

SENATE SUBCOMMITTEE REPORTS ON
HOUSE BILL NO. 2796 -- SUPPLEMENTAL APPROPRIATIONS BILL
AND
HOUSE BILL NO. 2685 -- FY 1989 APPROPRIATIONS BILL

Sections Pertaining to:

- Sec. 2 -- Abstracters' Board of Examiners
- Sec. 3 -- Board of Accountancy
- Sec. 4 -- State Bank Commissioner
- Sec. 5 -- Board of Barber Examiners
- Sec. 6 -- Behavioral Sciences Regulatory Board
- Sec. 7 -- State Board of Healing Arts
- Sec. 8 -- Kansas State Board of Cosmetology
- Sec. 9 -- State Department of Credit Unions
- Sec. 10 -- Kansas Dental Board
- Sec. 11 -- State Board of Mortuary Arts
- Sec. 12 -- Kansas Board of Examiners in Fitting and Dispensing of Hearing Aids
- Sec. 13 -- Consumer Credit Commissioner
- Sec. 14 -- Board of Nursing
- Sec. 15 -- Board of Examiners in Optometry
- Sec. 16 -- State Board of Pharmacy
- Sec. 17 -- Kansas Real Estate Commission
- Sec. 18 -- Savings and Loan Department
- Sec. 19 -- Office of the Securities Commissioner of Kansas
- Sec. 20 -- State Board of Technical Professions
- Sec. 21 -- State Board of Veterinary Examiners



Senator David Kerr



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Abstracters Board of Examiners

Bill No. 2685

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 1

Budget Pg. No. 1-193

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House recommendations.

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<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 38,740	\$ 38,180	\$ 34,726
Net Receipts	142,519	164,447	167,867
Total Funds Available	\$ 181,259	\$ 202,627	\$ 202,593
Less: Expenditures	143,079	167,901	175,965
Ending Balance	<u>\$ 38,180</u>	<u>\$ 34,726</u>	<u>\$ 26,628</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

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

<u>Resource Estimate</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations: Special Revenue Fund	\$ (800)	\$ 175,965	
FTE Positions	--	3.0	

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

Agency: State Bank Commissioner

Bill No. 2685

Bill Sec. 4

Analyst: Howard

Analysis Pg. No. 7

Budget Pg. No. 1-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 2,423,126	\$ 2,486,282	\$ 25,784
FTE Positions	67.0	66.0	1.0

Agency Estimate/Governor's Recommendation

The agency requests \$2,423,126 in FY 1989, an increase of \$110,264 over the current year estimated expenditures. The request would fund 67.0 FTE positions, an increase of 0.5 FTE from the current year. The agency's request would eliminate a 0.5 FTE Keyboard Operator I position and would add a 1.0 FTE Financial Examiner I position. The agency is requesting that a field examiner be transferred to the central office to augment the review examiner staff and that an additional entry-level examiner be added to the field staff to maintain the current level of field operations. The Governor recommends \$2,486,282 in FY 1989, an increase of \$63,156 from the agency request. The recommendation would fund 66.0 FTE positions, a reduction of 1.0 FTE position from the agency request.

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the recommendations of the Governor.

FY 1989. The Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Add \$23,038 and 1.0 FTE for a new Financial Examiner I position. The agency plans to transfer a senior field examiner to the central office to serve as a review examiner. The Subcommittee's recommendation would allow the department to maintain its field examination staff at the current level of 51 positions. The Subcommittee received information from the Banking Department concerning the field examination work. This information indicates that the Department is only slightly exceeding its minimum examination objectives. In addition, 38 percent of banks in the state are problem banks which continue to require enhanced examination and monitoring.
2. Add \$2,746 in travel for the new examiner position.
3. Add \$500 to administrative travel and delete \$500 from hospitality to restore the amount requested by the agency for administrative travel.

The fee fund analysis, based on the recommendations of the Subcommittee is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 308,749	\$ 277,981	\$ 274,967
Net Receipts	<u>2,217,276</u>	<u>2,312,862</u>	<u>2,523,126</u>
Total Available Funds	\$ 2,526,025	\$ 2,590,843	\$ 2,798,093
Less: Expenditures	<u>2,248,044</u>	<u>2,315,876</u>	<u>2,512,066</u>
Ending Balance	<u>\$ 277,981</u>	<u>\$ 274,967</u>	<u>\$ 286,027</u>

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 25,784	\$ 2,512,066	\$ 1,198
FTE Positions	1.0	67.0	--

FY 1988. The Senate Subcommittee concurs with the recommendations of the House.

FY 1989. The Senate Subcommittee concurs with the recommendations of the House with the following exceptions:

1. Add \$463 for the purchase of four arm chairs and connecting tables.
2. Add \$200 for the purchase of a five-drawer legal file cabinet.
3. Add \$35 in supplies for the new examiner position.
4. Add \$500 for hospitality.

The fee fund analysis, based on the recommendation of the Subcommittee, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 308,749	\$ 277,981	\$ 274,967
Net Receipts	<u>2,217,276</u>	<u>2,312,862</u>	<u>2,523,126</u>
Total Available Funds	\$ 2,526,025	\$ 2,590,843	\$ 2,798,093
Less: Expenditures	<u>2,248,044</u>	<u>2,315,876</u>	<u>2,513,264</u>
Ending Balance	<u>\$ 277,981</u>	<u>\$ 274,967</u>	<u>\$ 284,829</u>

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners Bill No. -- Bill Sec. --
 Analyst: Piekalkiewicz Analysis Pg. No. 11-13 Budget Pg. No. 1-198

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 77,555	\$ 74,479	\$ --
FTE Positions	2.5	2.5	--

Agency Request/Governor's Recommendation

The Board's FY 1988 estimate of \$77,555, a decrease of \$163 below the expenditure limitation of \$77,718 approved by the 1987 Legislature.

The Governor's recommendation for FY 1989 of \$74,479 includes a \$3,179 reduction in travel and subsistence below the Board's request.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the recommendation of the Governor.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>
Beginning Balance	\$ 48,501	\$ 46,614
Net Receipts	<u>71,632</u>	<u>70,916</u>
Total Funds Available	\$ 120,133	\$ 117,530
Less Expenditures	<u>73,519</u>	<u>74,479</u>
Ending Balance	<u>\$ 46,614</u>	<u>\$ 43,051</u>

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 88</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 74,479	\$ 1,094
FTE Positions	2.5	2.5	--

Senate Subcommittee Recommendations

The Subcommittee concurs with the recommendation of the House with the following adjustment:

1. Add \$1,094 for travel and subsistence.

The fee fund analysis, based on the Senate Subcommittee's adjustments, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>
Beginning Balance	\$ 48,501	\$ 46,614
Net Receipts	<u>71,632</u>	<u>70,916</u>
Total Funds Available	\$ 120,133	\$ 117,530
Less Expenditures	<u>73,519</u>	<u>75,573</u>
Ending Balance	<u>\$ 46,614</u>	<u>\$ 41,957</u>

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners

Bill No. 2685

Bill Sec. 5

Analyst: Piekalkiewicz

Analysis Pg. No. 11-13

Budget Pg. No. 1-202

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 78,829	\$ 79,235	\$ 564
FTE Positions	2.5	2.5	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 request of \$79,253 would maintain the same staffing levels approved for the current fiscal year and includes operating expenditures at a level of \$1,274 above the \$77,555 estimated for FY 1988. The request includes increases in salaries and wages, printing and advertising, and communications.

The Governor's recommendation for FY 1989 of \$79,235 increases the agency's request by \$406, reflecting recommended salary increases and fringe benefit rate adjustments. The recommendation includes a \$2,496 reduction in travel and subsistence.

House Subcommittee Recommendation

FY 1989. The Subcommittee concurs with the Governor's recommendation of \$79,235 with a \$564 technical adjustment for the annualization of the salaries of the Board's inspectors for a total of \$79,799.

The Subcommittee notes its concern about the Board's decreasing ending balances, which have dropped \$9,592 from FY 1988 to FY 1989. The Subcommittee believes that the Board has the necessary financial resources to support its operation for FY 1989. However, the Subcommittee believes that for the long-term viability of this function and for the best possible service to the public and industry that discussions begin in earnest next year to combine the agency with the Board of Cosmetology.

The Subcommittee is concerned that there are two vacancies on the Board and, in addition, one member's appointment expired in April, 1987 and has not been reappointed.

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

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 48,501	\$ 46,614	\$ 43,051
Net Receipts	<u>71,632</u>	<u>70,916</u>	<u>70,207</u>
Total Funds Available	\$ 120,133	\$ 117,530	\$ 113,258
Less: Expenditures	<u>73,519</u>	<u>74,479</u>	<u>79,799</u>
Ending Balance	<u>\$ 46,614</u>	<u>\$ 43,051</u>	<u>\$ 33,459</u>

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 564	\$ 79,799	\$ 475
FTE Positions	--	2.5	--

Senate Subcommittee Recommendations

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

1. Add \$475 for travel and subsistence.

The fee fund analysis, based on the Senate Subcommittee's adjustments, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 48,501	\$ 46,614	\$ 41,957
Net Receipts	<u>71,632</u>	<u>70,916</u>	<u>70,207</u>
Total Funds Available	\$ 120,133	\$ 117,530	\$ 112,164
Less: Expenditures	<u>73,519</u>	<u>75,573</u>	<u>80,274</u>
Ending Balance	<u>\$ 46,614</u>	<u>\$ 41,957</u>	<u>\$ 31,890</u>

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences Regulatory
Board

Bill No. 2685

Bill Sec. 6

Analyst: Holt

Analysis Pg. No. 14

Budget Pg. No. 1-200

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 256,158	\$ 192,998	\$ 752
State General Fund	--	--	--
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The Board requests for FY 1989 an expenditure limitation of \$256,158, which is 10.2 percent more than the Board's current year estimate of \$232,357. This request assumes increased expenditures related to the registration of an additional 400 professional counselors above the number of 300 initially projected for FY 1988 and to the anticipated expansion of the Board's jurisdiction to include 200 marriage and family therapists.

The Governor recommends for FY 1989 an expenditure limitation of \$192,998, which is \$63,160 less than the Board's request and \$14,145 less than the Governor's recommendation of \$207,143 for the current fiscal year. Recommended reduced expenditures from FY 1988 to FY 1989 include funding for travel and subsistence and for professional services. This recommendation reflects no expenditure increase for an expanded level of regulatory activity. The Governor's recommendation also assumes licensure of fewer individuals than does the agency's FY 1989 projections.

FY 1988. The House Subcommittee concurs with the Governor's recommended FY 1988 expenditure limitation of \$207,143 with the following adjustments, totaling \$8,300:

1. Reduce \$8,000 for travel and subsistence. The effect of this recommendation is to fund travel and subsistence expenditures at \$7,500. The Subcommittee bases its recommendation on expenditures to date and the agency's projected travel expenditures for the remaining portion of the current fiscal year.
2. Reduce \$300 for outside rental space for Board meetings. As the Board intends to meet in Topeka this year, this space will not be needed.

FY 1989. The House Subcommittee concurs with the Governor's FY 1989 recommended expenditure limitation of \$192,998 with the following adjustments, totaling \$752.

1. Reduce \$400 for the leased copier. The Subcommittee believes that the agency may incur increased copier overage charges in FY 1989, given its recently expanded regulatory oversight. Nonetheless, it appears that FY 1989 recommended expenditures of \$4,439 for the leasing of the copier and overage charges are overstated.
2. Add \$1,152 for office space. Based on the most recent information from the Division of Architectural Services, the agency will be housed in 1,058 square feet in the Landon State Office Building instead of in 960 square feet as originally anticipated. The agency now occupies 792 square feet in the Landon Building.
3. The House Subcommittee recommends that projected receipts be adjusted in FY 1988 to reflect a reduced number of professional counselor examinations and an increased number of professional counselor applications. Based on recent information from the agency, the number of professional counselor examinations is projected to decrease from the originally estimated number of 300 to 100 and the number of professional counselor applications is projected to increase from 300 to 600. As the agency does not intend to accept applications until the rules and regulations governing its expanded regulatory oversight are in effect, the Subcommittee encourages the 1989 House and Senate Subcommittees to monitor both receipts and expenditures, since it is presently unclear to what extent expanded oversight will affect the agency's operations.

The fee fund analysis below reflects the House Subcommittee adjustments to receipts and expenditures in both FY 1988 and FY 1989:

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 68,899	\$ 63,303	\$ 125,380
Net Receipts	<u>111,742</u>	<u>260,920</u>	<u>143,630</u>
Total Funds Available	\$ 180,641	\$ 324,223	\$ 269,010
Less: Expenditures	<u>117,338</u>	<u>198,843</u>	<u>193,750</u>
Ending Balance	<u>\$ 63,303</u>	<u>\$ 125,380</u>	<u>\$ 75,260</u>

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations for FY 1988 and FY 1989.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations for FY 1988 and FY 1989.

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts

Bill No. 2685

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 31

Budget Pg. No. 1-205

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 741,734	\$ 677,617	\$ 129,446
FTE Positions	17.0	16.0	--

Agency Estimate/Governor's Recommendation

FY 1988. The Board estimates expenditures of \$856,276, which include funding for a new Executive Director position and \$121,957 for impaired provider programs which have been contracted for with professional associations or societies. The Governor recommends expenditures of \$727,986.

FY 1989. The Board requests an expenditure limitation of \$741,734. The FY 1989 request includes no funding for impaired provider programs because the Board's position is that the Legislature should decide whether the programs should be continued. The FY 1989 budget contains a request for two new positions and \$7,489 for additional office space. The Governor recommends expenditures of \$677,617, which include funding for one new position (an Office Assistant I). The Governor does not recommend funds for additional office space.

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the Governor's recommendation of \$727,986.

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

1. Add \$121,957 to enable the Board to enter into contracts with professional societies or associations that administer impaired provider programs. The amount is the same as that available during the current year. The Board presently has contracts with three professional associations to administer impaired provider programs.
2. Add \$7,489 for rent to enable the Board to expand into larger quarters. At the present time, the Board has no office space for a new position approved as of January 1, 1988, or for a new position recommended by the Governor as of July 1, 1988.

An analysis of the Board's fee fund reflecting the Subcommittee's recommendations is shown below:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 512,695	\$ 619,042	\$ 625,179
Net Receipts	<u>681,997</u>	<u>734,123</u>	<u>793,534</u>
Total Available	\$ 1,194,692	\$ 1,353,165	\$ 1,418,713
Less: Nonreportable Expenditures	6,077	--	--
Less: Expenditures	<u>569,573</u>	<u>727,986</u>	<u>807,063</u>
Ending Balance	<u>\$ 619,042</u>	<u>\$ 625,179</u>	<u>\$ 611,650</u>

House Committee Recommendations

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House for FY 1988 and FY 1989.

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology

Bill No. 2685

Bill Sec. 8

Analyst: Piekalkiewicz

Analysis Pg. No. 22-24

Budget Pg. No. 1-202

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 269,656	\$ 274,999	--
FTE Positions	8.0	8.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 request for \$269,656 would maintain the same staffing levels approved for the current fiscal year and includes operating expenditures at a level of \$11,382 above the \$258,274 estimated for FY 1988. The request includes increases in salaries and wages, communications, professional and office supplies, capital outlay, and rent.

The Governor's recommendation for FY 1989 of \$274,999 increases the agency's request by \$5,343, due to recommended salary increases and fringe benefit rate adjustments.

House Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the Governor's recommendation of \$258,255.

FY 1989. The Subcommittee concurs with the Governor's recommendation of \$274,999.

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

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 89,385	\$ 106,994	\$ 115,139
Net Receipts	<u>265,402</u>	<u>266,400</u>	<u>268,000</u>
Total Funds Available	\$ 354,787	\$ 373,394	\$ 383,139
Less Expenditures	<u>247,793</u>	<u>258,255</u>	<u>274,999</u>
Ending Balance	\$ 106,994	\$ 115,139	\$ 108,940

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the recommendation of the House.

FY 1989. The Subcommittee concurs with the recommendation of the House.

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SUBCOMMITTEE REPORT

Agency: Credit Union Department

Bill No. 2685

Bill Sec. 9

Analyst: Howard

Analysis Pg. No. 25

Budget Pg. No. 1-109

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 424,099	\$ 424,124	\$ --
FTE Positions	10.0	10.0	--

Agency Estimate/Governor's Recommendation

The agency requests \$424,099 of expenditures for FY 1989, an increase of \$25,299 over the current year estimated expenditures. The request would maintain the current staffing level of 10.0 FTE positions. The Governor recommends \$424,124 of expenditures for FY 1989, an increase of \$25 from the agency request. The recommendation includes an increase in salaries (\$12,979) and a reduction in travel (\$12,954). The Governor's recommendation would fund the current 10.0 FTE positions.

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the recommendation of the Governor.

FY 1989. The Subcommittee concurs with the recommendation of the Governor.

The fee fund analysis, based on the recommendations of the Subcommittee, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 205,168	\$ 200,463	\$ 204,763
Net Receipts	<u>331,608</u>	<u>395,769</u>	<u>427,666</u>
Total Available Funds	\$536,776	\$596,232	\$632,429
Less: Expenditures	<u>336,313</u>	<u>391,469</u>	<u>424,124</u>
Ending Balance	<u>\$ 200,463</u>	<u>\$ 204,763</u>	<u>\$ 208,305</u>

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 424,124	\$ --
FTE Positions	--	10.0	--

The Senate Subcommittee concurs with the recommendations of the House in FY 1988 and FY 1989.

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 28

Budget Pg. No. 1-203

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 116,507	\$ 113,214	\$ --
FTE Positions	1.5	1.5	--

Agency Estimate/Governor's Recommendation

FY 1988. The Dental Board requests expenditures of \$116,507 in FY 1988, as approved by the 1987 Legislature. The agency request is an increase of 4.8 percent over the actual expenditures of \$111,100 in FY 1987. The Governor's recommendation for FY 1988 totals \$113,214, which is a reduction of \$3,293 from the agency estimate. The difference is attributed to a small increase in salaries and wages (\$217), offset by reductions spread through various object codes (\$3,510).

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1988.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Req. FY 88</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 113,214	\$ 1,610
State General Fund	--	--	--
FTE Positions	--	1.5	--

The Senate Subcommittee concurs with the House recommendation, with the following adjustment:

1. Additional expenditure authority of \$1,610 from the Dental Board Fee Fund, which is composed of \$1,000 for travel and \$610 for printing in FY 1988.

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board

Bill No. 2685

Bill Sec. 10

Analyst: Mills

Analysis Pg. No. 28

Budget Pg. No. 1-203

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 124,337	\$ 119,909	\$ (4,267)
FTE Positions	1.5	1.5	--

Agency Estimate/Governor's Recommendation

FY 1989. The Board requests expenditures of \$124,337 in FY 1989, an increase of \$7,830 over the FY 1988 estimate. Major changes from the current year budget include an additional \$2,718 for professional services, \$2,011 for communication, and \$1,583 for travel and subsistence. The Governor's recommendation for FY 1989 totals \$119,909, which is a reduction of \$4,428 from the agency request. The difference is attributed to a slight increase in salaries and wages (\$540), offset by reductions spread through various object codes (\$4,968).

House Subcommittee Recommendation

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

1. Reduction of \$1,549 in travel, which would result in \$5,200 for travel. Actual FY 1987 expenditures for travel were \$3,379, and the agency estimates FY 1988 expenditures at \$5,700.
2. Reduction of \$2,718 in professional services, which would provide \$46,000 for professional services. Actual FY 1987 expenditures for professional services were \$52,691, and the agency estimates FY 1988 expenditures at \$46,000. The Subcommittee notes that expenditures in this area have been somewhat cyclical and the amount for FY 1989 may not need to be as great as the amount actually spent in FY 1987.

Based on the recommendations of the House Subcommittee for FY 1988 and FY 1989, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 161,606	\$ 155,505	\$ 146,951
Net Receipts	<u>105,059</u>	<u>104,660</u>	<u>104,540</u>
Total Available Funds	\$ 266,665	\$ 260,165	\$ 251,491
Less: Expenditures	<u>111,160</u>	<u>113,214</u>	<u>115,642</u>
Ending Balance	<u>\$ 155,505</u>	<u>\$ 146,951</u>	<u>\$ 135,849</u>

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1989.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Req. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (4,267)	\$ 115,642	\$ --
State General Fund	--	--	--
FTE Positions	--	1.5	--

The Senate Subcommittee concurs with the House recommendation for FY 1989, with the following additional recommendation:

1. The Dental Board submitted a request to the Senate Subcommittee for expenditure authority of \$30,000 to implement an "impaired provider" program in FY 1989. The Senate Subcommittee notes that H.B. 2643 is currently pending before the Legislature; this bill would, among other things, add dentists and dental hygienists to the listing of health care providers who are under the mandatory reporting requirements of current law. Pending the enactment of H.B. 2643, the Senate Subcommittee recommends that the Board's request for funding of an impaired provider program be considered in the Omnibus bill.

Based on the recommendations of the Senate Subcommittee for FY 1988 and FY 1989, the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1987</u>	<u>Estimated FY 1988</u>	<u>Estimated FY 1989</u>
Beginning Balance	\$ 161,606	\$ 155,505	\$ 145,341
Net Receipts	<u>105,059</u>	<u>104,660</u>	<u>104,540</u>
Total Available Funds	\$ 266,665	\$ 260,165	\$ 249,881
Less: Expenditures	<u>111,160</u>	<u>114,824</u>	<u>115,642</u>
Ending Balance	<u>\$ 155,505</u>	<u>\$ 145,341</u>	<u>\$ 134,239</u>

SUBCOMMITTEE REPORT

Agency: Board of Mortuary Arts

Bill No. 2685

Bill Sec. 11

Analyst: Holt

Analysis Pg. No. 39

Budget Pg. No. 1-209

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 130,108	\$ 116,111	\$ (3,293)
State General Fund	--	--	--
 FTE Positions	 3.0	 3.0	 --

Agency Estimate/Governor's Recommendation

An expenditure limitation of \$130,108 is requested for FY 1989 to finance the ongoing operations of the Board. Included in that request is a proposed increase of \$12,963 to the Executive Secretary's budgeted salary for FY 1988.

An expenditure limitation of \$116,111, which is \$13,997 less than requested, is recommended to finance the ongoing operations of the Board.

House Subcommittee Recommendation

FY 1988. The House Subcommittee concurs with the Governor's FY 1988 recommended expenditure limitation of \$105,515.

FY 1989. The House Subcommittee concurs with the Governor's FY 1989 recommendation of \$116,111 with the following adjustments, resulting in a total reduction of \$3,293:

1. Reduce \$800 for stationery and office supplies. The effect of this recommendation is to fund these supplies at \$1,200, which is \$200 more than recommended for FY 1988. The Subcommittee believes that \$1,200 should be sufficient given that all office supply expenditures associated with the agency's relocation to the Landon State Office Building, such as changes in stationery letterhead, have been realized in previous fiscal years, and expenditures for office supplies related to the requested computer would not be needed (see No. 2).

2. Delete \$2,493 for computer equipment and related furniture. The Subcommittee notes that the agency requested, and the Governor recommended, funding for an Apple II system. However, the Subcommittee does not support the purchase of computer equipment that is incompatible with other equipment in the state's information systems network. The Subcommittee also notes that the agency recently purchased two memory typewriters, one in FY 1986 and one in FY 1987. Although the Subcommittee recognizes that a computer has capabilities that transcend those of a memory typewriter and that the agency's needs might indeed be better served by a computer instead of

memory typewriters or in addition to them, the Subcommittee encourages the agency to reexamine its intended uses for automation and submit to the Senate Subcommittee in 1988 or the House Appropriations Subcommittee in FY 1989 a request for purchase of a computer system that is compatible with the state network.

The fee fund analysis below reflects the House Subcommittee adjustments to expenditures in FY 1989:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 33,894	\$ 32,757	\$ 37,773
Net Receipts	<u>97,740</u>	<u>110,531</u>	<u>125,738</u>
Total Funds Available	\$ 131,634	\$ 143,288	\$ 163,511
Less: Expenditures	<u>98,877</u>	<u>105,515</u>	<u>112,818</u>
Ending Balance	<u>\$ 32,757</u>	<u>\$ 37,773</u>	<u>\$ 50,693</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations for FY 1988 and FY 1989.

Senate Subcommittee Recommendation

FY 1988. The Senate Subcommittee concurs with the FY 1988 House recommendations.

FY 1989. The Senate Subcommittee concurs with the FY 1989 House recommendations with the following adjustments:

1. Add \$3,693 for the salary (\$3,309) and fringe benefit differential (\$384) of the unclassified Executive Director. The effect of this recommendation is to increase the base salary of that position (excluding fringe benefits) from \$24,612 in FY 1988 to \$30,000 in FY 1989. The FY 1989 amount also assumes that \$1,624 included in the Governor's recommendation for unclassified merit pool would be applied to the salary and fringe benefits of that position, as that is the only unclassified FTE position in the agency.
2. Restore \$2,493 for the computer equipment and related furniture deleted by the House and add \$900 for a converter system. In response to the House Subcommittee's request, the Senate Subcommittee reviewed the agency's computer proposal. It is recommended that the agency purchase the Apple II computer and a converter system to allow for the use of both IBM software as well as Apple software; this purchase is to be conditioned, however, upon written approval by the Division of Information Systems and Communications (DISC).

3. Restore \$800 for stationery and office supplies related to the computer purchase addressed above. Expenditures for this purpose are likewise predicated upon written approval by DISC for purchase of the Apple computer.

<u>Expenditure Summary</u>	<u>House Adjustment</u>	<u>Total House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (3,293)	\$ 112,818	\$ 7,886
State General Fund	--	--	--
FTE Positions	--	3.0	--

2685-204/lh

SUBCOMMITTEE REPORT

Agency: Board of Examiners for
Hearing Aids

Bill No. 2685

Bill Sec. 12

Analyst: Rampey

Analysis Pg. No. 37

Budget Pg. No. 1-207

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 13,715	\$ 13,854	\$ 149
FTE Positions	--	--	--

Agency Estimate/Governor's Recommendation

FY 1988. The Board estimates expenditures of \$13,303 for FY 1988. The Governor recommends expenditures of \$13,260, a reduction of \$43 from the Board's estimate.

FY 1989. The Board estimates expenditures of \$13,715 for FY 1989. The Governor recommends expenditures of \$13,854, an increase of \$139 over the Board's request.

House Subcommittee Recommendation

FY 1988. The House Subcommittee concurs with the Governor's recommendation of \$13,260.

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

1. Add \$149 to the salary of the Board member who serves as Executive Director in order to be consistent with the Governor's recommendation that a merit pool be available to provide a salary increase of 5.8 percent for unclassified employees.

An analysis of the Board's fee fund reflecting the Subcommittee's recommendation is shown below:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 26,918	\$ 25,660	\$ 22,720
Net Receipts	<u>9,770</u>	<u>10,320</u>	<u>10,520</u>
Total Available	\$ 36,688	\$ 35,980	\$ 33,240
Less: Expenditures	<u>11,028</u>	<u>13,260</u>	<u>14,003</u>
Ending Balance	<u>\$ 25,660</u>	<u>\$ 22,720</u>	<u>\$ 19,237</u>

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House for FY 1988 and FY 1989.

SUBCOMMITTEE REPORT

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

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

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 287,601	\$ 290,937	\$ --
FTE Positions	7.0	7.0	

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

Senate Subcommittee Recommendation

FY 1988. The Subcommittee concurs with the recommendation of the House.

FY 1989. The Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Board of Nursing

Bill No. 2796

Bill Sec. New

Analyst: Duffy

Analysis Pg. No. 43

Budget Pg. No. 1-211

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 587,304	\$ 527,404	\$ (19,546)
FTE Positions	12.0	12.0	(1.0)

Agency Request/Governor's Recommendation

The Board of Nursing estimates expenditures of \$587,304 in FY 1988, an increase of \$57,311 over the expenditure limitation of \$529,993 approved by the 1987 Legislature. According to the agency, the excess expenditures above the limitation are associated with computer expenditures in FY 1987 and FY 1988.

The Governor recommends \$527,404, a reduction of \$59,900 from the agency's revised request and \$2,589 less than the expenditure limitation approved by the 1987 Legislature. The Governor's recommendation includes partial funding for the new Nursing Education Specialist position approved by the 1987 Legislature, a reduction in capital outlay of \$41,389 because the agency included the expenditure for the final payment on the new computer system twice. The Governor also recommends reductions in professional services and stationery and office supplies.

House Subcommittee Recommendation

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

1. The Subcommittee was informed that in FY 1987 the Board of Nursing had accumulated expenditures exceeding the agency's expenditure authority by \$23,998. Of the \$23,998, \$18,484 was for the FY 1987 payment to DISC for a computer system and \$5,514 was owed to various vendors for other operating expenditures. The Subcommittee notes that the approved FY 1987 budget, as presented by the Board of Nursing, included adequate funding for FY 1987, including the \$18,484 owed to DISC. The Subcommittee concurs with the Governor's recommendation to shift the FY 1987 DISC payment of \$18,484 to FY 1988. The remaining outstanding debts of \$5,514 may be brought before the 1988 Legislature as an amendment to the bill proposed by the Joint Committee on Special Claims Against the State and could be paid out of the Board's FY 1988 budget. The Subcommittee is alarmed that the agency had actually "bounced" warrants and considers this an unacceptable way for any state agency to conduct business. The Subcommittee notes that the State Finance Council convened in June, 1987, and that if there were

unanticipated expenditures, the Board should have been aware of the expenditure problems and appeared at that time to appeal for an increase in the Board's expenditure limitation. The Subcommittee recommends that the Board immediately develop procedures to insure that this embarrassing situation does not occur again and report to the Senate Subcommittee on the specific procedures adopted by the Board.

2. The Subcommittee recommends the reduction of \$19,546 from salaries and wages in FY 1988 and the deletion of the Nursing Education Specialist position authorized by the 1987 Legislature. The Subcommittee intends to restrict expenditures in the FY 1988 budget in an effort to restore fiscal integrity to the Board of Nursing.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>
Beginning Balance	\$ 156,952	\$ 131,908
Net Receipts	<u>452,462</u>	<u>464,584</u>
Total Funds Available	609,414	596,492
Less: Expenditures	<u>477,506</u>	<u>507,858</u>
Ending Balance	<u>\$ 131,908</u>	<u>\$ 88,634</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

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

<u>Resource Estimate</u>	<u>House Adj. FY 88</u>	<u>House Rec. FY 88</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (19,546)	\$ 507,858	\$ 12,000
FTE Positions	(1.0)	11.0	1.0

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House with the following adjustment:

1. The Subcommittee recommends the addition of \$12,000 to salaries and wages and 1.0 FTE for the Nursing Education Specialist position which was deleted by the House. The FY 1988 expenditure limitation for the Board of Nursing would be increased from \$507,858 to \$519,858.

The fee fund analysis, based on the Senate Subcommittee's adjustments is as follow:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>
Beginning Balance	\$ 156,952	\$ 131,908
Net Receipts	<u>452,462</u>	<u>464,584</u>
Total Funds Available	609,414	596,492
Less: Expenditures	<u>477,506</u>	<u>519,858</u>
Ending Balance	<u>\$ 131,908</u>	<u>\$ 76,634</u>

SUBCOMMITTEE REPORT

Agency: Board of Nursing

Bill No. 2685

Bill Sec. 14

Analyst: Duffy

Analysis Pg. No. 43

Budget Pg. No. 1-211

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 566,429	\$ 518,569	\$ (56,049)
FTE Positions	12.0	12.0	(1.0)

Agency Request/Governor's Recommendation

The agency requests an expenditure limitation of \$566,429 in FY 1989, a 6.9 percent increase over the FY 1988 approved limitation of \$529,993. The FY 1989 request includes \$13,065 for printing and advertising, \$54,125 for rents, \$39,575 for travel and subsistence, \$27,000 for stationery and office supplies, and \$15,000 for capital outlay. The agency proposes no increases in the fee schedule.

The Governor recommends \$518,569 for FY 1989. The recommendation is a \$47,860 reduction from the agency's FY 1989 request. The recommendation provides an increase of \$3,416 to the request for salaries and wages and a decrease of \$51,276 to the request for other operating expenditures.

House Subcommittee Recommendations

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

1. The Subcommittee recommends the reduction of \$35,124 from salaries and wages and the deletion of the Nurse Education Specialist position authorized by the 1987 Legislature. The recommendation reflects the Subcommittee's concern over the Board's financial problems (see FY 1988 Subcommittee Report) and our intent to strictly limit expenditures to allow the Board to gain control over expenditures.
2. The Subcommittee recommends a reduction of \$8,000 from salaries and wages and \$4,000 from rents and encourages the Board to recoup expenditures paid by the Board of Nursing for the shared minicomputer system from the Board of Healing Arts and the Board of Pharmacy. According to the agency, the Board of Nursing provides a Computer Operator III (\$20,951) to operate the shared computer system and the office space to house the system. The Subcommittee directs the Board of Nursing to report to the Senate on the arrangements between the three boards to share expenses for the Computer Operator position and other overhead expenses associated with the computer.

3. The Subcommittee recommends a reduction of \$3,755 from travel for a total of \$32,000, the same amount approved for FY 1988.
4. The Subcommittee recommends a reduction of \$1,360 from other contractual services for a total of \$4,000. The Subcommittee notes that memberships in professional associations, excluding the National Council of State Boards of Nursing, such as the Kansas Hospital Association (\$500) and the Topeka Chamber of Commerce (\$225), are unnecessary.
5. The Subcommittee recommends a reduction of \$3,810 from capital outlay for a total of \$8,125. The Subcommittee does not recommend expenditures for two lap-top computers (\$3,000) and the associated dedicated computer line (\$810).
6. The Subcommittee is aware of H.B. 2643 which extends mandatory reporting requirements to licensed professional and practical nurses and mental health technicians. The bill also permits the Board to enter into peer assistance programs, although it does not require such agreements. The Subcommittee reviewed the large fiscal note attached to this legislation and notes that it would require another significant fee increase for licensees.

The fee fund analysis, based on the House Subcommittee's FY 1988 and FY 1989 adjustments is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 156,952	\$ 131,908	\$ 83,955
Net Receipts	<u>452,462</u>	<u>464,584</u>	<u>590,628</u>
Total Funds Available	\$ 609,414	\$ 596,492	\$ 674,583
Less: Expenditures	<u>477,506</u>	<u>512,537</u>	<u>462,520</u>
Ending Balance	<u>\$ 131,908</u>	<u>\$ 83,955</u>	<u>\$ 212,063</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

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

<u>Resource Estimate</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (56,049)	\$ 462,520	\$ 51,434
FTE Positions	(1.0)	11.0	1.0

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House with the following adjustment:

1. The Subcommittee recommends the addition of \$35,124 to salaries and wages and 1.0 FTE for the Nursing Education Specialist position which was deleted by the House.
2. The Subcommittee recommends the addition of \$8,000 to salaries and wages and \$4,000 to rents. The Subcommittee notes that if the Board of Nursing wishes to recoup expenditures from the Board of Pharmacy and Board of Healing Arts for the shared minicomputer system, then the Board should negotiate a formal agreement for consideration during Omnibus.
3. The Subcommittee recommends the addition of \$2,000 to travel.
4. The Subcommittee recommends the addition of \$2,310 to capital outlay for one lap top computer (\$1,500) and the associated dedicated line (\$810).
5. The Subcommittee reviewed H.B. 2643 which extends mandatory reporting requirements to licensed professional and practical nurses and mental health technicians. The bill also permits the Board to enter into peer assistance programs. If H.B. 2643 passes, the Subcommittee supports additional funding to permit the Board to contract with the Kansas State Nurses Association to provide a peer assistance program.

The fee fund analysis, based on the Senate Subcommittee's FY 1988 and FY 1989 recommendations is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 156,952	\$ 131,908	\$ 76,634
Net Receipts	<u>452,462</u>	<u>464,584</u>	<u>590,628</u>
Total Funds Available	\$ 609,414	\$ 596,492	\$ 667,262
Less: Expenditures	<u>477,506</u>	<u>519,858</u>	<u>513,954</u>
Ending Balance	<u>\$ 131,908</u>	<u>\$ 76,634</u>	<u>\$ 153,308</u>

SUBCOMMITTEE REPORT

Agency: Board of Optometry Examiners

Bill No. 2796

Bill Sec. 12

Analyst: Mills

Analysis Pg. No. 49

Budget Pg. No. 1-213

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 23,520	\$ 29,391	\$ --
FTE Positions	0.3	0.3	--

Agency Estimate/Governor's Recommendation

FY 1988. The agency estimates FY 1988 expenditures of \$23,520, an amount which is \$890 higher than the expenditure limitation established for FY 1988. The \$890 is being requested as an FY 1988 supplemental appropriation to cover additional expenses incurred as a result of 1987 S.B. 113, which expanded the practice of optometry to include the use of therapeutic pharmaceutical agents (TPA) by optometrists. The agency tested 216 optometrists in July of 1987 in accordance with the new law and reports additional expenses of \$400 for printing new licenses and \$490 for fees for test preparation and grading.

The Governor's recommendation for FY 1988 totals \$29,391, which is an increase of \$5,871 over the agency estimate of \$23,520. According to the Governor's Budget Report, the additional funding is to finance legal expenses and board travel expenses related to the comprehensive study of board rules and regulations mandated by the Joint Committee on Rules and Regulations.

House Subcommittee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1988.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the House Committee recommendation for FY 1988.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 88</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 29,391	\$ --
State General Fund	--	--	--
FTE Positions	--	0.3	--

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Board of Optometry Examiners Bill No. 2685 Bill Sec. 15
 Analyst: Mills Analysis Pg. No. 49 Budget Pg. No. 1-213

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 22,682	\$ 22,458	\$ --
FTE Positions	0.3	0.3	--

Agency Estimate/Governor's Recommendation

FY 1989. The agency requests FY 1989 expenditures of \$22,682, which would maintain the present staffing of a 0.3 FTE position and continue the current level of operations.

The Governor's recommendation for FY 1989 totals \$22,458, which is a reduction of \$224 from the agency request of \$22,682. The difference is attributed to an increase in salaries and wages (\$416), offset by reductions in travel (\$240) and fees for other services (\$400).

House Subcommittee Recommendation

FY 1989. The House Subcommittee concurs with the Governor's recommendation for FY 1989.

The status of the fee fund, based on the House Subcommittee recommendation, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 57,320	\$ 65,482	\$ 55,279
Net Receipts	26,775	19,188	15,268
Total Funds Available	\$ 84,095	\$ 84,670	\$ 70,547
Less: Expenditures	18,613	29,391	22,458
Ending Balance	<u>\$ 65,482</u>	<u>\$ 55,279</u>	<u>\$ 48,089</u>

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1989.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 22,458	\$ --
State General Fund	--	--	--
FTE Positions	--	0.3	--

The Senate Subcommittee concurs with the House recommendation for FY 1989.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 57,320	\$ 65,482	\$ 55,279
Net Receipts	<u>26,775</u>	<u>19,188</u>	<u>15,268</u>
Total Funds Available	\$ 84,095	\$ 84,670	\$ 70,547
Less: Expenditures	<u>18,613</u>	<u>29,391</u>	<u>22,458</u>
Ending Balance	<u>\$ 65,482</u>	<u>\$ 55,279</u>	<u>\$ 48,089</u>

SUBCOMMITTEE REPORT

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 51

Budget Pg. No. 1-215

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the budget as recommended by the House Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 88</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 275,588	\$ --
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

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

pharmacy/PW

SUBCOMMITTEE REPORT

Agency: Board of Pharmacy

Bill No. 2685

Bill Sec. 16

Analyst: West

Analysis Pg. No. 51

Budget Pg. No. 1-215

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 271,438	\$ 279,451	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendations

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

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

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

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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the budget as recommended by the House Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 279,451	\$ 25,840
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

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

1. Add \$25,840 to finance an impaired provider program for pharmacists.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 129,697	\$ 166,988	\$ 165,238
Net Receipts	<u>304,584</u>	<u>273,838</u>	<u>295,221</u>
Total Funds Available	\$ 434,281	\$ 440,826	\$ 460,459
Less: Expenditures	<u>267,293</u>	<u>275,588</u>	<u>305,291</u>
Ending Balance	<u>\$ 166,988</u>	<u>\$ 165,238</u>	<u>\$ 155,168</u>

SUBCOMMITTEE REPORT

Agency: Real Estate Commission

Bill No. 2796

Bill Sec. 13

Analyst: West

Analysis Pg. No. 54

Budget Pg. No. 1-217

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 443,958	\$ 433,116	\$ 750
Other Assistance	25,000	20,750	(750)
Total	<u>\$ 468,958</u>	<u>\$ 453,866</u>	<u>\$ --</u>
FTE Positions	12.0	12.0	--

Agency Request/Governor's Recommendation

The Real Estate Commission's FY 1988 state operations budget estimate is \$443,958, a decrease of \$2,399 from the budget approved by the 1987 Legislature. The current year estimate reflects a decrease in anticipated salary expenditures of \$2,899 associated with personnel turnover and revisions to fringe benefit rates and an increase of \$500 to \$17,590 for attorney fees. The additional attorney fees are associated with the defense of the Real Estate Recovery Revolving Fund and would be paid from that fund. In addition, the Commission estimates other assistance payments of \$25,000 for claims against the Real Estate Recovery Revolving Fund.

The Governor recommends an FY 1988 state operations budget of \$433,116, a decrease of \$10,842 from the Commission's estimate. Salary expenses are decreased by \$6,017 to reflect revised health insurance rates and increased turnover savings. Travel is decreased by \$2,566. Net other changes decrease total state operations expenditures by \$2,259. The Governor recommends that the expenditure limitation on the Real Estate Fee Fund be lowered from \$446,357 to \$433,116. In addition, the Governor recommends payments from the Real Estate Recovery Revolving Fund of \$20,750, including \$20,000 for claims and \$750 for legal fees.

House Subcommittee Recommendation

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

1. Shift \$750 from other assistance to state operations to reflect attorney fees for the defense of the Real Estate Recovery Revolving Fund as a state operations expense.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the budget as submitted by the Subcommittee.

<u>Expenditure Summary</u>	<u>House Adj. FY 88</u>	<u>House Rec. FY 88</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 750	\$ 433,866	\$ --
Other Assistance	(750)	20,000	--
TOTAL	<u>\$ --</u>	<u>\$ 453,866</u>	<u>\$ --</u>
FTE Positions	--	12.0	--

Senate Subcommittee Recommendation

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

SUBCOMMITTEE REPORT

Agency: Real Estate Commission

Bill No. 2685

Bill Sec. 17

Analyst: West

Analysis Pg. No. 54

Budget Pg. No. 1-217

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 498,687	\$ 476,863	\$ 973
Other Assistance	25,000	20,750	(750)
TOTAL	\$ 523,687	\$ 497,613	\$ 223
FTE Positions	13.0	13.0	--

Agency Request/Governor's Recommendation

The Commission requests an FY 1989 state operations budget of \$498,687, an increase of \$54,729 from the current year estimate. The request includes \$14,388 for a new Office Assistant I position, \$9,100 to print a new "Homebuyers Guide" pamphlet, and \$13,870 associated with the implementation of S.B. 283. The bill, which has not passed, would permit the Commission to charge fees for the registration of real estate instructors and courses, perform background searches on license applicants, and impose civil fines on licensees found to have violated the Commission's rules and regulations. Civil fines collected from violators would be credited to the State General Fund. In addition to the state operations budget, the Commission proposes to provide a \$5,000 grant to Wichita State University to sponsor studies, surveys, and programs designed to be of benefit to real estate licensees and to develop a "Homebuyers Guide" pamphlet. The Commission estimates that claims against the Real Estate Recovery Revolving Fund will total \$20,000 in FY 1989.

The Governor recommends an FY 1989 state operations budget of \$476,863, an increase of \$43,747 from the current year recommendation. The recommendation includes funding for the requested new position and excludes funding requested for printing a new "Homebuyers Guide," implementing S.B. 283, or the grant to Wichita State University. Recommended FY 1989 payments from the Real Estate Recovery Revolving Fund total \$20,750 including \$20,000 for claims and \$750 for legal fees.

House Subcommittee Adjustments

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

1. Shift \$750 from other assistance to state operations to reflect legal fees for the defense of the Real Estate Recovery Revolving Fund as a state operations expense.
2. Add \$1,300 for a technical adjustment to health insurance.

3. Delete \$1,077 associated with maintenance contracts on three microcomputers. The Subcommittee notes that a recent study by the Division of Post Audit determined that maintenance contracts on microcomputers are not cost effective in most cases.
4. The Subcommittee notes that further FY 1989 funding for the Commission may be required if S.B. 283 is passed and recommends that any additional funding required be addressed in the omnibus appropriations bill.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 228,002	\$ 319,176	\$ 351,744
Net Receipts	484,963	465,684	465,138
Total Funds Available	\$ 712,965	\$ 784,860	\$ 816,882
Less: Expenditures	393,789	433,116	477,086
Ending Balance	<u>\$ 319,176</u>	<u>\$ 351,744</u>	<u>\$ 339,796</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the budget recommended by the House Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 973	\$ 477,836	\$ 23,766
Other Assistance	(750)	20,000	5,000
TOTAL	<u>\$ 223</u>	<u>\$ 497,836</u>	<u>\$ 28,766</u>
FTE Positions	--	13.0	--

Senate Subcommittee Recommendation

FY 1989. The Senate Subcommittee concurs with the budget as submitted by the House, with the following adjustment:

1. Add \$28,766 (\$7,278 for temporary salaries, \$5,000 for other assistance, and \$16,488 for other operating expenses) associated with programs to be developed due to the passage of S.B. 283. The Subcommittee also notes that the Commission estimates that the new fees allowed under S.B. 283 will produce additional net receipts in FY 1989 of \$76,640.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 228,002	\$ 319,176	\$ 351,744
Net Receipts	<u>484,963</u>	<u>465,684</u>	<u>541,778</u>
Total Funds Available	\$ 712,965	\$ 784,860	\$ 893,522
Less: Expenditures	<u>393,789</u>	<u>433,116</u>	<u>505,852</u>
Ending Balance	<u>\$ 319,176</u>	<u>\$ 351,744</u>	<u>\$ 387,670</u>

SUBCOMMITTEE REPORT

Agency: Savings and Loan Department

Bill No. 2685

Bill Sec. 18

Analyst: Howard

Analysis Pg. No. 59

Budget Pg. No. 1-181

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 218,681	\$ 207,856	\$ 180
FTE Positions	5.5	5.5	--

Agency Estimate/Governor's Recommendation

The agency request for FY 1989 totals \$218,681, an increase of \$21,706 over the current year estimated expenditures. The request would maintain the present level of staffing at 5.5 FTE positions. The request includes \$34,122 for travel, an increase of \$18,122 from the FY 1988 estimate. The Governor recommends \$207,856 in expenditures for FY 1989, a reduction of \$10,825 from the agency request. The recommendation includes an increase to salaries (\$6,952), a reduction in travel (\$16,622), and a reduction in capital outlay (\$180).

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the recommendations of the Governor.

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

1. Add \$180 for the purchase of a programmable calculator for the Commissioner.
2. The Subcommittee would note that three appointments on the seven-member Savings and Loan Board have expired, including two industry representatives and one public representative. Two of these appointments expired June 30, 1987. The Subcommittee expresses concern over the delay in filling these appointments and urges the Governor's Office to act expeditiously to replace these board members.

The fee fund analysis, based on the recommendations of the Subcommittee, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 207,562	\$ 172,615	\$ 117,589
Net Receipts	<u>155,245</u>	<u>137,780</u>	<u>176,948</u>
Total Funds Available	\$ 362,807	\$ 310,395	\$ 294,537
Less: Expenditures	<u>(190,192)</u>	<u>(192,806)</u>	<u>(208,036)</u>
Ending Balance	<u>\$ 172,615</u>	<u>\$ 117,589</u>	<u>\$ 86,501</u>

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

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

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 180	\$ 208,036	\$ --
FTE Positions	--	5.5	--

The Senate Subcommittee concurs with the recommendations of the House in FY 1988 and FY 1989.

SUBCOMMITTEE REPORT

Agency: Securities Commissioner

Bill No. 2685

Bill Sec. 19

Analyst: Howard

Analysis Pg. No. 62

Budget Pg. No. 1-183

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
Special Revenue Fund:			
State Operations	\$ 1,018,874	\$ 879,242	\$ 134,439
Aid to Local Units	20,000	--	--
Total	<u>\$ 1,038,874</u>	<u>\$ 879,242</u>	<u>\$ 134,439</u>
FTE Positions	22.0	19.0	3.0

Agency Estimate/Governor's Recommendation

The Securities Commissioner requests \$1,038,874 in FY 1989, an increase of \$230,967 from the current year estimate. The request would fund 22.0 FTE positions, and includes \$103,373 for 3.0 FTE new positions of broker-dealer examiner. The request also provides \$36,567 for first-year participation of Securities Special Investigators in the Kansas Police and Firemen's Retirement System (KP&F), should authorizing legislation be passed. The Commissioner also requests \$20,000 for aid to local units to defray witness and litigation expenses encountered by local jurisdictions in prosecuting complex securities cases. The Governor recommends \$879,242 in expenditures for FY 1989, a reduction of \$159,632 from the agency request. The Governor's recommendation would fund 19.0 FTE positions, the same number as in the current year. The Governor does not recommend funding for the requested new positions, for participation in the KP&F retirement system or for aid to local units to defray litigation expenses.

House Subcommittee Recommendations

FY 1988. The Subcommittee concurs with the recommendation of the Governor.

FY 1989. The Subcommittee concurs with the recommendation of the Governor with the following exceptions:

1. Add \$106,048 in salaries and 3.0 FTE for the addition of three new broker-dealer examiner positions requested by the agency in order to increase enforcement activities by a program of routine on-site broker dealer examinations. Currently, such exams are performed only in response to a complaint or past disciplinary actions. The new positions would be utilized for a full-time examination program to identify broker-dealers and agents who need to be closely supervised or disciplined. The Subcommittee further recommends these positions and other operating expenditures be funded only through increased broker dealer, investment adviser, and agent of broker-dealers registration fees proposed by the agency.

2. Add \$28,391 for other operating expenditures for the three new positions, including \$15,160 for travel, \$8,922 for communications, \$1,519 for office supplies, \$240 for rents, and \$2,550 for capital outlay.

The fee fund analysis, based on the recommendations of the Subcommittee, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 500,933	\$ 500,000	\$ 500,000
Net Receipts	<u>1,077,450</u>	<u>1,980,035</u>	<u>1,978,000*</u>
Total Available Funds	\$ 1,578,383	\$ 2,480,035	\$ 2,478,000
Less:			
Expenditures	795,215	798,489	1,013,681
Transfer to State Gen. Fund.	<u>283,168</u>	<u>1,181,546</u>	<u>964,319</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

* Estimated FY 1989 receipts do not include proposed fee increases.

House Committee Recommendations

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

1. In accordance with established Committee procedures, delete \$134,439 and 3.0 FTE pending passage of legislation to increase fees to fund the recommended broker-dealer examiners.

The fee fund analysis, based on the recommendations of the Committee is as follows:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 500,933	\$ 500,000	\$ 500,000
Net Receipts	<u>1,077,450</u>	<u>1,980,035</u>	<u>1,978,000</u>
Total Available Funds	\$ 1,578,383	\$ 2,480,035	\$ 2,478,000
Less:			
Expenditures	795,215	798,489	879,242
Transfer to State Gen. Fund.	<u>283,168</u>	<u>1,181,546</u>	<u>1,098,758</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund: State Operations	\$ --	\$ 879,242	\$ --
FTE Positions	--	68.0	--

FY 1988. The Senate Subcommittee concurs with the recommendations of the House.

FY 1989. The Senate Subcommittee concurs with the recommendations of the House with the following comment:

1. The Subcommittee concurs with the House recommendation that 3.0 FTE positions and \$134,439 be added upon passage of H.B. 2976, which would provide authority for increased fees to fund these positions. The new positions would be broker-dealer examiners to conduct routine on-site examinations. The Subcommittee recommends that this be addressed during the omnibus session.

SUBCOMMITTEE REPORT

Agency: State Board of Technical
Professions

Bill No. 2685

Bill Sec. 20

Analyst: Efird

Analysis Pg. No. 67

Budget Pg. No. 1-219

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Fee Fund	\$ 245,368	\$ 241,916	\$ (1,500)
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

FY 1988. The Board makes no changes in its approved budget of \$264,834 which includes capital outlay of \$31,290 for a new computer system. The Governor reduces the Board's estimate by \$4,434 and recommends total expenditures of \$260,400, including \$31,290 for new computer equipment.

FY 1989. The Board's FY 1989 request is \$9,574 more than the approved FY 1988 budget for operations, excluding capital outlay. The FY 1989 request includes \$99,949 for salaries and wages and \$145,419 for other operating expenses. The Governor's recommendations provide for an increase of \$12,806 in FY 1989 expenditures, excluding capital outlay, over the current fiscal year recommendation. The FY 1989 recommended expenditures are \$104,247 for salaries and wages and \$137,669 for other operating expenses.

House Subcommittee Recommendations

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

1. Reduce capital outlay by \$2,445 to provide \$28,845 for the System 36 computer system, which is the actual cost of the equipment reported by the agency.
2. Reduce professional services fees for investigative services by \$1,500 in order to reaffirm the Governor's recommendation of paying \$15,000 total expenses for legal services.
3. Reduce expenditures for examinations by \$2,600 to provide \$55,164 in the current fiscal year. This is a technical adjustment in the Governor's revised recommendation of \$57,764.

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

1. Reduce professional services fees for investigative services by \$1,500 in order to reaffirm the Governor's recommendation of paying \$15,000 total expenses for legal services.
2. Increase the estimated receipts to the agency's fee fund by \$1,200 to reflect the sale of data processing equipment which was supplanted by the new System 36 computer equipment. Also recommend that the Senate Subcommittee review the cost of service contracts for the new System 36 and determine if costs are within the budgeted service and repair expenditures for the old equipment.
3. Note the 20 percent Central Mail surcharge assessed to this fee agency and other fee agencies using the Department of Administration service. This 20 percent charge is in addition to the 20 percent of gross fees which goes to the State General Fund.

Fee Fund Analysis. Technical adjustments are made in the Governor's plan for financing in FY 1988 and FY 1989. The Subcommittee recommendations also are incorporated in the following matrix.

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 289,887	\$ 266,358	\$ 197,424
Net Receipts	<u>189,825</u>	<u>184,921</u>	<u>212,917</u>
Total Available	\$ 479,712	\$ 451,279	\$ 410,341
Less Expenditures	<u>213,354</u>	<u>253,855</u>	<u>240,416</u>
Ending Balance	<u>\$ 266,358</u>	<u>\$ 197,424</u>	<u>\$ 169,925</u>

House Committee Recommendation

The Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Adjustments

The Subcommittee concurs with the House FY 1988 and FY 1989 recommendations, except for the following:

1. Add \$4,000 for computer programming and training costs in FY 1988 in order to complete the conversion to the new computer system.

Revised Fee Fund Analysis

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 289,887	\$ 266,358	\$ 193,424
Net Receipts	<u>189,825</u>	<u>184,921</u>	<u>212,917</u>
Total Available	\$479,712	\$451,279	\$406,341
Less Expenditures	<u>213,354</u>	<u>257,855</u>	<u>240,416</u>
Ending Balance	<u>\$ 266,358</u>	<u>\$ 193,424</u>	<u>\$ 165,925</u>

In addition, the Subcommittee reviewed portions of the Legislative Division of Post Audit's report, Legal Services for State Agencies, which pertained to the Board of Technical Professions. The conclusions of the report indicate that shared staff attorneys for fee fund agencies would be more cost effective than contracted legal services.

2685-663/JE

SUBCOMMITTEE REPORT

Agency: State Board of Veterinary
Examiners

Bill No. 2685

Bill Sec. 21

Analyst: Mills

Analysis Pg. No. 69

Budget Pg. No. 1-221

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 80,727	\$ 76,744	\$ --
FTE Positions	0.8	0.8	--

Agency Estimate/Governor's Recommendation

FY 1988. The Board requests operating expenditures of \$67,811 and a 0.8 FTE position in FY 1988, a reduction of \$13,332 from the amount approved by the 1987 Legislature. During the 1987 Session, H.B. 2466 was passed to allow the Board to employ a full- or part-time executive director. In addition, the bill provided for an increase in the license application and renewal fees.

The Governor's recommendation for FY 1988 totals \$63,875, which is a reduction of \$3,936 from the agency estimate of \$67,811. The largest area of reduction is in fees for professional services (\$4,000), offset by slight increases in salaries. The \$4,000 was budgeted for an investigator.

FY 1989. The Board requests expenditures of \$80,727 in FY 1989, an increase of \$12,916 over the FY 1988 estimate. Major changes in the Board's request include increases of \$4,908 for salaries and wages, \$10,751 for fees--other services, and a reduction of \$4,000 in fees for professional services.

The Governor's recommendation for FY 1989 totals \$76,744, which is a reduction of \$3,983 from the agency request of \$80,727. The entire reduction is found in salaries and wages. The Governor's recommendation for FY 1989 includes \$21,502 requested by the agency to contract for an executive director.

House Subcommittee Recommendations

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

FY 1989. The House Subcommittee concurs with the Governor's recommendation for FY 1989.

The status of the fee fund, based on the House Subcommittee's recommendations, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 93,204	\$ 116,760	\$ 121,285
Net Receipts	62,648	68,400	68,400
Total Available Funds	\$ 155,852	\$ 185,160	\$ 189,685
Less: Expenditures	39,092	63,875	76,744
Ending Balance	<u>\$ 116,760</u>	<u>\$ 121,285</u>	<u>\$ 112,941</u>

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1988 and FY 1989.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the House Committee recommendation for FY 1988 and FY 1989.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>Senate House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 76,744	\$ --
State General Fund	--	--	--
FTE Positions	--	0.8	--

FY 1988. The Senate Subcommittee concurs with the House recommendation for FY 1988.

FY 1989. The Senate Subcommittee concurs with the House recommendation for FY 1989.

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

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 93,204	\$ 116,760	\$ 121,285
Net Receipts	62,648	68,400	68,400
Total Available Funds	\$ 155,852	\$ 185,160	\$ 189,685
Less: Expenditures	39,092	63,875	76,744
Ending Balance	<u>\$ 116,760</u>	<u>\$ 121,285</u>	<u>\$ 112,941</u>