

Approved 3-7-89  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at  
Chairperson

1:30 ~~am~~ p.m. on February 23, 1989 in room 514-S of the Capitol.

All members were present except: All present.

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

Conferees appearing before the committee:

Others attending: See attached list.

#### INTRODUCTION OF BILLS

Chairman Bunten requested introduction of a bill concerning the time for filing tax returns for certain Kansas taxes (Attachment 1) and a bill providing for the refinancing of a loan to the Mid States Port Authority (Attachment 2). Representative Heinemann moved introduction of the bills. Representative Teagarden seconded. Motion carried.

Representative Heinemann requested introduction of a bill for the Commercial and Financial Institutions Committee regarding the entry of satisfaction of certain mortgages (Attachment 3). Representative Heinemann moved introduction of the bill. Representative Lowther seconded. Motion carried.

HB 2027 - Appropriations for FY90, state public safety agencies, including youth centers.

#### HIGHWAY PATROL

Representative Fuller reviewed the subcommittee report for FY89 and FY90 (Attachment 4). In response to a question, Representative Fuller stated the focus of the federally-funded motorcycle program is placement in urban areas for apprehending DUIs. It was noted the attorney position added in recommendation #2 of the FY90 report to the Highway Patrol will be designated an assistant Attorney General as is customary for the lead attorneys in the various state agencies. Staff will change the wording to read "assistant." Representative Fuller moved adoption of the subcommittee report for FY89 and FY90. Representative Kline seconded. Motion carried.

Representative Chronister moved that HB 2027, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

HB 2029 - Appropriations for FY90, homestead tax refunds, department of human resources, commission on veterans affairs, KDHE, department on aging.

#### DEPARTMENT OF HUMAN RESOURCES

Representative Lowther reviewed the FY89 and FY90 subcommittee report (Attachment 5). Representative Hensley stated his support of the subcommittee's recommendation that the Senate review the Apprenticeship program and its role in regard to the Kansas Council on Employment and Training. In response to a question on the

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S Statehouse, at 1:30 ~~am~~/p.m. on February 23, 1989

funds no longer needed for the REAP program, Representative Lowther stated he did not know if there would be constraints on the use of the \$306,456 from the Special Employment Security Fund (aka Penalty and Interest Fund) which would preclude its use to offset State General Fund expenditures. Representative Lowther moved adoption of the subcommittee report for FY89 and FY90. Representative Wisdom seconded. Motion carried.

**KANSAS COMMISSION ON VETERANS AFFAIRS**

Representative Goossen reviewed the subcommittee report for FY89 and FY90 (Attachment 6). Representative Heinemann noted that K.S.A. 73-1218 authorizing educational benefits to dependents of veterans of the Vietnam conflict states that postsecondary institutions may ask for tuition reimbursement. He believes that deleting the \$25,000 line item appropriation for the payment of educational claims for dependents of veterans conflicts with the intent of the legislation as adopted. Representative Goossen moved adoption of the subcommittee report. Representative Shriver seconded. Motion carried.

**KANSAS SOLDIERS HOME**

Representative Goossen reviewed the subcommittee report for FY89 and FY90 (Attachment 7). Representative Goossen requested that a recommendation be added to the subcommittee report requesting that a resolution be introduced honoring Superintendent Buck Bruner of the Soldiers Home who died recently. The Committee concurred. Representative Goossen moved adoption of the subcommittee report. Representative Pottorff seconded. Motion carried.

**HOMESTEAD PROPERTY TAX**

Representative Goossen presented the subcommittee report for FY89 and FY90 (Attachment 8). He pointed out that the appropriation for homestead payments will change as a result of SB 24 passed this session. The Senate subcommittee may need to revise the figures. Representative Goossen moved adoption of the subcommittee report for FY89 and FY90. Representative Pottorff seconded. Motion carried.

**DEPARTMENT OF HEALTH AND ENVIRONMENT**

The Committee reviewed the subcommittee reports for FY89 and FY90 (Attachment 9). Representative Wisdom moved adoption of the subcommittee report for FY89. Representative Lowther seconded. Motion carried. During discussion of the FY90 report, Representative Vancrum requested a friendly amendment with agreement of the Committee that the words "additional funds" in the last sentence of recommendation #14 be deleted and "a dedicated source of funding" be inserted. Representative Gatlin noted that the agency request for the genetics program was \$100,000, but the Governor's recommendation was \$50,000. Staff will correct the numbers of counties served in the Healthy Start program in recommendation #9. Representative Lowther moved adoption of the FY90 subcommittee report. Representative Mead seconded. Motion carried.

**DEPARTMENT ON AGING**

The Committee reviewed the subcommittee report for FY89 and FY90 (Attachment 10). Representative Hoy submitted a minority report on FY89. Representative Hoy moved adoption of the minority report for FY89. Representative Chronister seconded. Motion carried. On the FY90 report, Representative Helgerson advised that due to new information on recommendation #8, the figures of \$37,052 should be changed to \$8,306 and the \$630,000 in federal funds should be changed to \$141,000. Staff will make the corrections. Representative Hoy presented a minority report for FY90. Representative Hoy moved adoption of the minority report for FY90. Representative

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Vancrum seconded. Representative Helgerson requested that the question be divided. On item #1, the motion carried. On item #2 of the minority report, motion failed. Representative Hoy withdrew item #3 with the permission of his second, Representative Vancrum. Representative Hoy moved adoption of the subcommittee report as amended for FY90. Representative Helgerson seconded. Motion carried.

Representative Chronister moved that HB 2029, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

Chairman Buntten announced HB 2279 on nursing scholarships will be taken up by the Committee at the meeting on Monday, February 27.

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

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 2-23-89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
ELIZABETH E. TAYLOR	TOPEKA	ASSO OF LOCAL HEALTH <sup>DEPT. 5</sup>
LAURA EPLER	TOPEKA	KDHE
STAN GRANT	"	KDHE
GARY K. HULETT	"	KDHE
Richard Schuman	TOPEKA	KDHE
Marty Kennedy	Topoka	DOB
Kathleen Warren	"	DOB
Kathleen Vonachen		
Marty Doyle	Concordia	KSNA
Sue Anne New	HOLTON	KSNA
Dona Adams RN	Wichita	BCCG <sup>Univ.</sup>
Annalynne RN	Topoka	Topoka State Hospital and WSU Graduate Nursing Program
Rosie Jackson R.	Topoka	VA Hospital Topoka, WSU Grad. Sch.
Canda Byrne RN	Emporia	Newman Hospital School of Nsg Graduate Student
Betty Sullivan, RN	Wichita	W.S.H.
Dorothy Gladis	Topoka	UNIA & WSA
Margaret Muehler	Pittsburg	PSU faculty, nursing
Diana Kestle	"	"
Esther Wolf	TOPEKA	K.D.O.A.
Mark Intermill	Topoka	Kansas Coalition on Aging
Chris Small	Emporia	ESU
Betty Sarrault	Salina	Emergency Assoc K.S. 51 Comm
Jane Keating	Home	CMH - Marysville
Andy Pankratz	Hillsboro	KSNA
Lizette L. Chatfield	Gardland, Mo.	Clerk, Dist Court



BILL NO. \_\_\_\_\_

AN ACT concerning the time for filing tax returns for certain Kansas taxes; amending K.S.A. 79-1110, 79-3221 and 79-3225 and repealing the existing sections.

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

Section 1. K.S.A. 79-1110 is hereby amended to read as follows: 79-1110. Every national banking association, bank, trust company, and savings and loan association subject to taxation under this act shall make its return and pay the tax imposed to the director of taxation on or before the 15th day of the ~~fourth~~ fifth month following the close of its federal taxable year, in the same manner, except for computing the net income subject to tax, as corporations are required to make their returns and pay their taxes under the Kansas income tax act. Every such national banking association, bank, trust company and savings and loan association shall be subject to other provisions of the Kansas income tax act applicable to other corporations and shall be subject to the penalties imposed on corporations by K.S.A. 79-3222, 79-3228 and 79-3234, and amendments to such statutes, insofar as the--same such statutes can be made applicable.

Sec. 2. K.S.A. 79-3221 is hereby amended to read as follows: 79-3221. (a) All returns required by this act shall be made as nearly as practical in the same form as the corresponding form of income tax return by the United States.

(b) All returns shall be filed in the office of the director of taxation on or before the 15th day of the ~~fourth~~ fifth month following the close of the taxable year, except as provided in subsection (c) hereof. Tentative returns may be filed before the close of the taxable year and the estimated tax computed on such

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return, ~~paid~~ ~~Provided, however,~~ except that no interest will be paid on any overpayment of tax liability, computed on such tentative return.

(c) The director of taxation may grant a reasonable extension of time for filing returns in accordance with rules and regulations of the secretary of revenue.

(d) Time to be disregarded. In the case of an individual serving in the armed forces of the United States, or serving in support of such armed forces, in an area designated by the president of the United States by executive order as a "combat zone" as defined under the federal internal revenue code as enacted ~~in 1954~~ ~~(26-U.S.C.A. 112; 68A-Stat. 34)~~ of 1986 at any time during the period designated by the president by executive order as the period of combatant activities in such zone for the purposes of such section, or hospitalized outside the states of the union and the District of Columbia as a result of injury received while serving in such an area during such time, the period of service in such area, plus the period of continuous hospitalization outside the states of the union and the District of Columbia attributable to such injury, and the next 180 days thereafter, shall be disregarded in determining, under the Kansas income tax laws, in respect of any tax liability (including any interest, penalty, additional amount, or addition to the tax) of such individual:

(1) Whether any of the following acts was performed within the time prescribed therefor: (A) Filing any return of income tax; (B) payment of any income tax or installment thereof; (C) filing a notice of appeal with the director of taxation or the state board of tax appeals for redetermination of a deficiency or for a review of a decision rendered by either ~~said~~ the director or the state board of tax appeals; (D) allowance of a credit or refund of any income tax; (E) filing a claim for credit or refund of any income tax; (F) bringing suit upon any such claim for credit or refund; (G) assessment of any income tax; (H) giving or making any notice or demand for the payment of any income tax, or

with respect to any liability to the state of Kansas in respect of any income tax; (I) collection, by the director of taxation or ~~his-or-her~~ the director's agent, by warrant, levy or otherwise, of the amount of any liability in respect to any income tax; (J) bringing suit by the state of Kansas, or any officer on its behalf, in respect to any liability in respect of any income tax; and (K) any other act required or permitted under the Kansas income tax act specified in rules and regulations adopted by the secretary of revenue under this section; and

(2) the amount of any credit or refund.

Sec. 3. K.S.A. 79-3225 is hereby amended to read as follows:  
79-3225. (a) All taxes imposed under the provisions of the "Kansas income tax act" shall be paid on the 15th day of the ~~fourth~~ fifth month following the close of the taxable year. When the tax as shown to be due on a return is less than \$5, such tax shall be canceled and no payment need be remitted by the taxpayer.

(b) The director of taxation may extend the time for payment of the tax, or any installment thereof, for a reasonable period of time not to exceed six months from the date fixed for payment thereof. Such extension may exceed six months in the case of a taxpayer who is abroad. Interest shall be charged at the rate prescribed by subsection (a) of K.S.A. 79-2968(a) and amendments thereto for the period of such extension.

New Sec. 4. The provisions of this act shall be applicable to all taxable years commencing after December 31, 1989.

Sec. 5. K.S.A. 79-1110, 79-3221 and 79-3225 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.



BILL NO. \_\_\_\_\_

AN ACT concerning the railroad rehabilitation loan guarantee fund; relating to refinancing certain obligations and guarantee thereof; prescribing powers, duties and functions for the secretary of transportation; amending K.S.A. 75-5029 and repealing the existing section.

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

New Section 1. For the purpose of facilitating the refinancing of the loan guaranteed by the secretary of transportation in accordance with K.S.A. 75-5030 and amendments thereto, the secretary of transportation is hereby authorized to enter into an agreement with the mid-states port authority and the financial institutions participating in such refinancing to guarantee the repayment of any amounts which are in default on any loan obtained by the mid-states port authority for such refinancing. Such agreement may contain such terms and conditions as the secretary of transportation may deem appropriate to carry out the purposes of this section, except that the total principal amount guaranteed thereby shall not exceed \$7,000,000.

Sec. 2. K.S.A. 75-5029 is hereby amended to read as follows: 75-5029. The railroad rehabilitation loan guarantee fund is hereby established in the state treasury which shall be for the purpose of facilitating the financing, acquisition and rehabilitation of railroads in participation with the federal government to provide rail service in Kansas and for the refinancing thereof. ~~In--no--case--shall--expenditures--from--the--railroad--rehabilitation--loan--guarantee--fund--with--respect--to--a--single--rail--acquisition--or--rehabilitation--project--exceed--the--participation--of--the--federal--government--for--such--project.~~ The secretary of transportation shall administer the railroad

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rehabilitation loan guarantee fund. All expenditures from the railroad rehabilitation loan guarantee fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of transportation or by a person or persons designated by the secretary.

Sec. 3. K.S.A. 75-5029 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

BILL NO. \_\_\_\_\_

AN ACT relating to mortgages on real property; concerning the entry of satisfaction of certain mortgages; amending K.S.A. 58-2309a and repealing the existing section.

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

Section 1. K.S.A. 58-2309a is hereby amended to read as follows: 58-2309a. (a) When ~~any recorded mortgage of real estate is paid~~ the indebtedness secured by a recorded mortgage is paid and there is no agreement for the making of future advances to be secured by the mortgage, the mortgagee or the mortgagee's assignee shall enter satisfaction or cause satisfaction of such mortgage to be entered of record forthwith, paying the required fee ~~therefor~~ without charge to the mortgagor or the mortgagor's assigns.

(b) When a mortgage is recorded covering real estate in which the mortgagor has no interest, the mortgagee or the mortgagee's assignee shall enter satisfaction or cause satisfaction of such mortgage to be entered of record, paying the required fee ~~therefor~~ without charge to the mortgagor or the mortgagor's assigns.

(c) A mortgagor, a mortgagor's heirs or assigns or anyone acting for such mortgagor, heirs or assigns, or the owner of real estate upon which a mortgage has been recorded by someone having no interest in the real estate, may make demand upon a mortgagee or assignee of a mortgagee for the entering of satisfaction of the mortgage, as provided for in subsections (a) and (b).

(d) Any mortgagee or assignee of a mortgagee who refuses or neglects to enter satisfaction of such mortgage within ~~twenty~~ 20 days after demand has been made as provided in subsection (c) shall be liable in damages to the person for whom the demand was made in the sum of ~~five-hundred-dollars-(\$500)~~ \$500, together

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with a reasonable attorney's fee for preparing and prosecuting the action. The plaintiff in such action may recover any additional damages that the evidence in the case warrants. Civil actions may be brought under this act before any court of competent jurisdiction, and attachments may be had as in other cases.

(e) The mortgagee or assignee of a mortgagee entering satisfaction or causing to be entered satisfaction of a mortgage under the provisions of subsection (a) shall furnish to the office of the register of deeds the full name and last known post office address of the mortgagor or the mortgagor's assignee. The register of deeds shall forward such information to the county clerk who shall make any necessary changes in address records for mailing tax statements.

Sec. 2. K.S.A. 58-2309a is hereby repealed.

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

**SUBCOMMITTEE REPORT**

Agency: Kansas Highway Patrol      Bill No. 2063      Bill Sec. 36  
 Analyst: Rothe      Analysis Pg. No. 163      Budget Pg. No. 284

<u>Expenditure Summary</u>	<u>Agency Est. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 20,293,811	\$ 20,234,361	\$ (10,000)
Agency Fee Funds	234,816	234,816	--
Motor Carrier Insp. Fund	4,383,097	4,309,727	--
Turnpike Patrol Fund	1,384,935	1,369,767	--
Motor Carrier Safety Assistance Prog. Fund	898,300	908,225	--
Federal Funds	4,500	4,500	--
Other Special Funds	<u>1,193,978</u>	<u>1,199,397</u>	--
Subtotal	\$ 28,393,437	\$ 28,260,793	\$ (10,000)
<b>Capital Improvements:</b>			
Motor Carrier Insp. Fund	\$ 191,869	\$ 1,482,650	\$ (1,290,781)
<b>TOTAL</b>	<u>\$ 28,585,306</u>	<u>\$ 29,743,443</u>	<u>\$ (1,300,781)</u>
<b>FTE Positions:</b>			
Uniformed Troopers	330.0	330.0	--
Other Sworn Patrol	112.0	112.0	--
Capitol Area Security	67.5	67.5	--
Motor Carrier Inspection	175.0	175.0	--
All Others	<u>111.0</u>	<u>111.0</u>	--
<b>TOTAL</b>	<u>795.5</u>	<u>795.5</u>	<u>--</u>

Agency Estimate/Governor's Recommendation

The agency's FY 1989 estimate of operating expenditures of \$28,393,437 is an increase of \$431,697 above the amount approved by the 1988 Legislature. The revised estimate includes a shift of \$13,584 from capital improvements to operating expenditures. A supplemental request of \$418,113 (\$211,198 from the State General Fund and \$206,915 from special revenue funds) includes \$237,192 to finance the separation pay of 23 individuals, \$36,088 other operating expenditures in the KHP - Operations program, and \$144,833 for other operating expenditures in the Motor Carrier Inspection Program.

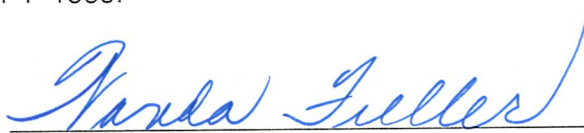
The Governor recommends total FY 1989 operating expenditures of \$28,260,793, a reduction of \$132,644 below the agency's estimate. The recommendation is \$299,053 above the amount approved by the 1988 Legislature. The increase includes \$228,569 for salary benefit adjustments (\$166,349 from the State General Fund) and \$71,501 for other operating expenditures in the Motor Carrier Inspection Division, and a reduction of \$1,017 in other costs financed by the State General Fund. The Governor does not recommend supplemental funds for separation pay. The Governor recommends an FY 1989 supplemental expenditure of \$1,290,781 for capital improvements from the Motor Carrier Inspection Fund to complete construction of motor carrier weight enforcement facilities at Liberal and Belleville.

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House Subcommittee Recommendations

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

1. Delete \$1,290,781 from Motor Carrier Inspection Fund expenditures for capital improvements pending a recommendation from the Joint Committee on State Building Construction.
2. Delete \$10,000 from the State General Fund for travel and subsistence in the KHP - Operations program due to expenditure savings-to-date.
3. The Subcommittee (in concurrence with the Governor's recommendation) does not recommend supplemental funds for separation pay of an estimated 23 individuals who may retire from the Patrol. The Subcommittee recommends that the separation pay issue be considered in the Omnibus Bill based on updated information concerning the number of individuals expected to retire in FY 1989.



Representative Wanda Fuller  
Subcommittee Chairperson



Representative Phil Kline



Representative Kenneth Francisco

## SUBCOMMITTEE REPORT

Agency: Kansas Highway Patrol      Bill No. 2027      Bill Sec. 5  
 Analyst: Rothe      Analysis Pg. No. 163      Budget Pg. No. 284

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 21,680,874	\$ 21,671,962	\$ (475)
Agency Fee Funds	300,756	314,037	--
Motor Carrier Insp. Fund	4,874,612	4,645,504	--
Turnpike Patrol Fund	1,400,801	1,448,633	--
Motor Carrier Safety Assistance Prog. Fund	1,013,838	983,807	--
Federal Funds	507,303	256,395	(250,895)
Other Special Funds	1,302,814	1,567,673	--
Subtotal	<u>\$ 31,080,998</u>	<u>\$ 30,888,011</u>	<u>\$ (251,370)</u>
<b>Capital Improvements:</b>			
Motor Carrier Insp. Fund	\$ 1,290,781	\$ 0	\$ --
<b>TOTAL</b>	<u>\$ 32,371,779</u>	<u>\$ 30,888,011</u>	<u>\$ (251,370)</u>
<b>FTE Positions:</b>			
Uniformed Troopers	350.0	340.0	(5.0)
Other Sworn Patrol	112.0	112.0	--
Capitol Area Security	75.5	70.5	--
Motor Carrier Inspection	175.0	175.0	--
All Others	117.0	111.0	2.0
<b>TOTAL</b>	<u>829.5</u>	<u>808.5</u>	<u>(3.0)</u>

### Agency Request/Governor's Recommendation

The agency requests FY 1990 operating expenditures of \$31,080,998, an increase of \$2,687,561 (9.5 percent) above the FY 1989 estimate. Of the increase, \$1,124,972 (41.9 percent) is attributable to salaries, \$863,150 (32.1 percent) to capital outlay, \$100,877 to communications, \$98,928 to travel costs, and \$502,634 to other operating expenditures. The request includes \$21,680,874 from the State General Fund (an increase of \$1,387,063), and \$9,400,124 from special revenue funds (an increase of \$1,300,498).

The Governor recommends operating expenditures of \$30,888,011 in FY 1990, a decrease of \$192,987 below the agency's request. The recommendation includes \$21,671,962 from the State General Fund (a reduction of \$8,912), and \$9,216,049 from special revenue funds (a reduction of \$184,075). The Governor recommends \$853,277 to finance a 4 percent salary increase and \$526,393 for the reclassification of personnel as the result of Phase III.

House Subcommittee Recommendations

**FY 1990.** The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

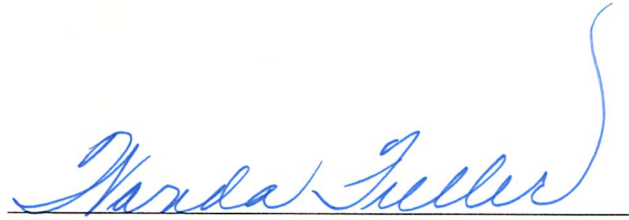
1. Delete \$289,030 and 5 FTE Motorcycle Troopers in the KHP - Operations program, including \$38,135 from the State General Fund and \$250,895 from federal funds. The agency had requested 10 Motorcycle Troopers, and the Governor recommended five. The Subcommittee notes that with a "no limit" federal fund, the agency has the ability to shift up to ten existing Troopers into the federally-funded motorcycle program anytime after September 30, 1989. The Subcommittee does not recommend the establishment of additional FTE positions, but would not object to the agency utilizing existing FTE Trooper positions for the federal motorcycle grant program. The Subcommittee further notes that for each existing Trooper shifted to the federally-funded motorcycle program after September 30, 1989, State General Fund expenditures would be reduced by \$22,881. By permitting the agency to shift Troopers, a management tool is provided enabling the agency to achieve savings from the State General Fund to provide call-back pay or separation pay as needed.
2. Add \$37,660 from the State General Fund and 1 FTE Unclassified Attorney. The Patrol currently utilizes the legal services of the Attorney General's staff for legal opinions and court cases. The new position is recommended because of an increase in the number of daily requests for legal information and clarification from the public, other law enforcement agencies, and members of the legal profession. The Attorney General's office has encouraged the addition of the new position and has assured the Patrol that the attorney would be accepted as an affiliate of the Attorney General's office.
3. Increase the FTE limitation by 1 FTE to enable the agency to hire a secretary with a federal grant from the agency's "no limit" federal fund. The mission of the federal grant is to teach the proper use of alcohol breath analyzers to Kansas law enforcement officers. The Secretary would schedule training classes and complete paperwork for the grant program.
4. The Subcommittee recommends that the agency's request for a security system for its division headquarters across the state (\$119,766) be considered in the Omnibus Bill. The Subcommittee learned that spokespersons from SRS, the Department of Revenue and the Department of Human Resources have expressed an interest in sharing in the cost of a Sentra Scan Security System for outlying offices. The system would include fire detection, a card reader access system, and closed circuit television. The Subcommittee recommends that the system be seriously considered for approval in the Omnibus Bill only upon receipt of an interagency proposal for joint usage and financing of the system.



5. The Subcommittee requests that the Kansas Highway Patrol present to the Subcommittee, at the beginning of the 1990 Legislative Session, its detailed recommendation for a law enforcement career ladder. Phase III of the classification and job rate study goes into effect on June 18, 1989 benefiting certain personnel in the Capitol Area Security Patrol (CASP), the Motor Carrier Inspection Division (MCID), and the Kansas Highway Patrol. All sworn officers benefit from Phase III except for Troopers with four or more years of experience, who remain at range 22. The Subcommittee learned that as certain CASP and MCID personnel retire, they are now being replaced by law enforcement officers trained at the Kansas Highway Patrol Training Academy. The agency has been developing a career ladder whereby law enforcement personnel in CASP and MCID could be promoted to Trooper when Trooper vacancies occur. Since the Patrol runs only one Trooper training class per year, this concept would prevent vacancies from occurring among sworn patrol personnel and would result in a genuine Trooper career ladder. The Subcommittee recommends that the Patrol present a complete career ladder recommendation (along with all applicable cost to implement) to the House Subcommittee at the start of the 1990 Legislative Session. Until that time, the Subcommittee concurs with the Governor's recommendation for Phase III salary range adjustments. The following table represents the effect of Phase III on agency personnel.

Phase III of the Classification and Job Rate Study  
--Effect on Highway Patrol Personnel

<u>Class Title</u>	<u>Current Salary Range</u>	<u>Range on June 18, 1989</u>
Capitol Area Guard I	6	15
Capitol Area Guard II	10	17
CASP Police Officer	14	19
CASP Police Sergeant	16	21
CASP Police Lieutenant	18	23
Motor Carrier Inspector I	11	17
Motor Carrier Inspector II	13	19
Motor Carrier Inspector III	15	21
Trooper (less than 4 years)	21	22
Trooper (4 years or more)	22	22
Sergeant	23	26
Lieutenant	25	28
Captain	27	30
Major	28	32
Lt. Colonel	30	34



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Representative Wanda Fuller  
Subcommittee Chairperson



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Representative Phil Kline

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Representative Kenneth Francisco

**SUBCOMMITTEE REPORT**

Agency: Department of Human Resources  
 Analyst: DeViney

Bill No. 2063  
 Analysis Pg. No. 364

Bill Sec. 21  
 Budget Pg. No. 2-312

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 33,279,497	\$ 33,751,123	\$ (18,643)
Other Assistance	<u>167,090,890</u>	<u>167,090,890</u>	<u>--</u>
Subtotal - Operating	\$ 200,370,387	\$ 200,842,013	\$ (18,643)
Capital Improvements	<u>160,661</u>	<u>160,661</u>	<u>--</u>
Total	<u>\$ 200,531,048</u>	<u>\$ 201,002,674</u>	<u>\$ (18,643)</u>
 State General Fund:			
State Operations	\$ 1,277,411	\$ 1,265,677	\$ (18,643)
 FTE Positions	884.0	884.0	--

Agency Request/Governor's Recommendation

State General Fund. The Department's current year estimate for State General Fund expenditures totals \$1,277,411, which exceeds by \$334 the amount authorized by the 1988 Legislature.

The Governor recommends total FY 1989 State General Fund expenditures of \$1,265,677, a decrease of \$11,734 from the agency's estimate. The Governor recommends that the difference be financed from other funding sources. The Governor recommends that \$17,889 from the State General Fund be permitted to lapse.

Other Funds. The Department estimates FY 1989 operating expenditures from non-State General Fund sources will total \$199,092,976, a decrease of \$40,718,084 from the budget approved by the 1988 Legislature. Estimated unemployment benefit payments are decreased by \$41,000,000.

The Governor recommends FY 1989 operating expenditures from non-State General Fund sources of \$199,576,336, an increase of \$483,360 from the agency's estimate. The Governor's FY 1989 recommendation includes \$450,140 in federal funds for the Work Incentive Program (WIN) as approved by the State Finance Council in November, 1988, \$108,160 more than the agency estimated at the time the FY 1989 request was submitted. The Governor's recommendation would require an expenditure limitation increase of \$473,966 for the Special Employment Security Fund, from \$435,000 to \$628,000. Other expenditure limit increases would include a \$179,458 increase in the state operations limit on Title III Job Training funds and an increase of \$11,033, to \$2,147,903, for the Workers Compensation Fee Fund.

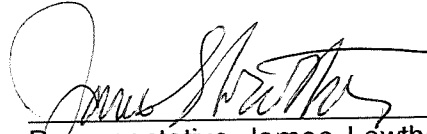
Capital Improvements. The agency estimates expenditures of \$160,661 for capital improvement projects in FY 1989, an amount unchanged from the budget approved by the 1988 Legislature. The projects are to be funded from federal funds and the Special Employment Security Fund. The Governor concurs with the agency's estimate for capital improvement projects.

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 Attachment 5

House Subcommittee Recommendation

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

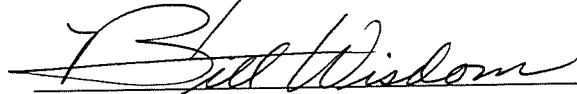
1. Reduce salaries and wages for the Industrial Safety subprogram by \$18,643 from the State General Fund, based on year-to-date expenditures.
2. The Subcommittee was informed that the FY 1989 budget request and recommendation omitted a pro rata share of funding from the Workers Compensation Fee Fund to finance the agency's data processing unit. The Subcommittee notes that there may be a Governor's budget amendment to correct this omission.



Representative James Lowther  
Subcommittee Chairperson



Representative Bob Mead



Representative Bill Wisdom

296-89

**SUBCOMMITTEE REPORT**

Agency: Department of Human Resources  
 Analyst: DeViney

Bill No. 2029  
 Analysis Pg. No. 364

Bill Sec. 3  
 Budget Pg. No. 2-312

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 33,808,856	\$ 34,569,841	\$ (28,932)
Other Assistance	<u>184,227,710</u>	<u>183,910,633</u>	<u>--</u>
Subtotal - Operating	\$ 218,036,566	\$ 218,480,474	\$ (28,932)
Capital Improvements	<u>160,661</u>	<u>160,661</u>	<u>--</u>
Total	<u>\$ 218,197,227</u>	<u>\$ 218,641,135</u>	<u>\$ (28,932)</u>
State General Fund:			
State Operations	\$ 2,005,681	\$ 1,357,142	\$ (59,319)
Other Assistance	<u>332,077</u>	<u>0</u>	<u>--</u>
Total	<u>\$ 2,337,758</u>	<u>\$ 1,357,142</u>	<u>\$ (59,319)</u>
FTE Positions	889.0	874.0	6.0

Agency Estimate/Governor's Recommendation

State General Fund. The Department requests \$2,337,758 from the State General Fund in FY 1990, an increase of \$1,060,347 from the current year estimate of \$1,277,411. Of the requested increase, \$650,000 is to finance the Rural Employment Assistance Program (REAP) for dislocated farm workers from the State General Fund. Currently, the state operations component of the program is funded through the Special Employment Security Fund, which is financed by penalties and interest pertaining to unemployment insurance taxes. The assistance component of the program is funded through federal job training funds. Other revisions include increases for the Industrial Safety (\$216,657) and Handicapped Worker (\$72,228) programs associated with new positions and program expansions. For FY 1990, the agency requests that funds for salaries and wages and other operating expenditures from the State General Fund be appropriated as one amount instead of the current two amounts.

The Governor recommends \$1,357,142 from the State General Fund in FY 1990, an increase of \$91,465 from the current year recommendation of \$1,265,677. Of the recommended increase, \$84,760 is for increases in salary expenses and \$6,705 is for other operating expenses. The Governor concurs with the agency request for one appropriation from the State General Fund for both salaries and wages and other operating expenses.

Other Funds. All other expenditures for the operating budget requested by the agency in FY 1990 total \$215,698,808, a net increase of \$16,605,832 from the current year estimate. Unemployment insurance benefits are expected to increase by \$17,000,000. At the time the agency request was submitted, continued federal funding for WIN was not expected, a decrease of \$341,980. The agency also requested that financing of the REAP program be shifted to the State General Fund, thus decreasing expenditures of other funds by \$625,000. Assistance provided under the Dislocated Worker Program is expected to increase by a net amount of \$218,403. All other revisions increase total expenditures by \$354,409.

The Governor recommends \$217,123,332 from non-State General Fund sources for all other operating expenses of the agency in FY 1990. The recommendation represents an increase of \$17,546,996 from the current year recommendation of \$199,576,336 for the same items. Salaries and wages are increased by \$1,464,579, other operating expenses are decreased by \$737,326, and other assistance payments are increased by \$16,819,743 to reflect increased unemployment benefits (\$17,000,000) and net reductions in funding for other programs (\$180,257).

Capital Improvements. The agency requests \$160,661 for seven capital improvement projects in FY 1990. The Governor concurs with the agency's capital improvement request.

### House Subcommittee Recommendation

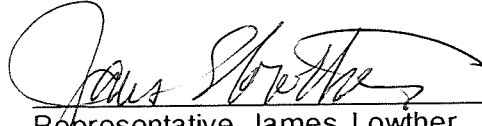
The House Subcommittee concurs with the budget submitted by the Governor, with the following adjustments:

1. Reduce rents for the Administration and Support Services program by \$4,949 (fee funds and federal funds). The Subcommittee learned that the agency has decided to move its communications unit instead of its legal unit to leased space at 512 West 6th in Topeka, thus lowering projected rent costs for FY 1990 from \$725,719 to \$720,770.
2. Reduce salaries and wages for Unemployment Insurance Administration by \$35,834 (federal Employment Security Administration funds). The Governor's budget recommendation included board member compensation in both the classified and board compensation categories.
3. Make technical adjustments to the expenditure limit for the federally funded Work Incentive (WIN) program. The Subcommittee recommends increasing the expenditure limit for WIN operating expenditures to \$460,625, from the levels of \$389,140 recommended in the appropriations bill and \$404,140 recommended in the Governor's Budget Report. When the agency submitted its FY 1990 request, no WIN funding was included. In fall 1988, the agency was notified of continuation of the WIN program for FY 1990. The Governor's recommendation included \$404,140 for WIN program operations and assistance, but omitted \$56,485 for allocated overhead expenditures for Administration and Support Services. This adjustment replaces financing from the federal Employment Security Administration fund for administrative overhead with financing from federal WIN funds, and does not result in any change in total expenditures. The expenditure limit as revised by the Subcommittee also includes \$15,000 for WIN on-the-job training assistance; this amount was omitted from the bill as introduced although it was recommended in the Governor's Budget Report.
4. Make a technical correction to the bill, increasing the position limitation from 865.0 FTE to 874.0 FTE to reflect the Governor's recommendation.
5. Authorize an additional 5.0 FTE positions for the WIN program, increasing the number of WIN staff from 9 to 14, and increasing the agency's position limitation to 879.0 FTE. When the agency was notified of

increased federal funding for WIN, the agency had requested an additional five positions for the program. The Governor's recommendation for FY 1990 included a lump sum for salaries and wages including funding for the additional five positions but did not increase the position limitation.

6. Concur with the Governor's recommendation to end funding for the Rural Employment Assistance Program (REAP). The Subcommittee learned that under the recently amended Title III of the Job Training Partnership Act, dislocated farm workers are now included in the definition of persons eligible for services and that funds available for Title III will increase significantly in FY 1990. The Subcommittee also noted that in FY 1989 state operations expenditures of \$306,456 for REAP are being financed through the Special Employment Security Fund (also known as the Penalty and Interest Fund), and that with the end of the REAP program, these funds could be used for some other purpose.
7. Increase expenditures for the Workers Compensation program by \$71,170 (fee fund) and add 3.0 FTE positions. This recommendation provides for three Office Assistant II positions, including \$57,635 for salaries and wages and \$13,535 for capital outlay. The additional positions are to alleviate backlogs in the scheduling of cases, to provide more timely service, and to provide clerical support to the rehabilitation section.
8. The Subcommittee was informed that the FY 1990 request and recommendation omitted a pro rata share of funding from the Workers Compensation fee fund to finance the data processing unit. The Subcommittee notes that there may be a Governor's budget amendment to correct this omission.
9. Provide \$10,000 from the State General Fund to commission a historical profile of Hispanic Kansans for distribution to schools and libraries. The Committee recommends that this project be coordinated with existing curriculum development efforts by the Department of Education.
10. Eliminate the Apprenticeship program, a reduction in expenditures of \$69,319 from the State General Fund and the elimination of 2.0 FTE positions. The Subcommittee is concerned about reported problems pertaining to the role of this program in regard to the Kansas Council on Employment and Training, and recommends that the Senate review its functions.
11. The Subcommittee expressed concern about current tax rates for unemployment insurance, and was advised that the agency is studying ways to make the current tax structure more efficient and effective. Specific proposals will be submitted to the Employment Security Advisory Council by August 1989.

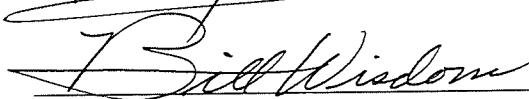
12. Retain two separate line items for appropriations from the State General Fund for salaries and wages and other operating expenditures, instead of combining them into one line item as recommended by the governor.



Representative James Lowther  
Subcommittee Chairperson



Representative Bob Mead



Representative Bill Wisdom

296-90



**SUBCOMMITTEE REPORT**

Agency: Kansas Commission on  
Veterans Affairs

Bill No. 2063

Bill Sec. 17

Analyst: Duffy

Analysis Pg. No. 385

Budget Pg. No. 608

<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	\$ 1,375,753	\$ 1,389,434	\$ 23,800
Other Assistance	26,246	52,000	--
TOTAL	<u>\$ 1,401,999</u>	<u>\$ 1,441,434</u>	<u>\$ 23,800</u>
State General Fund:			
State Operations	\$ 1,315,500	\$ 1,329,406	\$ 23,800
Other Assistance	26,246	52,000	--
TOTAL	<u>\$ 1,341,746</u>	<u>\$ 1,381,406</u>	<u>\$ 23,800</u>
FTE Positions	58.0	58.0	--

Agency Estimate/Governor's Recommendation

The agency estimates total expenditures from all funds of \$1,401,999. Of the total requested for FY 1989, \$1,341,746 is from the State General Fund. The revised estimate for the State General Fund of \$1,341,746 is the amount authorized by the 1988 Legislature and includes \$24,246 for the Tuition Assistance program and \$2,000 for the World War I Grant. The agency estimates expenditures of \$60,253 from the federal fee fund.

The Governor recommends expenditures of \$1,441,434 for the Kansas Commission on Veterans Affairs in FY 1989, an increase of \$39,435 over the amount estimated by the agency. Of the total recommended, \$1,381,406 is from the State General Fund, an increase of \$39,660 over the agency's estimate; and \$60,028 is from federal funds, \$225 less than the amount estimated by the agency. The Governor's FY 1989 recommendation includes a supplemental appropriation from the State General Fund of \$39,660. The amount recommended from the State General Fund includes \$50,000 for the Tuition Assistance Program, \$25,754 more than the amount estimated by the agency, and \$2,000 for the World War I Grant. The FY 1989 recommendation includes increased expenditures for salaries and wages of \$14,281 over the agency's estimate.

House Subcommittee Recommendation

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

1. Add \$23,800 from the State General Fund for salaries and wages due to unanticipated retirements in the current year. The Subcommittee was informed that three employees, each with at least 35 years of employment, intend to retire in FY 1989. The Subcommittee recommends an increase in the turnover rate and a reduction in salaries and wages for

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FY 1990 to reflect the difference between the current salaries of the three long-term employees and three new entry level positions.



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Representative Duane Goossen  
Subcommittee Chairperson



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Representative Jo Ann Pottorff



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Representative Jack Shriver

**SUBCOMMITTEE REPORT**

Agency: Kansas Commission on Veterans Affairs      Bill No. 2029      Bill Sec. 4  
 Analyst: Duffy      Analysis Pg. No. 385      Budget Pg. No. 608

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,458,957	\$ 1,510,374	\$ (19,000)
Other Assistance	27,000	27,000	(25,000)
TOTAL	<u>\$ 1,485,957</u>	<u>\$ 1,537,374</u>	<u>\$ (44,000)</u>
State General Fund:			
State Operations	\$ 1,384,529	\$ 1,438,454	\$ (19,000)
Other Assistance	27,000	27,000	(25,000)
TOTAL	<u>\$ 1,411,529</u>	<u>\$ 1,465,454</u>	<u>\$ (44,000)</u>
FTE Positions	59.0	58.0	--

Agency Estimate/Governor's Recommendation

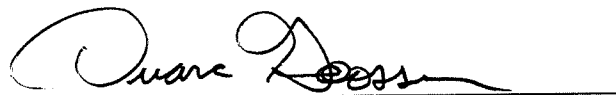
The agency requests a total of \$1,485,957 from all funds for expenditures in FY 1990, an increase of 6 percent over the FY 1989 estimate. Of the total requested, \$1,411,529 is from the State General Fund. State General Fund expenditures include \$25,000 for the Tuition Assistance program and \$2,000 for the World War I Grant. The FY 1990 request includes one additional Office Assistant II (\$16,535, including fringe benefits) for the Regional VFW Office (Wichita). In addition, the request includes additional travel and subsistence funds (\$3,000) to provide a staffing conference to train agency personnel and \$20,000 for a consultant's study to determine the needs of aging Kansas veterans.

The Governor recommends expenditures of \$1,537,374 for the Kansas Commission on Veterans Affairs in FY 1990, an increase of \$51,417 over the amount requested by the agency. Of the total recommended, \$1,465,454 is from the State General Fund, an increase of \$53,925 over the amount requested by the agency and \$71,920 from federal funds, \$2,508 less than the amount requested. The Governor's recommendation concurs with the agency's request for the Tuition Assistance Program (\$25,000) and the World War I Grant (\$2,000). The FY 1990 recommendation includes \$1,365,079 for salaries and wages. The FY 1990 recommendation for salaries and wages does not include the requested new position, but does include a 4 percent salary increase for classified employees (\$47,563 including fringe benefits); a 5.8 percent merit pool for unclassified employees (\$2,713, including fringe benefits); increased expenditures for employee health insurance; and a turnover rate of 3 percent (\$42,219). The Governor recommends \$145,295 for other expenses for state operations in FY 1990, \$35,920 less than the amount requested by the agency. The Governor concurs with the agency's request for \$20,000 for the first phase of a contracted study to determine the needs of aging Kansas veterans.

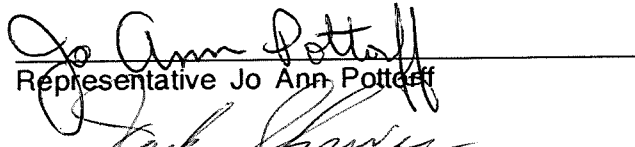
House Subcommittee Recommendation

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

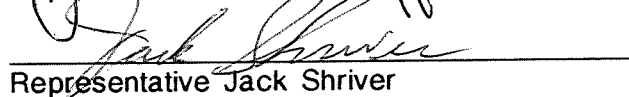
1. Delete \$19,000 from salaries and wages and increase the turnover rate from 3 percent to 4.3 percent to reflect the difference between the current salaries of three long-term employees who retired in FY 1989 and three new entry level positions.
2. Although the Subcommittee concurs with the Governor's recommendation for the consultant's study, the Subcommittee recommends that the Kansas Commission on Veterans Affairs, if possible, submit the Request for Proposal for the consultant's study to the Senate Subcommittee for review. In any case, the Subcommittee requests that KCVA make a presentation to the Senate Subcommittee describing in detail KCVA's objectives and the specifics of the proposed study. The Subcommittee notes that the agency's request describes this as the first phase of a contracted study. The Subcommittee believes that the first phase of the study should be completed and reviewed before any additional funding is sought for the second phase. Specifically, the Subcommittee is concerned about the role of the dormitories at the existing Kansas Soldiers Home, and anticipates that this question, as well as many others, including population projections and the type of care that will be required in the future will be addressed in the consultant's study.
3. Delete \$25,000 from the State General Fund and the payment of educational claims line-item from the appropriation bill (H.B. 2029). K.S.A. 73-1218 authorizes a tuition assistance program for dependents of persons who died as a result of a service-connected disability suffered during the Vietnam conflict or persons declared missing in action or prisoners of war in that conflict. Under this program, any postsecondary institution receiving state funds must provide free tuition and fees for such dependents for up to 12 semesters. The law provides that institutions providing such assistance may make claims for reimbursement from the State General Fund through the KCVA. The Subcommittee's recommendation to delete this line-item and funding does not affect the educational benefits to dependents, but simply requires postsecondary institutions receiving state funds to absorb these rather minimal expenses, rather than making a claim to the State for reimbursement. The Subcommittee emphasizes that the language in the statute is permissive as to the reimbursement of postsecondary institutions' claims. The State is not required to reimburse postsecondary institutions. Again, the Subcommittee supports the tuition assistance program and does not intend to limit or restrict the tuition assistance program in any way.
4. The Subcommittee recommends a technical adjustment to the appropriation bill to reflect a total of 193.8 FTE positions for the Soldiers Home and Veterans Commission.



Representative Duane Goossen  
Subcommittee Chairperson



Representative Jo Ann Pottorf



Representative Jack Shriver

**SUBCOMMITTEE REPORT**

Agency: Kansas Soldiers' Home

Bill No. 2063

Bill Sec. 18

Analyst: Duffy

Analysis Pg. No. 389

Budget Pg. No. 572

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,056,066	\$ 1,073,767	\$ --
General Fees Fund	<u>2,188,887</u>	<u>2,153,243</u>	--
Subtotal	<u>\$ 3,244,953</u>	<u>\$ 3,227,010</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ 161,277	\$ 257,877	\$ --
Benefit Gift Fund	0	0	--
State General Fund	<u>0</u>	<u>0</u>	--
Subtotal	<u>\$ 161,277</u>	<u>\$ 257,877</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 3,406,230</u></u>	<u><u>\$ 3,484,887</u></u>	<u><u>\$ --</u></u>
FTE Positions	135.8	135.8	--
Average Census	245	226	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 total estimate for operating expenditures of \$3,244,953 is as authorized by the 1988 Legislature. Of the total estimate for FY 1989 operating expenditures, \$1,056,066 is from the State General Fund.

The Governor recommends \$3,227,101 for operating expenditures in FY 1989, a decrease of \$17,943 from the amount estimated by the agency. Of the total amount recommended for operating expenditures, \$1,073,767 is from the State General Fund and \$2,153,243 is from the General Fees Fund. The FY 1989 recommendation includes \$2,542,874 for salaries and wages, an increase of \$48,941 over the agency's estimate. The Governor recommends \$684,136 for other operating expenditures in FY 1989, a decrease of \$66,884 from the agency's estimate.

House Subcommittee Recommendation

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

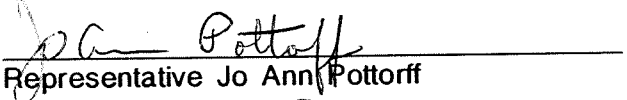
1. The Subcommittee reviewed the current census projections for the Soldiers Home. Although the Subcommittee believes the Governor's census recommendation may be low, it appears that the Home is adequately funded in such areas as food and pharmaceuticals, based on current year expenditure projections.

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2. The Subcommittee notes that 1988 H.B. 2719 included a multiyear appropriation for FY 1990 and FY 1991 for the repair and renovation of cottages at the Home. The appropriation included a proviso which provided that all renovation be provided by DOC inmates. During Subcommittee hearings, the agency was not certain as to whether DOC inmates would be available to the Home. The Subcommittee directs the agency to follow up on the availability of inmates in FY 1990 and report their findings to the Senate Subcommittee. The Senate may need to amend the proviso, if the inmate availability issue is not resolved.



Representative Duane Goossen  
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

640-89/DD

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home      Bill No. 2029      Bill Sec. 4  
 Analyst: Duffy      Analysis Pg. No. 389      Budget Pg. No. 572

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,119,555	\$ 1,166,492	\$ (69,938)
General Fees Fund	<u>2,294,879</u>	<u>2,352,028</u>	<u>69,938</u>
Subtotal	<u>\$ 3,414,434</u>	<u>\$ 3,518,520</u>	<u>\$ 0</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 291,400	\$ 177,800	\$ --
Benefit Gift Fund	0	0	--
State General Fund	<u>20,000</u>	<u>12,000</u>	<u>--</u>
Subtotal	<u>\$ 311,400</u>	<u>\$ 189,800</u>	<u>\$ --</u>
 GRAND TOTAL	 <u>\$ 3,725,834</u>	 <u>\$ 3,708,320</u>	 <u>\$ --</u>
FTE Positions	139.8	135.8	--
Average Census	255	220	--

Agency Estimate/Governor's Recommendation

The agency requests a total of \$3,414,434 for operating expenditures in FY 1990, a 5.2 percent increase over the total operating expenditures approved for FY 1989. The agency's request includes four new FTE positions for the nursing care program (\$67,842, including fringe benefits). Of the total requested for state operations, \$1,119,555 is from the State General Fund and \$2,294,879 is from federal funds.

The Governor recommends \$3,518,520 for other operating expenditures in FY 1990, an increase of \$104,086 over the amount requested by the agency. Of the total recommended for operating expenditures in FY 1990, \$1,116,492 is from the State General Fund and \$2,352,028 is from the General Fees Fund. The FY 1990 recommendation includes \$2,791,294 for salaries and wages, an increase of \$178,077 over the agency's request. The Governor recommends \$727,226 for other operating expenditures in FY 1990, a decrease of \$73,991 from the agency's request. The Governor recommends that the FY 1990 appropriation for the Kansas Soldiers' Home be incorporated into the appropriation for the Kansas Commission on Veterans Affairs.

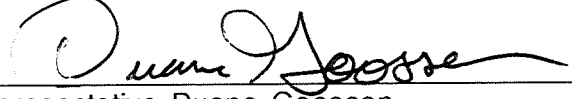
House Subcommittee Recommendation

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

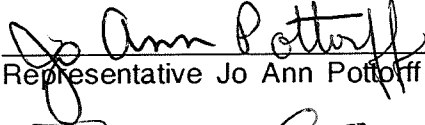
1. Increase the expenditure limitation on the Soldiers' Home Fee Fund from \$2,352,028 to \$2,421,966, an increase of \$69,938 based on revised FY

1989 receipts. The Subcommittee recommends that the same reduction of \$69,938 be made from the State General Fund.

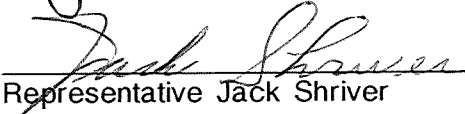
2. The Subcommittee notes that the average census of the Home should be carefully reviewed during the 1990 Session. If the census exceeds the Governor's recommendation, then a supplemental appropriation for operating expenditures may be necessary.



Representative Duane Goossen  
Subcommittee Chairperson



Representative Jo Ann Potterff



Representative Jack Shriver



**SUBCOMMITTEE REPORT**

Agency: Homestead Property Tax      Bill No. 2063      Bill Sec. --  
 Analyst: Efird      Analysis Pg. No. 396      Budget Pg. No. 360

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State General Fund: Other Assistance	\$ 8,400,000	\$ 8,400,000	\$ --
FTE Positions	--	--	--

FY 1989 Agency Request/Governor's Recommendation

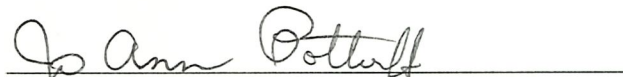
The 1988 Legislature appropriated \$7,500,000 from the State General Fund for payments of homestead refunds. The revised projection of November 1988 estimates an additional expenditure of \$900,000 in refunds for FY 1989 due to more people claiming refunds than had been estimated last year. The Governor concurs with the estimate of \$8,400,000 and recommends a supplemental appropriation from the State General Fund for \$900,000 in FY 1989.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's estimate of \$8,400,000 in payments for FY 1989 State General Fund expenditures, including a supplemental appropriation of \$900,000. Multiyear payment trends are shown with the FY 1990 Subcommittee report.

The Subcommittee recommends that the supplemental appropriation be added in H.B. 2063 since it was omitted from the original bill draft.

  
 Representative Duane Goossen  
 Subcommittee Chairman

  
 Representative Jo Ann Pottorff

  
 Representative Jack Shriver

## SUBCOMMITTEE REPORT

Agency: Homestead Property Tax      Bill No. 2029      Bill Sec. 2

Analyst: Efird      Analysis Pg. No. 396      Budget Pg. No. 360

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Other Assistance	\$ 9,000,000	\$ 9,000,000	\$ --
FTE Positions	--	--	--

### FY 1990 Agency Request/Governor's Recommendation

The November 1988 projection for FY 1990 estimates payments of \$9,000,000, an increase of \$600,000 over this year's revised estimate. The increase in projected payments is due to an increase in the number of people filing for refunds and in the average amount of refunds being paid. The Governor concurs with the FY 1990 estimate of \$9,000,000 and recommends financing from the State General Fund.

### House Subcommittee Recommendation

The Subcommittee concurs with the Governor's estimate of \$9,000,000 in payments for FY 1990 State General Fund expenditures. The following table shows the history of homestead payments and the estimated FY 1989 and FY 1990 refunds which are based on the assumption that there will be an increase in claims in CY 1989 and CY 1990:

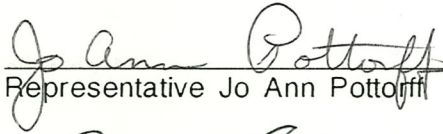
<u>CY</u>	<u>Refunds</u>	<u>Costs in Millions</u>	<u>Average Refund</u>
1979	\$ 61,781	\$ 9.3	\$150
1980	70,944	10.3	146
1981	67,429	9.8	145
1982	60,478	9.0	149
1983	53,789	8.0	149
1984	52,994	8.3	158
1985	49,286	7.9	160
1986	46,721	7.7	164
1987	46,930	7.4	157
1988	46,628	7.3	157
Est.	Est.	Est.	Est.
1989	50,500	8.6	170
1990	51,500	9.0	174

The Subcommittee notes that any unexpended balance in FY 1989 will be reappropriated to FY 1990 according to language in H.B. 2029.



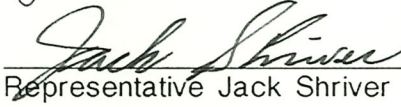
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Representative Duane Goossen  
Subcommittee Chairman



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Representative Jo Ann Pottorff



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Representative Jack Shriver

## SUBCOMMITTEE REPORT

Agency: Department of Health  
and Environment

Bill No. 2063

Bill Sec. 31

Analyst: Howard

Analysis Pg. No. 341

Budget Pg. No. 252

<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	\$ 38,122,198	\$ 38,473,023	\$ (10,100)
Aid to Local Units	9,952,949	9,952,949	--
Other Assistance	13,647,777	13,647,777	--
TOTAL	<u>\$ 61,722,924</u>	<u>\$ 62,073,749</u>	<u>\$ (10,100)</u>
State General Fund:			
State Operations	\$ 16,482,441	\$ 16,627,168	\$ (4,100)
Aid to Local Units	2,877,487	2,877,487	--
Other Assistance	--	--	--
TOTAL	<u>\$ 19,359,928</u>	<u>\$ 19,504,655</u>	<u>\$ (4,100)</u>
Economic Development Initiatives Fund:	\$ 1,850,000	\$ 1,850,000	\$ --
FTE Positions	668.7	672.7	(4.0)

### Agency Estimate/Governor's Recommendation

The agency requests a total budget of \$61,722,924 in FY 1989 with 668.7 FTE positions. The agency's request includes funding of \$38,122,198 for state operations and \$23,600,726 for aid to local units and other assistance. The agency's revised request includes supplemental funding of \$953,891, including \$550,977 from the State General Fund.

The Governor recommends FY 1989 expenditures of \$62,073,749, an increase of \$350,825 from the agency revised estimate. The recommendation includes a supplemental appropriation of \$695,704 from the State General Fund for state operations, including \$300,000 for the establishment of a special fund for the payment of costs for the Low Level Radioactive Waste Compact for FY 1989 - FY 1991, \$110,977 for communications, \$140,000 for the purchase of DTP vaccines, \$50,000 for genetic services, and \$94,727 for other costs. The recommendation also includes an increase of \$210,000 in federal funds for the purchase of breathalyzers for local governments, and an increase of \$125,000 in federal funds to establish a home visitor program for children between the ages of one to five.

### House Subcommittee Recommendation

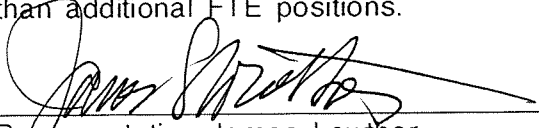
1. Delete \$100,000 from the State General Fund for costs associated with the Low Level Radioactive Waste Compact. The Governor's recommendation includes a supplemental appropriation of \$300,000 to be deposited in a fund to pay the costs of Compact membership and host state payments for fiscal years 1989, 1990 and 1991 in an amount equaling \$100,000 each year. The Subcommittee does not see any need to set

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Attachment 9


aside funds at this time for FY 1991 and recommends that \$100,000 be deleted.

2. Add \$95,900 from the State General Fund for the purchase of vaccines and increase the expenditure limit for federal immunization grant funds by \$44,000. In addition, the Subcommittee recommends that several additional technical adjustments be made to allow the agency to shift current funding to provide sufficient funding for the purchase of DTP vaccines. The 1988 Legislature authorized \$308,400 for the purchase of DTP vaccines; the agency subsequently shifted an additional \$100,000 from other operating expenditures in response to projected shortfalls. The Governor recommended a supplemental State General Fund appropriation of \$140,000 for a total of \$548,400 in vaccines. The agency estimates total funding needs in the current year of \$938,300 for the purchase of 110,000 doses of vaccine. The agency intends to use \$100,000 from the State General Fund appropriated for the Adolescent Health Program for the purchase of vaccines and to replace those funds with federal Maternal and Child Health Primary Care funds. The Adolescent Health Program will still be funded but from these federal funds rather than the State General Fund. The Subcommittee concurs with this action and with the agency's intent to seek \$50,000 in supplemental federal immunization funds for DTP vaccines. The Subcommittee recommendation would provide a total supplemental of \$235,900 from the State General Fund for vaccines and would make technical adjustments to authorize the use of other funding identified by the agency for total funding for DTP vaccines of \$938,300 in FY 1989. The Subcommittee also requests that a Governor's Budget Amendment be submitted concerning this vaccine funding.
3. The Subcommittee recommends that the \$50,000 supplemental appropriation from the State General Fund for genetics be included as a specific line item in the appropriations bill. In addition, the Subcommittee recommends the reduction of \$50,000 from the Genetics Services Grant fund as a technical adjustment as recommended in Governor's Budget Amendment No. 1.
4. The Subcommittee discussed the infant formula rebate program which the Department is in the process of implementing. Public Law 100 - 237 authorizes state agencies administering the Special Supplemental Food Program for Women, Infants & Children (WIC) to retain a portion of funds received from implementing an infant formula rebate cost containment program. The program involves negotiating contracts with major infant formula companies for per can rebates on infant formula for WIC participants. Estimated annual rebates from a per can rebate of \$.75 would total \$2,322,675 which would provide funding to serve an additional 5,400 WIC participants per month for a total monthly caseload of 38,180 participants. This would allow service to approximately 58 percent of those eligible for the program. The Subcommittee was informed that some delays have taken place in implementing the program due to negotiations with the formula manufacturers and notes that the agency anticipates that it will be operating by the middle of March. The Subcommittee believes this is an important project and urges the agency to continue to actively pursue implementation.

5. The Subcommittee analyzed the year to date expenditures of the agency and concludes that significant savings will not be available during fiscal year 1989. The Subcommittee would note that the Governor's recommendations include supplemental funding for communications (\$110,977) and salaries (\$94,727) from the State General Fund. The Subcommittee concerns with these recommendations.
6. The Subcommittee recommends that a technical adjustment be made to the bill as recommended in Governor's Budget Amendment No. 1 to place funding for a new program in a new federal fund line item rather than an existing federal fund line item. The appropriations bill should include a line item for \$125,000 from a Healthy Families and Young Children -- Federal Fund.
7. The Subcommittee was informed that the state did not receive the entire amount of funding which was requested for FY 1989 or FY 1990 from the United States Department of Agriculture for the Commodity Supplemental Food Program. The Subcommittee would note that the Department is pursuing this issue and the Subcommittee concurs with these efforts to seek an additional allotment for the state.
8. Delete 4.0 FTE positions recommended by the Governor for a Black and Hispanic Community Coalition Demonstration Project. The Subcommittee recommends that the four positions for this federally funded program be special projects positions rather than additional FTE positions.

  
\_\_\_\_\_  
Representative James Lowther  
Subcommittee Chairperson

  
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Representative Bob Mead

  
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Representative Bill Wisdom

## SUBCOMMITTEE REPORT

Agency: Department of Health  
and Environment

Bill No. 2029

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 341

Budget Pg. No. 252

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 48,743,575	\$ 40,647,285	\$ (13,759)
Aid to Local Units	27,101,075	10,271,273	241,579
Other Assistance	15,066,414	15,066,414	--
<b>TOTAL</b>	<b>\$ 90,911,064</b>	<b>\$ 65,984,972</b>	<b>\$ 227,820</b>
<b>State General Fund:</b>			
State Operations	\$ 24,452,500	\$ 18,581,272	\$ 336,241
Aid to Local Units	6,961,607	3,241,905	241,579
Other Assistance	--	--	--
<b>TOTAL</b>	<b>\$ 31,414,107</b>	<b>\$ 21,823,177</b>	<b>\$ 577,820</b>
<b>Economic Development Initiatives Fund:</b>	\$ --	\$ 1,600,000	\$ --
<b>FTE Positions</b>	771.7	676.7	(4.0)

### Agency Request/Governor's Recommendation

The agency requests a total budget of \$90,911,064 in FY 1990, an increase of \$29,188,140 from the revised current year estimate. The request would fund 771.7 FTE positions, an increase of 103.0 FTE from the current year. The request includes \$48,743,575 for state operations and \$42,167,489 for aid to local units and other assistance. The request includes \$31,414,107 from the State General Fund, including \$24,454,500 for state operations and \$6,961,607 for aid to local units.

The Governor recommends FY 1990 expenditures of \$65,984,972, a reduction of \$24,926,092 from the agency request. The recommendation includes funding for 676.7 FTE positions, an increase of 4.0 FTE positions from the current year. The recommendation includes \$21,823,177 from the State General Fund and \$44,161,795 from other funds. The recommendation includes \$1,600,000 from the Economic Development Initiatives Fund for remediation activities, and \$1,754,155 from the State General Fund for formula funding for local health departments at 60 cents per capita, an increase of 5 cents per capita from the current level. The recommendation also includes \$641,066 for the automation of Vital Statistics using optical disk data storage and retrieval.

### House Subcommittee Recommendation

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

1. Add \$135,000 from the State General Fund for aid to local units for formula funding for local health departments. The recommendation

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increases per capita funding to \$.70 per capita. The recommendation would provide a total of \$1,889,155 in formula funding to local health departments. The Subcommittee recommends that the agency increase fees in health related areas in order to reimburse the General Fund for this increased expenditure in aid to local health departments in FY 1990. The Subcommittee further recommends that the agency evaluate its existing fee structure to determine where increases or changes may be made in the future to offset increasing aid to local health departments.

2. Add \$108,261 from the State General Fund for the purchase of DTP vaccines in FY 1990. The Subcommittee also recommends that \$300,000 in capital outlay mistakenly included in the Governor's recommendation be shifted to vaccine funding. The subcommittee also recommends that Maternal and Child Health Primary Care funds be used for the adolescent health program and that the funds recommended from the State General Fund for adolescent health be used for vaccines. The adolescent health program will still be funded but from federal funds rather than the State General Fund. The Subcommittee recommends that technical adjustments be made to the bill to allow these funding changes. The recommendation would provide a total of \$938,300 in FY 1990 for vaccines, for the purchase of 110,000 doses. The recommendation for FY 1990 is the same amount as the current year. The Subcommittee requests that a Governor's budget amendment be submitted for this item.
3. Add \$50,000 from the State General Fund and delete \$50,000 from the Genetic Services Grant fund as a technical adjustment contained in Governor's Budget Amendment No. 1. The funding recommended for genetics was inadvertently placed in the federal Genetic Services Grant fund rather than from the State General Fund. The Subcommittee further recommends that \$50,000 recommended by the Governor for the genetics program be appropriated as a specific line item.
4. Add \$300,000 from the State General Fund and delete \$300,000 from the Environmental Response Fund for hazardous waste cleanup activities, as recommended in Governor's Budget Amendment No. 1. The Governor's recommendation should have included funding in the Hazardous Waste Cleanup account of the State General Fund rather than in a special revenue fund.
5. Add \$7,980 from the State General Fund for salaries and wages in the right-to-know program as recommended by Governor's Budget Amendment No. 1. The recommendation is a technical adjustment to includes Kansas Public Employees Retirement System contributions in salaries and wages for the right-to-know program.
6. Make a technical correction to the appropriations bill to provide an expenditure limitation of \$206,161 for the National Surface Mining Control -- Federal Fund as recommended in Governor's Budget Amendment No. 1.
7. Make a technical adjustment to the appropriations bill to include transfer language for the Health Facilities Review Fund.



8. Make a technical adjustment to the bill to include the funding for the Arkansas City Superfund match as a part of the Environmental Response Fund. The technical adjustment would involve the elimination of one line in the appropriations bill and the adjustments of transfer language to reference the correct fund.
9. Add \$106,579 from the State General Fund for the Healthy Start Home Visitor Program. This recommendation provides a total of \$472,264 for the program, including \$236,505 from the State General Fund and \$235,759 from federal funds. The added funds would implement the recommendations of the Governor's Commission on Children and Families. The Healthy Start Program provides support to new and expectant parents through visits by trained lay visitors. The Governor's Commission recognized the program as serving the dual function of improving infant health and reducing the incidence of child abuse. During Commission consideration a three-year proposal to phase in the Healthy Start program was recommended. The Subcommittee's recommendation would fund the first phase which would provide additional funding to the 49 currently participating counties. The second year recommendation would serve 59 new counties and the third year would expand the program to all 105 counties. The Subcommittee recognizes the importance of the program and supports the enhancement of the program over a three-year period. The Subcommittee would also note to the Committee that the Governor recommended the expenditure of \$125,000 in federal funds in FY 1989 for a home visitor program for at-risk children between the ages of one to five. There appears to be some confusion concerning these two programs, and the Subcommittee points out that the additional federal funds do not target the same population as the existing Home Visitor program which serves pregnant women and children up to the age of one year.
10. The Subcommittee would note that the Governor's recommendations include 3.0 FTE positions and \$109,496 from the State General Fund for the establishment of a cost recovery unit. The recommendation includes funding for an attorney, a legal assistant and a clerical position. The team would be used to recover cleanup costs from parties responsible for contamination problems. The Subcommittee would note that the formation of this unit is on a trial basis limited to three years. If, after three years, the unit has not been effective in generating the recovery of funds in an amount which would not only fund the operating costs of the unit but also provide additional resources for remediation, the unit would be disbanded. The Subcommittee recommends that the agency report back to the Legislature each year concerning the progress of this cost recovery unit and the status of recovered moneys in order that its effectiveness can be evaluated prior to the close of the three year trial period. The Subcommittee also recommends that the agency actively pursue the recruitment of an attorney to head the unit so that activities can begin in earnest early in FY 1990.
11. The Subcommittee would note that the Nursing Home amendments in the federal Omnibus Budget Reconciliation Act of 1987 impose several new requirements on the states. The Governor's recommendation does not include additional funding in FY 1990 as a result of these amendments but the Subcommittee has been informed that implementation

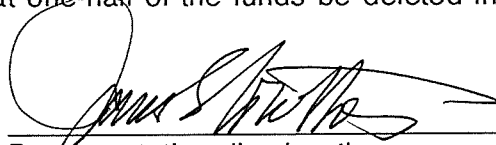
requirements could be accelerated in FY 1990. The Subcommittee recommends that the Department monitor the status of implementation at the federal level to determine if additional funds will be necessary in FY 1990 to implement these provisions.

12. The Subcommittee would note S.B. 94, which relates to the regulation of underground storage tanks. As introduced, the bill would establish a regulatory program to be administered by the Department of Health and Environment in compliance with new federal regulations issued by the U.S. Environmental Protection Agency in September, 1988. The regulations affect the design, installation, and operation of existing and new tank facilities. The fiscal note for the bill totals \$91,719, including \$79,136 for salaries and wages for 3.0 FTE positions. The agency anticipates that fees would generate sufficient revenues to fund the program. A companion bill to establish a trust fund also carries a fiscal note. The Subcommittee recommends that omnibus consideration be given to this funding if the substantive legislation is enacted.
13. The Subcommittee would like to commend the Department of Health and Environment on its activities in the area of rural health care. The Governor established an Office of Rural Health Care within the Department of Health and Environment. The agency has attached this Office to the Division of Health and the Director is currently evaluating existing staff to determine the best individual to head this area. The agency intends to use staff from its existing bureaus to provide staff support on a project to project basis. The agency plans to integrate the Office into its existing organizational structure without additional financial resources. The Subcommittee would also note that the agency is currently exploring the possibility of private grants for some activities of this office. The agency may request funds for this Office in its FY 1991 or FY 1992 budget request if the need presents itself, but plans to absorb the unit within its existing resources for FY 1990. The Subcommittee believes the area of rural health care is very important and is pleased the Department will be expending its resources to address these vital issues.
14. The Subcommittee would also note H.B. 2008 which establishes dedicated funding for the State Water Plan. The Subcommittee would note that the Governor, in his Budget Report, indicated funding totaling \$6.2 million which he would recommend if a dedicated source of funding for the State Water Plan is enacted by the 1989 Legislature. The projects include \$4.2 million in funding for the Department of Health and Environment. The additional funding includes \$1,000,000 for remediation activities, \$1,700,000 for environmental protection grants to local units, and \$1,200,000 for nonpoint source pollution activities. The Subcommittee is supportive of these initiatives and recommends the inclusion of funding if substantive legislation is enacted to provide additional funds for the State Water Plan.
15. The Subcommittee would note that a bill will be introduced to move the adult abuse, neglect, and exploitation investigations responsibility from the Department of Social and Rehabilitation Services (SRS) to the Department of Health and Environment (KDHE). The Subcommittee recommends omnibus consideration of the fiscal impact of this item upon enactment

of substantive legislation. In addition, the Subcommittee was informed that the Inspection of Care personnel will be transferred from SRS to KDHE. This will involve the transfer of 29 positions from SRS to KDHE. The Subcommittee also recommends that this item receive omnibus consideration.

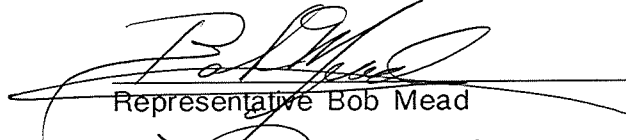
16. The Subcommittee was informed that the fees for water pollution control permits were increased in 1984 from a five-year fee to an annual fee. In some cases, the amount assessed has increased from \$150 for five years to \$185 for one year. The Department has phased in the new fee schedule as existing permits expire. By the end of 1989, all five year permits should have expired. The Subcommittee would note that the current fee schedule includes \$185 as the minimum annual fee that can be assessed for any facility which has a design capacity of up to 1,000,000 gallons per day. The Subcommittee recommends that the agency review its fee structure and consider the imposition of a lesser fee for smaller operators or those using substantially less than 1,000,000 gallons per day.
17. The Subcommittee was informed of the potential for expansion of the Mothers and Infants program through increasing the Medicaid eligibility limits for pregnant women and children up to a maximum of 185 percent of the poverty level. The Subcommittee believes there is a strong potential for expanded services and recognizes that this creates a need for KDHE and SRS to coordinate activities. The Subcommittee believes there is some possibility of using a portion of the State General Fund appropriation for Mothers and Infants as a match for Title XIX but also recognizes that some of this funding is used as a state match for the federal Maternal and Child Health Block grant. The Subcommittee also notes that there is some possibility of savings in the Department of Health and Environment appropriation from the State General Fund for the Mothers and Infants program and recommends that this be considered in the review of the agency's FY 1991 budget. The Subcommittee would note that Title XIX is a reimbursement program and that the details of a mechanism for the counties to perform services must still be considered. However, the Subcommittee is encouraged by the possibility of expanded prenatal services in the state and urges the agencies to cooperate to work out a method of Medicaid reimbursement for comprehensive perinatal services in the event that a determination is made in the consideration of the SRS budget to increase the Medicaid eligibility limits.
18. The Subcommittee received information concerning the cost and availability of influenza shots for at-risk populations in the state. The Subcommittee was informed that there are approximately 434,946 at-risk persons, of which 149,826 receive influenza shots through the SRS Nursing Home Program or the private sector. The estimated cost for coverage of all at-risk categories not currently covered totals \$598,752. The Subcommittee believes that the provision of influenza vaccines may be cost-effective in some cases and recommends that the Department of Health and Environment perform a cost benefit analysis and report its conclusions concerning the extent of unmet need in the at-risk populations to the Senate Subcommittee for further consideration.

19. Delete 4.0 FTE positions recommended by the Governor for a Black and Hispanic Community Coalition Demonstration Project. The Subcommittee recommends that the four positions for this federally funded program be special projects positions rather than additional FTE positions.
  
20. Delete \$130,000 from the State General Fund for costs associated with retrieval and conversion of records. The Governor recommended \$260,000 for retrieval of records from underground vaults and storage and conversion of these records to the optical disk system which the Governor has recommended for the automation of vital statistics. The Subcommittee believes that there will be some delay in implementing the optical disk system within the agency and believes that all of the recommended funds will not be necessary in FY 1990. The Subcommittee therefore recommends that one-half of the funds be deleted in FY 1990.



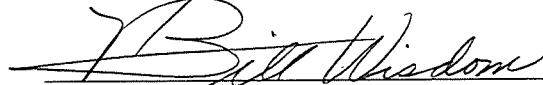
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Representative Jim Lowther  
Subcommittee Chairperson



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Representative Bob Mead



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Representative Bill Wisdom

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**SUBCOMMITTEE REPORT**

Agency: Department on Aging

Bill No. 2063

Bill Sec. 20

Analyst: DeViney

Analysis Pg. No. 378

Budget Pg. No. 48

<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	\$ 1,258,889	\$ 1,249,686	\$ (13,733)
Other Assistance	11,645,786	11,645,786	--
Total	<u>\$ 12,904,675</u>	<u>\$ 12,895,472</u>	<u>\$ (13,733)</u>
State General Fund:			
State Operations	\$ 668,077	\$ 665,875	\$ (7,992)
Other Assistance	1,109,814	1,109,814	--
Total	<u>\$ 1,777,891</u>	<u>\$ 1,775,689</u>	<u>\$ (7,992)</u>
Federal Fund:			
State Operations	\$ 588,786	\$ 581,785	\$ --
Other Assistance	10,535,972	10,535,972	--
Total	<u>\$ 11,124,758</u>	<u>\$ 11,117,757</u>	<u>\$ --</u>
Fees and Gifts:			
State Operations	\$ 2,026	\$ 2,206	\$ --
FTE Positions	30.8	30.8	--

Agency Request/Governor's Recommendation

The agency estimate of FY 1989 expenditures totals \$12,904,675, which is the same as the agency's current approved budget. Of that amount, \$1,777,891 is to be financed from the State General Fund. After the end of the 1988 Session, the State Finance Council increased by \$23,324 the FY 1989 expenditure limit on state operations financed from the federal Older Americans Act and increased the agency's position limit from 29.8 to 30.8. This action permitted the agency to restore a trainer position which had been converted to a different purpose.

The Governor recommends an FY 1989 budget of \$12,895,472. While the Governor's recommendation is \$9,203 less than the agency's revised estimate, a supplemental appropriation of \$2,450 from the State General Fund is recommended to cover a shortfall in an Administration account.

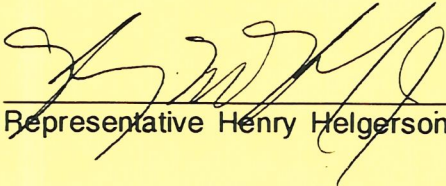
House Subcommittee Recommendation


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

1. Reduce salaries and wages by \$10,714 (\$5,357 State General Fund, \$5,357 federal funds) based on year-to-date expenditures.

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Attachment 10

2. Reduce funding for meetings of the State Advisory Council on Aging by \$3,019 (\$2,635 from the State General Fund, \$384 from federal funds) due to a reduction in the number of meetings.
3. Make a technical correction to the bill deleting Sec. 20 (b) which increases the expenditure limit on the operations account of the Older Americans Act federal fund to \$499,723. The State Finance Council increased this expenditure limit to \$506,921 on September 2, 1988.

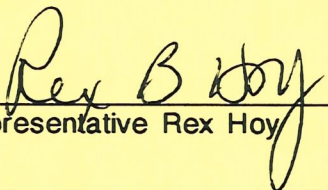
  
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Representative Henry Helgerson

  
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Representative Anthony Hensley

#### MINORITY REPORT

I concur with the balance of the House Subcommittee report, with the following exception:

1. Restore \$10,714 for salaries and wages to permit the agency to hire a Public Information Officer in the current fiscal year, should the position be approved for FY 1990.

  
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Representative Rex Hoy

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2029

Bill Sec. 6

Analyst: DeViney

Analysis Pg. No. 378

Budget Pg. No. 48

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,406,141	\$ 1,353,523	\$ (33,693)
Other Assistance	13,127,959	12,565,102	1,260,463
Total	<u>\$ 14,534,100</u>	<u>\$ 13,918,625</u>	<u>\$ 1,226,770</u>
State General Fund:			
State Operations	\$ 821,380	\$ 770,494	\$ (33,693)
Other Assistance	2,018,344	1,506,943	190,306
Total	<u>\$ 2,839,724</u>	<u>\$ 2,277,437</u>	<u>\$ 156,613</u>
Economic Development Initiatives Fund:			
State Operations	\$ 15,000	\$ --	\$ --
Other Assistance	40,000	20,000	(20,000)
Total	<u>\$ 55,000</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Federal Funds:			
State Operations	\$ 568,970	\$ 582,238	\$ --
Other Assistance	11,069,615	11,038,159	--
Total	<u>\$ 11,638,585</u>	<u>\$ 11,620,397</u>	<u>\$ --</u>
Other Funds:			
State Operations	\$ 791	\$ 791	\$ --
Other Assistance	--	--	1,090,157
Total	<u>\$ 791</u>	<u>\$ 791</u>	<u>\$ 1,090,157</u>
FTE Positions	33.2	31.8	(1.0)

Agency Request/Governor's Recommendation

The agency requests FY 1990 expenditures of \$14,534,100, of which \$2,839,724 would be financed from the General Fund. The General Fund financing would be an increase of \$1,061,833 from the FY 1989 estimate. The General Fund request includes increases of \$153,303 for state operations (including 2.4 FTE additional positions), \$481,500 for a new program of grants for in-home services, \$130,600 for expanded senior employment services, and \$292,467 in additional expenditures for the nutrition programs. The agency is also requesting \$55,000 from the Economic Development Initiatives Fund (EDIF) in FY 1990: \$15,000 for a study of the economic impact of older Kansans, \$20,000 for a senior citizens fund-raising foundation, and \$20,000 to train older workers for jobs in fast-food restaurants. Federal funds, by far the largest source of financing the programs of the Department on Aging, account for \$513,827 of the requested budget increase for FY 1990. However, the net increase in federal funds is comprised of items such as an increase of \$705,423 in federal funds for nutrition, but a decrease of \$176,581 in federal funds for general community grants. These countervailing changes are in part caused by variations in carryover funding between the two programs.

The Governor recommends FY 1990 expenditures of \$13,918,625, of which \$2,277,437 would be financed from the State General Fund. General Fund financing of state operations would increase by \$104,619 from the FY 1989 recommendation, and financing of assistance would increase by \$397,129. The recommended increase from the State General Fund includes \$250,000 for a pilot in-home care program, \$188,120 in additional funding for the in-home nutrition program, \$100,000 for capital outlay for nutrition sites, and \$10,600 in additional funding for the Older Kansans Employment Program. The increases are partially offset by a reduction of \$151,733 from the State General Fund for the Older Americans Act nutrition programs. Other funding sources are projected to more than exceed that reduction. The Governor also recommends \$20,000 from the EDIF to train older workers for jobs in fast-food restaurants.

#### House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's FY 1990 recommendation, with the following adjustments:

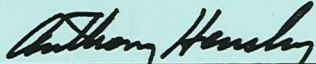
1. Delete the unclassified Public Information Officer recommended by the Governor, a decrease of \$33,693 (State General Fund) and 1.0 FTE position.
2. Delete \$20,000 (EDIF) for a proposed program to train older workers for jobs in fast-food restaurants.
3. Add \$36,000 from the State General Fund to establish an additional Older Kansans Employment Project (OKEP). The program is currently operating in Wichita, Manhattan, and Chanute, and the Subcommittee recommends that an additional site be established in northeast Kansas.
4. Expand the Older Americans Act (OAA) congregate and home-delivered meals program to an additional five counties (Grant, Rush, Oberlin, Wallace, and Rawlins), thus providing OAA nutrition services in a total of 101 counties. The Subcommittee recommends \$117,254 from the State General Fund for this purpose.
5. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for area agencies on aging. The Subcommittee was informed that the U.S. Department of Energy is administering a "second-stage" oil overcharge refund program, and that about \$3,000,000 is available to the state for energy conservation-related projects and equipment purchases. The Subcommittee learned that area agencies on aging have 67 vans with mileage exceeding 80,000. The Subcommittee recommends that the Department on Aging apply for second-stage oil overcharge funds to purchase vehicles for area agencies on aging at an estimated cost of \$1,090,157 (\$16,271 times 67).
6. The Subcommittee concurs with the Governor's recommendation of \$250,000 from the State General Fund for a pilot program of in-home services for the elderly, but notes that the program is not yet clearly defined. We are disappointed that after several years of discussion, there is not a clear description of the program; including factors such as local participation, match requirements, and coordination with existing



services provided by the Department of Social and Rehabilitation Services. The only reason the Subcommittee did not provide more funds for this project is that these questions have not been answered. The Subcommittee suggests that the Senate request a detailed written plan for the program, and that such a document also be sent to the House Subcommittee.

7. The Subcommittee notes that the position of Long Term Care Ombudsman Supervisor has been vacant since November, 1988 and that the starting salary of \$26,724 may need to be increased to fill the position.
8. Add \$37,052 from the State General Fund to the OAA nutrition program to provide additional funds for meals. The Subcommittee was informed that the Governor's FY 1990 recommendation for the OAA nutrition program does not include sufficient funding from the State General Fund to meet federal match requirements. The additional \$37,052 recommended by the Subcommittee will provide state match for \$630,000 in federal funds.
9. Concur with the recommendation included in the Governor's Budget Amendment No. 1 to authorize official hospitality expenditures in FY 1990 in an amount not to exceed \$500.

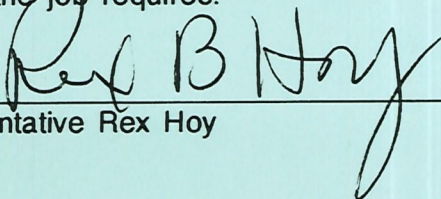
  
\_\_\_\_\_  
Representative Henry Helgerson

  
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Representative Anthony Hensley

#### MINORITY REPORT

I concur with the balance of the House Subcommittee Report, with the following exceptions:

1. Add the Public Information Office (1.0 FTE position) as recommended by the Governor, at a cost of \$33,693 from the State General Fund.
2. Delete \$117,254 from the State General Fund for the expansion of the OAA nutrition program to an additional five counties.
3. Do not concur with the Subcommittee's note that salary may be a limiting factor in filling the Ombudsman Supervisor position. The agency may be looking for a more talented person than the job requires.

  
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Representative Rex Hoy