on existing computer hardware (\$14,977), and for the purchase of hardware to increase the processing memory of the Treasurer's computer (\$6,500).

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1989, with the following additional recommendations:

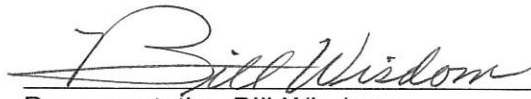
1. The House Subcommittee recommends that the agency utilize additional cross-training of Bond Registration and other staff and more use of "floating" staff in order that new staff positions will not be needed in FY 1989.
2. The House Subcommittee notes that the Bond Registration Fee Fund was abolished by legislative action several years ago. However, no provision was made for the disposition of the fund's balance (\$18,598). The Governor's recommendation for FY 1989 proposes to expend \$6,500 of the balance for the requested computer memory upgrade and to transfer the remaining balance (\$12,098) to the State General Fund. The Subcommittee concurs with the Governor's recommendation and recommends that appropriate transfer language be placed in H.B. 2808.



Representative Bob Ott



Representative Vernon Williams



Representative Bill Wisdom

2808-670/RM



**SUBCOMMITTEE REPORT**

Agency: Insurance Department

Bill No. 2796

Bill Sec. 5

Analyst: Rampey

Analysis Pg. No. 534

Budget Pg. No. 1-129

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 9,326,133	\$ 9,327,500	\$ (60,000)
Local Aid	4,504,591	4,504,591	--
Other Assistance	<u>35,479,184</u>	<u>35,479,184</u>	<u>--</u>
Total	<u>\$ 49,309,908</u>	<u>\$ 49,311,275</u>	<u>\$ (60,000)</u>
State General Fund:			
State Operations	\$ 3,952,191	\$ 3,952,473	\$ (60,000)
FTE Positions	149.2	149.2	--

Agency Estimate/Governor's Recommendation


**FY 1988.** Estimated expenditures are \$49,309,908, of which \$3,952,191 is from the State General Fund. The Governor recommends expenditures of \$49,311,275, of which \$3,952,473 is from the State General Fund.

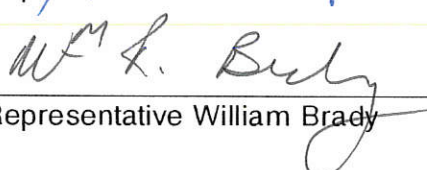
House Subcommittee Recommendations

The Subcommittee concurs with the Governor, with the following exception:

1. Delete \$60,000 from the State General Fund for salaries and wages and reappropriate for FY 1989. The savings were identified by the Insurance Department and occurred at the beginning of the fiscal year when positions held vacant as a result of budget reductions in FY 1987 could not be filled immediately.

  
 Representative Harold Dyck

  
 Representative Harold Guldner

  
 Representative William Brady

2796-331/CR

HA  
 3-1-88  
 Attachment 6

**SUBCOMMITTEE REPORT**

Agency: Insurance Department

Bill No. 2808

Bill Sec. 9

Analyst: Rampey

Analysis Pg. No. 534

Budget Pg. No. 1-129

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Amended Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 9,859,768	\$ 9,967,487	\$ --
Local Aid	5,157,757	5,157,757	--
Other Assistance	<u>39,442,709</u>	<u>39,442,709</u>	--
Total	<u>\$ 54,460,234</u>	<u>\$ 54,567,953</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 4,085,667	\$ 4,170,178	\$ --
FTE Positions	151.2	150.2	(1.0)

Agency Estimate/Governor's Recommendation

The Insurance Department estimates expenditures of \$54,460,234, of which \$4,085,667 would be from the State General Fund. The State General Fund portion includes \$35,529 for the salaries and benefits of 2.0 FTE new positions.

The Governor recommends expenditures of \$54,591,343, an increase of \$131,109 over the Department's request. The increase is all in the operating portion of the Department's budget and includes \$23,390 that is overstated for group health insurance. That amount has been deleted in the Governor's amended recommendation (\$18,885 from the State General Fund and \$4,505 from other funds). The Governor recommends expenditures of \$4,189,063 from the State General Fund, which include funding for one new position.

House Subcommittee Recommendation

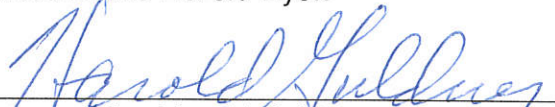
The House Subcommittee concurs with the Governor's recommendation, with the following exception:


1. Delete 1.0 FTE position from the group funded workers' compensation program. The program was created by the 1983 Legislature, which approved the addition of 2.0 FTE new positions to administer it. The positions have never been filled. Beginning in FY 1989, the Department plans to fill one position half-time. All expenses associated with the program are paid from assessments against the self-insurance pools. (There are presently three pools and two or three more could form in FY 1989.)

The Subcommittee questions the need for the Department to be authorized 2.0 FTE positions when the positions have never been filled and the Department considers a part-time employee

adequate to administer the program for the coming year. No reduction in funding is involved in the Subcommittee's recommendation because the Department has not budgeted salaries for the vacant positions.

  
\_\_\_\_\_  
Representative Harold Dyck

  
\_\_\_\_\_  
Representative Harold Guldner

  
\_\_\_\_\_  
Representative Bill Brady

2808-331/CR

**SUBCOMMITTEE REPORT**

Agency: Secretary of State

Bill No. 2796

Bill Sec. NA

Analyst: Rothe

Analysis Pg. No. 557

Budget Pg. No. 1-23

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund:			
Noncensus	\$ 1,248,194	\$ 1,242,747	\$ --
Census	3,329,916	3,329,916	--
UCC Fee Fund	734,886	730,849	--
Other Special Funds	<u>261,965</u>	<u>261,965</u>	--
TOTAL	<u>\$ 5,574,961</u>	<u>\$ 5,565,477</u>	<u>\$ --</u>
FTE Positions	61.0	61.0	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1988 expenditures of \$5,574,963, an increase of \$109,985 from no-limit special revenue funds above the amount approved by the 1987 Legislature. Estimated State General Fund expenditures include \$1,248,194 for noncensus expenditures and \$3,329,916 for census expenditures. Other estimated expenditures include \$734,886 from the Uniform Commercial Code (UCC) Fee Fund (an increase of \$140,249 above the previously estimated amount), \$138,445 from the Kansas Register Fee Fund (an increase of \$3,437), and \$123,522 from other special revenue funds (a decrease of \$33,701).

The Governor recommends FY 1988 expenditures of \$5,565,477, a reduction of \$9,486 from the agency's estimate due to salary and benefit rate adjustments.

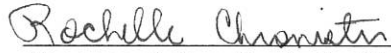
House Subcommittee Recommendation

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

1. Transfer \$200,000 from the UCC Fee Fund to the State General Fund. The recommendation would decrease the estimated FY 1988 ending balance from \$316,953 to \$116,953.
2. The Subcommittee notes that the state census being conducted by the Secretary of State is on schedule. Over 67 percent of census cards have been returned and 64 percent of all precincts have been canvassed. Most of the canvasser positions will be terminated by March 1. Approximately 1,375 personnel are, or have been employed, at the five regional offices and 20 persons are employed at the central office in Topeka. All precinct boundary maps, sent to county election officers for review, have been returned and have been tentatively approved by the Secretary of State. The regional offices are scheduled to close

*HA  
3-1-88  
Attachment 7*

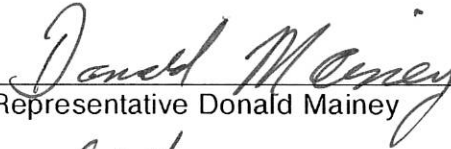
in March and editing and compilation of precinct census data will begin. The Subcommittee notes that the Governor recommends reappropriation authority in the event that it becomes necessary to spend previously appropriated funds in FY 1989.




\_\_\_\_\_  
Representative Rochelle Chronister  
Subcommittee Chairperson



\_\_\_\_\_  
Representative William Bunten



\_\_\_\_\_  
Representative Donald Maaney



\_\_\_\_\_  
Representative David Heinemann



\_\_\_\_\_  
Representative Lee Hamm



SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 2808

Bill Sec. 13

Analyst: Rothe

Analysis Pg. No. 557

Budget Pg. No. 1-23

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund:			
Noncensus	\$ 1,285,800	\$ 1,333,318	\$ (5,959)
Census	--	--	--
UCC Fee Fund	764,191	795,788	(3,624)
Other Special Funds	<u>220,784</u>	<u>220,784</u>	<u>--</u>
TOTAL	<u>\$ 2,270,775</u>	<u>\$ 2,349,890</u>	<u>\$ (9,583)</u>
FTE Positions	61.0	61.0	--

Agency Request/Governor's Recommendation

The agency's FY 1989 request totals \$2,270,775, an increase of \$25,728 above the FY 1988 estimate of noncensus expenditures, and would maintain the same 61.0 FTE positions approved for the current fiscal year. No census expenditures are requested for FY 1989. The request includes \$1,285,800 from the State General Fund, (an increase of \$37,606, or 3.0 percent above the FY 1988 estimate of noncensus expenditures), and \$984,975 from special revenue funds (a decrease of \$11,878).

The Governor recommends \$2,349,890 for FY 1989, an increase of \$79,115 in salaries above the agency's request (including an increase of \$47,518 from the State General Fund and \$31,597 from the Uniform Commercial Code (UCC) Fee Fund). The recommendation includes \$66,465 for a 5.8 percent unclassified merit pool salary adjustment, \$8,827 for a salary adjustment for seasonal and temporary positions, and \$3,823 for health insurance and other benefit rate adjustments.

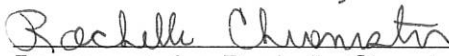
House Subcommittee Recommendation


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

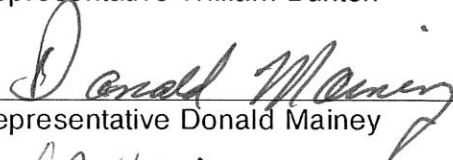
1. Delete \$9,583 from salaries and wages to correct health insurance costs, including \$5,959 from the State General Fund and \$3,624 from the UCC Fee Fund. The recommendation is in concurrence with a Governor's Budget Amendment.
2. The Subcommittee notes that changing computer technology permits the largest users of the UCC filing system to retrieve UCC transactions by either purchasing rolls of UCC microfilm or by directly accessing the Secretary of State's IBM System 36 computer. The Secretary of State requests that K.S.A. 84-9-411 be amended to reflect the agency's current practice of permitting

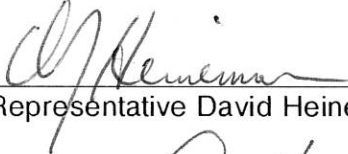
direct access to the UCC system and to allow the Secretary and Registers of Deeds to charge for all costs associated with the dissemination of UCC information. The Subcommittee recommends the introduction of a bill as requested and notes the impact on the following users of the UCC system:

- a. Registers of Deeds currently disseminate UCC information from data obtained by mail from the Secretary of State, retaining \$2 of each \$5 charged. The proposed amendment would permit the Secretary of State and Registers of Deeds to establish a fee (by rules and regulations) which takes into account all costs associated with establishing and maintaining the UCC system. Sufficient receipts would permit additional Registers of Deeds to have direct access to the Secretary's computer system or to purchase rolls of UCC microfilm. As a result, Registers of Deeds could provide faster service and more timely information to the public.
- b. The Secretary of State currently conducts 85,000 annual UCC searches for the Agricultural Stabilization and Conservation Service (ASCS). Because the number of searches provided for the ASCS fluctuates, the Secretary must hire temporary employees to assist with UCC transaction surges. If the Secretary were allowed to charge a fee sufficient to account for all costs associated with establishing and maintaining the UCC system, the Secretary could encourage the ASCS to perform its own searches by purchasing UCC microfilm or by accessing the Secretary's computer. As a result, the level of UCC searches in the Secretary's office would stabilize.
- c. Currently, the Secretary of State cannot prevent a private business from purchasing rolls of UCC microfilm (at \$8 per roll), establishing a separate UCC system, and reselling the information at a profit. The requested legislation would permit the Secretary to set a fee on UCC microfilm and other UCC information which reflects all costs associated with creating and maintaining the UCC system, including data entry, microfilming, editing, personnel, and equipment costs.

  
\_\_\_\_\_  
Representative Rochelle Chronister  
Subcommittee Chairperson

  
\_\_\_\_\_  
Representative William Bunten

  
\_\_\_\_\_  
Representative Donald Mainey

  
\_\_\_\_\_  
Representative David Heinemann

  
\_\_\_\_\_  
Representative Lee Hamm

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. 2808

Bill Sec. 6

Analyst: Ahrens

Analysis Pg. No. 488

Budget Pg. No. 1-15

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89 As Amended</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Operating Expenditures	\$ 1,265,514	\$ 1,295,326	\$ --
FTE Positions	30.0	30.0	--

Governor's Recommendation

The FY 1989 budget recommendation totals \$1,300,051, an increase of \$65,091 over the current year estimate. The recommendation includes salaries and benefits of \$873,680, an increase of \$94,974 above the FY 1988 estimate. An additional FTE position is budgeted for secretarial assistance. Nonsalary expenses of \$426,371 are budgeted for FY 1989, a decrease of \$29,883 from the FY 1988 estimate. Subsequent to publication of the Governor's Budget Report, the Director of the Budget informed the Chairman of the Appropriations Committee that group health insurance costs for FY 1989 are overstated by \$4,725 and that this adjustment will be reported in the Governor's amended budget report. The Director noted that the adjustment was not reflected in H.B. 2808, as introduced.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's amended recommendation for the Governor's Department. The adjustments to Section 6 of H.B. 2808 to reflect the amended budget are a decrease of \$3,744 in the line item for Administration and a decrease of \$981 in the line item for the Governor's residence.

  
 Representative Dyck  
 Chairperson

  
 Representative Harold Guldner

2808-252/EA

HA  
 3-1-88  
 Attachment 8

MINORITY REPORT

The Governor's recommendation for his own Department includes additional contingency amounts totaling \$32,787. Unlike the \$75,000 contingency line item which is shown as an expenditure, the additional contingency amounts are not reflected in the expenditure total but are, instead, treated as re-appropriations to FY 1990. Although I do not take issue with the Governor's desire to have additional leeway in his budget, I believe that such contingency amounts should be included in the budget total.



---

Representative William Brady

2808-252/EA



**SUBCOMMITTEE REPORT**

Agency: Lieutenant Governor

Bill No. 2808

Bill Sec. 11

Analyst: Ahrens

Analysis Pg. No. 553

Budget Pg. No. 1-21

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89 As Amended</u>	<u>Subcommittee Adjustments</u>
State General Fund: State Operations	\$ 101,500	\$ 105,971	\$ --
FTE Positions	3.0	3.0	--


Agency Request/Governor's Recommendation

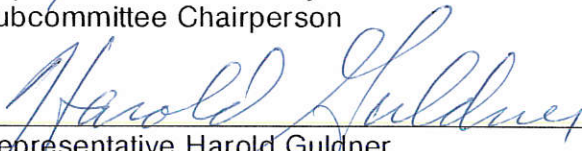
The FY 1989 budget request of the agency totals \$101,500, an increase of \$1,300 above the agency's estimate for FY 1988. The Governor recommends a budget of \$106,603 for FY 1989, which is \$5,103 above the agency's request. Salaries are increased by \$5,303, resulting from the application of a 4 percent increase to the salary shown for the Lieutenant Governor, the addition of a \$2,761 (5.8 percent) merit salary pool for the two staff positions, and a recalculation of fringe benefits. Requested expenditures for contractual services are reduced by \$200.

The Director of the Budget has reported to the Appropriations Committee Chairman that in the Governor's recommendation as shown in the Budget Report, group health insurance is overstated by \$632 and that the Governor's amended budget will be reduced by that amount. H.B. 2808, as introduced, is not adjusted for this amendment.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation as amended to correct the overstatement of health insurance by \$632 and recommends amendment of H.B. 2808 accordingly.

  
 Representative Harold Dyck  
 Subcommittee Chairperson

  
 Representative Harold Guldner

HA  
 3-1-88  
 Attachment 9

**MINORITY REPORT**

The Governor's recommendation for the Lieutenant Governor's budget includes an additional contingency amount of \$12,987, which is not included in expenditure totals and is, instead, reappropriated to FY 1990. Although I do not take issue with the Governor's proposal to provide additional leeway in this budget, I believe that such contingency should be included in the budget total.

  
\_\_\_\_\_  
Representative William Brady

2808-446/EA

**SUBCOMMITTEE REPORT**

Agency: Attorney General

Bill No. 2796

Bill Sec. New

Analyst: Duffy

Analysis Pg. No. 463

Budget Pg. No. 1-3

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,764,659	\$ 2,764,792	\$ (201,000)
Other Assistance	<u>854,950</u>	<u>854,950</u>	<u>--</u>
TOTAL	<u>\$ 3,619,609</u>	<u>\$ 3,619,742</u>	<u>\$ (201,000)</u>
State General Fund:			
State Operations	\$ 2,558,200	\$ 2,558,118	\$ (101,000)
Other Assistance	<u>0</u>	<u>0</u>	<u>--</u>
TOTAL	<u>\$ 2,558,200</u>	<u>\$ 2,558,118</u>	<u>\$ (101,000)</u>
FTE Positions	55.0	55.0	--

Agency Estimate/Governor's Recommendation

The agency estimates \$2,764,659 in operating expenditures in FY 1988. Of this amount, \$2,558,200 is from the State General Fund. The State General Fund total reflects the amount approved by the 1987 Legislature, including a reappropriation of \$113,448 for additional operating expenditures for the water rights litigation. For other assistance, the agency estimates \$268,950 from the Tort Claims Fund and \$586,000 from the federal Criminal Justice Block Grant.

The Governor recommends FY 1988 operating expenditures of \$2,764,792, an increase of \$133 over the agency's estimate. The increase is reflected in salaries and wages. Of the total, \$2,558,118 is from the State General Fund, a reduction of \$82 from the authorized FY 1988 State General Fund expenditures. The Governor concurs with the agency's estimate for Special Revenue Funds, except for the Board of Polygraphists Fee Fund. The Governor recommends expenditures of \$12,719, a \$215 increase from the amount approved by the 1987 Legislature.

House Subcommittee Recommendation

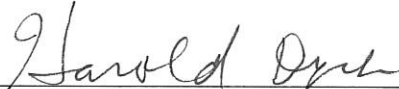
FY 1988. The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. The Subcommittee recommends the reduction of \$201,000 from the FY 1988 appropriation for the Interstate Water Rights account, based on anticipated current year expenditures. The Subcommittee recommends that the \$201,000 be reappropriated to FY 1989 for a total of \$701,000 in FY 1989.
2. The Subcommittee recommends the addition of \$100,000 from the State General Fund and a corresponding reduction from the

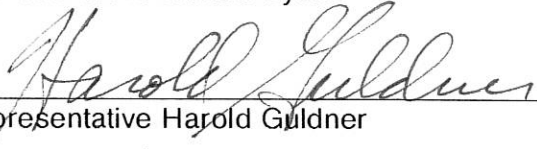
*HA  
3-1-88  
Attachment 10*

Antitrust Special Revenue Fund. The subcommittee notes that this special revenue fund supports the antitrust section and that over the last several years the fund has been depleted. There are not sufficient funds to support the antitrust operation for FY 1988. The Subcommittee understands that there is pending litigation which would provide adequate revenue for antitrust operations for many years. It is the intention of the Subcommittee that the \$100,000 be considered as a loan and that the State General Fund be reimbursed upon resolution of the case. The Subcommittee recommends that H.B. 2796 include language to require that \$100,000 be transferred from the Antitrust Special Revenue to the State General Fund as soon as funds are available.

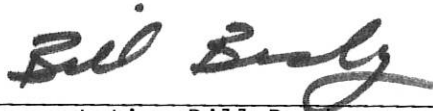
3. The Subcommittee notes that the Board of Polygraphists, established by the 1987 Legislature, has been unable to license polygraphists because it has been impossible to find persons meeting the statutorily required qualifications for two positions on the five member board. The Subcommittee alerts the Legislature that the 1987 Omnibus bill required that the \$12,000 from the State General Fund for start-up costs for the Board of Polygraphists be repaid as of July 1, 1988. The Subcommittee understands that there is pending legislation concerning the composition of the Board. If this legislation does not pass, the Subcommittee recommends that the requirement to transfer the \$12,000 on July 1, 1988 be repealed until such time as the Board is able to collect fees.



Representative Harold Dyck



Representative Harold Guldner



Representative Bill Brady

2796-082

## SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 2808

Bill Sec. 4

Analyst: Duffy

Analysis Pg. No. 463

Budget Pg. No. 1-3

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,735,848	\$ 2,687,399	\$ 195,800
Other Assistance	473,000	473,000	--
TOTAL	\$ 3,208,848	\$ 3,160,399	\$ 195,800
State General Fund:			
State Operations	\$ 2,529,240	\$ 2,482,329	\$ 195,800
Other Assistance	0	0	--
TOTAL	\$ 2,529,240	\$ 2,482,329	\$ 195,800
FTE Positions	57.0	56.0	--

### Agency Estimate/Governor's Recommendation

For FY 1989, the agency requests operating expenditures of \$2,735,848, a reduction of \$28,811 from the FY 1988 estimate. Of this amount, \$2,529,240 is from the State General Fund. The FY 1989 request includes two new positions, a Public Information Officer II (\$24,464) and a Paralegal position (\$18,264). The request also reflects an increase in attorneys' salaries over FY 1988. The proposal involves an increase in salary of approximately \$3,000 for Assistant Attorney General positions and \$5,000 for Deputy Attorney General positions. The total cost of the attorney salary upgrades for FY 1989 would be approximately \$90,000. The Attorney General proposes to adopt a salary plan similar to the Civil Service plan. The proposal includes two Assistant Attorney General ranges comparable to those on the Civil Service salary plan and a third range for Deputy Attorneys General. The FY 1989 request includes \$500,000 for the water rights litigation between Kansas and Colorado.

The Governor recommends FY 1989 operating expenditures of \$2,687,399. The recommendation includes \$28,391 for a Public Information Officer II, \$82,461 for the 5.8 percent unclassified merit pool, and \$89,205 for salary upgrades for Assistant Attorneys General and Deputy Attorneys General. In addition, the Governor recommends a reduction of \$48,449 in operating expenditures from the amount requested.

### House Subcommittee Recommendation

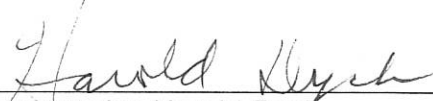
The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. The Subcommittee recommends the addition of \$201,000 which was reappropriated from FY 1988 for the Water Rights account for a total appropriation of \$701,000.

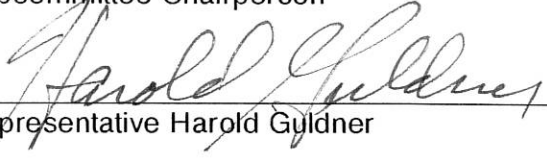
*HA  
3-1-88  
Attachment 11*



2. The Subcommittee recommends the reduction of \$5,200 from salaries and wages for temporary employees in the Consumer Protection program in FY 1989.



\_\_\_\_\_  
Representative Harold Dyck  
Subcommittee Chairperson



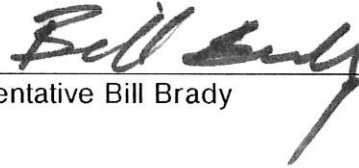
\_\_\_\_\_  
Representative Harold Guldner

2808-082

## MINORITY REPORT

I support the recommendations of the Subcommittee with the following exception:

1. I recommend the reduction of \$28,391 and 1.0 FTE position for a Public Information Officer II. The Governor's recommendation included this new position, but I do not believe the agency adequately demonstrated a need for this position. I supported the salary upgrades for attorneys (\$89,205) and firmly believe that we need to adequately fund salaries of current state employees before adding additional FTE to the base.



---

Representative Bill Brady

ag89-min

HA  
3-1-88  
Attachment 12

SUBCOMMITTEE REPORT

Agency: Kansas Commission on the  
Bicentennial of the  
United States

Bill No. 2808

Bill Sec. 17

Analyst: Holt

Analysis Pg. No. --

Budget Pg. No. --

Agency Estimate/Governor's Recommendation

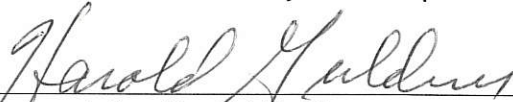
No agency request or Governor's recommendation has been submitted for FY 1989 expenditures.

House Subcommittee Recommendation

The House Subcommittee notes that Section 17 of 1988 H.B. 2808 includes two no-limit funds for the Kansas Commission on the Bicentennial of the United States Constitution and recommends no adjustments to that section of the bill.



Representative Harold Dyck, Chairperson



Representative Harold Guldner



Representative Bill Brady

**SUBCOMMITTEE REPORT**

Agency: Kansas Commission on Veterans Affairs

Bill No. 2808

Bill Sec. 14

Analyst: Duffy

Analysis Pg. No. 572

Budget Pg. No. 2-63

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,336,731	\$ 1,365,434	\$ 10,811
Other Assistance	22,000	22,000	--
Total	<u>\$ 1,358,731</u>	<u>\$ 1,387,434</u>	<u>\$ 10,811</u>
<b>State General Fund:</b>			
State Operations	\$ 1,269,106	\$ 1,305,181	\$ 10,811
Other Assistance	22,000	22,000	--
Total	<u>\$ 1,291,106</u>	<u>\$ 1,327,181</u>	<u>\$ 10,811</u>
<b>FTE Positions</b>	58.0	56.0	--

Agency Estimate/Governor's Recommendation

The agency requests a total of \$1,358,731 for expenditures in FY 1989, a 3.9 percent increase over the FY 1988 approved expenditures. The request includes two additional FTE positions to restore eight three-quarter time Office Assistants to full-time. This would bring the 14 field offices to the level of staffing authorized in FY 1987. In addition, the request includes additional travel and subsistence funds to provide a staffing conference to train agency personnel.

The Governor recommends total operating expenditures for FY 1989 of \$1,387,434, an increase of \$88,197 (6.8 percent) over the FY 1988 recommendation. The FY 1989 recommendation includes a 4 percent increase for classified employees (\$43,686), a 5.8 percent merit salary pool for unclassified employees (\$2,558) and adjustments to fringe benefit rates and turnover (\$2,656). The Governor also recommends \$20,000 in professional services for the first phase of a contracted study of the appropriate means to address the needs of aging veterans. The Governor's financing recommendations include \$1,327,181 from the State General Fund, an increase of \$36,075 over the agency's FY 1989 request; and \$60,253 from the federal fee fund, a decrease of \$7,373 from the agency's request.

House Subcommittee Recommendation

**FY 1988.** The House Subcommittee concurs with the Governor's recommendation, with the following observation:

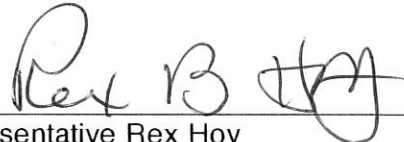
1. The Subcommittee notes that based on current projections, the tuition assistance program for dependents of persons who died as a result of a service-connected injury suffered during the Vietnam conflict or of persons declared missing in action or

*HA  
3-1-88  
Attachment 14*

prisoners of war in that conflict appears inadequate to meet existing and projected obligations. The Governor's recommendation included \$20,000 for this program. The Subcommittee understands that a GBA will be requested and the Subcommittee suggests that this issue be revisited during omnibus review.

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

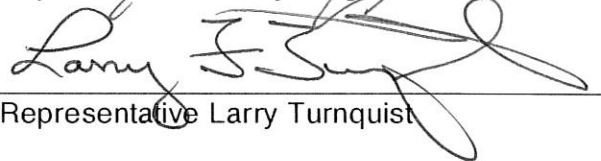
1. The Subcommittee recommends the addition of \$30,811 and 2.0 FTE positions to restore eight three-quarter time Office Assistants to full-time. This would bring the 14 field offices to the level of staffing prior to the FY 1987 lapse.
2. The Subcommittee recommends the reduction of \$20,000 from professional services for the first phase of a contracted study to address the needs of aging veterans.



\_\_\_\_\_  
Representative Rex Hoy  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Henry Helgerson



\_\_\_\_\_  
Representative Larry Turnquist

2808-694/DD

**SUBCOMMITTEE REPORT**

Agency: Department of Human Resources      Bill No. 2796      Bill Sec. 14

Analyst: West      Analysis Pg. No. 490      Budget Pg. No. 2-11

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 33,275,310	\$ 32,868,081	\$ 22,330
Other Assistance	<u>207,608,720</u>	<u>207,608,720</u>	<u>(15,000,000)</u>
Subtotal -- Operating	\$240,884,030	\$240,476,801	\$ (14,977,670)
Capital Improvements	<u>95,761</u>	<u>95,761</u>	<u>--</u>
<b>TOTAL</b>	<b><u>\$240,979,791</u></b>	<b><u>\$240,572,562</u></b>	<b><u>\$ (14,977,670)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 1,176,191	\$ 1,208,991	\$ (46,184)
<b>FTE Positions</b>	<b>909.9</b>	<b>888.9</b>	<b>--</b>

Agency Request/Governor's Recommendation

State General Fund. The Department's current year estimate for State General Fund expenditures totals \$1,716,191, a decrease of \$26,153 in salary expenditures from the amount approved by the 1987 Legislature. The agency indicates the anticipated decrease is due to greater turnover savings.

The Governor recommends total FY 1988 State General Fund expenditures of \$1,208,991, an increase of \$32,800 from the agency's estimate. Salary and wage expenses are increased by \$2,177 and other operating expenses for the Industrial Safety program are increased by \$30,737. Net other changes decrease total State General Fund expenditures by \$114. The Governor recommends a supplemental State General Fund appropriation of \$30,623 to finance the current year recommendation for other operating expenses.

Other Funds. The Department estimates FY 1988 operating expenditures from non-State General Fund sources will total \$239,707,843, a decrease of \$18,086,652 from the budget approved by the 1987 Legislature. Estimated unemployment benefit payments are decreased by \$19,000,000, while continued federal funding for the Work Incentive program (\$750,000), the JTPA Dislocated Farmworker program -- (REAP) (\$340,762), and a JTPA Discretionary grant (\$719,238) are included. JTPA administration expenditures are decreased by \$528,427. Of this amount, \$366,563 is associated with the decision of SDA II to discontinue its administration contract with the agency. Regular JTPA benefits are decreased by \$407,331.

Other revisions to the current year estimate include increases in Unemployment Insurance Administration (\$344,138) for 21.0 additional FTE positions and Data Processing (\$121,500) associated with the transfer of data processing responsibilities from the Employment Security Systems Institute (ESSI). Additional salary savings of \$495,256 are also included. Net other changes increase total expenditures by \$42,576. In addition, subsequent to the submission of the budget, the agency requested an expenditure limitation increase of \$135,504

*HA  
3-1-88  
Attachment 15*



for the Workmen's Compensation Fee Fund associated with the computerization of that program's files.

The Governor recommends FY 1988 operating expenditures from non-State General Fund sources of \$239,267,810, a decrease of \$440,033 from the agency's estimate. Salaries and wages are decreased by \$526,232 to reflect revisions in health insurance rates and fringe benefits, a decrease of 21.0 FTE positions in the Unemployment Insurance program, a delay in hiring new personnel in the Workers' Compensation program, and increased temporary salaries for the computerization of Workers' Compensation files. Other operating expenses are increased by \$92,456 for the file computerization project. Net other changes decrease total expenditures by \$6,257. The Governor recommends an expenditure limitation increase of \$82,934 to \$2,065,523 for the Workmen's Compensation Fee Fund.

Capital Improvements. The agency estimates expenditures of \$95,761 for capital improvement projects in FY 1988, an amount unchanged from the budget approved by the 1987 Legislature. The Governor concurs with the agency's estimate for capital improvement projects.

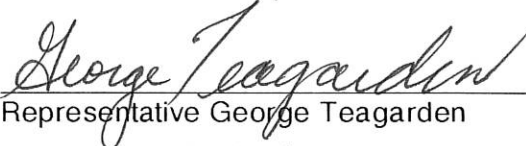
The Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

1. Reduce salaries and wages for the General Administration program by \$12,000 based on year-to-date expenditures. The reduction is financed by \$912 State General Fund, \$461 Workmen's Compensation Fee Fund, and \$10,627 from other funding source in the same ratio as used in the plan for financing FY 1988 salaries and wages.
2. Reduce office supplies for the Support Services program by \$20,000 based on year-to-date expenditures. The reduction should be financed in the same ratio as used in the plan for financing the program's other operating expenses.
3. The Subcommittee was informed that the anticipated decreases in federal funding for the Unemployment Insurance program may not actually occur and recommends that the Senate Ways and Means Subcommittee review the recommended FY 1988 budget for this program to determine if adjustments are required.
4. Decrease anticipated <sup>un</sup>employment insurance benefit payments by \$15,000,000 based on revised estimates from the agency.
5. Reduce salaries and wages for the Worker's Compensation program by \$25,000 (fee fund) based on year-to-date expenditures.
6. Reduce other operating expenses for the Worker's Compensation program by \$15,000 (fee fund) based on year-to-date expenditures.
7. Reduce salaries and wages for the Labor Relations and Employment Standards program by \$10,000 (State General Fund) based on year-to-date expenditures.

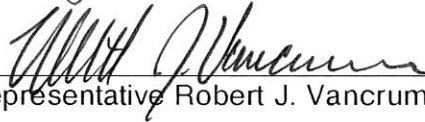
8. Reduce salaries and wages (\$5,990) and communications expenses (\$3,000) from the State General Fund for the Hispanic Affairs program based on year-to-date expenditures.
9. Add increased state operations expenditures of \$139,320 from JTPA Title III formula funds for the Rural Employment Assistance Program (REAP) at the request of the agency.
10. Reduce State General Fund expenditures in the Industrial Safety program for salaries and wages (\$20,000) and travel (\$6,000) based on year-to-date expenditures.
11. The Subcommittee recommends that State General Fund savings identified in this report for other operating expenses be utilized to reduce the supplemental appropriation recommended by the Governor and that the State General Fund salary and wage savings identified in this report be lapsed.



Representative David G. Miller  
Subcommittee Chairperson



Representative George Teagarden



Representative Robert J. Vancrum, Jr.

**SUBCOMMITTEE REPORT**

Agency: Department of Human Resources      Bill No. 2808      Bill Sec. 7  
 Analyst: West      Analysis Pg. No. 490      Budget Pg. No. 2-11

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 33,159,263	\$ 33,186,821	\$ 71,639
Other Assistance	<u>221,796,327</u>	<u>221,515,648</u>	<u>(15,000,000)</u>
Subtotal - Operating	\$254,955,590	\$254,702,469	\$(14,928,361)
Capital Improvements	<u>160,661</u>	<u>160,661</u>	<u>--</u>
TOTAL	<u>\$255,116,251</u>	<u>\$254,863,130</u>	<u>\$(14,928,361)</u>
State General Fund:			
State Operations	\$ 1,501,925	\$ 1,380,357	\$ (116,996)
Other Assistance	<u>520,679</u>	<u>240,000</u>	<u>(240,000)</u>
Total	<u>\$ 2,022,604</u>	<u>\$ 1,622,357</u>	<u>\$ (356,996)</u>
FTE Positions	911.0	876.0	(2.0)

Agency Estimate/Governor's Recommendation

**State General Fund.** The Department requests \$2,022,604 from the State General Fund in FY 1989, an increase of \$846,413 from the current year estimate of \$1,176,191. Of the requested increase, \$650,000 is associated with the Dislocated Farmworker -- Rural Employment Assistance Program (REAP). The agency states that federal funding for the program will be unavailable in FY 1989 and that the program is one of the most effective in providing necessary services to farmers and ranchers who are being forced off their lands. Other revisions include increases for the Hispanic Affairs (\$50,176) and Handicapped Worker (\$95,725) programs associated with new positions and program expansions. Net other changes increase total expenditures by \$50,962.

The Governor recommends \$1,620,357 from the State General Fund in FY 1989, an increase of \$411,366 from the current year recommendation of \$1,208,991. Of the recommended increase, \$325,000 is associated with continued funding for REAP. Other revisions from the current year recommendation include increases in salary expenses (\$74,299) and other operating expenses (\$12,067).

**Computer Equipment Replacement.** The agency requests \$1,093,950 for replacement of the magnetic tape and direct access storage device computer subsystems. The agency states that the requested equipment would replace equipment subject to repeated breakdowns and high maintenance expenses. The request would be funded by a federal grant of \$779,550 and \$314,400 from the Penalty and Interest Fund. The request reflects a decrease of \$286,225 from the current year estimate for replacement computer equipment. The Governor concurs with the request for replacement computer equipment in both years.

*HA  
3-1-88  
Attachment 16*

**Other Funds.** All other operating expenditures requested by the agency in FY 1989 total \$251,839,036, an increase of \$13,511,368 from the current year estimate. Unemployment insurance benefits are expected to increase by \$15,000,000. Federally funded programs which are expected to decrease include Work Incentive (\$750,000) and JTPA (\$1,443,072). All other revisions increase total expenditures by \$704,440.

The Governor recommends \$251,988,162 from non-State General Fund sources for all other operating expenses of the agency in FY 1989. The recommendation represents an increase of \$14,100,527 from the current year recommendation of \$237,887,635 for the same items. Salaries and wages are increased by \$773,418, other operating expenses are decreased by \$339,817, and other assistance payments are increased by \$13,666,928 to reflect increased unemployment benefits (\$15,000,000) and reductions in federally funded programs (\$1,333,072).

**Capital Improvements.** The agency requests \$160,661 for seven capital improvement projects in FY 1989. The Governor concurs with the agency's capital improvement request.

#### House Subcommittee Recommendations

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

1. The Subcommittee learned that while the agency has revised its organizational chart its programs for financing have not been changed. The Subcommittee notes that this makes it very difficult to track financing and programmatic changes and directs that the agency develop a system whereby organizational and programmatic elements are better matched with the budget document.
2. The Subcommittee notes that anticipated reductions in federal funds for the Unemployment Insurance Administration program may not occur and recommends that the Senate Ways and Means Subcommittee review the program to determine if reviews to the FY 1989 budget are required.
3. Reduce anticipated payments for unemployment insurance benefits by \$15,000,000 based on updated agency estimates.
4. Reduce salaries and wages for the Worker's Compensation program by \$60,212 (fee Fund) and delete 2.0 F.T.E. positions associated with an additional Administrative Law Judge and a support position. The recommendation provides for seven Administrative Law Judges which is the maximum number permitted under current law. The Subcommittee notes that both S.B. 431, which is currently in conference committee and provides for ten judges, and H.B. 2832, which is currently in the House Committee on Labor and Industry and provides for eight judges, would raise the statutory limit on the number of Administrative

Law Judges and recommends that funding for additional judges be reviewed again if either bill should pass.

5. Reduce communication expenses for the Workers' Compensation program by \$8,659 (fee fund). This recommendation provides for a 2 percent increase over the FY 1988 recommendation.
6. Reduce communication expenses for the Labor Relations and Employment Standards program by \$7,541 (State General Fund). This recommendation provides for a 2 percent increase over the FY 1988 recommendation.
7. Shift \$8,000 of salary and wage expenses for the Industrial Safety program from the State General Fund to the Industrial Safety Conference special projects fund. The Subcommittee received testimony that the Industrial Safety staff spend a significant amount of time in preparation for the conference and the Subcommittee notes that the FY 1988 conference had receipts which were over \$8,000 greater than expenses.
8. The Subcommittee notes that building rent for the Industrial Safety program is recommended to increase 79.4 percent above the agency's request. The Subcommittee learned that this increase is attributable to other functions of the agency moving from leased property at 512 W. Sixth in Topeka, with the vacated space being changed to the Industrial Safety program. The Subcommittee reduces State General Fund financed rent \$15,115 and utilities \$1,340 to the original amount requested and recommends that the agency and the Department of Administration review the lease and the property to determine if other state functions could move into the vacated space or if modifications to the lease should be made.
9. The Subcommittee learned that additional funding for the WIN program will be available for at least the first quarter of FY 1989 and recommends that the expenditure limitation on the Work Incentive Program-Federal Fund be raised from \$0 to \$164,506.
10. The Subcommittee notes that the Employment Security Systems Institute (ESSI) may receive additional funding for expanded programs in FY 1989 and recommends that the Senate Ways and Means Subcommittee review the budget for the Institute to determine if revisions to the budget are required.
11. The Subcommittee learned that the State General Fund money recommended for the Rural Employment Assistance Program (REAP) will be utilized to match with JTPA Title III formula funds. The Subcommittee recommends that REAP's State General Fund financing of \$325,000 be shifted to the Special Employment Security-Penalty and Interest Fund. The Subcommittee also recommends that REAP be established as a separate subprogram in order that actual and anticipated expenditures can be monitored in a closer manner in future years.

12. The Subcommittee reviewed the Job Training Partnership Act (JTPA) program operated by the Department of Human Resources. The Subcommittee notes that other states have utilized the JTPA program in welfare reform and that the welfare reform bill passed by the U.S. House of Representatives includes significant involvement with the JTPA program. The Department of Human Resources reviewed ways in which the KanWork program, if enacted, could be incorporated into existing JTPA programs. The Subcommittee also received testimony from one of the state's Private Industry Councils which expressed an interest in participating in KanWork.

Public assistance recipients are a targeted group in the state JTPA plan, and the Subcommittee recommends that the JTPA program be utilized to the extent possible to provide services for KanWork participants. The Subcommittee recommends that the new state plan should include guidelines for coordination with the KanWork program. The Subcommittee believes that the JTPA program should be able to provide a major portion of the employment and training components of the KanWork program. The Department of Human Resources noted that funds are available for participant support services which could be used for transportation and other support services for KanWork participants. The Subcommittee notes that by using the federally-financed JTPA program for many of the employment, training, and support services of KanWork, that the cost of the KanWork program to the state should be significantly reduced and JTPA funds will be spent on the most needy persons. The Subcommittee notes that further modifications to the Department of Human Resources FY 1989 budget may be required in the omnibus appropriations bill if KanWork passes.

2808-296

David A. Miller

George Teagarden

Walt J. Vance



SUBCOMMITTEE REPORT

Agency: Kansas, Inc.

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 576

Budget Pg. No. 1-145

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 437,625	\$ 437,625	\$ (22,782)
State General Fund	291,750	291,720	(15,158)

Agency Estimate/Governor's Recommendation

The FY 1988 budget estimate for Kansas, Inc. is \$437,625 including \$291,750 from the State General Fund, an amount unchanged from the budget approved by the 1987 Legislature. Kansas, Inc. reports that revisions in the estimated expenditures for several items have been made in order to more accurately reflect anticipated expenses in the current year. Major revisions include an increase in the cost of office rent (\$12,553) and decreases in contractual research (\$9,653), travel and subsistence (\$6,000), and printing expenses (\$5,500). Net other revisions increase total expenditures by \$8,600.

The Governor recommends an FY 1988 budget of \$436,625. Salary expenses are increased by \$2,984 to reflect revised fringe benefit and health insurance rates with an offsetting decrease in contractual research.

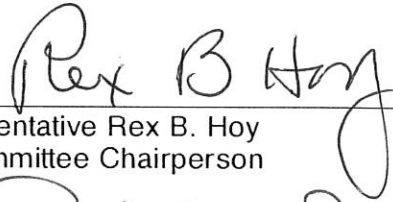
House Subcommittee Recommendation

FY 1988. The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

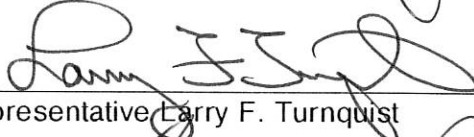
1. Add \$142 for a technical adjustment for office rents.
2. Add \$5,171 for per diem compensation and fringe benefits for Board members which was misidentified as travel and subsistence expenses.
3. Deduct \$4,779 from travel and subsistence associated with misidentified per diem payments.
4. Deduct \$23,316 from salaries and wages for additional turnover savings generated by the change in Kansas, Inc.'s president.

HA  
3-1-88  
Attachment 17

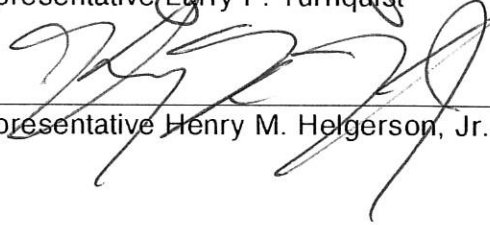
5. The Subcommittee recommends that the State General Fund savings be reappropriated to FY 1989 and be utilized to partially finance that year.



Representative Rex B. Hoy  
Subcommittee Chairperson



Representative Larry F. Turnquist



Representative Henry M. Helgerson, Jr.

SUBCOMMITTEE REPORT

Agency: Kansas, Inc.

Bill No. 2808

Bill Sec. 18

Analyst: West

Analysis Pg. No. 576

Budget Pg. No. 1-145

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 456,252	\$ 437,700	\$ (15)
State General Funds	304,168	291,770	--

Agency Request/Governor's Recommendation

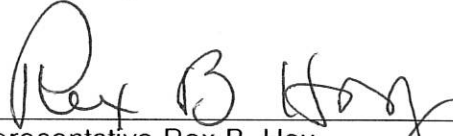
Kansas, Inc. requests an FY 1989 budget of \$456,252 including \$304,168 from the State General Fund, an increase of \$18,627 from the current year estimate. The corporation reports that one-third of the FY 1989 budget would be financed from nonstate sources as mandated by K.S.A. 1987 Supp. 74-8009. The Governor recommends an FY 1989 budget of \$437,700 including \$291,770 from the State General Fund, a slight increase from the current year recommendation.

House Subcommittee Recommendation

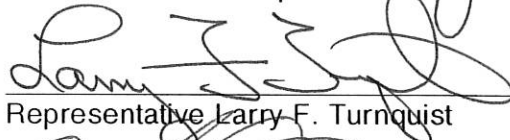
FY 1989. The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

1. Add \$570 for a technical adjustment to office rents.
2. Deduct \$4,779 from travel and subsistence associated with misplaced per diem payments for Board members.
3. Add \$5,178 to salaries and wages for per diem payments and fringe benefits.
4. Deduct \$26,293 from salaries and wages associated with a lower salary for the new president and fringe benefit savings.
5. The Subcommittee notes that solicitation of private sector funding for the agency would be easier if the contributors knew that their contributions were supporting research activities instead of rent and salaries. The Subcommittee recommends that State General Fund appropriations be first applied to salaries and wages, then nonresearch other operating expenses, and the balance to research if funding remains.
6. The Subcommittee recommends that the State General Fund savings identified in this report be added to contractual research after the nonresearch budget has been financed. This would allow for an increase in contractual research of \$25,269 to \$188,934.

7. Decrease total expenditures by \$15 to restore the financing to the two to one state/private match mandated by K.S.A. 1987 Supp. 74-8009.
8. Decrease the FY 1989 State General Fund appropriation by \$15,188 to reflect the reappropriation of savings from FY 1988.



\_\_\_\_\_  
Representative Rex B. Hoy  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Larry F. Turnquist



\_\_\_\_\_  
Representative Henry M. Helgerson, Jr.

## SUBCOMMITTEE REPORT

Agency: Kansas Technology Enterprise Corporation

Bill No. 2796

Bill Sec. 9

Analyst: West

Analysis Pg. No. 579

Budget Pg. No. 1-157

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 192,334	\$ 216,333	\$ 8,358
Other Assistance	<u>3,500,401</u>	<u>3,480,013</u>	<u>(374,612)</u>
TOTAL	<u>\$ 3,692,735</u>	<u>\$ 3,696,346</u>	<u>\$ (366,254)</u>
<b>State General Fund</b>			
State Operations	\$ 192,334	\$ 216,333	\$ 8,358
Other Assistance	<u>1,350,401</u>	<u>1,330,013</u>	<u>(329,612)</u>
TOTAL	<u>\$ 1,542,735</u>	<u>\$ 1,546,346</u>	<u>\$ (321,254)</u>
<b>Economic Development Initiatives Fund:</b>			
Other Assistance	\$ 2,150,000	\$ 2,150,000	\$ (45,000)

### Agency Request/Governor's Recommendation

FY 1988. The Kansas Technology Enterprise Corporation (KTEC) estimates FY 1988 expenditures to be \$3,692,735 including \$1,542,735 from the State General Fund and \$2,150,000 from the Economic Development Initiatives Fund (EDIF). The Governor recommends an FY 1988 budget of \$3,696,346 including \$1,546,346 from the State General Fund and \$2,150,000 from the EDIF.

State Operations. The FY 1988 estimate for state operations of \$192,334 is unchanged from the amount approved by the 1987 Legislature. Internal shifts within the state operations budget include an increase of \$15,099 for the salary of an office assistant which is financed by reductions in several categories of contractual services. Subsequent to the receipt of the KTEC's budget, the Corporation submitted a request for a supplemental State General Fund appropriation of \$120,000. The request would provide \$20,388 to finance an anticipated shortfall in the current year operations, \$39,804 to relocate the Corporation's office and purchase computing equipment, and \$59,808 to finance the start-up costs associated with the Corporation's seed capital program and implementation of the industrial liaison, marketing, and technical referral activities. The Corporation proposes to finance the supplemental appropriation with an offsetting lapse of \$120,000 from the funds available for the Small Business Innovation Research (SBIR) Matching Grant program. The Governor recommends an FY 1988 state operations budget of \$216,333, an increase of \$23,999 from the Corporation's estimate. At the request of the Corporation, the Governor issued an executive directive which transferred \$20,338 from the funds available for the SBIR Matching Grant program to state operations in order to finance an anticipated shortfall in the current year operations. In addition, the Governor recommends a supplemental State General Fund appropriation of \$3,611 to fund increased health insurance costs and revised fringe benefits.

HA  
3-1-88  
Attachment 18

Other Assistance. The FY 1988 estimate for other assistance totals \$3,500,401 including \$1,350,401 from the State General Fund and \$2,150,000 from the EDIF. The State General Fund estimate reflects the reappropriation of \$795,401 for projects approved under the Research Matching Grant program, which are awaiting the required private sector match and \$100,000 associated with the SBIR Matching Grant program. Including reappropriations, the FY 1988 budget estimate provides \$1,100,401 from the State General Fund for the Research Matching Grant program and \$250,000 for the SBIR Matching Grant program. Additional funding for the Research Matching Grant program is provided through the EDIF in the current year. Subsequent to the submission of KTEC's budget, the Corporation proposed a lapse of \$120,000 from the SBIR Matching Grant program in order to finance a supplemental funding request for state operations. The Governor's recommendation for other assistance of \$3,480,013 reflects the transfer of \$20,388 from the SBIR Matching Grant program to state operations. The Governor otherwise concurs with the Corporation's current year estimate.

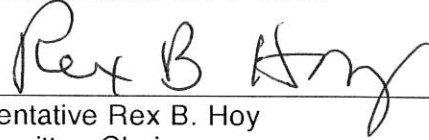
#### House Subcommittee Recommendations

The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

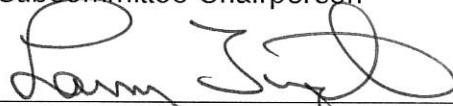
1. Add \$2,000 from the State General Fund for official hospitality and modify the Corporation's line item to permit the purchase of meals.
2. Add \$3,358 from the State General Fund for travel and subsistence.
3. Add \$3,000 from the State General Fund for communications.
4. Reduce funding available in FY 1988 for the Small Business Innovation Research Matching Grant program to \$150,000. Of the \$79,612 thus released, the Subcommittee recommends that \$11,969 be lapsed in order to finance the State General Fund supplements recommended for the Corporation. The Subcommittee recommends that the balance be transferred to state operations and be reappropriated to finance FY 1989 state operations.
5. Lapse \$250,000 from the State General Fund portion of the Advanced Technology Research Matching Grant program and replace it with \$250,000 from the Economic Development Initiatives Fund (EDIF).



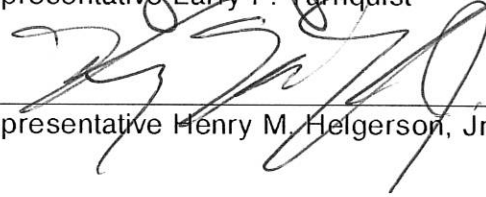
6. The Subcommittee recommends that the agency not spend the \$295,000 from the EDIF available for equipment grants in the current year and instead make those funds available in FY 1989.



Representative Rex B. Hoy  
Subcommittee Chairperson



Representative Larry F. Turnquist



Representative Henry M. Helgerson, Jr.

**SUBCOMMITTEE REPORT**

Agency: Kansas Technology Enterprise Corporation

Bill No. 2808

Bill Sec. 19

Analyst: West

Analysis Pg. No. 579

Budget Pg. No. 1-157

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 849,189	\$ 204,119	\$ 167,499
Other Assistance	<u>8,750,000</u>	<u>2,280,000</u>	<u>1,320,000</u>
Total	<u>\$ 9,599,189</u>	<u>\$ 2,484,119</u>	<u>\$ 1,487,499</u>
<b>State General Fund:</b>			
State Operations	\$ 849,189	\$ --	\$ 371,618
Other Assistance	<u>2,500,000</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 3,349,189</u>	<u>\$ --</u>	<u>\$ 371,618</u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ --	\$ 204,119	\$ (204,119)
Other Assistance	<u>6,250,000</u>	<u>2,280,000</u>	<u>1,320,000</u>
Total	<u>\$ 6,250,000</u>	<u>\$ 2,484,119</u>	<u>\$ 1,115,881</u>

FTE Positions

Agency Request/Governor's Recommendation

**State Operations.** The Corporation's FY 1989 state operations request of \$849,189 from the State General Fund includes \$256,528 for seven additional employees, \$230,000 for a major promotion effort advertising the Corporation's services and programs, and funding to move the Corporation's office from its current location within the Department of Commerce. The Governor recommends an FY 1989 state operations budget of \$204,119 from the Economic Development Initiatives Fund (EDIF), which continues KTEC at the current level of activity.

**Other Assistance.** The Corporation's FY 1989 request of \$8,750,000 for other assistance provides for increased funding for several programs. The State General Fund request of \$2,500,000 would provide funding for two programs which started prior to FY 1988, the Research Matching Grant program (\$2,000,000) and the SBIR Matching Grant program (\$500,000). The \$6,250,000 requested from the EDIF would provide increased funding for programs scheduled to start in FY 1988, including \$1,250,000 for additional support for the Centers of Excellence, \$1,500,000 for the Seed Capital Investment Fund, \$500,000 to develop innovation centers, and \$3,000,000 for research equipment grants. The Governor recommends \$2,280,000 from the EDIF for other assistance in FY 1989.

HA  
3-1-88  
Attachment 19


House Subcommittee Recommendation

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

1. Shift financing for state operations expenditures totaling \$204,119 from the EDIF to the State General Fund.
2. Add \$23,673 from the State General Fund for promotional expenses.
3. Add \$15,000 from the State General Fund for legal fees, consulting services, external peer review, and an annual financial audit. The Subcommittee recommends that the Corporation explore the use of the financial auditing services of the Division of Post Audit if those services would appear to be more cost effective.
4. The Subcommittee recommends that KTEC, the Department of Commerce, and Kansas, Inc., review their office space requirements for both FY 1989 and for the period three to five years in the future to determine the need or desirability to relocate all or part of agency functions to other office space and report back to the 1988 Legislature.
5. Add \$12,400 from the State General Fund for travel and subsistence expenses.
6. Add \$11,000 from the State General Fund for support of the annual Technology Exposition and monthly technical seminars.
7. Add \$7,229 from the State General Fund for communication expenses.
8. Add \$4,600 from the State General Fund for office supplies. The Subcommittee notes that the resulting budget of \$5,000 is \$500 below actual FY 1987 expenditures.
9. Add \$10,000 from the State General Fund for office furniture and computer equipment. The Subcommittee recommends that the Corporation review available technologies to determine if more cost effective equipment is available. The Subcommittee also recommends that any computer systems purchased be compatible with other systems being purchased by economic development agencies.
10. Add \$83,597 from the State General Fund to finance the hiring of a fund manager and to upgrade the Clerk Typist position to Executive Secretary.
11. Add reappropriation language to the state operations line item to permit the use of \$67,643 in FY 1988 savings to partially finance

the FY 1989 recommendations. Also add language to allow the expenditure of state operations funds for official hospitality.

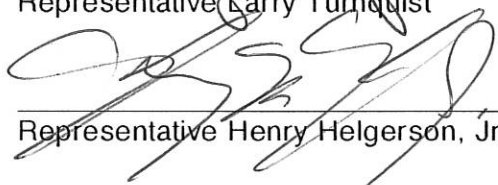
12. The Subcommittee notes that funding for per diem compensation may be required for the FY 1989 budget. The Corporation requested \$32,000 for committee expenses, but did not provide a breakdown of what those funds would be used for. The Subcommittee recommends that the Senate Ways and Means Subcommittee review the need for additional funding for per diem compensation.
13. Add \$390,000 from the EDIF for the Research Matching Grant program. In addition, add language to permit the reappropriation of unexpended FY 1988 funds for the program.
14. Add \$150,000 from the EDIF for the Small Business Innovation Research (SBIR) Grants program.
15. The Subcommittee notes that KTEC is in the process of establishing criteria for the creation and development of centers of excellence and centers for advanced technology.
16. Add \$110,000 from the EDIF for the Research Equipment Grant program. In addition, add language to permit the reappropriation of unexpended FY 1988 funds for this program. The Subcommittee notes that total FY 1989 funding for the program is recommended at \$700,000 when the FY 1988 recommendation is considered.
17. Add \$250,000 from the EDIF for the Seed Capital Fund. In addition, add language to permit the reappropriation of uninvested FY 1988 funds.
18. Add \$125,000 from the EDIF for innovation centers. In addition, add language to permit the reappropriation of unencumbered FY 1988 funds.
19. The Subcommittee recommends that EDIF funding for KTEC be transferred to the corporation in equal quarterly installments.



\_\_\_\_\_  
Representative Rex Hoy  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Larry Turnquist



\_\_\_\_\_  
Representative Henry Helgerson, Jr.

## SUBCOMMITTEE REPORT

Agency: Department of Commerce

Bill No. 2796

Bill Sec. 4

Analyst: West

Analysis Pg. No. 508

Budget Pg. No. 1-111

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,950,411	\$ 6,951,550	\$ 20,145
Local Aid	14,733,000	14,733,000	--
Other Assistance	<u>638,000</u>	<u>638,000</u>	<u>--</u>
TOTAL	<u>\$22,321,411</u>	<u>\$22,322,550</u>	<u>\$ 20,145</u>
<b>State General Fund:</b>			
State Operations	\$ 5,400,636	\$ 5,292,786	\$ (23)
Other Assistance	<u>563,000</u>	<u>563,000</u>	<u>--</u>
TOTAL	<u>\$ 5,963,636</u>	<u>\$ 5,855,786</u>	<u>\$ (23)</u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 556,000	\$ 624,300	\$ --
Other Assistance	<u>75,000</u>	<u>75,000</u>	<u>--</u>
TOTAL	<u>\$ 631,000</u>	<u>\$ 699,300</u>	<u>\$ --</u>
<b>FTE Positions</b>	96.5	96.5	(1.0)

### Agency Request/Governor's Recommendation

The Department requests several supplemental State General Fund appropriations totaling \$4,373 in order to implement the FY 1988 pay plan. Technical problems prevented the transfer of funds which would have financed pay plan adjustments for this agency. The Governor recommends several supplemental State General Fund appropriations totaling \$19,524 to finance revised fringe benefits and to hire a Public Information Officer for the agency. The Governor proposes that a vacant Industrial Development Representative position be abolished. In addition, the Governor recommends a supplemental appropriation of \$68,300 from the EDIF to finance the promotion of Kansas products at Bloomingdales, and an increase of \$14,500 from the sale of existing equipment for the first payments on a new computer system. The Governor also recommends the lapse of \$125,523 from the FY 1988 State General Fund appropriations for the agency.

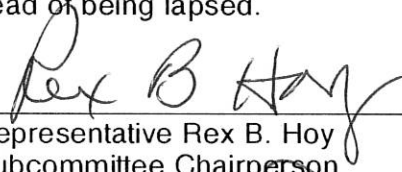
### House Subcommittee Recommendation

FY 1988. The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

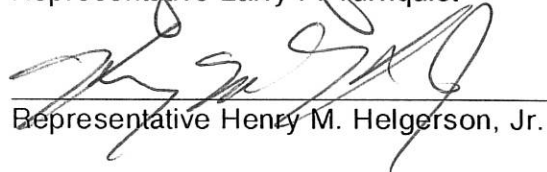
1. Add \$7,285 from the State General Fund to replace federal funding in the Minority Business program. The Subcommittee learned that recent federal budget cuts have resulted in the loss of the grant for that program.

*HA  
3-1-88  
Attachment 20*

2. Increase expenditures on the Community Development Block Grant Administrative Match Fund by \$20,168. The Subcommittee was informed that this amount could be applied to the purchase of the new computer system.
3. Delete \$7,308 and 1.0 FTE position from the State General Fund associated with the new Public Information Officer position. The Subcommittee recommends that the agency use existing personnel for the public information function.
4. The Subcommittee recommends that FY 1988 State General Fund savings be reappropriated to FY 1989 and be used to partially finance that year's operations instead of being lapsed.

  
\_\_\_\_\_  
Representative Rex B. Hoy  
Subcommittee Chairperson

  
\_\_\_\_\_  
Representative Larry F. Turnquist

  
\_\_\_\_\_  
Representative Henry M. Helgerson, Jr.



**SUBCOMMITTEE REPORT**

Agency: Department of Commerce                      Bill No. 2808                      Bill Sec. 8  
 Analyst: West    Analysis Pg. No. 508                      Budget Pg. No. 1-111

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 9,200,433	\$ 6,988,481	\$ 40,266
Local Aid	29,880,505	20,284,000	--
Other Assistance	<u>650,000</u>	<u>780,000</u>	<u>(50,000)</u>
TOTAL	<u>\$39,730,938</u>	<u>\$28,052,481</u>	<u>\$ (9,734)</u>
<b>State General Fund:</b>			
State Operations	\$ 7,222,790	\$ 5,150,546	\$ 37,409
Other Assistance	<u>500,000</u>	<u>500,000</u>	<u>--</u>
TOTAL	<u>\$ 7,722,790</u>	<u>\$ 5,650,546</u>	<u>\$ 37,409</u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 923,081	\$ 773,883	\$ (8,088)
Local Aid	15,147,505	5,551,000	--
Other Assistance	<u>150,000</u>	<u>280,000</u>	<u>(50,000)</u>
TOTAL	<u>\$ 16,220,586</u>	<u>\$ 6,604,883</u>	<u>\$ (58,088)</u>
FTE Positions	119.5	98.5	(1.0)

Agency Estimate/Governor's Recommendation

State Operations. The Department requests \$9,200,433 including \$7,222,790 from the State General Fund, \$923,081 from the Economic Development Initiatives Fund (EDIF) and \$1,054,562 from other funding sources for state operations in FY 1989. The request represents an increase from the current year estimate of \$2,250,022 including \$1,822,154 from the State General Fund and reflects the addition of 24.0 positions. Major increases reflected in the Department's request include \$720,000 for tourism studies and promotions, an additional \$275,000 for the Kansas Industrial Training (KIT) program, \$250,000 for a tourism matching grant program, \$150,000 for a worker productivity study, and \$609,614 for the requested new positions.

The Governor recommends an FY 1989 state operations budget of \$6,988,481 including \$5,150,546 from the State General Fund, \$773,883 from the EDIF, and \$1,064,052 from other funding sources. The Governor's recommendation includes \$82,249 for an additional 3.0 FTE positions and \$125,570 for salary increases. One existing position is abolished.

Local Aid. The Department requests \$29,880,505 for payments to local units of government in FY 1989. The request includes \$14,000,000 for grants under the Small Cities CDBG program, \$733,000 for grants under the Rental Rehabilitation program, \$14,867,505 from the EDIF for two new programs to provide loans to local units of government for infrastructure improvements and to private businesses for fixed asset acquisition or working capital, and \$280,000 from the EDIF for a

HA  
 3-1-88  
 Attachment 21

program to provide grants to nonprofit organizations to support the establishment of small business incubator facilities.

The Governor recommends \$20,284,000 for aid to local units of government in FY 1989. The Governor concurs with the estimated expenditures for the Small Cities CDBG and the Rental Rehabilitation programs, and recommends \$5,500,000 from the EDIF to provide loans to local units of government for infrastructure improvements and \$51,000 from the EDIF to provide assistance to smaller cities enrolled in the Main Street program.

Other Assistance. The Department requests \$650,000 in FY 1989 to continue grants to the Certified Development Companies (\$400,000) and the Small Business Development Centers (\$250,000). The FY 1989 request would be financed by \$500,000 from the State General Fund and \$150,000 from the EDIF.

The Governor recommends \$780,000 for other assistance in FY 1989. The Governor concurs with the amounts requested for grants to the Certified Development Companies and the Small Business Development Centers. The Governor also recommends \$80,000 from the EDIF for operating grants for small business incubators and \$50,000 from the EDIF to provide awards to secondary schools which show the greatest improvement in national test scores.

#### House Subcommittee Recommendations

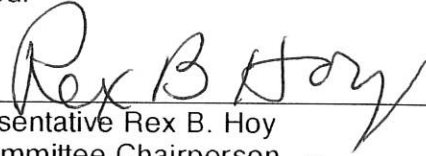
FY 1989. The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

1. Reduce FY 1989 State General Fund appropriations to reflect the reappropriation of FY 1988 savings.
2. Delete \$28,424 (State General Fund) and 1.0 FTE position associated with the Public Information Officer position. The Subcommittee recommends that the agency use existing personnel for the public information function.
3. Shift funding for the Computer Programmer position (\$25,892) and associated operating costs of \$2,904 from the EDIF to the State General Fund.
4. Delete \$44,899 from EDIF expenditures associated with video equipment. The Subcommittee recommends that the Department explore using the facilities of Regents' institutions, Washburn University, and public television stations for the production of videos. The Subcommittee notes that in addition to being cost effective, use of educational facilities would allow for additional experience for Kansas students.
5. Add \$55,607 from the EDIF to complete the purchase of new computer equipment in FY 1989. The Subcommittee learned that the purchase contract does not have an early payment penalty

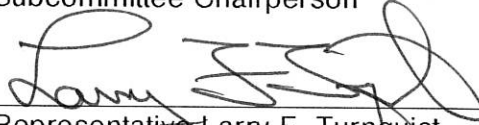
and that completion of the purchase in FY 1989 would save the state approximately \$15,000 over the five-year contract.

6. Add increased expenditures from the CDBG federal fund of \$10,945 associated with the purchase of computer equipment.
7. Add \$3,976 from the State General Fund for a technical adjustment regarding maintenance contracts.
8. Amend the appropriation for Coal Commission research to require a one-to-one match on expenditures.
9. The Subcommittee recommends that in future years the Joint Committee on Economic Development review proposals for the expenditure of the Economic Development Initiatives Fund and make recommendations to the Senate Ways and Means Committee and the House Appropriations Committee.
10. Add \$33,061 from the State General Fund to replace federal funding for the Minority Business program.
11. The Subcommittee notes that \$300,000 was spent on the Superconducting Supercollider (SSC) project with little if any results.
12. Add \$10,000 from the EDIF to increase the contract with the Kansas Association of Broadcasters to \$30,000. The Subcommittee received testimony that association members provided \$440,782 in free advertising to the state in FY 1987 and are anticipated to provide almost \$500,000 in advertising in the current year. The Subcommittee expects that with the additional funds, the dollar value of air time will increase in future years.
13. The Subcommittee notes that a great deal of the information provided about Kansas tourism is produced by convention bureaus. While this information is useful, it has a tendency to promote site specific instead of regional tourism activities. The Subcommittee recommends that the Department work closely with regional tourism groups to broaden the impact of tourism promotions.
14. Delete \$50,000 from the EDIF associated with the education awards program.
15. The Subcommittee notes that H.B. 2909, which creates a Small Business Loan program, has passed the House Economic Development Committee and recommends that the Senate Ways and Means

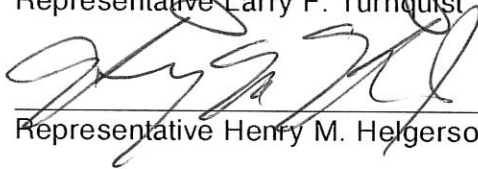
Subcommittee consider financing this program when the Department of Commerce's budget is reviewed.



Representative Rex B. Hoy  
Subcommittee Chairperson



Representative Larry F. Turnquist



Representative Henry M. Helgerson, Jr.

SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals                      Bill No. 2808                      Bill Sec. 12

Analyst: Efird    Analysis Pg. No. 554                      Budget Pg. No. 1-185

<u>Expenditure Summary</u>	<u>Agency Req. FY 88<sup>89</sup></u>	<u>Governor's Rec. FY 88<sup>89</sup></u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 859,824	\$ 788,584	\$ (27,422)
All Other Funds	4,480	4,480	--
FTE Positions	18.0	18.0	(3.0)

Agency Estimate/Governor's Recommendation

The Board's FY 1989 request includes an increase of \$168,946, which is 24.5 percent more than the revised FY 1988 estimate. Of the increase, \$103,680 is requested for salaries and wages and \$65,266 for other operating expenses. Program enhancements are requested in preparing for statewide reappraisal and handling an increased caseload which the Board estimates will total 12,000 in FY 1989.

For FY 1989, the Governor recommends a net increase of \$103,558 in total expenditures and 3.0 FTE new positions to assist with an anticipated increase in workload with implementation of statewide reappraisal.

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the Governor's recommendations, with the following exceptions:


1. Concur with the agency's intent to buy a new telephone system using savings from current appropriations.
2. Note that receipts which should have been deposited into the State General Fund were incorrectly deposited into the agency's fee fund, but that the Division of Accounts and Reports corrected its mistake.

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

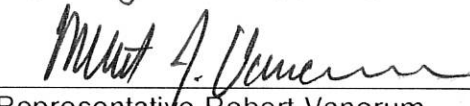
1. Adjust the calculation of health insurance benefits to reflect a reduction of \$2,731 as noted in the Director of the Budget's memorandum. This adjustment should be made in the appropriations bill.
2. Delete 3.0 FTE new positions and State General Fund financing of \$52,247 for salaries and benefits.

*HA  
3-1-88  
Attachment 22*

3. Add \$25,000 from the State General Fund for salaries and benefits of intermittent clerical staff and law clerks to assist with the office workload. The Subcommittee notes that the Governor's recommendation includes \$8,288 for the salary of one other new law clerk.
4. Reduce \$4,088 for the purchase of five executive chairs and other capital outlay items.
5. Add \$1,299 for a 20 MB personal computer and monochrome monitor; \$1,682 for a laser printer; \$480 for eight chairs and \$452 for two tables to use in the combination conference and second hearing room. A total of \$3,913 is added from the State General Fund for capital outlay.
6. Note a possible underfinancing of the agency's rent budget if the Department of Administration begins assessing the cost of hallway space.

  
\_\_\_\_\_  
Representative David Miller, Chairman

  
\_\_\_\_\_  
Representative George Teagarden

  
\_\_\_\_\_  
Representative Robert Vancrum

2808-562