

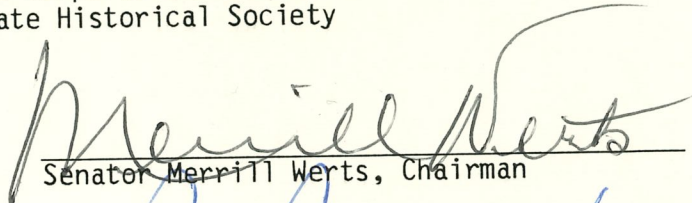
SENATE SUBCOMMITTEE REPORTS

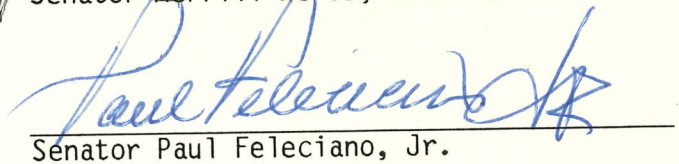
S.B. 244 -- Supplemental Appropriations Bill

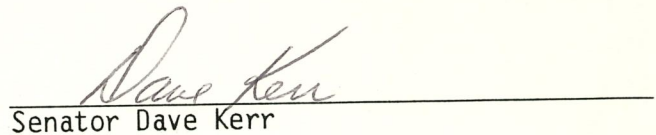
- Sec. 2 - Department of Administration
- Sec. 3 - State Finance Council
- Sec. 20, 21 - Fish and Game Commission
- Sec. 22 - Park and Resources Authority
- New Section - State Corporation Commission

S.B. 255 -- FY 1988 Appropriations Bill

- Sec. 2 - Department of Administration
- Sec. 3 - State Finance Council
- Sec. 4 - State Park and Resources Authority
- Sec. 5 - Kansas Fish and Game Commission
- Sec. 6 - State Corporation Commission
- Sec. 7 - State Historical Society

  
\_\_\_\_\_  
Senator Merrill Werts, Chairman

  
\_\_\_\_\_  
Senator Paul Feleciano, Jr.

  
\_\_\_\_\_  
Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 244

Bill Sec. 2

Analyst: Mills

Analysis Pg. No. 437

Budget Pg. No. 1-55

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$19,970,717	\$19,267,091	\$ --
Aid to Local Units	390,000	390,000	--
Other Assistance	30,000	30,000	
Subtotal - Operating	<u>\$20,390,717</u>	<u>\$19,687,091</u>	<u>\$ --</u>
Capital Improvements	968,594	984,344	--
TOTAL	<u><u>\$21,359,311</u></u>	<u><u>\$20,671,435</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$18,334,260	\$17,649,165	\$ --
Other Assistance	--	--	--
Subtotal - Operating	<u>\$18,334,260</u>	<u>\$17,649,165</u>	<u>\$ --</u>
Capital Improvements	433,546	427,296	--
TOTAL	<u><u>\$18,767,806</u></u>	<u><u>\$18,076,461</u></u>	<u><u>\$ --</u></u>
FTE Positions	944.0	944.0	--

Agency Request/Governor's Recommendation

Revised FY 1987 Reportable Expenditure Summary. The revised FY 1987 State General Fund operating budget estimate of \$18,334,260 is a reduction of \$78,140 from the General Fund operating budget of \$18,412,400 approved by the 1986 Legislature. Also included in the FY 1987 operating budget is the estimated expenditure of \$2,056,457 from special revenue funds, a reduction of \$159,179 from the approved expenditure.

The Governor is recommending a General Fund reportable operating budget of \$17,649,165, a reduction of \$763,235 from the approved budget. The reduction reflects reduced operating expenditure of \$810,091, offset by a supplemental appropriation of \$46,856 for unanticipated utilities costs. A total of \$816,341 was lapsed by 1987 H.B. 2049, including the \$810,091 for state operations and \$6,250 for capital improvements. The reduction principally reflects salary savings to be generated from vacant positions and miscellaneous reductions in other operating expenditures. Other items of reduction include \$28,551 reflecting a transfer of financing of expenses to the State Agency Unemployment Claims Audit Fund, \$40,268 reflecting elimination of the state's responsibility to collect and remit the Social Security contributions of local units of government, and \$5,700 reflecting a 3.8 percent reduction in gubernatorial transition expenses. The reduction also includes \$70,000 which was approved for development of a system to generate information on state contracts with minority and female-owned

businesses. The agency states that the new automated procurement system recommended by the Governor for FY 1988 will be able to provide this information. The reduction includes \$80,856 reflecting a permanent reduction in the number of hours worked by the Statehouse custodial staff and miscellaneous other reductions.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations for FY 1987.

173.87

**SUBCOMMITTEE REPORT**

**Agency:** Department of Administration      **Bill No.** 255      **Bill Sec.** 2  
**Analyst:** Mills      **Analysis Pg. No.** 437      **Budget Pg. No.** 1-55

<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	\$21,659,497	\$19,519,646	\$ --
Aid to Local Units	380,000	380,000	--
Other Assistance	30,000	30,000	--
Subtotal - Operating	<u>\$22,069,497</u>	<u>\$19,929,646</u>	\$ --
Capital Improvements	2,766,730	792,000	--
TOTAL	<u>\$24,836,227</u>	<u>\$20,721,646</u>	\$ --
<b>State General Fund:</b>			
State Operations	\$20,331,506	\$18,265,812	\$ --
Other Assistance	--	--	--
Subtotal - Operating	<u>\$20,331,506</u>	<u>\$18,265,812</u>	\$ --
Capital Improvements	2,637,730	663,000	--
TOTAL	<u>\$22,969,236</u>	<u>\$18,928,812</u>	\$ --
FTE Positions	976.0	929.0	--

Agency Request/Governor's Recommendation

The FY 1988 reportable operating request of \$22,069,497 is a \$1,678,780 (8.2 percent) increase over the FY 1987 agency request of \$20,390,717. Major components of the requested increase include: (1) 15 new positions for the Division of Accounts and Reports (\$406,768); (2) a minicomputer and 19 microcomputers for the Division of Accounts and Reports (\$169,617); (3) 13 microcomputers and associated equipment for the Budget Division to implement an automated budget system (\$37,544); (4) 11 new positions in the Division of Personnel Services (\$267,429); (5) an automated procurement system (\$186,000) and implementation of a freight management program (\$44,301) in the Division of Purchases; (6) further development of a Central Records Management Center (\$97,963); and (7) consultants' studies of accounting issues (\$275,000). Additionally, the FY 1988 request contains \$2,766,730 for capital improvements at state buildings.

The Governor is recommending an FY 1988 reportable operating budget of \$19,929,646, a 1.2 percent increase over the Governor's recommendation for FY 1987. The Governor's recommendations include: (1) four new positions for the Division of Accounts and Reports to assist in the collection of delinquent receivables owed to the state (\$127,132); (2) funding for enhanced support for data processing projects for the Divisions of Personnel and Budget (\$51,000); (3) development of an automated procurement system for the Division of Purchases (\$121,828); (4) two new positions for the Pooled Money Investment Board

(\$43,402); (5) one additional position in General Administration to provide for the conversion of two half-time positions (an attorney and clerical positions) to full-time status; and (6) \$249,336 for debt service payment on the executive aircraft. The Governor's FY 1988 recommendations reflect a net reduction of 16 positions in the reportable operating budget: deletion of three Governor's Fellow positions, deletion of three custodial positions in Buildings and Grounds, transfer of ten positions in Central Mail to the off-budget, deletion of four positions in Accounts and Reports, one in Budget, one in Personnel, and one in the Central Records program, for a total reduction of the 23 positions; and creation of seven new positions, as noted above. For FY 1988, the Governor recommends \$663,000 for capital improvements projects financed from the State General Fund, and expenditure of \$129,000 from the Buildings and Grounds Fund.

#### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations, with the following additional observations:

1. The Senate Subcommittee was advised that the Department of Administration is preparing a planning proposal for a new state policy in the area of capital finance and long-term capital improvements by the state. This proposal will address the methods of financing used by the state to acquire or construct public infrastructure, that is, capital assets owned by the state. As this planning proposal was still under review by the Department during the Senate Subcommittee's consideration of this budget, the Senate Subcommittee recommends that the appropriate standing committees review the Department's proposal when it is presented to the Legislature. The Senate Subcommittee also recommends that the House Committee review any recommendations relating to the future status of the Wichita State Office Building.
2. The Subcommittee notes that the nonreportable budget includes funding of \$2,394,531 for the purchase of 263 motor vehicles for the Central Motor Pool: 207 replacement vehicles and 56 as new additions to the fleet. The 56 new additions are proposed to be permanently-assigned vehicles for a number of state agencies, including 20 for the Division of Property Valuation, seven for the Kansas Bureau of Investigation; five for the Animal Health Department, and the remainder for various state agencies. The Senate Subcommittee recommends that the appropriate subcommittees, in their review of these agencies, include consideration of the need for these 56 new vehicles. The Senate Subcommittee reviewed data indicating total state expenditures for motor vehicles in recent years and this information is appended to this report as Attachment I. The Senate Subcommittee also reviewed a table which shows the status of vehicles in the Central Motor Pool by mileage categories. This information is included as Attachment II.
3. The Subcommittee notes that the Governor is recommending certain increases in expenditures for state employee compensation in FY 1988. The Governor is recommending a 1.5 percent increase to the basic state pay plan for classified employees and has reserved

\$5.8 million from the State General Fund (\$9.7 million All Funds) for this purpose. In addition, the Governor's recommendations generally include step movement salary increases (2.5 percent) for eligible classified and unclassified employees. For unclassified employees, the Governor's recommendations include funding of \$782,590 from the State General Fund (\$928,525 All Funds), which is 1.6 percent of base salaries. The 1.6 percent reflects the Division of the Budget's estimate of the statewide average increase in the classified salary base attributable to step movement. The 1.6 percent figure can also be reached by multiplying the percentage of classified employees receiving a step increase (65 percent) by the increase between steps (2.5 percent). Lastly, the Governor's recommendations reserve \$0.9 million from the State General Fund (\$1.6 million All Funds) for implementation of Phase II of the Comprehensive Job Rate Study for the last six months of FY 1988.

4. The Senate Subcommittee recommends that the ending balance in FY 1988 of the State Workers' Compensation Self-Insurance Fund be set at \$1.5 million and that the payroll assessment (.9 percent of payroll for FY 1988) be reduced to a level necessary to result in an ending balance of \$1.5 million. The Senate Subcommittee notes that the Governor's recommendation for FY 1988 would place the ending balance of the Self-Insurance Fund at \$2,016,320, a level which the Senate Subcommittee feels is excessive. The Subcommittee notes that the Governor's recommendation for FY 1988 includes funding of \$25,000 for an actuarial consultant study to determine the necessary rate of the self-insurance assessment; the Senate Subcommittee concurs with the need for such an actuarial study. The Senate Subcommittee also recommends that the House Committee review the issue of appropriate balances for the Self-Insurance Fund in more depth and seek input from the appropriate staff personnel.

## MEMORANDUM

February 13, 1987

FROM: Kansas Legislative Research Department

RE: State Purchases of Motor Vehicles, FY 1982-FY 1986

The Financial Report of the State of Kansas indicates the following expenditures for motor vehicles:

	<u>Object Code 405- Passenger Cars</u>	<u>Object Code 406- Trucks and Other Self-Propelled Equipment</u>
<u>FY 1986</u>		
State General Fund	\$1,696,879	\$ 358,340
All Funds	3,384,998	7,523,664
<u>FY 1985</u>		
State General Fund	1,709,273	214,323
All Funds	2,657,381	6,836,419
<u>FY 1984</u>		
State General Fund	219,183	391,716
All Funds	3,309,308	9,867,253
<u>FY 1983</u>		
State General Fund	243,720	188,072
All Funds	3,314,509	5,965,716
<u>FY 1982</u>		
State General Fund	188,137	241,889
All Funds	3,579,301	7,654,408

mtrvhc.rm/aem

2-16-87

ATTACHMENT II

	0 - 9,999	10,000 19,999	20,000 29,999	30,000 39,999	40,000 49,999	50,000 59,999	60,000 69,999	70,000 79,999	Greater Than 80,000	Total
<u>Cars</u>										655
Sub-Compact					1	1	7	6	1	
2-Door Compact	1							1		
2-Door Compact - KBI							2	1		
2-Door Intermediate - KBI	2	1			2	2	4	3	1	
2-Door Intermediate - DOC								1		
4-Door Compact	73	62	61	41	42	68	81	77	45	
4-Door Compact - KBI			3							
4-Door Compact - Motor Carrier			2	2	4	10				
4-Door Intermediate - Fire Marshal	1	4	3	1						
4-Door Intermediate - KBI	2	13	5	5	3	2	3	4	1	
<u>Vans</u>										121
1/2 Ton 5-Passenger Van	1				1	3	1	3	3	
1/2 Ton 5-Passenger Cargo Van						1	1			
1 Ton 12-Passenger Van			1	3			1			
1 Ton 12-Passenger Van-Van Pool	3		1	3			1	3	4	
1 Ton 15-Passenger Van-Van Pool	1	5	2					1	2	
1 Ton 5-Passenger Van-Motor Carrier		1		3	3					
2-Passenger Cargo Mini Van	1	1	2			1				
3/4 Ton 12-Passenger Van-Van Pool		2								
3/4 Ton 5-Passenger Van	7	1	1		3	6	2	4	8	
3/4 Ton Step Van		1								
5-Passenger Mini Van	7	5		8	1	1	1			
7-Passenger Mini Van			2							
8-Passenger Mini Van		4								
<u>Trucks</u>										91
1/2 Ton Pickup	12	10	10	12	9	7	8	6	6	
Mini Pickup		1	3			2	2	1		
1/2 Ton 4 X 4 Pickup			1							
Wrecker	1									
<u>Station Wagons</u>										40
Compact Station Wagon	4		5		1	2	2	1		
Intermediate Station Wagons					1	4	9	7	4	
<u>TOTAL</u>	<u>116</u>	<u>111</u>	<u>102</u>	<u>78</u>	<u>71</u>	<u>110</u>	<u>125</u>	<u>119</u>	<u>75</u>	<u>907</u>
	12.8%	12.2%	11.2%	8.6%	7.8%	12.1%	13.8%	13.1%	8.3%	100.0%



## SUBCOMMITTEE REPORT

Agency: State Finance Council

Bill No. 244

Bill Sec. 3

Analyst: Mills

Analysis Pg. No. 455

Budget Pg. No. 1-123

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 1,500	\$ 1,500	\$ --

### Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$1,500 for FY 1987. Additionally, the agency requests a transfer of \$697,750 in FY 1987 from the State General Fund to the State Emergency Fund to restore the balance of the Emergency Fund to \$1 million.

The Governor concurs with the agency request of \$1,500 for FY 1987. The Governor also concurs with the requested transfer of \$697,750 to the State Emergency Fund in FY 1987.

### Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends transfer of \$447,750 from the State General Fund to the State Emergency Fund in FY 1987 to set the balance of the Emergency Fund at \$750,000. The Senate Subcommittee has reviewed expenditure and ending balance data on the State Emergency Fund for the past ten years and believes that \$750,000 is an adequate balance in the Emergency Fund. The table attached to this report as Attachment I indicates expenditures, transfers, and balances of the State Emergency Fund for the period of FY 1977 to FY 1987.

Kansas Legislative Research Department

23-Feb-87

## STATE EMERGENCY FUND

FY	Beginning Balance	Expenditures	Transfers In	Ending Balance
1987	\$527,250	\$225,000	\$0	\$302,250
1986	802,250	275,000	0	527,250
1985	995,000	252,410	59,660	802,250
1984	995,000	0	0	995,000
1983	1,000,000	20,000	15,000	995,000
1982	1,099,687	186,034	86,347	1,000,000
1981	1,099,687	0	0	1,099,687
1980	803,326	0	296,361	1,099,687
1979	800,000	289,333	292,659	803,326
1978	695,707	427,500	531,793	800,000
1977	709,948	56,000	41,759	695,707

Source: Governor's Budget Report and  
Annual Financial Reports.

SUBCOMMITTEE REPORT

Agency: State Finance Council

Bill No. 255

Bill Sec. 3

Analyst: Mills

Analysis Pg. No. 455

Budget Pg. No. 1-123

<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	\$ 1,500	\$ 1,500	\$ --

Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$1,500 for FY 1988.

The Governor concurs with the agency request of \$1,500 for FY 1988.

Senate Subcommittee Recommendation

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

**SUBCOMMITTEE REPORT**

**Agency: Park and Resources Authority**

**Bill No. 244**

**Bill Sec. 22**

**Analyst: West**

**Analysis Pg. No. 456**

**Budget Pg. No. 7-15**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 4,445,614	\$ 4,423,463	\$ --
Local Aid	500,000	500,000	--
Subtotal - Oper.	<u>\$ 4,945,614</u>	<u>\$ 4,923,463</u>	\$ --
Capital Improvements	604,228	600,622	--
TOTAL	<u>\$ 5,549,842</u>	<u>\$ 5,524,085</u>	<u>\$ --</u>
<b>State General Fund:</b>			
State Operations	\$ 2,314,924	\$ 2,215,418	\$ --
Capital Improvements	184,842	182,942	--
TOTAL	<u>\$ 2,499,766</u>	<u>\$ 2,398,360</u>	<u>\$ --</u>
FTE Positions	116.0	116.0	--

Agency Request/Governor's Recommendation

The Authority estimates current year state operations expenditures of \$4,445,614, a decrease of \$219 from the amount approved by the 1986 Legislature. The current year estimate makes several minor shifts in the approved budget. The Authority requests a supplemental State General Fund appropriation of \$200,000 with a corresponding reduction in expenditures from the Authority's fee fund due to lower than anticipated fee fund receipts. Subsequent to the receipt of the agency's budget, the Authority submitted a request for an additional supplemental appropriation from the State General Fund for \$101,113 to finance the repair of flood damage and replacement of stolen items at several parks. The Authority estimates payment of \$500,000 for federal aid to local units of government in FY 1987. In addition, the Authority's current year estimate provides \$604,228 including \$184,842 from the State General Fund for capital improvement projects.

The Governor recommends an FY 1987 state operations budget of \$4,423,463 including \$2,215,418 from the State General Fund. The recommendation represents a decrease from the Authority's current year estimate of \$22,151 in overall expenditures and \$99,506 from the State General Fund. The recommendation reflects the lapse of \$80,366 by H.B. 2049 and recommended State General Fund supplemental appropriations of \$59,151 to repair flood damage and replace stolen tools and \$121,715 to finance a shortfall in fee fund receipts. In addition, the Governor recommends increases of \$11,000 in expenditures from the Development and Promotions Fund and \$66,355 above the General Fees Fund from the Authority's current year estimate. The Governor concurs with the Authority's estimate for aid

to local units of government and recommends \$600,622 for capital improvements. The capital improvements recommendation reflects the lapse of \$1,900 by H.B. 2049.

Senate Subcommittee Recommendations

FY 1987. The Subcommittee concurs with the Governor's recommendations.

503.87

SUBCOMMITTEE REPORT

Agency: Park and Resources Authority      Bill No. 255      Bill Sec. 4  
 Analyst: West      Analysis Pg. No. 456      Budget Pg. No. 7-15

<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	\$ 5,363,229	\$ 4,481,851	\$ 40,408
Local Aid	500,000	500,000	--
Subtotal - Operating	<u>\$ 5,863,229</u>	<u>\$ 4,981,851</u>	<u>\$ 40,408</u>
Capital Improvements	2,465,500	263,000	(20,000)
TOTAL	<u>\$ 8,328,729</u>	<u>\$ 5,244,851</u>	<u>\$ 20,408</u>
State General Fund:			
State Operations	\$ 2,991,951	\$ 2,259,463	\$ 40,408
Capital Improvements	1,965,500	263,000	(20,000)
TOTAL	<u>\$ 4,957,451</u>	<u>\$ 2,522,463</u>	<u>\$ 20,408</u>
FTE Positions	123.0	115.0	1.0

Agency Request/Governor's Recommendation

The Authority requests an FY 1988 state operations budget of \$5,363,229. Funding for the request includes \$2,991,951 from the State General Fund, \$2,349,778 from the Authority's fee fund, and \$21,500 from other funding sources. The Authority's request includes funding for 123.0 FTE positions, an increase of 7.0 FTE positions from the current authorized level of 116.0 FTE positions. The Authority's FY 1988 budget request for expenditures from the General Fees Fund is based on anticipated fee increases for camping and motor vehicle permits. The fee increases approved subsequent to submission of the FY 1988 budget are less than the estimated fee increases. The FY 1988 request includes \$58,293 and 1.0 FTE position for operating expenditures associated with Phase I development of Hillsdale State Park and \$681,238 to continue the use of inmate work crews in the state park system.

The Governor recommends a FY 1988 state operations budget of \$4,481,851. Funding for the FY 1988 recommendation includes \$2,259,463 from the State General Fund, \$2,215,888 from the General Fees Fund, and \$6,500 from other funding sources. The Governor's recommendation includes funding for 115.0 FTE positions, a reduction of 1.0 FTE position from the current year recommendation. The Governor recommends the elimination of a 1.0 FTE Secretary I position in the Administration program. The Governor does not recommend funding for operation of Hillsdale State Park.

Local Aid. For FY 1988, the Authority estimates expenditures of \$500,000 for financing the development of local recreational facilities, an amount unchanged from other FY 1987 estimate. Actual expenditures totaled

\$315,968 in FY 1986. Funding for such projects is provided through the federal Land and Water Conservation Fund. The Governor concurs with the estimates for aid to local units of government for both years.

Capital Improvements. For FY 1988 the Authority requests \$2,465,500 including \$1,965,500 from the State General Fund for 20 capital improvement projects. Of the amount requested \$1,000,000 including \$500,000 from the State General Fund would be for Phase I development of Hillsdale State Park and \$475,000 from the State General Fund would be utilized to match state highway funds to complete previously authorized state park road projects which have not been completed due to a lack of federal funds. The Governor recommends \$263,000 from the State General Fund for ten capital improvement projects in FY 1988.

#### Senate Subcommittee Recommendations

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

1. Add \$16,908 from the State General Fund and 1.0 FTE position to restore the Secretary I position recommended for elimination by the Governor. The Subcommittee notes that the position currently is filled and that elimination of the position would leave two secretary positions to respond to the three administrative functions and respond to the public.
2. Add \$3,500 from the State General Fund for temporary employment associated with inmate work crews at Lake Crawford State Park. The Subcommittee notes that the two full-time employees assigned to the park will have other responsibilities this summer and the lack of funds for temporary help could result in the loss of the use of inmates at this park.
3. Add \$20,000 from the State General Fund to allow the acquisition of two new trucks. The Subcommittee notes that state purchasing rules and regulations do not permit the purchase of used equipment and wishes to comment that it may be short-sighted to not allow agencies to take advantage of good deals that the marketplace might present.
4. Deduct \$20,000 from the amount recommended for capital improvements in order to finance the recommended truck addition. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction that the anticipated projects be listed as a proviso to the capital improvements in item but recommends a list of projects slightly different from those recommended by the Joint Committee based on information received from the agency that more maintenance-type projects may be able to be performed for the same amount of funding. The projects recommended by the Subcommittee include:

Maintenance Building -- Wilson State Park  
Road Gravel -- Prairie Dog, Webster, and Cedar Bluff State Parks  
Consulting Services -- Lake Scott State Park

Area Lights -- Melvern State Park  
 Park Renovation -- Lake Scott and Lake Meade State Parks  
 Water Distribution -- Tuttle Creek and Webster State Parks  
 Remodeling and Repairing Buildings -- Pomona, Wilson, Fall River  
 Melvern, Clinton, and El Dorado State Parks  
 Sewage Disposal Projects -- Cheney, Milford, Wilson, Perry,  
 El Dorado, Toronto, and Glen Elder State Parks

5. The Subcommittee reviewed a request for additional funding to protect against a possible rise in the price of gasoline but did not receive any information regarding the number of gallons or cost per gallon the current recommendation would provide. The Senate Subcommittee would urge the House Subcommittee to review this matter in greater detail and make any required adjustments. In addition, the Subcommittee urges that the Authority take advantage of bulk purchase and any possible negotiated arrangements in order to reduce fuel costs.
  
6. The Subcommittee received information from the agency regarding a proposed project for construction of a year-round shelter building at Glen Elder State Park. The project, as proposed, would cost \$36,000 with private donations being utilized for 50 percent of the project. While the Subcommittee does not recommend funding for the project at this time, the Subcommittee strongly endorses the concept of public/private partnerships in developing facilities in the state parks and recommends that this proposal be closely examined by the appropriate committees for possible inclusion at a later date.

The following table summarizes estimated expenditures, receipts, and balances for the Park Authority's General Fees Fund, based on the Senate Subcommittee's recommendations:

<u>Resource Estimate</u>	<u>Actual FY 1986</u>	<u>Estimated FY 1987</u>	<u>Estimated FY 1988</u>
Beginning Balance	\$ 425,445	\$ 312,889	\$ 100,000
Net Receipts	1,805,100	1,980,000	2,218,000
Total Funds Available	\$ 2,230,545	\$ 2,292,889	\$ 2,318,000
Less: Expenditures*	1,917,656	2,192,889	2,218,000
Ending Balance	<u>\$ 312,889</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

\* Includes nonreportable expenditures.



**SUBCOMMITTEE REPORT**

**Agency: Fish and Game Commission Bill No. 244**

**Bill Sec. 20, 21**

**Analyst: West**

**Analysis Pg. No. 464**

**Budget Pg. No. 7-1**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
Fish and Game Fee Fund	\$11,123,760	\$10,367,670	\$ --
Boat Fund	465,000	465,000	--
Nongame Fund	138,716	138,176	--
Federal Areas Fund	539,271	539,271	--
Other Funds	172,382	172,382	--
Subtotal - Operations	<u>\$12,439,129</u>	<u>\$11,683,039</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
Fish and Game Fee Fund	\$ 1,462,244	\$ 1,931,644	\$ --
TOTAL	<u>\$13,903,373</u>	<u>\$13,613,683</u>	<u>\$ --</u>
 FTE Positions	 275.0	 275.0	 --

Governor's Recommendation

The Governor recommends that up to \$25,000 be transferred from the Fish and Game Fee Fund to the State General Fund upon completion of the construction of boat ramps at Hillsdale State Park.

In addition, the Governor recommends elimination of the proviso requiring \$425,000 of donations for the Milford Conservation Education Center before expenditures could be made from the \$200,000 appropriated for the project.

Senate Subcommittee Recommendations

FY 1987. The Subcommittee concurs with the Governor's recommendations with the following comments:

1. The Subcommittee notes that the recommended transfer is due to the anticipated receipt of Coast Guard funds for boating access and would be credited against the Boat Permit Account of the Fish and Game Fee Fund.
2. The Subcommittee understands that the intent behind the striking of the proviso on the Milford Conservation Education Center is to allow construction of the building to begin in FY 1987. The Subcommittee received testimony that completion of the building would serve as a greater selling device for soliciting donations for exhibit construction and that the total project cost is not

anticipated to exceed the \$625,000 originally approved by the Legislature. The Subcommittee has been informed that over \$150,000 in donations and pledges have been received by the Commission for this project to date.

3. The Subcommittee wishes to express concern over the apparent delays in resolving the various problems associated with the alarm system at the Milford Fish Hatchery. The Subcommittee would strongly urge that the Commission, the Division of Architectural Services, and the Attorney General undertake the necessary actions to resolve the system's deficiencies as soon as possible.

240.87

**SUBCOMMITTEE REPORT**

**Agency: Fish and Game Commission Bill No. 255**

**Bill Sec. 5**

**Analyst: West**

**Analysis Pg. No. 464**

**Budget Pg. No. 7-1**

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
Fish and Game Fee Fund	\$10,757,633	\$10,676,500	\$ (8,532)
Boat Account	560,000	560,000	(348)
Nongame Fund	140,017	140,017	(40)
Federal Areas Fund	550,000	550,000	--
Other Funds	69,000	69,000	--
Subtotal - Operations	<u>\$12,076,650</u>	<u>\$11,995,517</u>	<u>\$ (8,920)</u>
<b>Capital Improvements:</b>			
Fish and Game Fee Fund	\$ 980,413	\$ 980,413	\$ --
TOTAL	<u>\$13,057,063</u>	<u>\$12,975,930</u>	<u>\$ (8,920)</u>
 FTE Positions	 277.5	 276.0	 --

Agency Request/Governor's Recommendation

The Commission requests an FY 1988 state operations budget of \$12,076,650, a decrease of \$362,479 from the agency's current estimate. The Commission's request reflects the addition of 2.5 FTE positions from the current year estimate, including a Maintenance Conservation Worker I position to be stationed at the Milford Fish Hatchery, a Tourist Information Counselor III position for the Milford Education Center, a Secretary I position which would replace a half-time Office Assistant II position in the Information and Education Division, and a Fish and Game Biologist II position. The Biologist position would serve as the supervisor for an Environmental Services section in the Game Division and would replace a Maintenance Conservation Worker I position. The Commission requests \$50,000 for a Wildlife Values Survey to gather data on public use levels and the economic impact of wildlife related recreation. In addition, the Commission requests \$980,413 for 14 capital improvement projects.

The Governor recommends an FY 1988 state operations budget of \$11,995,517, a decrease of \$81,133 from the Commission's request. The Governor's salary and wages recommendation of \$7,602,803 would finance 276.0 FTE positions and reflects the addition of the Secretary I position requested for the Information and Education Division and a half-time Maintenance Conservation Worker I position for the Milford Hatchery. The Governor's recommendation also provides for decreased expenditures for motor vehicle supplies and increased expenditures for other supplies from the Commission's request. The Governor does not recommend funding for the Wildlife Value Survey. The Governor concurs with the Commission's capital improvements request.

Senate Subcommittee Recommendations

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

1. Add \$559,652 to the expenditure limitation on the Fish and Game Fee Fund to reflect expenditures from the Boat Permits Account.
2. Add language to permit the reappropriation of the unencumbered balance of four capital improvement accounts inadvertently omitted from the bill including: develop access trails and parking areas at Jamestown Wildlife Area; construct fish cleaning stations; and construct Milford Conservation Education center; repair dam and spillway at Lake Meade.

In addition, the Subcommittee urges the House Subcommittee to review the list of reappropriated capital improvement projects in order to determine if any further revisions are necessary.

3. The Subcommittee recommends that any action regarding the Commission's requested Wildlife Values Survey be deferred until next session in order to determine what effect, if any, the proposed agency reorganization would have on the project.
4. Delete \$8,920 (\$8,532 Fish and Game Fee Fund, \$348 Boat Permit Account, and \$40 Nongame Fund) associated with gasoline expenditures. The Subcommittee learned that the Governor's recommendation would provide 223,000 gallons of gasoline at \$.94 a gallon. The Subcommittee's recommendation is based on the same amount of fuel at \$.90 a gallon. The Subcommittee notes that the recommendation for the Department of Administration provides \$.75 a gallon and urges that the Commission utilize bulk purchase and negotiated arrangements for the purchase of fuel whenever possible in order to hold down fuel costs.

The estimated receipts, expenditures, and ending balances of the Fish and Game Fee Fund, Nongame Wildlife Improvement Fund, and Boat Permit Account based on the Subcommittee's recommendations is as follows:

Fish and Game Fee Fund

<u>Resource Estimate</u>	<u>Actual FY 1986</u>	<u>Estimated FY 1987</u>	<u>Estimated FY 1988</u>
Beginning Balance	\$ 5,452,050	\$ 6,516,150	\$ 5,725,499
Net Receipts	12,356,833	11,538,663	11,794,114
Total Funds Available	\$17,808,883	\$18,054,813	\$17,519,613
Less: Expenditures*	11,292,733	12,299,314	11,648,381
Ending Balance	<u>\$ 6,516,150</u>	<u>\$ 5,725,499</u>	<u>\$ 5,871,232</u>

Nongame Wildlife Improvement Fund

<u>Resource Estimate</u>	<u>Actual FY 1986</u>	<u>Estimated FY 1987</u>	<u>Estimated FY 1988</u>
Beginning Balance	\$ 165,579	\$ 144,449	\$ 115,733
Net Receipts*	114,947	110,000	140,000
Total Funds Available	\$ 280,526	\$ 254,449	\$ 255,733
Less: Expenditures	136,077	138,716	140,017
Ending Balance	<u>\$ 144,449</u>	<u>\$ 115,733</u>	<u>\$ 115,716</u>

\* Reflects transfers from the fund of \$10,000 and \$20,000 in fiscal years 1986 and 1987, respectively.

Boat Permit Account

<u>Resource Estimate</u>	<u>Actual FY 1986</u>	<u>Estimated FY 1987</u>	<u>Estimated FY 1988</u>
Beginning Balance	\$ 426,495	\$ 617,066	\$ 707,066
Net Receipts*	580,327	555,000	445,000
Total Funds Available	\$ 1,006,822	\$ 1,172,066	\$ 1,152,066
Less: Expenditures	389,756	465,000	559,652
Ending Balance	<u>\$ 617,066</u>	<u>\$ 707,066</u>	<u>\$ 592,414</u>

\* Includes federal grants of \$245,581, \$270,000, and \$135,000 in fiscal years 1986, 1987, and 1988, respectively, and reflects a transfer to the State General Fund of \$25,000 in FY 1987.

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission      Bill No. 244      Bill Sec. --  
 Analyst: Timmer      Analysis Pg. No. 472      Budget Pg. No. 1-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$11,930,626	\$11,845,611	\$ 65,931
Other Assistance	3,141,496	3,141,496	--
TOTAL	<u>\$15,072,122</u>	<u>\$14,987,107</u>	<u>\$ 65,931</u>
State General Fund:			
State Operations	--	--	--
FTE Positions	275.5	275.5	--

Agency Request/Governor's Recommendation

The Kansas Corporation Commission requests a total budget of \$15,072,122 for FY 1987 with funding for 275.5 FTE positions. The request includes \$3,141,496 for other assistance of which \$2,320,162 is from the Energy Grants Management Fund (Oil Overcharge Funds) and the remainder is federal energy funds. Subsequent to the budget submission and the Governor's recommendations, the agency requested supplemental funding of \$259,476 from the Conservation Fee Fund to allow payments for the settlement of the court case regarding standby pay which was brought against the Commission by the Conservation Division's field staff.

The Governor recommends a total budget of \$14,987,101 with \$11,845,611 for state operations, a reduction of \$85,015 from the agency request. The Governor concurs with the agency's request for other assistance.

Senate Subcommittee Recommendations

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

1. Addition of \$259,476 expenditure authority from the Conservation Fee Fund to allow the agency to make court-ordered payments to the Conservation Division employees who brought suit against the Commission regarding standby pay for the field staff. The Subcommittee understands that the court has ruled against the Commission and that a settlement of \$83,083 for salaries and wages, \$8,000 for court costs, and \$168,393 in other claims has been ordered. The Subcommittee also learned that the Commission is appealing the

decision but that, in order to stop the accrual of interest, the Commission has paid the settlement to the court from the Conservation Fee Fund.

2. Deletion of \$193,545 in expenditure authority from the Conservation Fee Fund including \$123,149 from salaries and wages and \$70,396 in other operating expenditures. The Subcommittee learned that the Commission has assumed authority for Class II wells in the Underground Injection Control (UIC) program, a change due to the implementation of 1986 H.B. 3078. UIC funds had previously gone to the Department of Health and Environment only. In the Memorandum of Understanding between the Commission and the Department, it was agreed that a separate UIC fund should be set up in the Commission and the Commission received expenditure authority for the UIC funds through Finance Council action in the fall. The Finance Council action taken increased the expenditure authority of the Commission by \$217,545 although no new staff or other activities were intended and funding for the UIC activities had been provided through the Conservation Fee Fund in 1986 Omnibus Bill H.B. 3161. The Subcommittee's action will fully fund the Division's activities from the Conservation Fee Fund and UIC sources. In addition, \$24,000 from UIC funds is designated for continuation of a Dakota aquifer study.
3. The Subcommittee concurs with the Governor's recommendation that the three Commissioners' salaries be reduced by 3.8 percent for the last five months of FY 1987, a savings of \$7,974. The Subcommittee does not recommend the reduction of the fund expenditure limitations to force the savings.

143.87

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission      Bill No. 255      Bill Sec. 6  
 Analyst: Timmer      Analysis Pg. No. 472      Budget Pg. No. 1-91

<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	\$13,749,806	\$13,119,225	\$ (7,903)
Other Assistance	6,186,164	18,000	--
TOTAL	<u>\$19,935,970</u>	<u>\$13,137,225</u>	<u>\$ (7,903)</u>
State General Fund:			
State Operations	--	--	--
FTE Positions	280.0	275.5	--

Agency Request/Governor's Recommendation

The Commission requests an operating budget of \$13,749,806 with 280.0 FTE positions for FY 1988. In addition, expenditure authority of \$6,186,164 is requested from Oil Overcharge funds for FY 1988. The agency's request includes funding for 4.5 additional FTE positions, 3.0 FTE for the Transportation Division, and .5 FTE each for the Administration and Research and Energy Analysis Divisions.

The Governor recommends a total budget of \$13,137,225 for FY 1988 including \$13,119,225 for state operations and \$18,000 for other assistance. The Governor does not recommend any new positions and makes no recommendation for the expenditure of the Oil Overcharge funds pending further review.

Senate Subcommittee Recommendations

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

1. The Subcommittee received testimony from the agency indicating that three items may require legislative attention later in the Session. The Subcommittee highlights for the House Subcommittee those items which include: (1) a possible salary and wage short-fall in the Utilities Division; (2) expenses for moving and office relocation which may occur when the Commission acquires additional office space in the Docking Office Building; and (3) increased expenditure authority for federal energy grant funds (not Oil Overcharge funds) due to potential interest earnings and additional federal funds. If sufficient information is not available to the



House Subcommittee to allow decisions to be made, these issues should be reviewed during Conference Committee deliberations or the Omnibus Session.

2. The Subcommittee recommends the introduction of legislation to allow a Secretary I and a Clerk III position in the Research and Energy Analysis Division to be moved from the unclassified to the classified service. The Subcommittee notes that the Commission has requested in previous sessions that the positions become classified but the appropriate legislation has not made it through both houses. The positions were transferred to the KCC from the Energy Office in 1983.
3. The Subcommittee reviewed information on the public hearings, application proposals, and review process conducted by the Commission in its efforts to present a budget proposal for expenditure of the approximately \$40 million from oil overcharge funds which have been received or are anticipated by the state. The Subcommittee notes that the process was extensive and detailed and that the Commission's proposal was for expenditure of an additional \$2,225,000 in FY 1987, \$9,083,132 in FY 1988, and \$3,948,518 in FY 1989. The recommendations were made after the receipt of 93 applications, 45 of which were judged to be eligible and which were reviewed by five evaluators, the Research and Energy Analysis Division staff, and the Commissioners. The Subcommittee understands that due to the volume of material submitted by the Commission for review and to the time constraints imposed by the budgetary process, the Governor did not include any recommendations for expenditure of the oil overcharge funds in his budget but that a budget amendment is anticipated regarding the funds. The Subcommittee, therefore, makes no recommendation pending receipt of the Governor's recommendations.
4. The Subcommittee deletes \$7,903 from the 1.6 percent unclassified salary and wage increase pool. The Subcommittee notes that the Legislature made the recommendation during the 1986 Session to allow step increases to be budgeted for all unclassified personnel at the Commission except the Commissioners, the Executive Director, the Commissioners' Administrative Assistants, and the five Division Directors. The Subcommittee believes that policy should be continued, and the recommended deletion includes the increases which were provided by the Governor's recommendation for the above listed positions. Also, it should be noted that the Commissioners' salaries are statutorily set at the level of judges of the Court of Appeals.
5. The Subcommittee recommends that technical adjustments be made to the appropriations bill to correctly name the unclassified positions listed in section (b) and to add the Mined Land Reclamation Fund to the bill as a no-limit fund.

**SUBCOMMITTEE REPORT**

**Agency:** State Historical Society

**Bill No.** --

**Bill Sec.** --

**Analyst:** Howard

**Analysis Pg. No.** 483

**Budget Pg. No.** 7-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 4,971,097	\$ 4,764,292	\$ --
Other Assistance	86,868	86,868	--
Subtotal	<u>\$ 5,057,965</u>	<u>\$ 4,851,160</u>	<u>\$ --</u>
Capital Improvements	192,806	168,806	--
TOTAL	<u>\$ 5,250,771</u>	<u>\$ 5,019,966</u>	<u>\$ --</u>
<b>State General Fund:</b>			
State Operations	\$ 4,609,332	\$ 4,407,437	\$ --
Other Assistance	22,000	22,000	--
Subtotal	<u>\$ 4,631,332</u>	<u>\$ 4,429,437</u>	<u>\$ --</u>
Capital Improvements	192,806	168,806	--
TOTAL	<u>\$ 4,824,138</u>	<u>\$ 4,598,243</u>	<u>\$ --</u>
FTE Positions	144.1	142.0	--

Agency Request/Governor's Recommendation

The agency estimates FY 1987 expenditures for state operations of \$4,971,097, a reduction of \$189,723 from the amount approved by the 1987 Legislature. The Governor recommends \$4,764,292 for state operations in FY 1987, a reduction of \$206,805 from the agency estimate. The reduction reflects funds lapsed for state operations in H.B. 2049 (\$201,895), the resulting loss of federal historic preservation funds (\$4,496), and a reduction in expenditures from the archeology fee fund (\$414). In addition, the Governor's recommendation would lapse \$24,000 in capital improvements at the Funston Home. The reduction is reflected in H.B. 2049.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor.

**SUBCOMMITTEE REPORT**

**Agency: State Historical Society**

**Bill No. 255**

**Bill Sec. 7**

**Analyst: Howard**

**Analysis Pg. No. 483**

**Budget Pg. No. 7-25**

<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	\$ 6,093,677	\$ 4,934,143	\$ 24,167
Other Assistance	120,259	190,259	10,000
Subtotal	<u>\$ 6,213,936</u>	<u>\$ 5,124,402</u>	<u>\$ 34,167</u>
Capital Improvements	1,091,450	9,800	--
<b>TOTAL</b>	<u><u>\$ 7,305,386</u></u>	<u><u>\$ 5,134,202</u></u>	<u><u>\$ 34,167</u></u>
<b>State General Fund:</b>			
State Operations	\$ 5,651,462	\$ 4,562,205	\$ 24,167
Other Assistance	25,000	110,000	10,000
Subtotal	<u>\$ 5,676,462</u>	<u>\$ 4,672,205</u>	<u>\$ 34,167</u>
Capital Improvements	1,091,450	9,800	--
<b>TOTAL</b>	<u><u>\$ 6,767,912</u></u>	<u><u>\$ 4,682,005</u></u>	<u><u>\$ 34,167</u></u>
<b>FTE Positions</b>	<b>163.6</b>	<b>136.5</b>	<b>--</b>

Agency Request/Governor's Recommendation

For FY 1988, the agency requests \$6,093,677 for state operations, an increase of \$1,122,580 from the current year estimated expenditures. The request would fund 163.6 FTE positions, including 20.5 FTE new positions. The Governor recommends \$4,934,143 for state operations in FY 1988, a reduction of \$1,159,534 from the agency request. The recommendation would fund 136.5 FTE positions, a reduction of 5.5 FTE positions from the current year. The Governor's recommendation for FY 1988 includes the closing or transfer of six historic sites to local entities and the transfer of Pawnee Rock Memorial Park to the State Park and Resources Authority. 5.5 FTE positions and temporary help would be eliminated under this proposal. Estimated savings in operating expenditures total \$151,432. The Governor recommends \$110,000 in other assistance to allocate to entities acquiring the six properties. The entity acquiring the Funston Home would receive \$10,000. The entities acquiring the Goodnow Home, Highland Presbyterian Mission, John Brown Memorial Park, Grinter House, and the Kaw Mission would receive \$20,000 each. The Governor's recommendation includes only 11-month funding for 7.0 FTE positions in the museum program involved in exhibit construction. The positions would be eliminated after 11 months of FY 1988 due to completion of permanent exhibit construction.

Senate Subcommittee Recommendations

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

1. Add \$23,867 for a 1.0 FTE Archivist I in the Archives Department.
2. Add \$300 for operating expenditures for Pawnee Rock. The Governor's recommendations would transfer Pawnee Rock from the State Historical Society to the State Park and Resources Authority. This Subcommittee has learned that the Historical Society is in the process of negotiations with the National Park Service in an attempt to turn the site over to the National Park Service. Currently, staff in the National Park Service and in the offices of Senators Kassebaum and Dole are investigating the method by which the property could be transferred. We recommend that the property be retained under the jurisdiction of the Historical Society pending the conclusion of these negotiations.
3. Add \$10,000 as a grant for the Heritage House in Dodge City. The Governor's recommendations would have terminated state support in FY 1988. The Subcommittee would note that funding of \$25,000 was approved in FY 1986 and \$20,000 in FY 1987. This Subcommittee would recommend that these funds continue to be phased out with the reduction to \$10,000 in FY 1988 and the elimination of the grant entirely in FY 1989. The Subcommittee in no way questions the merits of the Heritage Center but questions the validity of continued state participation in its operations.
4. The Subcommittee concurs with the Governor's recommendation that six sites be closed or transferred to local authorities and the elimination of funding for these sites in FY 1988. The Subcommittee would consider the possibility of appropriations for maintenance of those sites in future years but believes operations and management of these sites should be local responsibility. This Subcommittee recommends that the interim study begun during FY 1986 be continued during the 1987 interim and that specific proposals concerning each of these sites be considered during that time.
5. The Subcommittee recommends that appropriations language in the proviso concerning the museum program in Section 7 of S.B. 255 be amended to allow reappropriation of unexpended exhibit construction funds from FY 1987 to FY 1988 without the approval of the State Finance Council.
6. The Subcommittee also recommends that the House Committee review capital outlay funds as more information concerning state revenues becomes available to consider whether funds for capital outlay lapsed in H.B. 2049 should be included in the FY 1988 appropriation.

**SUBCOMMITTEE REPORT**

**Agency: University of Kansas  
Medical Center**

**Bill No. 2100**

**Bill Sec. 5**

**Analyst: Timmer**

**Analysis Pg. No. 196**

**Budget Pg. No. 3-87**

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 54,051,824	\$ 42,340,458	\$ --
General Fees Fund	5,957,551	6,063,953	--
Hospital Revenue Fund	79,297,204	87,797,206	--
General Use Funds	<u>\$139,306,579</u>	<u>\$136,201,617</u>	<u>\$ --</u>
Hospital Fund	1,070,760	1,070,760	(123,000)
Other Funds	37,791,775	39,056,425	--
Restricted Use Funds	<u>38,862,535</u>	<u>40,127,185</u>	<u>(123,000)</u>
Subtotal	<u>\$178,169,114</u>	<u>\$176,328,802</u>	<u>\$ (123,000)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 574,746	\$ 588,274	\$ --
Educ. Building Fund	599,556	563,398	--
Hospital Fund	1,873,533	597,574	34,000
Other Funds (Including Debt Service)	<u>3,515,370</u>	<u>3,515,370</u>	<u>--</u>
Subtotal	<u>\$ 6,563,205</u>	<u>\$ 5,264,616</u>	<u>\$ 34,000</u>
TOTAL	<u>\$184,732,319</u>	<u>\$181,593,418</u>	<u>\$ (89,000)</u>
<b>FTE Positions:</b>			
Classified	3,026.1	3,026.1	--
Unclassified	<u>1,551.2</u>	<u>1,551.2</u>	<u>--</u>
TOTAL	<u>4,577.3</u>	<u>4,577.3</u>	<u>--</u>

Agency Request/Governor's Recommendation

The University of Kansas School of Medicine estimates that FY 1987 operating expenditures will be \$178,169,114, with \$139,306,579 from general use sources and \$38,862,535 from restricted use sources. The Medical Center requests supplemental funding of \$47,352 from the State General Fund for increased KANS-A-N expenditures as a part of a Regents' systemwide KANS-A-N supplemental request. The institution also requests a total of \$106,402 from the State General Fund to offset less than anticipated general fees receipts from the 1986 fall enrollment.

The Governor recommends a total operating budget of \$176,328,802 for the Medical Center in FY 1987. The recommendation includes a reduction of \$2,044,450 from the approved State General Fund financing, which was lapsed in 1987 H.B. 2049. Included in the reduction is \$251,490 from the medical scholarship program due to lower than projected participation and \$120,000 from medical malpractice insurance due to lower than anticipated rates.

The Governor's recommendation also shifts funding of \$8,500,002 from the State General Fund to the Hospital Revenue Fund and \$1,013,160 from the State General Fund to the Medical Scholarship Repayment Fund. In addition, a supplemental appropriation from the Hospital Fund of \$160,000 is recommended for the previously approved laundry project. Also, due to severe asbestos problems encountered with the approved renovation of Robinson for pediatrics, the project will be delayed a year and the funding for the project is moved from FY 1987 to FY 1988.

#### House Subcommittee Recommendations

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

1. Deletion of \$79,000 from the Hospital Fund appropriation for the Cardiac Catheterization Laboratory. The recommendation deletes \$123,000 of the \$151,800 provided for the purchase of the equipment. The Subcommittee learned that the annual cost of the equipment will be \$110,800 and that it will not be purchased in FY 1987 until the last quarter of the year. The Subcommittee therefore recommends a total of \$28,800 for the equipment in FY 1987. In addition, the bids for the space renovation for the cardiac catheterization laboratory were received and were substantially above the amount approved by the 1986 Legislature. The Subcommittee therefore recommends that \$44,000 of the identified savings be added to the \$50,000 approved for the renovation, allowing a total of \$94,000 for the project.
2. Deletion of \$10,000 from the supplemental appropriation recommended by the Governor for the hospital laundry project. The Subcommittee learned that the additional funding needed for the project is \$150,000, not the \$160,000 included in 1987 House Bill 2100.
3. The Subcommittee notes that the Medical Center requested a supplemental of \$106,402 from the State General Fund to offset an estimated General Fees Fund shortfall of that amount. The Subcommittee defers any action on the fee fund shortfall request until actual data for the 1987 spring semester is available and more accurate estimates may be made.
4. The Subcommittee reviewed the revenue to date for the Hospital Revenue Fund and the Medical Scholarship Repayment Fund. The Subcommittee concurs with the Governor's recommendation which increases expenditures from the Hospital Revenue Fund by \$8,500,002 in FY 1987 and increases the expenditure limitation on the Medical Scholarship Repayment Fund by \$1,013,160, as contained in H.B. 2100. The Subcommittee makes no further adjustments to either fund at this time but highlights each as a point for further review later in the Session when more actual data is available.

- The Subcommittee makes no adjustments to the Medical Center's utility budget at this time, but highlights this as an area for review when more actual months' expenditures are available.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole

The House Committee of the Whole concurs with the Committee's action.

Senate Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>House Adj. FY 87</u>	<u>House Rec. FY 87</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ --	\$ 42,340,458	\$(1,402,905)
General Fees Fund	--	6,063,953	(97,095)
Hospital Revenue Fund	--	87,797,206	1,500,000
General Use Funds	\$ --	\$136,201,617	\$ --
Hospital Fund	\$ (123,000)	\$ 947,760	\$ --
Other Funds	--	39,056,425	--
Restricted Use Funds	\$ (123,000)	\$ 40,004,185	\$ --
Subtotal	\$ (123,000)	\$176,205,802	\$ --
Capital Improvements:			
State General Fund	\$ --	\$ 588,274	\$ --
Educational Bldg. Fund	--	563,398	--
Hospital Fund	34,000	631,574	--
Other Funds (Including Debt Service)	--	3,515,370	--
Subtotal	\$ 34,000	\$ 5,298,616	\$ --
TOTAL	\$ (89,000)	\$181,504,418	\$ --
FTE Positions:			
Classified	--	3,026.1	--
Unclassified	--	1,551.2	--
TOTAL	--	4,577.3	--

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

- The Subcommittee recommends the deletion of \$261,515 from the utilities line item due to anticipated utility savings. The recommendation will provide a total of \$4,543,414 for utility expenditures in FY 1987. In addition, the Subcommittee recommends that the utility savings be transferred to the institutions operating

budget. The Subcommittee learned that several Regents' institutions used anticipated utility savings as a part of the 3.8 percent State General Fund reduction included in H.B. 2049. The Medical Center did not use utility savings to meet its 3.8 percent reduction and the Subcommittee is of the opinion that it is equitable to provide the utility savings for the Medical Center's operating expenditures.

2. The Subcommittee reviewed a letter from the Board of Regents regarding the increases in health insurance premiums which went into effect January 1, 1987. The Subcommittee learned that no funding for the increase was provided in any Regents' institution budget and that the estimated cost to the Medical Center for the last seven months of FY 1987 is \$233,483. The Subcommittee takes no action on the request at this time and highlights this as an area for review if a Governor's Budget Amendment is received.
3. The Subcommittee recommends an increase in the Hospital Revenue Fund of \$1.5 million and an offsetting reduction in State General Fund appropriations of the same amount. The Subcommittee's recommendation will provide an ending balance in the Hospital Revenue Fund of approximately \$1.0 million, a level the Subcommittee considers adequate given the receipts to date and the number of months actual experience. The Subcommittee notes that this recommendation will require an increase in State General Funds and a corresponding reduction in Hospital Revenue Funds in FY 1988.
4. Decrease of the expenditure limitation on the General Fees Fund by \$97,095 and increase of State General Fund appropriations by the same amount due to fee fund estimates which were revised following the 1987 spring enrollments.

682-3.87



SUBCOMMITTEE REPORT

Agency: University of Kansas  
Medical Center

Bill No. 2439

Bill Sec. 8

Analyst: Timmer

Analysis Pg. No. 196

Budget Pg. No. 3-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 63,347,029	\$ 59,514,142	\$(1,082,067)
General Fees Fund	5,848,745	5,990,000	--
Hospital Revenue Fund	78,954,384	74,979,639	1,472,588
General Use Funds	<u>\$148,150,158</u>	<u>\$140,483,781</u>	<u>\$ 390,521</u>
Hospital Fund	880,760	770,760	(41,000)
Other Funds	41,428,819	41,538,921	--
Restricted Use Funds	<u>42,309,579</u>	<u>42,309,681</u>	<u>(41,000)</u>
Subtotal	<u>\$190,459,737</u>	<u>\$182,793,462</u>	<u>\$ 349,521</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	--	--	--
Hospital Fund	2,275,000	2,475,959	--
Other Funds (Including Debt Service)	<u>2,794,599</u>	<u>2,794,599</u>	<u>--</u>
Subtotal	<u>\$ 5,069,599</u>	<u>\$ 5,270,558</u>	<u>\$ --</u>
TOTAL	<u>\$195,529,336</u>	<u>\$188,064,020</u>	<u>\$ 349,521</u>
<b>FTE Positions:</b>			
Classified	3,040.1	3,026.1	2.0
Unclassified	<u>1,573.7</u>	<u>1,551.2</u>	<u>13.0</u>
TOTAL	<u>4,613.8</u>	<u>4,577.3</u>	<u>15.0</u>

Agency Request/Governor's Recommendation

**FY 1988.** The Medical Center requests an operating budget of \$190,529,336 for FY 1988, an increase of \$12,290,623 over the revised FY 1987 request. The agency's request includes \$148,150,158 from general use funds with \$63,347,029 from the State General Fund, \$5,848,745 from the General Fees Fund, and \$78,954,384 from the Hospital Revenue Fund. In addition, the request includes expenditure of \$42,309,571 from restricted use funds. The agency's FY 1988 request for capital improvements is \$2,350,000 to be funded entirely from the Hospital Fund and Parking Fees. Debt service for FY 1988 is estimated to be \$2,719,599.

The FY 1988 budget request includes maintenance increases for salaries and wages and basic operating support, as approved by the Kansas Board of Regents. Salary and wage increases of 8 percent are requested for all unclassified staff, including residents and student employees. Classified salary increases are as authorized by the Civil Service pay plan with step increases for eligible employees and funding for a full fiscal year for the clerical study

conversion. In addition, an increase of 7 percent is requested for operating support and an increase of 5 percent is requested for utility expenditures.

**Program Improvements.** The Medical Center requests a total of \$3,415,385 to finance program improvements for implementation in FY 1988. Included in the request is \$1,616,051 for programs related primarily to the institution's educational and research activities. New program requests are expansion of outreach consultation clinics, enhancement of emergency medical services, implementation of a Master of Science in physical therapy program, funding for hazardous waste management, and continuation of development of the centers on aging and cancer. In addition, funding is requested for a sports medicine program, for enrichment of the graduate and research programs, and for the center on graduate medical education in Wichita.

A total of \$1,799,334 is requested for new programs and program improvements at the Medical Center's hospital. The total request includes \$1,689,334 from general use funds and \$110,000 from restricted use funds. Projects for which funding is requested include house staff stipend improvement, expansion of the hospital's telemetry units, additional staffing for labor and delivery, funding for overtime and holiday pay, cell markers and pancreatic islets transplantation, replacement of chemistry profiling instruments, replacement of the medical records central dictation system, and replacement of the intensive care unit monitoring equipment.

The total FY 1988 Governor's recommendation is \$188,064,020 of which \$59,514,142 is from the State General Fund. The Governor recommends a 2.5 percent salary and wage increase for all unclassified personnel, including house staff and student help, a 1 percent increase in the state-financed unclassified retirement benefit, a 2 percent OOE increase as well as an additional one-time 3 percent OOE increase for the educational programs only. Also, the Governor's FY 1988 recommendation restores to the agency's base budget the \$2,044,450 lapsed in FY 1987. No new programs or program improvement requests are recommended.

#### House Subcommittee Recommendations

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

1. Based on the systemwide recommendation made by the House Appropriations Committee:
  - a. Deletion of \$47,352 for the KANS-A-N supplemental requested for FY 1987 but not approved. The requested funding was included in the FY 1988 operating expenditure base.
  - b. Deletion of \$373,290 for the 1 percent increase in the employer contribution to the unclassified employee's retirement program.
  - c. Deletion of \$142,572 from the one-time 3 percent OOE increase to the educational programs base. The recommendation allows a 2 percent base budget OOE increase of \$667,656.

2. The Subcommittee recommends that the balance of \$49,588 currently in the Hospital Fund and uncommitted to any capital improvement project or equipment purchase be used to offset transfers to the fund in FY 1988. Projects recommended by the Governor to be funded through transfers to the Hospital Fund include: (1) neonatal unit modifications, \$500,000; (2) correction of the hospital's heating, ventilation, and air conditioning system, \$540,000 -- FY 1988, \$400,000 -- FY 1989; (3) NMR lease payment, \$468,960; (4) CT Scanner replacement, \$150,000; (5) Cardiac Catheterization Lab, \$151,800; and (6) pediatrics unit renovation, \$2,090,959.
3. Delete \$41,000 from Hospital Fund for the cardiac catheterization Laboratory Equipment. The Subcommittee learned that the annual cost to the Medical Center for this equipment will be approximately \$110,800, not \$151,800 as included in the Governor's recommendations.
4. Reduce the FY 1988 transfer to the Hospital Fund for the Pediatric unit renovation by \$655,000. Due to the discovery of significant amounts of asbestos in the proposed area of renovation in Robinson Hall, the pediatrics units will be located in other space and the project will be delayed by one year. The Subcommittee's recommendation will allow the amount of \$1,435,959, approved for expenditure in FY 1987, to be used in FY 1988 and the FY 1988 transfer of \$655,000 to be made in FY 1989. The Governor's recommendation would have provided for expenditure of both amounts in FY 1988.
5. The Subcommittee reduces projected General Fees Fund income by \$21,450 in FY 1988. The Governor's recommendation includes anticipated revenue from the requested Master's Degree in Physical Therapy, a program neither the Governor nor the Subcommittee recommend for FY 1988. The Subcommittee's recommendation will reduce the carryforward balance to \$9,950.
6. The Subcommittee recommends additional expenditure authority of \$528,000 in general use funds, of which \$215,000 would be from the State General Fund and \$313,000 from increased hospital revenues to provide funding for the following academic programs:
  - a. Center on Aging -- The Subcommittee recommends \$51,000 and 1.0 FTE associate director position and \$89,000 for one-time equipment purchases. The salary and wage funding will allow the position to be filled for the last six months of FY 1988. The total recommendation of \$140,000 would be from the State General Fund.

- b. Mid-America Cancer Center -- The Subcommittee recommends \$115,000 for funding for the last half of FY 1988 for six FTE positions, a director, an administrative assistant, three support personnel, and a secretary. Also recommended is \$25,000 for operating expenditures and \$50,000 for one-time equipment purchases. Funding would include \$75,000 from the State General Fund and \$115,000 from anticipated increased earnings in hospital revenues.
- c. Emergency Medical Services -- A total of \$103,000 for salary and wage expenditures for 3.0 FTE positions for the last half of FY 1988 is recommended. The Subcommittee understands that these positions will include a director and two physicians to provide full-time staff for the Hospital's emergency facility and that this staff will be responsible for the development of the emergency room into a full-fledged trauma center. All funding for the program would be from increased revenues to the Hospital Revenue Fund.

The Subcommittee also notes that the 1986 interim Committee on Financing of Regents Institutions discussed the trauma center request and recommended that appropriate legislation be introduced if funding is provided for the program. The Subcommittee therefore recommends the introduction of legislation which would allow the designation of trauma centers in Kansas.

- d. Institute of Sports Medicine -- The Subcommittee recommends expenditure authority of \$95,000 for salary and wage and operating expenses for 3.0 FTE physicians, a physical therapist, and a secretary for the last quarter of FY 1988 for the implementation of a sports medicine program. The recommendation would provide \$75,000 for salaries and wages and \$20,000 for operating expenditures. The recommended program be multi-disciplinary and aimed at the prevention, treatment, and rehabilitation of injuries sustained during recreational and athletic activities. It would be affiliated with the Division of Orthopedic Surgery. Funding would be from increased revenues to the Hospital Revenue Fund.
7. The Subcommittee recommends the addition of \$543,967 for increased funding for housestaff stipends for the residents at the Kansas City and Wichita campuses. The Subcommittee recommendation would be financed with \$68,000 from the State General Fund and \$325,000 from increased hospital revenues. In addition, the Subcommittee recommends that the total increase in funding be offset by a 2 percent shrinkage rate be applied to all housestaff stipends to provide a total savings of approximately \$151,000. The Subcommittee recommends a total of \$8,396,424 for housestaff stipends in FY 1988, including \$7,677,262 for the Kansas City campus and \$870,162 for the Wichita residents.

8. The Subcommittee recommends the addition of \$32,735 from the State General Fund to restore a shortfall in the FY 1986 reappropriation to the housestaff line item. The Subcommittee notes that the amount reappropriated by the 1986 Legislature was based on estimated expenditures and was not effort to reduce the program's funding. The restoration of the funding to the base provides the level of funding originally recommended for the program.
9. The Subcommittee recommends a reduction of \$834,588 from the State General Fund and an increase of the same amount from the Hospital Revenue Fund. The additional Hospital Revenue Funds are available due to Subcommittee adjustments to Hospital Fund projects made in FY 1987 and FY 1988 and reflect no adjustments in the revenue estimates included in the Governor's recommendations.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations, with the following adjustments:

1. Deletion of \$670,766 from the State General Fund for unclassified salaries. The Committee recommends a total of \$289,969 for a 1.5 percent increase for the last six months of FY 1988.
2. Deletion of \$13,520 from the State General Fund line item for student salaries to provide a total of \$5,153 for a 1.5 percent increase for the last six months of FY 1988.
3. Deletion of \$155,797 from the State General Fund line item for housestaff stipends. The recommendation provides a total of \$41,644 for a 1.5 percent salary increase for the last six months of FY 1988.
4. Increase the Medical Scholarship Repayment Fund expenditure limitation by \$100,000 and decrease State General Fund appropriations by the same amount.
5. Increase the Hospital Revenue Fund expenditure limitation by \$500,000 and reduce the State General Fund appropriation by the same amount due to revised revenue projections.

#### House Committee of the Whole

The House Committee of the Whole recommends the addition of \$346,437 from the State General Fund to provide a 1 percent increase to the employer's contribution for the unclassified employees retirement plan.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$(1,082,067)	\$ 57,338,429	\$ 2,208,118
General Fees Fund	--	5,990,000	--
Hospital Revenue Fund	1,472,588	76,952,227	(1,725,798)
General Use Funds	<u>\$ 390,521</u>	<u>\$140,280,656</u>	<u>\$ 482,317</u>
Hospital Fund	(41,000)	729,760	--
Other Funds	--	41,638,921	(100,000)
Restricted Use Funds	<u>(41,000)</u>	<u>42,368,681</u>	<u>(100,000)</u>
Subtotal	<u>\$ 349,521</u>	<u>\$182,649,337</u>	<u>\$ 382,317</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	--	--	--
Hospital Fund	--	2,475,959	--
Other Funds (including Debt Service)	--	2,794,599	--
Subtotal	<u>\$ --</u>	<u>\$ 5,270,558</u>	<u>\$ --</u>
TOTAL	<u>\$ 349,521</u>	<u>\$187,919,895</u>	<u>\$ 382,317</u>
<b>FTE Positions:</b>			
Classified	2.0	3,028.1	7.0
Unclassified	13.0	1,564.2	--
TOTAL	<u>15.0</u>	<u>4,592.3</u>	<u>7.0</u>

Senate Subcommittee Recommendations

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

1. Based upon the systemwide recommendations of the full Committee:
  - a. Addition of \$190,398 from the State General Fund for unclassified salaries and wages expenditures. The recommendation will finance a 2.5 percent salary increase for six months rather than the 1.5 percent increase for six months recommended by the House.
  - b. Addition of \$3,435 from the State General Fund for student salaries and wages to finance a 2.5 percent salary increase for six months rather than the 1.5 percent increase for six months recommended by the House.
  - c. Addition of \$71,286 as a one-time allocation for other operating expenditures. This amount is 1.5 percent of the statewide base for a one-time increase in other operating expenditures in the Educational Program.

- d. Decrease of \$261,515 in the utilities budget to provide a total of \$4,543,414 for utilities in FY 1988.
  - e. Addition of \$44,514 for a 2.5 percent increase for six months for the housestaff stipends rather than the 1.5 percent increase for six months as recommended by the House.
2. Reduce the expenditure limitation of the Medical Scholarship Re-payment Fund by \$100,000 and increase State General Fund appropriations by the same amount. The Subcommittee learned that the level of funding recommended by the House for this fund will not be available according to the most recent estimates of fund receipts.
  3. The Subcommittee recommends the addition of \$60,000 from the State General Fund for telecommunications. The Governor's recommendation deleted \$290,000 from the agency's OOE base, however, the Subcommittee has learned that telecommunications savings of \$230,000 are anticipated and recommends the \$60,000 difference be restored to the agency's budget.
  4. The Subcommittee recommends the addition of \$149,202 and 7.0 FTE positions for additional staffing on the hospital's labor and delivery units. The recommendation will be funded from increased hospital revenues.
  5. The Subcommittee recommends the addition of \$125,000 for overtime and holiday pay funding for hospital staff. The Subcommittee's recommendation will be the first of a four-year phase-in for overtime and holiday pay and will be funded from increased hospital revenues.
  6. The Subcommittee recommends the addition of the following language to the Medical Center's appropriation bill.

"Medical students enrolled at the University of Kansas Medical Center are hereby self-insured by the state of Kansas while in clinical training at the University of Kansas Medical Center or at other health care institutions. Such individuals shall be considered employees for purposes of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.) and shall be provided defense and indemnification for claims arising out of their clinical training at the University of Kansas Medical Center or at other health care institutions in accordance with the provisions of K.S.A. 6101 et seq."

The language is included to clarify the insurance statute of the medical students and reflects language which was recommended by attorneys in the Insurance Department and the Attorney General's Office.

7. The Subcommittee recommends that the proviso included in the appropriation bill regarding shift differential for nursing staff be

revised to more accurately reflect the Medical Center's actual policies. The Subcommittee would note that this proviso revision does not have a fiscal impact according to agency officials. The Subcommittee recommends the proviso read as follows:

"That expenditures may be made from this account to provide a pay rate differential for nursing personnel employed by the University of Kansas Medical Center who are employed during work periods after 3:00 p.m. and before 7:00 a.m. Except, that no differential rate shall be paid for those hours between 3:00 p.m. and 7:00 a.m. which are worked as a portion of a normal eight (8) hour day shift: and provided further, that such pay rate differential shall be a pay increase for each employee employed during the work period after 3:00 p.m. and before 7:00 a.m. of an amount equal to an increase of 10 percent in such employee's rate of pay under the pay plan in effect under K.S.A. 75-2938 and amendments thereto or under any amendments to such pay plan."

8. The Subcommittee reviewed the University's policies on its airplane and recommends that it reassess its policies regarding transport of patients to hospitals other than KUMC and transport of neonates to ensure that the current policies are still appropriate. The institution is encouraged to maximize the use of the aircraft in order to provide service to as many Kansans as possible.
9. Addition of \$2,000,000 from the State General Fund and reduction of the Hospital Revenue Fund expenditure limitation by the same amount. The Subcommittee recommended the use of an additional \$1.5 million from the Hospital Revenue Fund in FY 1987 thereby reducing the carryforward balance to FY 1988 by that amount. Also, recommendations made by the House reduced the FY 1988 ending balance to \$1,000,000, a level the Subcommittee feels is insufficient. The Subcommittee's action provides \$1,500,000 to replace the funds used in FY 1987 and therefore not available for FY 1988 and provides \$500,000 to increase the FY 1988 estimated ending balance to \$1,500,000, the level recommended by the Governor.
10. The Subcommittee discussed the issue of the transfer of the Emergency Medical Technicians Training program from the Medical Center to the Highway Patrol. The Subcommittee supports the proposed transfer but notes that the five faculty positions assigned to the KUMC program must be given 12 months notice in order to comply with the Board of Regents policy. Salary funding for these positions at the Medical Center in FY 1988 is therefore required. The Subcommittee strongly urges the Highway Patrol and KUMC to work out a contractual arrangement which would allow the program responsibilities to officially be transferred to the Highway Patrol while using the faculty of the Medical Center until they find other positions or until the 12 month notice period is completed. The Subcommittee notes that both the Highway Patrol and the Medical Center's budget will need to be adjusted during the Omnibus Session if the transfer legislation is passed.



11. The Subcommittee discussed the issues of medical care for indigent patients and possible methods of provision of that care with Medical Center officials. The institution informed the Subcommittee of the current services provided to indigent patients at the Medical Center and the issues involved with the use of KUMC residents for provision of additional care for indigents. The possibility of allowing physicians who received medical scholarships from the state to write off all or part of their obligation through the provision of services to the indigent was also discussed. The Subcommittee is of the opinion that the Medical Center currently provides a significant amount of care to indigents and recognizes that this has a direct affect on the amount of patient revenues which are collected. The Subcommittee believes that this provision of these services is appropriate activity for the Medical Center and urges the Medical Center and the Secretary of SRS to meet and report to the Legislature before the Omnibus Session, if possible, to discuss medical care for the indigent and to make every effort to ensure that policies are in place which allow the maximum number of indigent clients to be served.

Also, the Subcommittee requests that KUMC examine the possibility of a write-off program for physicians who have received a state medical scholarship and submit a proposal to the Legislature by the Omnibus Session, if possible, which would allow scholarship recipients to receive credit for indigents served.

Hospital Revenue Fund	FY 1987 Gov. Rec.	FY 1987 House Rec.	FY 1987 Senate Subcommittee Rec.	FY 1988 Gov. Rec.	FY 1988 House Rec.	FY 1988 Senate Subcommittee Rec.
Carryforward from Prior Year	\$ 14,695,526	\$ 14,695,526	\$ 14,695,526	\$ 2,466,796	\$ 2,555,796	\$ 1,055,786
Plus: Receipts						
Care and Hospitalization	90,984,186	90,984,186	90,984,186	90,580,853	90,580,853	90,580,853
Sale of Meals	1,100,000	1,100,000	1,100,000	1,150,000	1,150,000	1,150,000
Other Charges and Recoveries	415,000	415,000	415,000	415,000	415,000	415,000
Revenue from New Programs	0	0	0	0	638,000	912,202
Subtotal	\$ 98,499,186	\$ 92,499,186	\$ 92,499,186	\$ 92,145,853	\$ 92,783,853	\$ 93,058,055
TOTAL AVAILABLE	\$107,194,712	\$107,194,712	\$107,194,712	\$ 94,612,639	\$ 95,339,639	\$ 94,113,841
Less: Transfers						
Hospital Fund	\$ 1,909,720	\$ 1,820,720	\$ 1,820,720	\$ 2,465,000	\$ 1,719,412	\$ 1,719,412
Clinical Facility Debt Serv.	2,021,000	2,021,000	2,021,000	1,968,000	1,968,000	1,968,000
Restricted Fee and Serv. Clearing Funds	13,000,000	13,000,000	13,000,000	13,700,000	13,700,000	13,700,000
Subtotal	\$ 16,930,720	\$ 16,841,720	\$ 16,841,720	\$ 18,133,000	\$ 17,387,412	\$ 17,387,412
Less: Expend.	\$ 87,797,206	\$ 87,797,206	\$ 89,297,206	\$ 74,979,639	\$ 76,952,227	\$ 75,226,429
Balance Forward	\$ 2,466,786	\$ 2,555,786	\$ 1,055,786	\$ 1,500,000	\$ 1,000,000	\$ 1,500,000

\* Adjustment includes reduction of \$655,000 for pediatric renovation, \$41,000 reduction in cardiac catheterization equipment, and use of \$49,588 from balance of fund.