

Approved 4-26-88
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~xxx~~/p.m. on March 28, 1988 in room 514-S of the Capitol.

All members were present except: Representative Vancrum (excused)

Committee staff present: Diane Duffy, Ellen Piekalkiewicz, Alan Conroy, Laura Howard,
Ed Ahrens, Scott Rothe, Russ Mills, Legislative Research
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Dr. Ed Flentje, Secretary of Administration
Charles Dodson, KAPE
Marshall Crowther, KPERS
Don Stumbaugh, Crime Victims Reparations Board

Others attending: See attached list.

SB 542 - An Act making and concerning appropriations for the fiscal year ending June 30, 1989, for the adjutant general, state fire marshal, Kansas parole board, and corrections ombudsman board; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

ADJUTANT GENERAL

For FY 1988 and FY 1989 the Subcommittee concurs with the Senate's recommendations (Attachment 1). Representative Brady moved adoption of the FY 1988 and 1989 subcommittee reports. Seconded by Representative Guldner. Motion carried.

STATE FIRE MARSHAL

The Subcommittee concurs with the Senate in FY 1988 and concurs with adjustments in FY 1989 (Attachment 2). Representative Guldner moved adoption of the FY 1988 and 1989 subcommittee reports. Seconded by Representative Dyck. Motion carried.

KANSAS PAROLE BOARD

Following review of the FY 1988 and FY 1989 reports (Attachment 3), Representative Williams moved adoption of the subcommittee reports. Seconded by Representative Ott. Motion carried.

CORRECTIONS OMBUDSMAN BOARD

Representative Wisdom reviewed the FY 1988 and 1989 subcommittee reports (Attachment 4). Representative Wisdom moved adoption of the subcommittee reports. Seconded by Representative Ott. Motion carried.

SB 572 - An Act making and concerning appropriations for the fiscal year ending June 30, 1989, for the department of revenue--homestead property tax refunds, department of social and rehabilitation services, department of health and environment and department on aging; authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

HOMESTEAD PROPERTY TAX REFUNDS (Attachment 5)

Representative Chronister moved adoption of the FY 1988 and FY 1989 subcommittee reports. Seconded by Representative Mainey. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S Statehouse, at 1:30 ~~xx~~/p.m. on March 28, 1988

DEPARTMENT OF HEALTH AND ENVIRONMENT

The Subcommittee concurs with the Senate recommendations in FY 1988 and FY 1989 with exceptions noted in the reports (Attachment 6).

Representative Helgerson moved to restore \$100,000 from the SGF in aid to local units for an adolescent health promotion program. Seconded by Representative Wisdom. It was noted that the adolescent health promotion program was a new program and the subcommittee decided to emphasize adequate funding of existing programs. On a vote, motion failed.

Representative Solbach made a motion to restore \$113,875 from the SGF for implementing the recommendations of the Governor's Task Force on AIDS. Seconded by Representative Turnquist. Motion failed.

In response to a question regarding paragraph #5, the Subcommittee noted the \$100,000 from the SGF for the Genetic Services program was not in the Governor's budget and would be a new program from the SGF. Representative Mainey moved to amend Paragraph #5 to state the subcommittee "requests" a Governor's Budget Amendment on the Genetic Services program. Seconded by Representative Shriver. Motion carried.

Representative Fuller moved adoption of the subcommittee reports for FY 1988 and 1989 as amended. Seconded by Representative Goossen. Motion carried.

DEPARTMENT ON AGING

Representative Dyck reviewed the FY 1988 and 1989 subcommittee reports (Attachment 7). Representative Dyck moved adoption of the subcommittee reports. Seconded by Representative Guldner. Motion carried.

HB 2839 - An Act concerning the Kansas public employees retirement system; relating to membership waiting period; early retirement benefit reduction; participating credit; employee contributions; amending K.S.A. 74-4919 and 74-4938 and K.S.A. 1987 Supp. 74-4911 and 74-4915 and repealing the existing sections; also repealing K.S.A. 74-4927c.

Representative Williams explained that HB 2839 provides three improvements in KPERS for people with 20 or more years service: (1) improve the annual factor from 1.4 to 1.6 for years after 20; (2) reduces actuarial reduction taken by the ages 60-65 from .3 to .2 having the effect of increasing pensions; and (3) decreases contribution from 4 percent to 2 percent after 20 years. Representative Williams stated Section 1 of the bill allowing non-school employees to be members of KPERS immediately upon employment will be deleted by amendment. He noted this bill is offered as an alternative to the longevity pay plan and was passed unanimously by the Pensions, Investments and Benefits Committee.

Dr. Flentje, Secretary of Administration, advised the Committee that the Governor's recommendations for state employees were a 4 percent COLA, step movement, and longevity bonus, and the Administration continues to support these recommendations. The Department of Administration estimates HB 2839 as proposed by Representative Williams would be a \$1.9 million continuing commitment from the SGF and \$2.2 million continuing commitment from all funds, as well as having fiscal impact on local units.

Charles Dodson, KAPE, stated this bill represents a good package of benefits, but the Governor's program has in excess of \$2 million SGF for state employees and under this bill, only \$362,000 goes to state employees, as the retirement system includes broader membership.

Marshall Crowther, KPERS, noted he would have some technical cleanup amendments to this bill and the Chairman stated he should meet with Representative Williams about those.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 1:30 ~~xx~~ p.m. on March 28, 1988

Representative Shriver requested introduction and referral back to this committee of a bill that would abolish the Board of Indigents Defense and transfer its responsibilities to the Supreme Court (Attachment 8). Representative Shriver moved introduction of the bill. Seconded by Representative Williams. Motion carried.

HB 2979 - An Act concerning the state health care benefits program; relating to a wellness program; imposition of certain charges and penalties; amending K.S.A. 75-6501 and 75-6506 and repealing the existing sections.

Representative Williams explained that HB 2979 eliminates the \$10 penalty for smokers in the state health care benefits program and the graduated premium charges based on the age bracket of employees. Representative Williams distributed testimony in support of HB 2979 from Prof. Felix Moos, President, American Association of University Professors (Attachment 9) and personal correspondence relating to HB 2979 (Attachment 10).

Representative Buntin proposed an amendment to HB 2979 providing that a wellness program would be financed by a contribution of \$1 per month payable by each employee in the health care program to be state-matched. This program would cost about \$400,000 to \$450,000 SGF annually for the match (Attachment 11). Representative Buntin moved adoption of the amendment. Seconded by Representative Chronister. Motion carried.

Charles Dodson, KAPE, stated the contracts that have been entered into for the wellness program at this point will be fully funded by July 1, 1988. He suggests we may want to stop collections at this point and, before proceeding in a new direction, review recommendations from the Health Care Commission.

Dr. Flentje, Secretary of Administration, appeared on behalf of the State Employees Health Care Commission in opposition to HB 2979 and provided written testimony (Attachment 12).

Representative Buntin moved that HB 2979, as amended, be recommended favorably for passage. Seconded by Representative Williams. Motion carried.

HB 3107 - An Act concerning crime victims reparations; establishing the crime victims grants and gifts fund; prescribing disposition of moneys credited thereto; providing for certain contributions to such fund to be subtracted from income for Kansas income taxation; amending K.S.A. 1987 Supp. 74-7317 and 79-32,117 and repealing the existing sections.

Representative Ott explained that this bill establishes a fund to which individuals may contribute that will benefit crime victims.

Don Stumbaugh, Crime Victims Reparations Board, appeared in support of HB 3107 stating this past year a person in Wichita created a memorial fund for the Crime Victims Reparations Board and the Board received \$1,700 in this instance. Representative Ott moved that HB 3107 be recommended favorably for passage. Seconded by Representative Wisdom. Motion carried.

Representative Chronister moved that SB 542, as amended, be recommended favorably for passage. Seconded by Representative Fuller. Motion carried.

Representative Teagarden moved that the minutes of March 3, 7, 9, 14, and 17, 1988 be approved as presented. Seconded by Representative Williams. Motion carried.

The meeting was adjourned at 3:30 p.m.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 3-28-88

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Thomas Becker	6420 S.W. 26th	AG Dept
Philip B. Finley -	3503 SE WINSTON	AG's Dept
Jay D. Moser	Topeka	Adj. Gen. Dept
Basil Covey	Topeka	KRTA
Steven A. Robinson	"	Embassador for Christian
Cindy Lutz	Topeka	KASB
Lynda Drew	Topeka	KDOT
Jim Barnes	Topeka	Federation/Federal Volunteer Agency
BARB CENEPT	"	KP(A)
Nancy Echols	Topeka	SRS
Becky Guldner	Syracuse	Visitor
Janice Bermingwendler	Scott City	Visitor
Gayle Horrocks	Scott City	Visitor
MARY ISEMINGER	Scott City	Visitor
Jerry Sloan	Topeka	GJA
David Chopman	Topeka	ADAS
Cindy Hoehner	Topeka	OTA
John Coelett	Topeka	St Fire Marshal Dept
Dolores Gonzales	Topeka	K.C.C.
Ed R. Brown	"	Legion of KP Surgeon
Mary Rickel	"	"
Kenny Kony	701 S. W. 26th, Topeka	KAC
Arthur Schumann	Topeka	KDHE
MaryAnn Bradford	Topeka	League of Women Voters

3/25/88

Alice Knott

TopexH

KDOA

Esther UWolf

TopexA

KDOA

Ruth Walker

Topex

AAUP

3 Little Draws

?

SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. 571

Bill Sec. NA

Analyst: Rothe

Analysis Pg. No. 743

Budget Pg. No. 4-1

<u>Expenditure Summary</u>	<u>Agency Est. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,789,119	\$ 6,655,823	\$ --
Aid to Local Units	2,201,000	2,201,000	--
Other Assistance	4,519	4,519	--
Subtotal	\$ 8,994,638	\$ 8,861,342	\$ --
Capital Improvements	352,484	421,484	(10,197)
Total	<u>\$ 9,347,122</u>	<u>\$ 9,282,826</u>	<u>\$ (10,197)</u>
State General Fund:			
State Operations	\$ 2,867,267	\$ 2,748,045	\$ --
Aid to Local Units	20,000	20,000	--
Other Assistance	4,519	4,519	--
Subtotal	\$ 2,891,786	\$ 2,772,564	\$ --
Capital Improvements	352,484	352,484	(10,197)
Total	<u>\$ 3,244,270</u>	<u>\$ 3,125,048</u>	<u>\$ (10,197)</u>
FTE Positions	140.6	140.6	--

Agency Estimate/Governor's Recommendation

The agency estimates \$8,994,638 in FY 1988 operating expenditures, a decrease of \$63,690 below the amount approved by the 1987 Legislature. The revised estimate includes a supplemental request of \$14,126 from the State General Fund due to an increase in the armory insurance premium. The agency also requests the authority to expend a limited reappropriation totaling \$448. The estimate also includes \$73,798 from the federal Military Fees Fund approved by the Finance Council for six additional security officers at Forbes, and a decrease of \$77,816 from the Military Fees Fund and one position due to the elimination of the Family Program Coordination program. Total estimated operating expenditures for FY 1988 include \$2,891,786 from the State General Fund and \$6,102,852 from special revenue funds. The agency also estimates expenditures of \$352,484 from the State General Fund for capital improvements in FY 1988.

The Governor's recommendation of \$8,861,342 for FY 1988 operating expenditures is a reduction of \$133,296 from the agency's revised estimate, including reductions of \$119,222 from the State General Fund and \$14,074 from special revenue funds. The Governor does not recommend a supplemental appropriation of \$14,126 requested by the agency or the authority to expend a limited reappropriation of \$448. The Governor recommends \$352,484 from the State General Fund and \$69,000 from federal funds for capital improvements.

HA
3-28-88
Attachment 1

Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to shift \$10,197 from the State General Fund from Topeka armory improvements in FY 1988 to FY 1989 for architectural and engineering fees for a new armory at Great Bend.
2. Shift \$70,000 from the State General Fund in communications from the Operational Management program to the Armories and State Defense Building subprogram to reduce the backlog of armory maintenance and repair projects.
3. Make a technical adjustment on the agency's FY 1988 supplemental appropriation bill (S.B. 571) to reflect the Governor's intent by increasing the expenditure limitation on the federal DEP-Nuclear Civil Protection Fund by \$4,789.

Senate Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

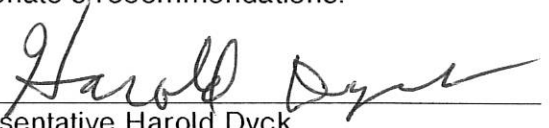
Senate Committee of the Whole Recommendation

The Senate concurs with the Committee's recommendation.

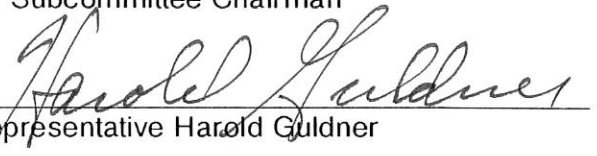
<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec. FY 88</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations:	\$ --	\$ 6,655,823	\$ --
Aid to Local Units	--	2,201,000	--
Other Assistance	--	4,519	--
Subtotal	\$ --	\$ 8,861,342	\$ --
Capital Improvements	(10,197)	411,287	--
Total	<u>\$ (10,197)</u>	<u>\$ 9,272,629</u>	<u>\$ --</u>
 State General Fund:			
State Operations	\$ --	\$ 2,748,045	\$ --
Aid to Local Units	--	20,000	--
Other Assistance	--	4,519	--
Subtotal	\$ --	\$ 2,772,564	\$ --
Capital Improvements	(10,197)	342,287	--
Total	<u>\$ (10,197)</u>	<u>\$ 3,114,851</u>	<u>\$ --</u>
 FTE Positions	--	140.6	--

House Subcommittee Recommendation

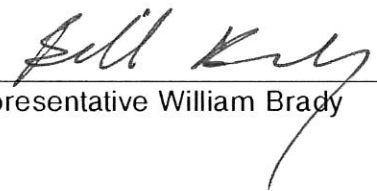
The Subcommittee concurs with the Senate's recommendations.



Representative Harold Dyck
Subcommittee Chairman



Representative Harold Guldner



Representative William Brady

SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. 542

Bill Sec. 2

Analyst: Rothe

Analysis Pg. No. 743

Budget Pg. No. 4-1

<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	\$ 7,722,526	\$ 7,120,122	\$ 2,515
Aid to Local Units	2,100,000	2,100,000	--
Other Assistance	4,519	4,519	--
Subtotal	\$ 9,827,045	\$ 9,224,641	\$ 2,515
Capital Improvements	1,323,519	731,844	40,197
TOTAL	<u>\$ 11,150,564</u>	<u>\$ 9,956,485</u>	<u>\$ 42,712</u>
State General Fund:			
State Operations	\$ 3,218,953	\$ 2,917,304	\$ 3,861
Aid to Local Units	20,000	20,000	--
Other Assistance	4,519	4,519	--
Subtotal	\$ 3,243,472	\$ 2,941,823	\$ 3,861
Capital Improvements	1,323,519	731,844	30,197
TOTAL	<u>\$ 4,566,991</u>	<u>\$ 3,673,667</u>	<u>\$ 34,058</u>
FTE Positions	146.6	141.6	--

Agency Request/Governor's Recommendation

The agency requests FY 1989 operating expenditures of \$9,827,045, an increase of \$832,407 (9.3 percent) above the revised FY 1988 estimate. The request includes \$3,243,472 from the State General Fund (a \$351,686 or 12.2 percent increase), and \$6,583,573 from special revenue funds (a \$480,721 or 7.9 percent increase).

The Governor recommends \$9,224,641 of operating expenditures for FY 1989, a reduction of \$602,404 from the agency's request. The recommendation includes \$2,941,823 from the State General Fund, a reduction of \$301,649 and \$6,282,818 from special revenue funds, a reduction of \$300,755. The Governor recommends \$49,741 for a 4 percent salary adjustment for 54 FTE classified employees, \$107,368 for a 5.8 percent merit pool salary adjustment for 86.6 FTE unclassified employees, and \$1,103 for a 4 percent salary adjustment for one new unclassified position.

Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for expenditures of \$772,041 for armory construction and repairs, including \$762,041 from the State General Fund and \$10,000 from special revenue

funds. The recommendation is an increase of \$40,197 above the Governor's recommendation, including \$10,197 shifted from FY 1988 for architectural and engineering fees for a new armory at Great Bend, and \$30,000 for armory structural repairs at Kansas City (\$20,000 from the State General Fund and \$10,000 from the Citizens Military Committee of Wyandotte County, Inc.).

2. Add \$1,346 from the State General Fund and delete \$1,346 from the DEP-Nuclear Civil Protection federal fund in the Emergency Preparedness -- Planning program as a technical adjustment to reflect the Governor's intent.
3. Add \$2,515 from the State General Fund for computer software (\$965), a chair (\$350), and travel and subsistence (\$1,200) for Community Right-to-Know activities (DEP -- Planning program).
4. Adjust the proviso on the agency's Military Fees Fund to delete the restriction that the agency may receive federal reimbursements for just armory and air national guard activities. The adjustment will enable the agency to more easily receive federal reimbursement for auditing activities and allow the agency to pay its bills on a timely basis.
5. The Subcommittee notes that preliminary discussions have taken place concerning the possible transfer of a clerical employee from the Department of Health and Environment to the Adjutant General's Department to better reflect the agency's workload associated with Community Right-to-Know activities. The Subcommittee withholds a recommendation until the agencies make a final decision.

Senate Committee Recommendation

The Committee concurs with the Subcommittee's recommendation.

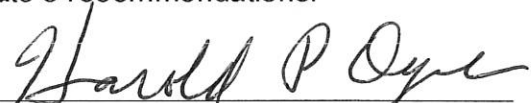
Senate Committee of the Whole Recommendation

The Senate concurs with the Committee's recommendation.

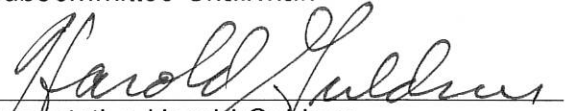
<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec. FY 89</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations:	\$ 2,515	\$ 7,122,637	\$ --
Aid to Local Units	--	2,100,000	--
Other Assistance	--	4,519	--
Subtotal	\$ 2,515	\$ 9,227,156	\$ --
Capital Improvements	40,197	772,041	--
Total	<u>\$ 42,712</u>	<u>\$ 9,999,197</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 3,861	\$ 2,921,165	\$ --
Aid to Local Units	--	20,000	--
Other Assistance	--	4,519	--
Subtotal	\$ 3,861	\$ 2,945,684	\$ --
Capital Improvements	30,197	762,041	--
Total	<u>\$ 34,058</u>	<u>\$ 3,707,725</u>	<u>\$ --</u>
FTE Positions	--	141.6	--

House Subcommittee Recommendation


The Subcommittee concurs with the Senate's recommendations.



Representative Harold Dyck
Subcommittee Chairman



Representative Harold Guldner



Representative William Brady

SUBCOMMITTEE REPORT

Agency: State Fire Marshal

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 759

Budget Pg. No. 4-75

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,319,962	\$ 1,263,098	\$ 33,149
State General Fund	1,219,625	1,165,411	33,149
FTE Positions	35.0	35.0	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1988 expenditures of \$1,319,962, a reduction of \$3,560 in salaries and wages from the amount approved by the 1987 Legislature.

The Governor recommends FY 1988 expenditures of \$1,263,098, a reduction of \$56,864 from the agency request. The recommendation includes reductions in salaries (\$7,323), travel (\$37,918), and office supplies (\$7,826) and shifting among other objects of expenditure.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Add \$7,323 in salaries and wages based on expenditures to date during the current year.
2. Add \$18,000 in travel for inspection and investigation activities based on expenditures to date during the current year.
3. Add \$7,826 in office supplies based on expenditures to date during the current year.

Senate Committee Recommendations

The Senate Committee concurs with the recommendations of the subcommittee.

Senate Committee of the Whole Recommendation

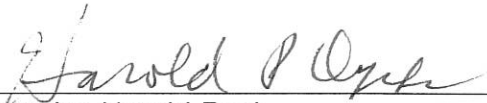
The Senate Committee of the Whole concurs with the recommendation of the Committee.

HA
3-28-88
Attachment 2

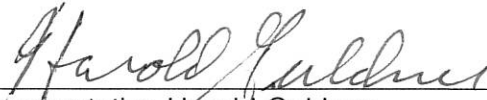
House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adj. FY 88</u>	<u>Senate Rec. FY 88</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 33,149	\$ 1,296,247	\$ --
State General Fund	33,149	1,198,560	--
FTE Positions	--	35.0	--

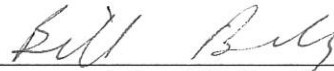
The House Subcommittee concurs with the recommendations of the Senate.



Representative Harold Dyck
Subcommittee Chairperson



Representative Harold Guldner



Representative Bill Brady

SUBCOMMITTEE REPORT

Agency: State Fire Marshal

Bill No. 542

Bill Sec. 3

Analyst: Howard

Analysis Pg. No. 759

Budget Pg. No. 4-75

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,918,816	\$ 1,305,751	\$ 46,917
State General Fund	1,809,783	1,202,953	46,917
FTE Positions	42.0	35.0	--

Agency Request/Governor's Recommendation

The agency requests \$1,918,816 in state operations for FY 1989, an increase of \$598,854 from the current year estimate. The request includes \$1,809,783 from the State General Fund and \$109,033 from federal funds. The FY 1989 request includes funding for 7.0 FTE new positions for a total of 42.0 FTE. In addition, the agency requests \$265,500 to purchase a departmental processor with peripheral equipment (\$124,500) and software (\$141,000) in order to allow the office to handle all software and programs in-house apart from the mainframe utilized at DISC.

The Governor recommends expenditure of \$1,305,751 in FY 1989, a reduction of \$613,065 from the agency request. The Governor's recommendation would fund 35.0 FTE positions, the same number as in the current year. Funding for the requested new positions and the departmental processor is not recommended.

Senate Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Add \$15,917 in salaries to reduce budgeted turnover (\$6,807) and fund an intermittent clerical position (\$9,110).
2. Add \$26,000 in travel for inspection, prevention, and training activities.
3. Add \$5,000 for office supplies.

Senate Committee Recommendations

The Senate Committee concurs with the recommendations of the subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Committee.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 46,917	\$ 1,352,668	\$ --
State General Fund	46,917	1,249,870	--
FTE Positions	--	35.0	--

The House Subcommittee concurs with the recommendations of the Senate with the following exceptions:

1. The Subcommittee held hearings on the issue of boiler inspections to determine whether it would be appropriate for the State Fire Marshal's Office to administer the program. Currently, boiler inspection activities are administered by the industrial safety and health program in the Department of Human Resources. The Subcommittee is of the opinion that there is some merit in considering placement of the program activities in the State Fire Marshal's Office and would recommend that the Governor's Office consider the issue and make any recommendations to the 1989 Legislature. The Subcommittee recommends this issue be reviewed during the next legislative session.
2. The Subcommittee discussed several issues relating to the construction and inspection of school buildings in the state. Plans for the construction of school facilities are submitted to the State Board of Education for approval prior to the letting of any contract (K.S.A. 31-150). Fire inspections by the State Fire Marshal's Office or city fire inspectors are conducted only on already constructed school buildings on an annual basis. The Subcommittee believes that input from the Fire Marshal during the planning and construction phases would be beneficial and could avert problems which sometimes appear in already constructed buildings and recommends that the Fire Marshal or his designee perform periodic on-site inspections during the construction period. In order to facilitate these inspections, the Subcommittee recommends that the Fire Marshal work with the architect at the State Board of Education to improve coordination and cooperation between the two offices in order that the Fire Marshal's Office may be alerted to potential problems during the planning phase of a project and informed of the current construction projects being proposed and performed.

Harold Dyck

Representative Harold Dyck
Subcommittee Chairperson

Harold Guldner

Representative Harold Guldner

Bill Brady

Representative Bill Brady

SUBCOMMITTEE REPORT

Agency: Kansas Parole Board Bill No. 571 Bill Sec. --
 Analyst: Conroy Analysis Pg. No. 763 Budget Pg. No. 4-65

<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	\$ 384,329	\$ 375,883	\$ 11,625
FTE Positions	8.0	8.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1988 estimated expenditures are \$384,329 or \$4,172 above the approved amount of \$380,157. The agency is requesting FY 1988 supplemental funding from the State General Fund to accommodate salaries and wages associated with the resignation of a Board member. The funds would be used for payment of accumulated annual leave for the Board member who resigned during the fall of 1987. The total payment for accumulated annual leave was \$6,005. However, the agency has made some minor adjustments in operating expenditures to partially offset the additional salaries and wages cost.

The Governor's recommendation for FY 1988 is \$375,883, or \$8,446 below the agency's revised estimate. Correspondingly, the Governor does not recommend any supplemental funds for the agency in the current year. The Governor recommends reductions of the agency's estimate in salaries and wages (\$5,895) and capital outlay (\$2,551).

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Add \$4,175 for salaries and wages associated with the payment of accumulated annual leave for a Board member who was not reappointed to the Board during the fall of 1987.
2. Add \$2,450 for communications based on current and anticipated expenditures.
3. Add \$5,000 for a word processing system and a replacement copying machine. The Subcommittee suggests that the new equipment will help ensure that the necessary documents are completed and in order when an inmate is ready for actual parole.

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Attachment 3

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate concurs with the Committee's recommendations.

House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adj. FY 88</u>	<u>Senate Rec. FY 88</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 11,625	\$ 387,508	\$ (6,625)
FTE Positions	--	8.0	--

The House Subcommittee concurs with the Senate recommendations with the following adjustments:

1. Delete \$4,175 for salaries and wages based on the current and anticipated expenditures.
2. Delete \$2,450 for communications based on the current and anticipated expenditures.



Representative Bob E. Ott
Subcommittee Chairperson



Representative Vernon L. Williams



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Kansas Parole Board

Bill No. 542

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 763

Budget Pg. No. 4-65

<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	\$ 408,775	\$ 404,843	\$ --
FTE Positions	9.0	8.0	--

Agency Request/Governor's Recommendation

For FY 1989, the agency requests \$408,775, an increase of 6.4 percent or \$24,446 from the FY 1988 revised estimate. Salaries and wages are requested to increase by \$15,475. The other major increase for FY 1989 is in travel and subsistence, where \$9,836 is requested.

The Governor recommends a budget of \$404,843, or \$3,932 less than the agency requested. The recommendation is an increase of 7.7 percent or \$28,960 above the FY 1988 revised recommendation. The Governor recommends increases of \$18,654 for salaries and wages and \$8,847 for travel and subsistence in FY 1989 above FY 1988. The additional travel funds are recommended to permit the Board to hold parole hearings at newly-opened correctional facilities and for parole violator hearings statewide.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following comment:

1. The Subcommittee strongly believes that the 1988 Legislature should consider expanding the size of the Parole Board from three full-time members to five full-time members. The Subcommittee notes that with a total of 16 correctional facilities, currently in operation or scheduled to open FY 1989, and the increasing inmate population the Board should be expanded to assist in handling the caseload. The expanded Board would ensure that the inmate caseload is handled in a timely manner and enable the Board to travel to the major correctional institutions now spread across the state.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate concurs with the Committee's recommendations.

House Subcommittee Recommendations

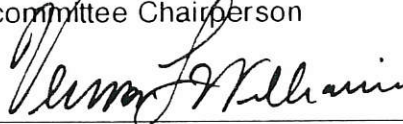
<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 404,843	\$ (2,590)
FTE Positions	--	8.0	--

The House Subcommittee concurs with the Senate recommendations with the following adjustments:

1. Delete \$2,590 for travel and subsistence based on current and anticipated expenditures. The Subcommittee notes that the Ellsworth Correctional Work Facility will not be fully operational by March, 1989. Due to this delay, the agency's need for travel and subsistence should be less than anticipated.
2. The Subcommittee also notes Secretary of Corrections Endell's plan to address the inmate crowding problem which is currently pending before the 1988 Legislature. The plan makes several recommendations which could impact the scope and operation of the Parole Board.
3. The Subcommittee concurs with the comments of the Senate to expand the size of the Parole Board from three to five members, if the new Board could operate with panels of three members to deal with parole matters.



Representative Bob E. Ott
Subcommittee Chairperson



Representative Vernon L. Williams



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman Board Bill No. -- Bill Sec. --
Analyst: Conroy Analysis Pg. No. 863 Budget Pg. No. 4-31

<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	\$ 191,077	\$ 188,055	\$ 780
FTE Positions	6.0	6.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1988 estimated expenditures are \$191,077 or \$1,618 less than the approved amount of \$192,695, all of which is from the State General Fund. The Governor's recommendation for FY 1988 is \$188,055 or \$3,022 less than the agency's revised estimate. The Governor has reduced salaries and wages by \$1,217, communication by \$250, travel and subsistence by \$1,500, and other contractual services by \$55.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Add \$780 for travel and subsistence. The Subcommittee notes that with the addition of several new correctional facilities and the increasing inmate population the agency should have every opportunity to travel to the correctional institutions to respond to inmate complaints.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendations.

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House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adj. FY 88</u>	<u>Senate Rec. FY 88</u>	<u>House Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 780	\$ 188,835	\$ --
FTE Positions	--	6.0	--

The House Subcommittee concurs with the Senate recommendations with the following comment:

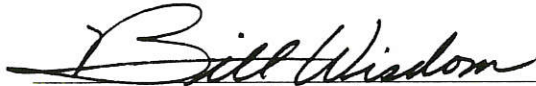
1. The Subcommittee believes the possibility exists for an increased number of inmate complaints based on the current changes occurring in the correctional system, including the movement of inmates to new correctional facilities. Therefore, the Subcommittee supports the additional travel funds recommended by the Senate for the agency to meet the increased workload.



Representative Bob E. Ott
Subcommittee Chairperson



Representative Vernon Williams



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman Board

Bill No. 542

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 863

Budget Pg. No. 4-31

<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	\$ 233,234	\$ 204,125	\$ 1,000
FTE Positions	7.0	6.0	--

Agency Request/Governor's Recommendation

For FY 1989, the agency requests \$233,234 for state operations, all from the State General Fund. The FY 1989 request includes funding for 7.0 FTE positions, an increase of 1.0 FTE above the approved FY 1988 level. Salaries and wages for the new position account for \$26,798 of the requested budget increase of \$42,157. The agency has also requested the following budget increases: \$4,824 for other salaries and wages adjustments, \$1,565 for communication, \$2,818 for travel and subsistence, \$1,500 for professional consulting services, and \$3,007 for capital outlay items. For FY 1989, the Governor recommends a budget of \$204,125, or \$29,109 less than requested. The Governor provides no new positions for the agency in FY 1989. The total FY 1989 recommendation is an increase of \$16,070 from the revised FY 1988 recommendation or an 8.5 percent increase.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Add \$1,000 for travel and subsistence. The Subcommittee notes that with the addition of several new correctional facilities and the increasing inmate population the agency should have every opportunity to travel to the correctional institutions to respond to inmate complaints.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendations.

4-2

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,000	\$ 205,125	\$ --
FTE Positions	--	6.0	--

The House Subcommittee concurs with the Senate recommendations with the following comment:

1. The Subcommittee believes the possibility exists for an increased number of inmate complaints based on the current changes or those scheduled to happen concerning the correctional system, including the movement of inmates to new correctional facilities. Therefore, the Subcommittee supports the additional travel funds recommended by the Senate for the agency to meet this anticipated workload. The Subcommittee also notes the potential for an additional Ombudsman Associate position based on the aforementioned reasons and the increasing inmate population. However, pending decisions of the newly created Joint Select Committee on Corrections, no action is recommended at this time on the additional position.



Representative Bob E. Ott
Subcommittee Chairperson



Representative Vernon L. Williams



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Homestead Property Tax Refunds Bill No. 571 Bill Sec. 6

Analyst: Efirid Analysis Pg. No. 661 Budget Pg. No. 2-33

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
Other Assistance: State General Fund	\$ 8,600,000	\$ 8,600,000	\$ --

Agency Request/Governor's Recommendation

The 1987 Legislature appropriated \$7,600,000 for payments of homestead refunds from the State General Fund. The revised projection of November 1987 estimates an additional expenditure of \$1,000,000 in refunds for FY 1988 due to processing delays in making FY 1987 refunds which now must be paid in FY 1988. The Governor concurs with the estimate of \$8,600,000 and recommends a supplemental appropriation from the State General Fund for \$1,000,000 in FY 1988 to pay claims carried over from last fiscal year.

Senate Subcommittee Recommendation

The Subcommittee concurs with the supplemental for \$1,000,000 as recommended by the Governor from the State General Fund.

Senate Committee Recommendation

The Committee concurs.

House Subcommittee Recommendation

The Subcommittee concurs.

Rochelle Chronister

Representative Rochelle Chronister
Chairperson

Bill Buntin

Representative Bill Buntin

Lee Hamm

Representative Lee Hamm

David Heinemann

Representative David Heinemann

Don Mainey

Representative Don Mainey

571-5652/je

HA
3-28-88
Attachment 5

SUBCOMMITTEE REPORT

Agency: Homestead Property Tax Refunds Bill No. 572 Bill Sec. 2

Analyst: Efirid Analysis Pg. No. 661 Budget Pg. No. 2-33

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
Other Assistance: State General Fund	\$ 7,500,000	\$ 7,500,000	\$ --

Agency Estimate/Governor's Recommendation

The November 1987 projection for FY 1989 estimates payments of \$7,500,000. The Governor concurs with the FY 1989 estimate of \$7,500,000 and recommends financing from the State General Fund.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Committee concurs.

House Subcommittee Recommendation

The Subcommittee concurs.

Rochelle Chronister
Representative Rochelle Chronister
Chairperson

Bill Buntin
Representative Bill Buntin

Lee Hamm
Representative Lee Hamm

David Heinemann
Representative David Heinemann

Don Mainey
Representative Don Mainey

572-5652/JE

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment

Bill No. 571

Bill Sec. 25

Analyst: Howard

Analysis Pg. No. 712

Budget Pg. No. 6-1

<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	\$ 28,285,434	\$ 28,092,151	\$ --
Aid to Local Units	8,351,909	8,351,909	--
Other Assistance	<u>12,912,500</u>	<u>12,912,500</u>	--
Total	<u>\$ 49,549,843</u>	<u>\$ 49,356,560</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 14,731,510	\$ 14,707,402	\$ --
Aid to Local Units	2,203,932	2,203,932	--
Other Assistance	--	--	--
Total	<u>\$ 16,935,442</u>	<u>\$ 16,911,334</u>	<u>\$ --</u>
FTE Positions	627.2	627.2	--

Agency Estimate/Governor's Recommendation

The Department requests a total budget of \$49,549,843 for FY 1988 with 627.2 FTE positions. The agency's request includes funding of \$28,285,434 for state operations and \$21,264,409 for aid to local units and other assistance. The agency's request includes supplemental funding of \$220,185, including \$141,795 for communications for conversion to the state Centrex system, \$35,000 for data processing fees, \$40,000 for costs associated with the Central Interstate Low-Level Radioactive Waste Compact, and \$3,390 for rents.

The Governor recommends a total FY 1988 revised budget of \$49,356,560 for the Department of Health and Environment, a reduction of \$193,283 in state operations from the agency estimate. The Governor's recommendation includes reductions in salaries (\$39,128), contractual services (\$145,116), and commodities (\$98,039), and an increase in capital outlay (\$89,000). The recommendation includes \$139,000 for increased telecommunications costs, \$50,000 for Kansas' share of legal costs incurred by the Central Interstate Low-Level Radioactive Waste Compact Commission, \$35,000 for increased data processing charges, \$15,000 for the development of a proposal for automation of the Vital Statistics operations, and \$89,000 for the purchase of new and replacement laboratory equipment. The Governor's recommendation for FY 1988 includes \$947,725 from four new federal grants received by the department during this fiscal year. The recommendation includes a supplemental State General Fund appropriation of \$194,191.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendation of the Governor with the following exceptions:

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1. Add \$59,828 in expenditure authority for the AIDS Project-Education and Risk Reduction-Federal Fund, and lapse the FY 1988 appropriation of \$59,828 for the AIDS Surveillance Grant-Federal Fund. Subsequent to the 1987 Legislative Session, the agency learned that it would not be eligible for an anticipated AIDS Surveillance Grant of \$59,828 because of an increase in the eligibility threshold from 50 to 200 cases. However, the award for the existing Education and Risk Reduction grant was increased by the same amount. The Subcommittee recommendation would increase the expenditure limitation on the AIDS Project-Education and Risk Reduction Fund from \$83,128 to \$142,956.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adj. FY 88</u>	<u>Senate Rec. FY 88</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 28,092,151	\$ (10,550)
Aid to Local Units	--	8,351,909	--
Other Assistance	--	<u>12,912,500</u>	--
Total	<u>\$ --</u>	<u>\$ 49,356,560</u>	<u>\$ (10,550)</u>
State General Fund:			
State Operations	\$ --	\$ 14,707,402	\$ (10,550)
Aid to Local Units	--	2,203,932	--
Other Assistance	--	--	--
Total	<u>\$ --</u>	<u>\$ 16,911,334</u>	<u>\$ (10,550)</u>
FTE Positions	--	627.2	--

The House Subcommittee concurs with the recommendations of the Senate with the following exception:

1. Delete \$10,550 from salaries in the General Management program to delete funding for a new general counsel position for the last

three months of FY 1988. The Governor's recommendation included funding for the position by reducing budgeted turnover for the last quarter of FY 1988 and all of FY 1989. The Governor did not include an additional FTE position; however, the agency planned to use an existing authorized FTE to establish the position. The Subcommittee does not believe an additional position of general counsel is warranted and deletes funding for that position. The effect of this recommendation is to increase budgeted turnover in the General Management program to the amount approved by the Legislature during the 1987 Session. (See FY 1989 report, item No. 7.)



Representative Wanda Fuller
Subcommittee Chairperson



Representative Duane Goossen



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment

Bill No. 572

Bill Sec. 4

Analyst: Howard

Analysis Pg. No. 712

Budget Pg. No. 6-1

<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	\$ 37,334,243	\$ 33,200,805	\$ 100,000
Aid to Local Units	11,357,209	9,725,021	--
Other Assistance	13,647,777	13,647,777	--
Total	<u>\$ 62,339,229</u>	<u>\$ 56,573,603</u>	<u>\$ 100,000</u>
State General Fund:			
State Operations	\$ 20,708,025	\$ 16,033,570	\$ 100,000
Aid to Local Units	4,296,351	2,664,163	--
Other Assistance	--	--	--
Total	<u>\$ 25,004,376</u>	<u>\$ 18,697,733</u>	<u>\$ 100,000</u>
Economic Development Initiatives Fund (EDIF)			
State Operations	\$ --	\$ 1,750,000	\$ --
FTE Positions	750.7	647.7	--

Agency Estimate/Governor's Recommendation

The Department requests a total budget of \$62,339,229 for FY 1989, with 750.7 FTE positions, an increase of 123.5 FTE positions from the current year. The request includes \$37,334,243 for state operations and \$25,004,986 for aid to local units and other assistance. The request includes \$20,795,426 from the State General Fund for state operations and \$4,296,351 from the State General Fund for aid to local units.

The Governor recommends an FY 1989 budget of \$56,573,603 for the Department. The recommendation includes \$19,829,576 for salaries, \$12,589,399 for other operating expenditures, and \$466,830 for capital outlay. The recommendation would fund 647.7 FTE positions, an increase of 20.5 FTE from the current year. The recommendation includes \$23,372,798 for aid to local units and other assistance. The recommendation increases state formula aid funding to local health departments to 60 cents per capita, or a minimum of \$5,600 per county. The Governor's recommendation includes \$500,000 from the State General Fund for prenatal projects, an increase of \$100,000 from the current year, and \$100,000 for an adolescent health program. For environmental programs, the Governor's recommendation includes three new positions from the State General Fund to reestablish an environmental sanitation unit, and five new federally-funded positions for the Bureau of Water Protection to implement programs required under the Clean Water Act reauthorization and Safe Drinking Water Act amendments.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. The Subcommittee concurs with the Governor's recommendation that \$1,750,000 from the Economic Development Initiatives Fund be used for saltwater and environmental remediation activities. The Subcommittee strongly believes that these water projects are in fact economic development. The Subcommittee would further recommend that the funds designated by the Governor for eight specific saltwater contamination sites (\$1,250,000) not be earmarked for specific sites, but that these funds be appropriated in a lump sum for remediation projects. The Subcommittee recommends that the Department of Health and Environment cooperate with the Kansas Corporation Commission to determine the appropriate sites in order that the remediation activities performed by KDHE are in cooperation with and conjunction with well plugging activities under the jurisdiction and responsibility of the KCC, financed from the Conservation Fee Fund. The Subcommittee has concern over the coordination of activities and responsibilities between these two agencies and recommends that a proviso be included in the bill to permit the expenditure of these funds only upon release by the State Finance Council.
2. Add \$100,000 from the State General Fund to continue the Genetic Services Program. The genetics program provides genetic counseling and diagnostic services, as well as information concerning birth defects and genetic diseases, to families in Kansas. Services are provided at the University of Kansas Medical Center in both Kansas City and Wichita and at six outreach clinics across the state. Since 1983, a federal grant averaging approximately \$180,000 per year from the Department of Health and Human Services has funded the program, and has been utilized to develop outreach clinics and educational activities across the state. The grant will terminate at the end of March, 1988. Further cuts in federal Maternal and Child Health Block Grant Funding in the 1987 Omnibus Reconciliation Bill preclude the use of funding from that source to continue the program. The Subcommittee believes the genetic services program is a valuable service to families in Kansas and recommends its continuation in FY 1989.
3. The Subcommittee would note that regulations have been adopted for the Community Right-to-Know Program. The current regulations provide for fees charged to the reporting community in amounts adequate to fully fund the program in subsequent fiscal years. The FY 1989 budget is funded from the State General Fund. The Subcommittee learned that there is some concern over requiring the reporting community to fully fund the program due to the general state benefit which occurs from these activities. The Subcommittee learned that the agency intends to amend its regulations during the next review cycle to establish

fee levels designed to generate revenue in an amount approximately 50 percent of anticipated program costs. The Subcommittee concurs with the agency's intended actions and supports the concept that the Community Right-to-Know activities be funded 50 percent from fees and 50 percent from the State General Fund.

4. The Subcommittee would note S.B. 607, currently in the Senate Committee on Public Health and Welfare, concerning public health sanitarians. The bill would require all sanitarians to register with the Secretary of the Department of Health and Environment and would establish certain qualifications for eligibility, including education and examination requirements. The bill would also establish an advisory committee for the registration of sanitarians. The Subcommittee would also note that the Governor's recommendation for FY 1989 includes the reestablishment of the sanitation bureau which was abolished in 1983 and includes three new positions to be placed in district offices to respond to local environmental health problems involving private sewage and sanitation issues.
5. The Subcommittee also recommends that the Department of Health and Environment work closely with the Department of Social and Rehabilitation Services to insure that services are not being duplicated and to insure that available federal dollars are maximized by using all possible sources of state funds for matching purposes. The Subcommittee has concern that some duplication and lack of coordination is present, especially in the areas of indigent and prenatal health care. For example, the potential exists for the state to receive additional federal dollars by increasing Medicaid eligibility to 100 percent of the federal poverty level for pregnant women and children. Such action would require \$1.7 million from the State General Fund. A portion of the prenatal care collaborative funds may be available as a part of this state match. The Subcommittee believes coordinated efforts are essential to derive maximum benefits from available funds for the benefit of the populations served by these agencies.
6. The Subcommittee recommends a technical change to the bill concerning the Health Facilities Review Fund. For FY 1989, the Health Facilities Review Fund and the Medical Care Facilities Risk Management Program Fund were combined into one appropriation line in that both funds were previously funded with transfers from the Health Care Stabilization Fund. Current language in the bill may limit the use of the funding to only the former Health Facilities Review Fund since only the proviso and transfer language from that fund was used. The technical adjustment would expand transfer language to include the use for purposes of the former risk management fund.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.

House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 100,000	\$ 33,300,805	\$ (595,591)
Aid to Local Units	--	9,725,021	(100,000)
Other Assistance	--	<u>13,647,777</u>	--
Total	<u>\$ 100,000</u>	<u>\$ 56,673,603</u>	<u>\$ (695,591)</u>
State General Fund:			
State Operations	\$ 100,000	\$ 16,133,570	\$ (600,304)
Aid to Local Units	--	2,664,163	(100,000)
Other Assistance	--	--	--
Total	<u>\$ 100,000</u>	<u>\$ 18,797,733</u>	<u>\$ (700,304)</u>
Economic Development Initiatives Fund (EDIF)			
State Operations	\$ --	\$ 1,750,000	\$ --
FTE Positions	--	647.7	(4.0)

The House Subcommittee concurs with the recommendations of the Senate with the following exceptions:

1. Delete \$83,946 from the State General Fund and 3.0 FTE Environmental Technicians IV recommended by the Governor to reestablish a sanitation unit in the Bureau of Waste Management.
2. Delete \$37,242 from the State General Fund, including \$24,964 in salaries and 1.0 FTE Information Writer II, and \$12,278 in other operating expenditures for a desktop publishing system for the Office of Information Services.
3. Delete \$100,000 from the State General fund in aid to local units for an adolescent health promotion program. Specific proposals for the use of these new funds have not yet been developed and

the Subcommittee would like to see a concrete proposal developed for a specific project to be funded under this program.

4. Delete \$113,875 from the State General Fund for costs associated with implementing the recommendations of the Governor's Task Force on AIDS. The Governor's recommendation assumed an increase of 10,000 tests across the state. The Subcommittee believes 5,000 additional tests is a more realistic figure and would note that the Department could request a supplemental appropriation during the next legislative session if tests increase above these levels. The Subcommittee recommendation would reduce \$100,000 for reimbursement to county health departments (\$20/test) for testing and counseling, and \$13,875 from laboratory supply costs. The Subcommittee would note that this recommendation would leave funds totaling \$1,068,107 for AIDS related activities in the KDHE budget, including \$423,125 from the State General Fund.
5. Delete \$100,000 from the State General Fund recommended by the Senate to continue the Genetic Services Program. The Genetics program has been funded from federal funds since 1983; the federal funds will terminate during the current fiscal year. The Subcommittee would note that the funds are utilized to contract for the services of two geneticists at the University of Kansas Medical Center in Kansas City and at Wesley Medical Center in Wichita and to provide outreach clinics across the state. The Subcommittee would ~~like to see~~ ^{request} a Governor's Budget Amendment on this item and deletes funding pending such an amendment. The Subcommittee would also note S.B. 570, currently in the House Public Health and Welfare Committee, which would require KDHE to enter into contracts for the provision of genetics services.
6. Add \$8,416, including \$3,703 from the State General Fund and \$4,713 from federal Medicaid funds to reclassify the mental retardation facility consultant position to an active treatment program director. The agency has been unable to fill the additional mental retardation facilities consultant position approved during the 1987 Session and the Subcommittee believes this reclassification is necessary to enable the Department to recruit an individual with the necessary background to manage the program.
7. Delete \$268,944 from the State General Fund to increase the budgeted turnover rate from 2.5 percent to 3.5 percent. Turnover in the agency has been budgeted at the 3.5 percent level for the last several years and this recommendation would return to that level. In conjunction with this recommendation the Subcommittee recommends that the new general counsel position funded in the Governor's recommendation by reducing turnover levels in the General Management programs be deleted. The Subcommittee believes the current legal staff is sufficient and does not see the need for an additional position at this time (see FY 1988 report, item No. 1).

8. The Subcommittee concurs with the Governor's recommendation of \$1,250,000 from the Economic Development Initiatives Fund for saltwater remediation activities. The Subcommittee concurs with the Senate recommendation that the funds not be earmarked for specific projects and that a proviso be included to require state Finance Council approval prior to release of the funds. The Subcommittee further recommends that the available funds be utilized for sites having the highest priority for cleanup.
9. The Subcommittee strongly urges the passage of S.B. 374, which would increase the food service reimbursement to local agencies under contract with KDHE for inspection services to 80 percent of fees collected. Currently, 60 percent of the revenue collected from licensure fees is remitted to the local county health departments performing the inspections of food and lodging establishments and 40 percent is deposited in the State General Fund. The bill, currently in the House Appropriations Committee, would increase the reimbursement to local agencies by approximately \$45,000 and reduce State General Fund transfers by the same amount.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Duane Goossen



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 571

Bill Sec. 5

Analyst: Ahrens

Analysis Pg. No. 736

Budget Pg. No. 2-1

<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	\$ 1,111,872	\$ 1,107,651	\$ --
Other Assistance	<u>11,406,325</u>	<u>11,408,308</u>	<u>29,919</u>
TOTAL	<u>\$ 12,518,197</u>	<u>\$ 12,515,959</u>	<u>\$ 29,919</u>
State General Fund:			
State Operations	\$ 556,036	\$ 554,096	\$ --
Other Assistance	<u>1,201,382</u>	<u>1,201,382</u>	<u>--</u>
TOTAL	<u>\$ 1,757,418</u>	<u>\$ 1,755,478</u>	<u>\$ --</u>
FTE Positions	29.8	29.8	--

Agency Estimate/Governor's Recommendation

The agency estimate of FY 1988 expenditures totals \$12,518,197 of which \$1,757,418 would be financed from the General Fund. Such financing includes a supplemental General Fund appropriation of \$13,516, of which \$11,612 was inadvertently excluded from the appropriation act. The Governor recommends FY 1988 expenditures of \$12,515,959, including a supplemental appropriation of \$11,814 from the General Fund.

The Governor also recommends expenditure reductions totaling \$6,224 in state operations accounts of three federal funds financing the agency.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1988 recommendations with the following change:

1. Add estimated expenditures of \$29,919 of federal Older Americans Act funds which are now available for expanding in-home services for frail, older individuals. The availability of these funds was made known to the Department subsequent to publication of the Governor's Budget Report. No additional state match or state-level administrative expenditures are required. No amendment to the appropriation bill is needed.


Senate Committee and Senate Committee of the Whole Recommendation

The Senate Committee and Committee of the Whole concurred with the Subcommittee.

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3-28-88
Attachment 7

House Subcommittee Recommendation

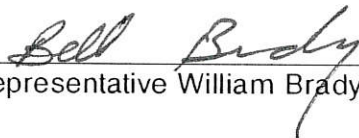
The Subcommittee concurs with the Senate.



Representative Harold Dyck
Chairperson



Representative Harold Guldner



Representative William Brady

571-039/EA

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 572

Bill Sec. 5

Analyst: Ahrens

Analysis Pg. No. 736

Budget Pg. No. 2-1

<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	\$ 1,415,538	\$ 1,215,102	\$ --
Other Assistance	<u>11,981,428</u>	<u>11,453,319</u>	<u>61,707</u>
Total	<u>\$ 13,396,966</u>	<u>\$ 12,668,421</u>	<u>\$ 61,707</u>
State General Fund:			
State Operations	\$ 850,209	\$ 647,614	\$ --
Other Assistance	<u>1,618,198</u>	<u>1,109,814</u>	<u>--</u>
Total	<u>\$ 2,468,407</u>	<u>\$ 1,757,428</u>	<u>\$ --</u>
FTE Positions	33.3	29.8	--

Agency Request/Governor's Recommendation

The agency requests FY 1989 expenditures of \$13,396,966, of which \$2,468,407 would be financed from the General Fund. The General Fund financing is an increase of \$710,989 from the FY 1988 estimate. The General Fund request includes increases of \$294,173 for state operations (including 3.5 FTE additional positions), \$300,000 for a new program of in-home services, \$100,000 for expanded senior employment services, and \$16,816 for nutrition programs. Federal sources, by far the largest source of financing the programs of the Department on Aging, account for \$166,080 of the requested budget increase for FY 1989. This relatively small increase is attributable to federal funding of nutrition programs.

The Governor recommends FY 1989 expenditures of \$12,668,421, of which \$1,757,428 would be financed from the General Fund. General Fund financing of state operations would increase \$93,518 from the FY 1988 recommendation and financing of assistance programs would decrease \$91,568. No new positions are funded. The recommended FY 1989 budget from all funds is an increase of \$152,462 from the FY 1988 recommendation.

Senate Subcommittee Recommendation

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

1. Add estimated expenditures of \$61,707 of federal Older Americans Act funds which are projected to be available for expanding in-home services for frail, older individuals. This amount includes expenditures from the FFY 1988 additional grant made available subsequent to the Governor's Budget Report and also reflects the agency's anticipation that a further FFY 1989 grant will become available for the same purpose and in the same amount.

2. Add a proviso authorizing the agency to secure the printing of its newsletter from sources other than the Division of Printing Services of the Department of Administration. The agency's budget narrative indicates that its printing cost estimates are based upon the assumption it will be authorized to save money by contracting with alternative sources.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole added a line item appropriation of \$77,431 as a grant for the retired senior volunteer program, such grant to be administered by the Department on Aging.

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec.</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 1,215,102	\$ --
Other Assistance	<u>139,138</u>	<u>11,315,181</u>	<u>(77,431)</u>
Total	<u>\$ 139,138</u>	<u>\$ 12,530,283</u>	<u>\$ (77,431)</u>
State General Fund:			
State Operations	\$ --	\$ 647,614	\$ --
Other Assistance	<u>77,431</u>	<u>1,187,245</u>	<u>(77,431)</u>
Total	<u>\$ 77,431</u>	<u>\$ 1,834,859</u>	<u>\$ (77,431)</u>
FTE Positions	--	29.8	--

House Subcommittee Recommendations

The House Subcommittee concurs with the Senate recommendations with the following adjustment:

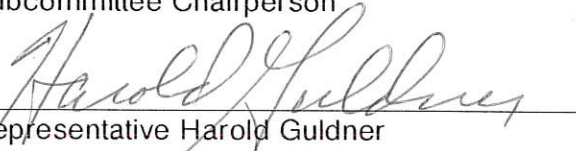
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1. Delete the \$77,431 grant for the Retired Senior Volunteer Programs.

Last Session, this Committee recommended that the Department review the allocations of funds for the older Kansans employment programs, which is financed from the State General Fund, in an effort to distribute funds more nearly in proportion to the location of the elderly population. The Department has achieved progress in this regard and it is recommended that the effort be continued.



Representative Harold Dyck
Subcommittee Chairperson



Representative Harold Guldner



Representative William Brady

572-039/EA

BILL NO. _____

AN ACT concerning legal services for indigent defendants; relating to powers, duties and functions of the supreme court; repealing K.S.A. 22-4515 and 22-4518 and K.S.A. 1987 Supp. 22-4501 to 22-4528, inclusive.

Be it enacted by the Legislature of the State of Kansas:

Section 1. The supreme court shall provide for and supervise the appointment and compensation of legal counsel and for related services for indigent defendants in accordance with the requirements for provision of such counsel and related services for indigent defendants under the constitution of the United States and the constitution of the state of Kansas.

Sec. 2. K.S.A. 1987 Supp. 22-4515 and 22-4518 and K.S.A. 1987 Supp. 22-4501 to 22-4528, inclusive, are hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

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Attachment 8

1

KANSAS CONFERENCE
AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

THE UNIVERSITY OF KANSAS CHAPTER
American Association of University Professors
LAWRENCE, KANSAS 66044

Statement on House Bill No. 2979

to the Pensions, Investments and Benefits Committee

March 1, 1988

Thank you very much for the opportunity to appear before you this morning. I am Prof. Felix Moos, President of the Kansas Conference of the American Association of University Professors. With me is Prof. Grant Goodman, Acting President of the Kansas University Chapter of the American Association of University Professors.

I would like to preface my remarks by informing the Committee that neither Prof. Goodman nor I is a smoker, neither of us indulges in the use of controlled substances, both of us enjoy an occasional glass of wine or a cocktail, and, unfortunately, Prof. Goodman is more obese and therefore more accident prone than am I.

We appear before you to give our unstinting support to House Bill No. 2979. We do this on several grounds which we will enumerate briefly in what follows. However, at the outset we wish to state that this bill positively reflects our view that remedial action is required to rectify what we believe to be an unconscionable violation of civil liberties, namely the imposition of an involuntary head tax to support a voluntary activity.

both of us come before you as regular voluntary contributors to such pro-health organizations as the cancer fund, the heart fund, the lung fund

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and the like. We are, of course, proud to be contributors to these causes, but we believe that luckily, at least as we sit here, neither of us suffers from any of these illnesses. Analogously it is perfectly possible that individual employees of the State of Kansas may wish either to contribute to or to participate in so-called "wellness" programs, and they should indeed have every opportunity to do so. However, the present arbitrarily imposed head tax of the Health Care Commission is contrary to all prior practice in these matters, and since, as your Chairman knows well, the HCC has refused to reconsider its decision, legislative remedial action is required. HB No. 2979 achieves that necessary solution.

It should also be noted by this Committee that in a year in which there has been a tragically unwarranted astronomic increase in health care costs for all state employees as a result of the HCC's hastily and almost secretively negotiated contract with Blue Cross-Blue Shield for 1988, the simultaneous imposition of the so-called "smokers' tax" by the HCC itself has created emotional and psychological havoc among all state employees. There never was any prior consultation with employees prior to this precipitous action, and its impact has been devastating despite what admittedly is not, in fact, an excessive monetary obligation. Nevertheless, the arbitrary action of the HCC in this instance has surely generated maximum ill will for minimum dollars.

Sadly our American society is becoming ever more fragmented into more and more antagonistic segments: those who smoke and those who do not; those who chew gum and those who do not; those who have smelly feet and those who do not etc. (Please address yourselves to the work of Berkeley being passed among you). All in this room would probably agree that the larger the pool of individuals who pay for health insurance the lower the rates should be. Historically the actuarial principle of

*2/27/88
per*

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insurance has been that all pay equally to realize benefits for those who truly need them. If this is no longer to be the case, then indeed the State of Kansas and its HCC need to determine, in addition to smokers and non-smokers, a veritable host of discrete groups within the pool of state employees based, for example, on such considerations as the air quality adjacent to each physical state employee both on the job and at home, the quality of the water imbibed by each state employee according to age, gender, personal habits and source of same, the proximity of state employees to unwell persons and the like. In short, the unwarranted smokers' tax could well be the first step in a salami-like ill-considered series of fiscal impositions on unfortunate state employees.

Clearly all of us in our daily existences are exposed to risks of one sort or another. Clearly, too, a happy, satisfied, healthy group of state employees will provide the most efficient work force for all Kansas taxpayers. Accordingly, we strongly support HB No. 2979 which would remove at least two of the most egregious features of the current state employees' health care program as determined by the Health Care Commission.

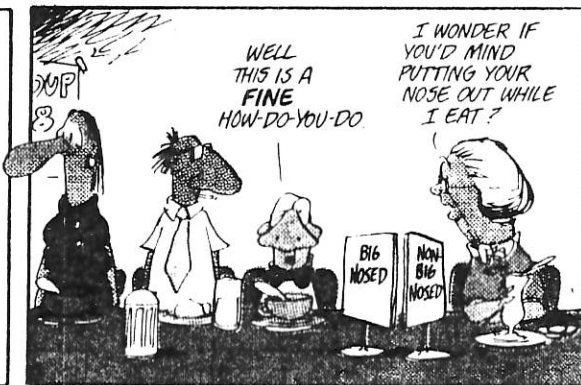
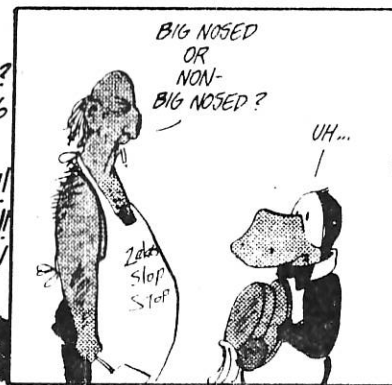
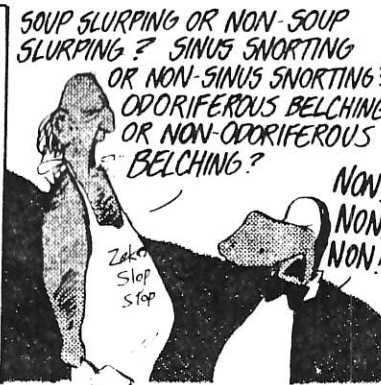
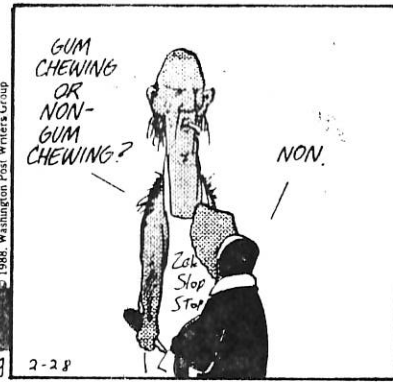
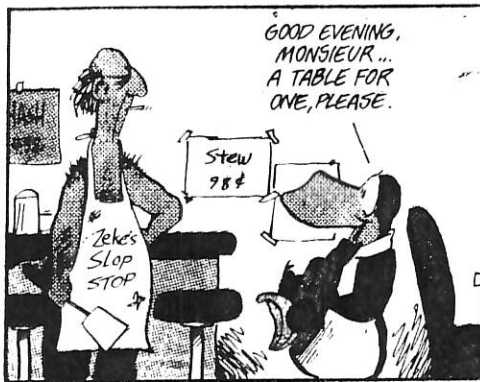
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Attachment #1

BLOOM COUNTY

By Berke Breathed



VERNON L. "VERN" WILLIAMS
 REPRESENTATIVE, 91ST DISTRICT
 SEDGWICK COUNTY
 2402 COOLIDGE AVENUE
 WICHITA, KANSAS 67204



TOPEKA

HOUSE OF
 REPRESENTATIVES
 (913-296-7667)

COMMITTEE ASSIGNMENTS
 CHAIRMAN: PENSIONS, INVESTMENTS AND
 BENEFITS
 MEMBER: APPROPRIATION *entire*
 EDUCATION *subset*
 PENSIONS SUB-COMMITTEE
 FEDERAL STATE ASSEMBLY (INCL)
 AMERICAN LEGISLATIVE EXCHANGE
 COUNCIL

MAILING ADDRESS FROM JANUARY THRU APRIL
 ROOM NUMBER 431-NORTH
 STATE CAPITOL BUILDING
 TOPEKA, KANSAS 66612

February 18, 1988

Dwight Allen, Executive Director
 The Medical Society of Sedgwick County
 1102 South Hillside
 Wichita, KS 67211-4099

re: SB 516 and HB 2979 - State Health Care Benefits

As I told you on the telephone this morning, Dwight, I appreciate receiving your Legislative Letters which usually include reasons for the committee's position.

I was surprised and disturbed by your group's negative position on SB 516. Since you gave no reasoning, I can only surmise that you all believe its Okay to force a minority employee to pay \$10 per month to fund an undefined "wellness" program for all employees. The "wellness" program, if well designed, is a good idea. To force tobacco users to pay for it is a stinking idea! To single out one lifestyle from among the obese, the alcoholic, the drug user, the homosexual is unfair, immoral and discriminatory.

Smoking is bad but so are the others. Enclosed is a copy of HB 2979 which takes a different approach. Will you do me the favor and have your committee assess it?

And, in closing, let me tell you about a state employee who smokes. He works in another office with a woman who does not smoke. Her husband smokes 2 - 3 packs a day. The husband is covered under the health plan as a dependent. The male employee's wife does not smoke and she, also, is covered as a dependent. These couples are all friends. On occasion they eat together and play cards together.

The male employee is forced to kick in \$10 a month to the state's "wellness" program but the female employee does not. The male employee is perplexed. How do I explain the "fairness" of his paying and she not paying?

Sincerely,

Vern Williams

Rep. Vernon L. Williams
 91st District

HA
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 Attachment 10

From a State Employee

When I first started working for the state of Kansas over 20 years ago we enjoyed the Cadillac of health insurance. Our families were covered and the cost to the employee was very tolerable. We accepted less pay for our jobs knowing our health insurance would in some part compensate for the smaller paycheck.

I am primarily addressing that group of employees who are the sole wage earners, either by design or circumstances. I know of instances where the employee has had to drop family coverage because they simply could not afford it, and still provide the basic needs of their family. I don't think that an employee working with that kind of fear facing them every day can perform to the best of their ability.

I feel strongly that the administrators of state government don't realize the essential service performed by the rank and file employee, whether their job is highly technical or mundane. They are all part of the whole picture, providing more than just adequate service to the citizens of Kansas. Yet, their needs all too often are treated like an afterthought, with their requirements put off for something more visible and attention getting.

Now a new approach has been introduced on the health scene. Edward Flenje has decreed that all state employees that smoke (shame, shame) are to be assessed \$10 a month. Now I could see some merit in this if the money was to be used to

Tomorrow, continued

ads in T.V., newspapers and magazines, even put up balloons, all of this cannot compare as an inducement with enlightened management and labor with pride in quality and respect for the employer.

Carrying a big load and swimming against the current is the name of the game with labor, let's again bow our backs and go forth.

May I say as I've said in a thousand speeches past. 'If you don't do or help do, who will?'

Jim Yount

From remarks made to Kansas State I.U.C.-AFL-CIO Convention, Holidome, Topeka, KS

reduce the cost of our health insurance. But, lo and behold, the insurance carrier doesn't get this, it is to go into a fund for Health Awareness for state employees. I asked a person from the Department of Administration just what this fund would underwrite, the answer—counseling for drug and alcohol abuse, family counseling in divorce and separation cases? Really, Mr. Flenje, you have a literal gold mine here! How about assessments against state employees who are over-

Never too early, continued

They've seen the direct link between the ballot box and the bread box. After seven years of "Ronnie's Follies", it would be hard to find a union activist anywhere in this country who didn't see the connection very clearly. Unfortunately, sometimes we fail to realize that grass roots politics, the nuts and bolts of labor's political involvement, is as much a part of getting the job done as raising dollars, making contributions or endorsing candidates.

Grass roots politics consists of programs like voter registration, membership canvassing, education and getting out the vote. Each of these is a necessary part of the whole. In order for us to be successful in our political goals, we must design a complete program which overlooks nothing. Our members can't vote if they aren't registered. A member who is an uneducated voter is as damaging to our objectives as a non-voter. And when thousands of our registered members stay home on election day, they've cast their vote for the opposition.

There's an old saying, "The time to start working on the next election is the day after election day." Which means if your local hasn't begun to plan your COPE program for 1988 elections, you are already 365 days behind. November 3, 1988 may seem far off in the future, but remember, time is a luxury we have little of. It will be too late if you wait to start planning your voter registration activities until a week or two before the registration books close. It will be too late if you wait

weight, ride motorcycles, alcoholics, or anyone who participates in sport activities, or women who are of child bearing age. The potential is enormous, but what I really would like to know is what gives you the statutory right to discriminate at your discretion against any single group?

Well I've aired one of my gripes and can only add that I am glad I'm getting close to retirement. I won't have to put up with too much more lip service about how much is being done for the state employee. Of course there is the fallacy of just how great a job KPERS has done for us but, maybe another time.

until two weeks before the election to canvass your members on the issues which concern them. They may have already made up their mind which candidate they are going to vote for by then. It will be too late if you wait until a few weeks before the election to begin planning your education program. One of the most frustrating experiences you may ever have is to lose an important election (and they are all important) and find yourself thinking, "If only we had a little more time, we could have turned things around."

If your local doesn't have a COPE Committee, now is the time to organize one.

If your local already has a COPE Committee in place, now is the time to begin planning your activities for 1988's election. Set up your calendar of activities. Decide what your voter registration drive is going to consist of and establish the dates you will begin and end the drive. Decide what kinds of canvassing of the membership you are going to do, and set up your schedule. Discuss the methods of educating the membership on issues and candidates you want to use and set up your schedule. Plan your get-out-the-vote strategy and establish your targeted dates. Organize a complete calendar of activities to take you right up to election day. Once you do, I think you will see, "It's Never Too Early To Start."

Connie Stewart, VIP Director
Kansas AFL-CIO

10-2

10-9-87

Fletcher Bell, Commissioner
Kansas Insurance Dept.
420 SW 9th
Topeka, Ks. 66612

Dear Commissioner Bell:

As an employee of the State of Kansas and a long term subscriber of the State's Blue Cross / Blue Shield family plan, I have several concerns about the new contract which is to become effective January 1, 1988.

1. The assessment of additional charges for policyholders who use tobacco.

My Concerns:

- A. Is it not discriminatory to select one lifestyle practice for assessment and disregard all others? What about obesity, consumption of red meats, failure to exercise, abuse of alcohol, etc.
- B. Why is this extra cost assessed based solely on the habits of the policy holder when family members covered under the contract present equal risks?

C. Why is the assessment rate equal regardless of the extent of the usage? Does the person who smokes three cigarettes a day present the same risk as the two pack a day smoker?

2. The assessment of costs based on an individual policy holder's annual income. I know of no other goods or services sold commercially for which a cost is determined by the purchaser's income.

I ask that you review this contract and examine the obviously discriminatory clauses. Your written response to my concerns would be appreciated.

Sincerely,
Judy Bales
PO Box 27
Sawyer, Ks 67134

HOUSE BILL No. 2979

For Consideration by House Appropriations

By Committee on Pensions, Investments and Benefits

3-28-88

2-17

0017 AN ACT concerning the state health care benefits program;
0018 relating to a wellness program; imposition of certain charges
0019 and penalties; amending K.S.A. 75-6501 and 75-6506 and
0020 repealing the existing sections.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 75-6501 is hereby amended to read as fol-
0023 lows: 75-6501. (a) Within the limits of appropriations made or
0024 available therefor and subject to the provisions of appropriation
0025 acts relating thereto, the Kansas state employees health care
0026 commission shall develop and provide for the implementation
0027 and administration of a state health care benefits program.

0028 (b) The state health care benefits program may provide ben-
0029 efits for persons qualified to participate in the program for
0030 hospitalization, medical services, surgical services, nonmedical
0031 remedial care and treatment rendered in accordance with a
0032 religious method of healing and other health services. The pro-
0033 gram may include such provisions as are established by the
0034 Kansas state employees health care commission, including but
0035 not limited to qualifications for benefits, services covered,
0036 schedules and graduation of benefits, conversion privileges,
0037 deductible amounts, limitations on eligibility for benefits by
0038 reason of termination of employment or other change of status,
0039 leaves of absence, military service or other interruptions in
0040 service and other reasonable provisions as may be established by
0041 the commission. *In addition, the program may include a well-*
0042 *ness program which shall be financed in part by [amounts]*
0043 *[voluntarily payable by participants as prescribed by the com-]*
0044 *[mission of not more than a total amount of \$240 annually]. Such*
0045 *amounts payable by participants shall be matched on a dollar-*

a contribution of \$1 per month payable by each participant for each month of participation in the state health care benefits program

HA
3-28-88
Attachment 11

Testimony on HB 2979
H. Edward Flentje, Chair
State Employees Health Care Commission
March 28, 1988

On behalf of the State Employees Health Care Commission, I want to register the Commission's opposition to H.B. 2979. If adopted, this bill would make health benefits more costly to most state employees and to state government; it would make health benefits more costly for those state employees and families who are least able to pay for health insurance; it would prohibit incentives for state employees who practice healthy behavior; and it would attempt to limit the Commission's ability to provide preventive health care for state employees and their families. Let me review these points briefly.

1. The State Employees Health Care Commission recommended that state government's contribution to health benefits for state employees be increased from \$38.4 million in FY 1988 to \$45.5 million in FY 1989, an increase of 18.5 percent. Governor Hayden supported this recommendation. The costs of H.B. 2979 would exceed the Governor's budget recommendation by at least \$2.6 million in FY 1989 plus \$.4 million more in the current fiscal year and possibly much more as a result of the wellness provision. These added costs would have to be underwritten by higher premiums for most state employees or by state government.

2. Nearly 18,000 state employees who are eligible for health benefits earn less than \$17,000 per year. H.B. 2979 would force these employees to pay \$1.6 million in higher premiums for their families (i.e., higher than the \$173.06 per month currently charged) or require state taxpayers to pick up this cost.

3. The U.S. Surgeon General has concluded: "Cigarette smoking is the single most important preventable environmental factor contributing to illness, disability, and death in the United States." H.B. 2979 would prohibit a premium discount for nonsmokers and require the roughly 28,000 state employees who do not smoke to subsidize completely the extraordinary health care costs of the 7,000 state employees who do smoke. This subsidy would further encourage smoking among state employees.

HA
3-28-88
Attachment 12

H.B. 2979 would also prohibit the establishment of other incentives, for example, for state employees who stay healthy or who keep their health care costs low.

4. In negotiating a health benefits plan for 1988, the State Employees Health Care Commission faced a situation in which the claims experience of the state employees group substantially exceeded premiums paid. In part, this situation may be explained by utilization in the traditional insurance option: 1) hospital bills for the state employees group were 23 percent higher than similar groups statewide and 14 percent higher than the national average; 2) hospital admissions were 8 percent higher than similar groups in Kansas and 20 percent higher than the national average; 3) hospital charges per day were 28 percent higher than similar groups statewide and 23 percent higher than the national average; and 4) outpatient charges were 32 percent higher than similar groups statewide and 32 percent higher than the national average.

In response to this situation, the Commission has contracted for two preventive health services for state employees: health-risk appraisals and an employee assistance program. These services are designed to help employees avoid preventable and high-cost medical treatment and hospitalization.

H.B. 2979 seeks to limit the Commission's ability to provide preventive health services by requiring employees to pay one-half of the costs of certain "wellness programs." The Commission feels this limitation restricts our ability to hold down health care costs for the state employees group and for this reason opposes it.

In sum, H.B. 2979 in our opinion sends the wrong message to 18,000 state employees who are least able to afford higher health insurance premiums, to 28,000 state employees who do not smoke, and to thousands of state taxpayers who would likely have to pay for the costs of H.B. 2979.