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SUBCOMMITTEE REPORT

Agency: Attorney General -- KBI Bill No. 2027 Bill Sec. 6
 Analyst: Duffy Analysis Pg. No. 174 Budget Pg. No. 370

<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	\$ 12,473,381	\$ 8,663,553 ^a	\$ (9,573)
Special Revenue Funds	241,000	241,000	10,375
Subtotal	<u>\$ 12,714,381</u>	<u>\$ 8,904,553</u>	<u>\$ 802</u>
Capital Improvements:			
State General Fund	<u>\$ 4,500,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 17,214,381</u>	<u>\$ 8,904,553</u>	<u>\$ 802</u>
FTE Positions	177.5	171.5	(1.0)

a) Reflects a reduction of \$147,529, in accordance with Governor's Budget Amendment No. 1

Agency Estimate/Governor's Recommendation

The agency's revised FY 1990 request for state operations totals \$12,714,381 of which \$12,473,381 is from the State General Fund and \$241,000 is from special revenue funds. The request would fund 177.5 FTE positions, an increase of 10.5 FTE positions over those funded in the current year. The request for expenditures of \$241,000 from special revenue funds, includes \$142,000 from the Criminal History Record Check Fees Fund. Agencywide a 3 percent turnover rate (\$170,661) is requested.

The Governor recommends \$8,904,553 for state operations in FY 1990 (this figure reflects a reduction of \$147,529, in accordance with Governor's Budget Amendment No. 1). Of the total amount recommended, \$8,904,553 is from the State General Fund and \$241,000 is from special revenue funds. The FY 1990 recommendation includes full-year funding for 4.5 new FTE positions (\$143,366, including fringe benefits); budget year implementation of Phase III (\$45,082, including fringe benefits); salary upgrades for certain positions (\$57,553, including fringe benefits); increased funding for employee health insurance; and an agencywide turnover rate of 3.6 percent (\$210,139).

House Subcommittee Recommendation

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

1. Reduce \$147,529 from the State General Fund for the Automated Fingerprint Identification System, in accordance with Governor's Budget Amendment No. 1. The Governor's recommendation overstated the amount necessary for the AFIS project in FY 1990.
2. Increase the expenditure limitation on the Lottery and Racing Investigation Fee Fund from \$0 to \$10,375 and reduce the State

H.B. 2027

General Fund by the same amount. The Subcommittee notes that the 1988 Legislature created the Lottery and Racing Investigation fee fund to permit the KBI to charge the Lottery and Racing Commission for the total costs, including basic agent salaries, incurred by the KBI in conducting investigations. The 1988 Legislature approved the addition of eight FTE (seven Special Agents and one clerical position) and associated operating costs for this investigation gaming unit. The Subcommittee believes that these costs and other costs associated with the Lottery and Racing Commission should be recovered by the KBI and be used to offset the obligation of the State General Fund. The Subcommittee was informed that there is current litigation pending before the Kansas Supreme Court which includes the issue of whether Racing applicants must pay for investigations conducted prior to the effective date of the 1988 legislation. The Subcommittee understands that an opinion should be issued prior to the adjournment of the Legislature. The Subcommittee identifies this as an area for omnibus review. If a favorable opinion is issued by the Supreme Court, the Subcommittee believes that estimated receipts to the fund may total \$380,000.

3. The Subcommittee notes that the director of the KBI is authorized to fix, charge and collect fees by proviso in the appropriation bill. Currently, the KBI charges \$3 for a record check. The Subcommittee received testimony from the KBI which substantiated the need for an increase per record check from \$3 to \$4. The Subcommittee is supportive of the increase and anticipates increased receipts to this fund in FY 1990.
4. Add \$30,000 from the State General Fund for Special Services for "buy money" to be used in narcotics investigations. The Subcommittee believes that additional funds in this area will aid the KBI in narcotics investigations and will have a positive impact on reducing drug traffic in Kansas.
5. Reduce \$29,198 from the State General Fund for the Laboratory program and 1.0 FTE position to reflect the Subcommittee's deletion of this position in FY 1989.
6. The Subcommittee fully supports the acquisition of AFIS, including the 4.5 FTE associated with AFIS operations. The Subcommittee believes that AFIS will be a significant tool for law enforcement officials across the state. The Subcommittee notes that currently it is impractical to routinely compare latent fingerprints lifted from crime scenes against existing fingerprint files for identification, unless the latent print can be compared against the known prints of a suspect who has been identified through other means. AFIS, which includes a computer with related software, scanners, display stations, and printers, would allow a fingerprint to be quickly scanned and matched against the million of other prints in the computer's data base. In a relatively short time, a suspect could be identified for manual verification.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (9,573)	\$ 8,653,980	\$ 384,788
Special Revenue Funds	10,375	251,375	145,898
Subtotal	<u>\$ 802</u>	<u>\$ 8,905,355</u>	<u>\$ 530,686</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Total	<u>\$ 802</u>	<u>\$ 8,905,355</u>	<u>\$ 530,686</u>
FTE Positions	(1.0)	170.5	1.0

Senate Subcommittee Recommendation

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

1. Add \$29,198 from the State General Fund and 1.0 FTE positions for the Laboratory program. This position was deleted by the House.
2. Add a total of \$355,590 from the State General Fund and 1.0 FTE position for additional costs associated with a new lease of the KBI facility at 1620 Tyler. Currently, the KBI leases 54,900 square feet at an annual cost of \$363,500. In January, the KBI with the assistance of the Department of Administration published an RFP for space for the KBI, including additional space to accommodate the increased space needs of the Bureau. The selected bidder's proposal involves the existing KBI facility and an addition to the existing facility. The addition to the current facility of 27,132 square feet would meet the office space requirements and the special environment needs for both the computer center and the forensic laboratory. The lease proposal would provide for an annual lease amount of \$943,356. The lease is for a ten-year term with an increase effective the beginning of the sixth year based on the CPI/W. Additionally, the lease would provide the state with an option to purchase the building prior to January 1991 for a price not to exceed 7.9 million. The total additional cost for FY 1990 of \$355,590 includes \$253,458 for rent, \$14,923 for utilities, \$12,209 for an additional custodial position, and \$75,000 for relocation expenses. The Subcommittee acknowledges the agency's need for additional space and supports the current proposal;

however, the Subcommittee believes that the State should seriously consider the purchase of this building.

3. Add \$145,898 from the Lottery and Racing Investigation Fee Fund for travel and subsistence expenditures. The additional expenditures are due to new estimates of the number of investigations that will be requested by the Racing Commission and Lottery and the increase in the motor pool rate for KBI vehicles.
4. Increase the expenditure limitation on the Lottery and Racing Investigation Fee Fund from \$10,375 to \$156,273 to fund travel and subsistence expenditures associated with investigations conducted for the Lottery and Racing Commission.
5. Create a grants and gifts fund with a "no limit" expenditure limitation. Specifically, the fund will be used by the KBI in the celebration of the KBI's 50th Anniversary.
6. Add \$10,000 from the State General Fund for the Laboratory program for salaries and wages for the reallocation of a Criminalist position.



Senator Ross O. Doyen
Subcommittee Chairperson

Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Attorney General -- KBI Bill No. 2063 Bill Sec. 35
 Analyst: Duffy Analysis Pg. No. 174 Budget Pg. No. 370

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,623,034	\$ 11,412,655 ^a	\$ 5,401
Special Revenue Funds	612,233	612,233	--
TOTAL	\$ 8,235,267	\$ 12,024,888	\$ 5,401
FTE Positions	167.0	171.5	(1.0)

a) Reflects a reduction of \$29,167, in accordance with Governor's Budget Amendment No. 1.

Agency Estimate/Governor's Recommendation

The agency's revised FY 1989 expenditure estimate for state operations totals \$8,235,267 of which \$7,623,034 is from the State General Fund and \$612,233 is from special revenue funds. The agency's revised request includes a State General Fund supplemental appropriation of \$58,091. The supplemental request includes \$30,000 for fees-professional services for planning funds to study the purchase of the agency headquarters at 1620 Tyler, Topeka, Kansas. The remainder of the supplemental request is for travel and subsistence. According to the agency, the shortfall in travel is due to the travel costs associated with parimutuel background work and the addition of new agents, approved by the 1988 Legislature. An increase in special revenue funding in FY 1989 of \$408,610 is due primarily to a federal matching grant of \$285,000 received by the KBI to purchase laboratory equipment. The agency estimates a 3 percent turnover rate (\$155,893) for FY 1989.

The Governor recommends \$12,024,888 for state operations for the KBI in FY 1989 (this figure reflects a reduction of \$29,167, in accordance with Governor's Budget Amendment No. 1). Of the total recommended, \$11,412,655 is from the State General Fund and \$612,233 is from special revenue funds. The Governor's recommendation includes a State General Fund supplemental appropriation of \$3,842,184, of which \$3,679,931 is for an Automated Fingerprint Identification System (AFIS) and \$162,253 is for other operating expenditures. The FY 1989 recommendation includes financing for one month for 4.5 new FTE positions (\$11,457, including fringe benefits) and current year implementation of Phase III of the Classification and Job Rate Study (\$981, including fringe benefits), increased funding for revised employee health insurance rates; and an agencywide turnover rate of 3.5 percent (\$188,493).

House Subcommittee Recommendation

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

1. Reduce \$29,167 from the State General Fund for the Automated Fingerprint Identification System, in accordance with Governor's Budget

Amendment No. 1. The Governor's recommendation overstated the amount necessary for the AFIS project in FY 1989.

2. Add \$20,000 from the State General Fund for Special Services for "buy money" to be used in narcotics investigations. The Subcommittee believes that additional funds in this area will aid the KBI in narcotics investigations and will have a positive impact on reducing drug traffic in Kansas.
3. Create a grants and gifts fund with a "no limit" expenditure limitation. The fund will be used by the KBI in the celebration of the KBI's 50th Anniversary. The KBI anticipates gifts of approximately \$3,000.
4. Delete 1.0 FTE position and six months funding (\$14,599) for a Criminalist I in the Laboratory. The Subcommittee reviewed the recommended new 4.5 FTE positions for FY 1989, as well as current vacant positions in the KBI. The Subcommittee notes that this Criminalist I position was approved by the 1988 Legislature and has not yet been filled. Generally, the Subcommittee believes that new positions should not be added when similar vacant positions exist in the agency.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Req. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 5,401	\$ 11,418,056	\$ 14,599
Special Revenue Funds	--	612,233	54,437
TOTAL	<u>\$ 5,401</u>	<u>\$ 12,030,289</u>	<u>\$ 69,036</u>
FTE Positions	(1.0)	170.5	1.0

Senate Subcommittee Recommendation

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

1. Add 1.0 FTE position and six months funding (\$14,599) to restore the Criminalist I position in the Laboratory. This position is deleted by the House. The Subcommittee notes that this position is one of three positions approved by the 1988 Legislature to address concerns about

the timeliness of laboratory examinations and the impact of new legislation.

2. Add \$54,437 from the Lottery and Racing Investigations Fee Fund for travel and subsistence expenditures. The additional expenditures are due to unforeseen investigative activities required for the Lottery and Racing Commissions.
3. Increase the expenditure limitation on the Lottery and Racing Investigations Fee Fund from \$0 to \$54,437 to fund travel and subsistence expenditures associated with the background investigations conducted for the Lottery and Racing Commission.
4. Place a "no limit" expenditure limitation on the Attorney General's Committee on Crime Prevention Fund. The current expenditure limitation is \$2,000 and is insufficient to cover operating costs associated with seminars planned for the remainder of FY 1989.



Senator Ross O. Doyen
Subcommittee Chairperson

Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. 2027

Bill Sec. 2

Analyst: West

Analysis Pg. No. 146

Budget Pg. No. 6

<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	\$ 8,494,887	\$ 7,947,051	\$ --
Aid to Local Units	2,000,000	2,000,000	--
Other Assistance	4,519	4,519	--
Subtotal	<u>\$ 10,499,406</u>	<u>\$ 9,951,570</u>	<u>\$ --</u>
Capital Improvements	850,628	850,628	--
TOTAL	<u><u>\$ 11,350,034</u></u>	<u><u>\$ 10,802,198</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 3,393,052	\$ 3,299,735	\$ --
Aid to Local Units	--	--	--
Other Assistance	4,519	4,519	--
Subtotal	<u>\$ 3,397,571</u>	<u>\$ 3,304,254</u>	<u>\$ --</u>
Capital Improvements	841,528	841,528	--
TOTAL	<u><u>\$ 4,239,099</u></u>	<u><u>\$ 4,145,782</u></u>	<u><u>\$ --</u></u>
FTE Positions	155.5	140.5	--

Agency Request/Governor's Recommendation

The agency requests an FY 1990 operating budget of \$10,499,406, an increase of \$1,287,948 from the current year estimate. The request includes \$3,397,569 from the State General Fund (an increase of \$485,014) and \$7,101,837 from special revenue funds (an increase of \$809,934) and reflects the addition of \$512,449 for 16.0 new positions.

The Governor recommends an FY 1990 operating budget of \$9,951,570, an increase of \$679,903 from the current year recommendation. The recommendation includes \$3,304,254 from the State General Fund (an increase of \$465,859) and \$6,647,316 from special revenue funds (an increase of \$314,044).

The agency requests \$850,628, including \$841,528 from the State General Fund, for FY 1990 capital improvements. The Governor concurs with the agency's request for FY 1990 capital improvements.

House Subcommittee Recommendation

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

1. Increase the State General Fund appropriation for roof repairs by \$26,086 due to the recommended expenditure of reappropriated funds in FY 1989 instead of FY 1990. This recommendation maintains the Governor's recommendation of \$333,250 for roof and other structural repairs in FY 1990.

2. The Subcommittee recommends that an Attorney General's opinion be requested regarding the liability of the state in case of an accident involving National Guard flights while transporting state officials.
3. The Subcommittee notes that the additional FTE position for FY 1990 is associated with a transfer of responsibilities from the, Department of Health and Environment to the Adjutant General and that there is a corresponding decrease in the number of FTE positions at the Department of Health and Environment.

House Committee Recommendation

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

1. Delete recommendation No. 1, pending review by the Joint Committee on State Building Construction.

House Committee of the Whole Recommendation

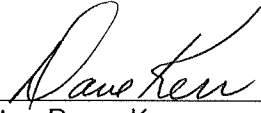
The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 7,947,051	\$ --
Aid to Local Units	--	2,000,000	--
Other Assistance	--	4,519	--
Subtotal	\$ --	\$ 9,951,570	\$ --
Capital Improvements	--	850,628	--
TOTAL	<u>\$ --</u>	<u>\$ 10,802,198</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 3,299,735	\$ --
Aid to Local Units	--	--	--
Other Assistance	--	4,519	--
Subtotal	\$ --	\$ 3,304,254	\$ --
Capital Improvements	--	841,528	--
TOTAL	<u>\$ --</u>	<u>\$ 4,145,782</u>	<u>\$ --</u>
FTE Positions	--	140.5	--

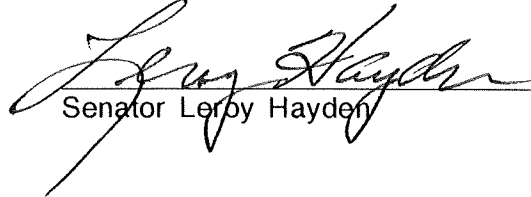
Senate Subcommittee Recommendation

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

1. The Subcommittee received a memorandum from the legal counsel for the agency which indicates that the state would not have liability in case of an accident involving National Guard flights.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Adjutant General

Bill No. 2063

Bill Sec. 37

Analyst: West

Analysis Pg. No. 146

Budget Pg. No. 6

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,106,939	\$ 7,211,363	\$ --
Aid to Local Units	2,100,000	2,055,785	--
Other Assistance	4,519	4,519	--
Subtotal	\$ 9,211,458	\$ 9,271,667	\$ --
Capital Improvements	816,730	816,730	26,086
TOTAL	<u>\$ 10,028,188</u>	<u>\$ 10,088,397</u>	<u>\$ 26,086</u>
State General Fund:			
State Operations	\$ 2,888,038	\$ 2,878,091	\$ --
Aid to Local Units	20,000	55,785	--
Other Assistance	4,519	4,519	--
Subtotal	\$ 2,912,577	\$ 2,938,395	\$ --
Capital Improvements	776,630	776,630	26,086
TOTAL	<u>\$ 3,689,187</u>	<u>\$ 3,715,025</u>	<u>\$ 26,086</u>
FTE Positions	139.5	139.5	--

Agency Request/Governor's Recommendation

The agency estimates \$9,211,458 in FY 1989 operating expenses, a net decrease of \$15,698 from the budget approved by the 1988 Legislature. State General Fund expenditures are estimated at \$2,912,557, a decrease of \$33,127 from the approved budget. The agency requests State General Fund supplemental appropriations of \$10,195 to finance greater than anticipated unclassified salaries and \$21,334 to finance shortfalls in reappropriated funds. Special revenue fund operations are estimated at \$6,298,901, an increase of \$17,429. Expenditure limitation increases are requested for the Military Fees Fund (by \$9,282 to \$3,832,886), and the Emergency Preparedness -- Nuclear Civil Protection Fund (by \$53,303 to \$121,028). The current year estimate also reflects the elimination of 4.0 Communications Operator positions and the addition of a Civil Engineer I and an Emergency Preparedness Planner I position, for a net reduction of 2.0 FTE positions.

The Governor recommends FY 1989 operating expenditures of \$9,271,667, an increase of \$60,209 from the agency's estimate. State General Fund expenditures are recommended at \$2,938,395, an increase of \$25,838 from the agency's estimate. The Governor recommends several State General Fund supplemental appropriations for operating expenditures totaling \$91,738 to finance shortfalls in reappropriated balances, revised health insurance rates, and \$55,785 for aid to local units of government associated with repairs in Doniphan County resulting from an FY 1984 flood. The Governor also recommends the lapse of \$40,526 in State General Fund savings in the Emergency Preparedness-Operations programs. Special Revenue fund operating expenditures are recommended at \$6,333,272, an increase of \$34,371 from the agency's estimate. The Governor recommends increases in the expenditure limitations for the Military Fees Fund (by \$40,541 to \$3,864,145), the Emergency Preparedness-RADEF Instrument Maintenance

Fund (by \$570 to \$80,045), and the Emergency Preparedness-Nuclear Civil Protection-Federal Fund (by \$54,248 to \$121,973).

The agency requests \$816,730, including \$776,630 from the State General Fund, for FY 1989 capital improvements. The agency requests a State General Fund supplemental appropriation of \$25,000 for site preparation for a new regional training center. The Governor concurs with the amount requested for FY 1989 capital improvements.

House Subcommittee Recommendation

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

1. Add language to H.B. 2063 for expenditure limitation increases in three special revenue funds as recommended by the Governor. The expenditure limitation increases were inadvertently omitted from the bill.
2. Increase State General Fund capital improvement expenditures for roof repairs by \$26,086, pending review by the Joint Committee on State Building Construction. The funding, which was reappropriated from FY 1988, was originally recommended to be used to partially finance the FY 1990 roof repair program. The Subcommittee was informed by representatives of the Adjutant General that the funds are now required for current year roof repairs.
3. The Subcommittee recommends the introduction of legislation to increase the maximum state payments for individual family grant awards in major disasters. K.S.A. 48-938 currently limits such payments to \$1,250, which represents the 25 percent match requirement for payments under the federal disaster relief program which were limited to \$5,000 from federal and state sources. The Subcommittee was informed that the federal law has been changed to increase the total maximum payment to \$10,000, with a 25 percent state match requirement.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations with the following adjustment:

1. Delete recommendation No. 2, pending review by the Joint Committee on State Building Construction.

House Committee of the Whole Recommendation

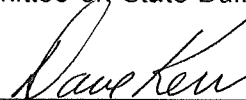
The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	House Adj. FY 89	House Rec. FY 89	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ --	\$ 7,211,363	\$ --
Aid to Local Units	--	2,055,785	--
Other Assistance	--	4,519	--
Subtotal	\$ --	\$ 9,271,667	\$ --
Capital Improvements	--	816,730	--
TOTAL	\$ --	\$ 10,088,397	\$ --
State General Fund:			
State Operations	\$ --	\$ 2,878,091	\$ --
Aid to Local Units	--	55,785	--
Other Assistance	--	4,519	--
Subtotal	\$ --	\$ 2,938,395	\$ --
Capital Improvements	--	776,630	--
TOTAL	\$ --	\$ 3,715,025	\$ --
FTE Positions	--	139.5	--

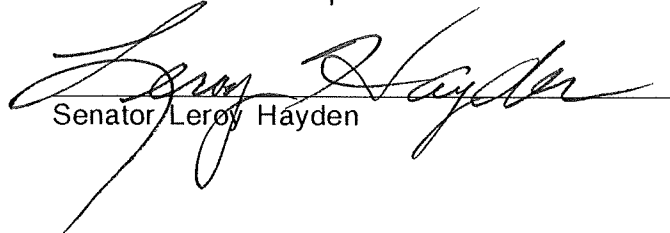
Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with the replacement of flat roofs with seamless metal roofing structures but recommends deferring action on the agency's request for additional FY 1989 roofing funds pending a recommendation from the Joint Committee on State Building Construction.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: State Fire Marshal Bill No. -- Bill Sec. --
Analyst: Howard Analysis Pg. No. 159 Budget Pg. No. 230

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,352,668	\$ 1,344,798	\$ (20,000)
State General Fund	1,249,870	1,242,221	(20,000)
FTE Positions	35.0	35.0	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1989 expenditures of \$1,352,668 as approved by the 1988 Legislature.

The Governor recommends FY 1989 expenditures of \$1,344,798, a reduction of \$7,870 from the agency estimate. The recommendation includes an increase in salaries (\$18,132) and reductions in communication \$2,666), rents (\$16,587), travel (\$4,217) and other expenditures.

House Subcommittee Recommendation

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

1. Delete \$10,000 in projected salary savings and \$10,000 in projected travel savings. The Subcommittee would note that these are one-time savings due to illnesses and vacancies in two positions during the current fiscal year.
2. The Subcommittee would note that the agency may experience one or two retirements of long-term employees during the current fiscal year. If these retirements do occur, the agency would incur additional salary expenditures. The subcommittee recommends that this be addressed in the Omnibus Bill if these retirements do take place.

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.

<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	\$ (20,000)	\$ 1,324,798	\$ 17,700
State General Fund	(20,000)	1,222,221	17,700
FTE Positions	--	35.0	--

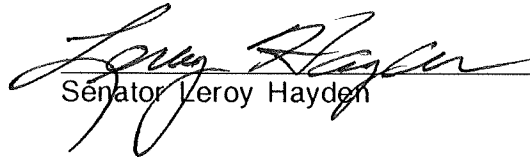
Senate Subcommittee Recommendation

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

1. Add \$10,000 in salaries. The Subcommittee was informed that although the agency has had several illnesses and one death among its employees, projected salary savings will not take place. The agency has hired a part-time inspector for six months in order to meet its required inspections and has incurred additional salary costs as a result of this hiring. In addition, the agency estimates additional overtime expenditures for fire investigators to total \$1,800 for the remainder of the fiscal year.
2. Add \$5,700 in salaries for retirement pay. The agency has been informed that its Chief Investigator will retire effective May 1, 1989.
3. Add \$2,000 in travel expenditures.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: State Fire Marshal Bill No. 2027 Bill Sec. 3
 Analyst: Howard Analysis Pg. No. 159 Budget Pg. No. 230

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 2,116,819	\$ 1,476,900	\$ (20,551)
State General Fund	1,970,561	1,362,897	(20,551)
FTE Positions	46.0	36.0	--

Agency Estimate/Governor's Recommendation

FY 1990. The agency requests \$2,116,819 in state operations in FY 1990, an increase of \$764,151 from the current year estimate. The request includes \$1,970,561 from the State General Fund and \$146,258 from federal funds. The FY 1990 request includes funding for 11.0 FTE new positions for a total of 46.0 FTE.

The Governor recommends expenditures of \$1,476,900 in FY 1990, a reduction of \$639,919 from the agency request. The recommendation includes \$1,362,897 from the State General Fund and \$114,003 from federal funds. The recommendation includes funding for 1.0 FTE new position, a Public Information Officer I, for a total of 36.0 FTE positions.

House Subcommittee Recommendation

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

1. Delete \$27,157 in salaries and 1.0 FTE Public Information Officer I position recommended by the Governor, and \$14,240 in other operating expenditures. The Subcommittee supports increased public education activities but believes that the program can be operated more efficiently without an additional position. The Subcommittee recommends the addition of \$2,000 for additional communication costs and would note that the budget includes \$7,900 for printing for increased public education activities. The Subcommittee recommends that these funds be used to distribute information to fire departments and schools for public education activities. The Subcommittee further believes that public education programs can be operated most efficiently on the local level and recommends that the Fire Marshal determine whether fire departments and schools could use additional information and materials for fire safety training.
2. Add \$17,356 in salaries and 1.0 FTE position for an Office Assistant II, and \$1,490 in associated operating expenditures. The Subcommittee received testimony that the agency currently employs an intermittent position and two temporary summer positions to alleviate the workload of the current full-time clerical staff. The Governor's recommendation for

FY 1990 did not include funding for the intermittent position or temporary help. The Subcommittee recommends the addition of a full-time clerical position, and notes that the addition of a full-time position is more cost effective than the current funding of an intermittent and two temporary positions.

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (20,551)	\$ 1,456,349	\$ 8,200
State General Fund	(20,551)	1,342,346	8,200
FTE Positions	--	36.0	--

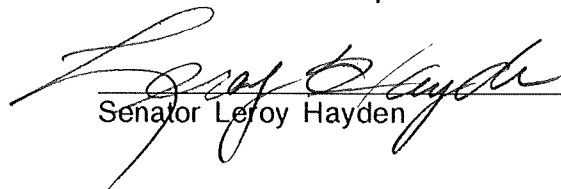
Senate Subcommittee Recommendation

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

1. Add \$4,000 in overtime pay for fire investigators. Due to a ruling by the U.S. Department of Labor, fire investigators are no longer considered exempt from overtime. The agency estimates overtime of 4 hours per month per investigator which would total \$7,772 for the entire fiscal year. The Subcommittee recommends the addition of \$4,000 at this time and recommends that this be reevaluated next year during consideration of the agency's budget.
2. Add \$4,200 in travel expenditures. The Subcommittee was informed that the agency is moving an inspector from the office to the field and will incur additional travel expenditures.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Kansas Parole Board Bill No. -- Bill Sec. --
Analyst: Mills Analysis Pg. No. 144 Budget Pg. No. 454

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 569,534	\$ 566,180	\$ (500)
FTE Positions	11.0	11.0	--

Agency Request/Governor's Recommendation

FY 1989. The agency's FY 1989 estimated expenditures are \$569,534, or \$12,055 less than the approved amount of \$581,589. The 1988 Legislature enacted H.B. 3079 which, among other things, expanded the membership on the Board from three to five full-time members, provided for an additional clerical employee, called for the designation of the Chairperson and Vice-Chairperson by the Governor, and gave the Chairperson administrative authority over the operations of the Board. The addition of two Board members and one clerical position increased the agency's staffing level from 8.0 to 11.0 FTE in FY 1989.

The Governor's recommendation for FY 1989 is \$566,180 or \$3,354 below the agency's revised estimate. The Governor recommends an additional \$2,568 in salaries and wages, and a reduction of \$5,922 in travel and subsistence.

House Subcommittee Recommendation

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

1. Delete \$500 for repairing and servicing on the basis of year-to-date expenditures.

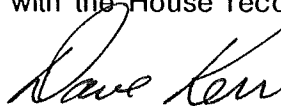
House Committee Recommendation

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

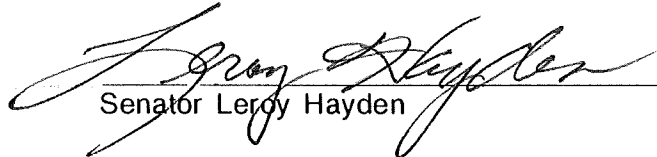
Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations: State General Fund	\$ (500)	\$ 565,680	\$ --
FTE Positions	--	11.0	--

The Senate Subcommittee concurs with the House recommendation.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Kansas Parole Board Bill No. 2027 Bill Sec. 4
Analyst: Mills Analysis Pg. No. 144 Budget Pg. No. 454

<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	\$ 590,881	\$ 608,007	\$ (4,290)
FTE Positions	11.0	11.0	--

Agency Request/Governor's Recommendation

FY 1990. The Board requests a total of \$590,881 for FY 1990, an increase of 3.8 percent or \$21,347 over the FY 1989 estimate. Salaries and wages are requested to increase by \$24,508. The other major increase for FY 1990 is in contractual services (\$3,504), largely for communication (\$2,000) and rents (\$1,504).

The Governor recommends an FY 1990 budget of \$608,007 which is \$17,126 above the agency request. The Governor recommends an additional \$24,035 in salaries and wages above the agency request, with reductions in communication (\$2,000), travel and subsistence (\$4,506), and office supplies (\$403). The Governor's recommendation would continue the existing 11.0 FTE positions of the agency: five Board members and six staff members.

House Subcommittee Recommendation

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

1. Delete \$5,685 in salaries and wages for Board member compensation which was overfunded by 1.8 percent in the Governor's recommendation.
2. Restore \$403 in office supplies to fully fund the Board's request of \$4,230 for supplies.
3. Add \$992 in travel and subsistence to provide for a 6 percent increase in travel over FY 1989. The additional travel funds are recommended to permit the Board to hold parole hearings at the new facilities in Hutchinson, Norton, and Ellsworth which will require more overnight trips.
4. The House Subcommittee notes that the Parole Board has submitted a request for a Governor's budget amendment in the amount of \$30,729 to permit the Board to add two new Office Assistant positions to the staff to handle the increasing workload. The House Subcommittee believes that some increase in staff appears to be warranted for this agency given the status of the Kansas correctional system. The House Subcommittee recommends that the appropriate Committees review the Governor's budget amendment when it is received.

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1990.

House Committee of the Whole Recommendation

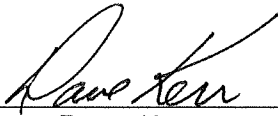
The House Committee of the Whole concurs with the House Committee recommendation for FY 1990.

Senate Subcommittee Recommendation

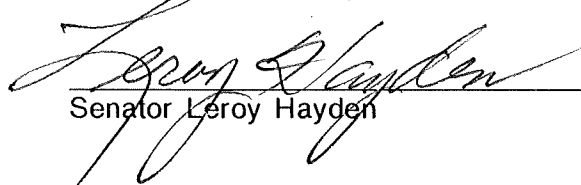
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (4,290)	\$ 603,717	\$ 41,617
FTE Positions	--	11.0	2.0

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

1. Addition of \$30,729 and 2.0 FTE positions to permit the Board to add two new Office Assistant positions to handle the increasing workload. The recommended additional funding includes \$28,929 for salaries and wages and \$1,800 for capital outlay for office equipment.
2. Add \$3,514 for travel to fully fund the agency request for travel of \$46,051 in FY 1990.
3. Restore \$2,000 in communication to fund the agency request of \$16,204 in FY 1990.
4. Add \$5,374 as a turnover adjustment to set the turnover rate at 0 percent, as requested by the Board.



 Senator Dave Kerr
 Subcommittee Chairperson



 Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Kansas Highway Patrol

Bill No. 2063

Bill Sec. 36

Analyst: Rothe

Analysis Pg. No. 163

Budget Pg. No. 284

Expenditure Summary	Agency Est. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
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	<u>\$ 28,393,437</u>	<u>\$ 28,260,793</u>	<u>\$ (10,000)</u>
Capital Improvements:			
Motor Carrier Insp. Fund	<u>\$ 191,869</u>	<u>\$ 1,482,650</u>	<u>\$ (1,290,781)</u>
TOTAL	<u>\$ 28,585,306</u>	<u>\$ 29,743,443</u>	<u>\$ (1,300,781)</u>
FTE Positions:			
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>	--
TOTAL	<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.

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.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (10,000)	\$ 20,224,361	\$ --
Agency Fee Funds	--	234,816	--
Motor Carrier Insp. Fund	--	4,309,727	--
Turnpike Patrol Fund	--	1,369,767	--
Motor Carrier Safety Assistance Prog. Fund	--	908,225	--
Federal Funds	--	4,500	--
Other Special Funds	--	1,199,397	--
Subtotal	<u>\$ (10,000)</u>	<u>\$ 28,250,793</u>	<u>\$ --</u>
Capital Improvements:			
Motor Carrier Insp. Fund	<u>\$ (1,290,781)</u>	<u>\$ 191,869</u>	<u>\$ 1,290,781</u>
TOTAL	<u>\$ (1,300,781)</u>	<u>\$ 28,442,662</u>	<u>\$ 1,290,781</u>

FTE Positions:

Uniformed Troopers	--	330.0	--
Other Sworn Patrol	--	112.0	--
Capitol Area Security	--	67.5	--
Motor Carrier Inspection	--	175.0	--
All Others	--	<u>111.0</u>	--
TOTAL	--	<u>795.5</u>	--

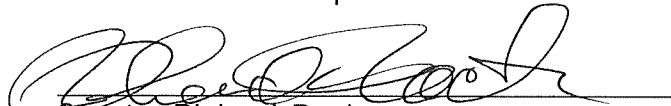
Senate Subcommittee Recommendations

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

1. Add \$1,290,781 from the Motor Carrier Inspection Fund for capital improvement projects as recommended by the Joint Committee on State Building Construction. The recommendation would enable the agency to complete construction of motor carrier weight enforcement facilities at Belleville and Liberal.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Kansas Highway Patrol

Bill No. 2027

Bill Sec. 5

Analyst: Rothe

Analysis Pg. No. 163

Budget Pg. No. 284

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
State Operations:			
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>
Capital Improvements:			
Motor Carrier Insp. Fund	\$ 1,290,781	\$ 0	\$ --
TOTAL	<u>\$ 32,371,779</u>	<u>\$ 30,888,011</u>	<u>\$ (251,370)</u>
FTE Positions:			
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
TOTAL	<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 Assistant Attorney General.
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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

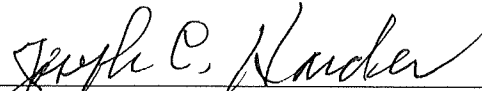
The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (475)	\$ 21,671,487	\$ (7,794)
Agency Fee Funds	--	314,037	--
Motor Carrier Insp. Fund	--	4,645,504	--
Turnpike Patrol Fund	--	1,448,633	--
Motor Carrier Safety Assistance Prog. Fund	--	983,807	--
Federal Funds	(250,895)	5,500	301,074
Other Special Funds	--	1,567,673	--
Subtotal	<u>\$ (251,370)</u>	<u>\$ 30,636,641</u>	<u>\$ 293,280</u>
Capital Improvements:			
Motor Carrier Insp. Fund	\$ --	\$ 0	\$ --
TOTAL	<u>\$ (251,370)</u>	<u>\$ 30,636,641</u>	<u>\$ 293,280</u>
FTE Positions:			
Uniformed Troopers	(5.0)	335.0	5.0
Other Sworn Patrol	--	112.0	--
Capitol Area Security	--	70.5	--
Motor Carrier Inspection	--	175.0	--
All Others	<u>2.0</u>	<u>113.0</u>	<u>--</u>
TOTAL	<u>(3.0)</u>	<u>805.5</u>	<u>5.0</u>

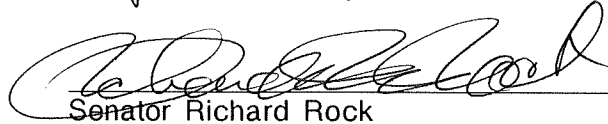
Senate Subcommittee Recommendation

FY 1990. The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

1. Add \$293,280 for the net addition of 5 FTE Troopers, including \$152,540 for salaries and \$140,740 for supplies and capital outlay. The recommendation includes the deletion of 1 FTE regular Trooper (\$53,556 from the State General Fund) and the addition of \$346,836 for 6 FTE Motorcycle Troopers (\$45,762 from the State General Fund and \$301,074 from federal funds). Salaries for the Motorcycle Troopers would be financed from the State General Fund until October 1, 1989 when the federal grant would become available.
2. The Subcommittee reviewed the House recommendation delaying consideration to the Omnibus Bill of a security and fire detection system (\$119,766) for Patrol offices throughout Kansas. The Subcommittee notes that an interagency proposal for joint usage and financing with SRS and the Departments of Revenue and Human Resources is unlikely to be completed in time for consideration in the Omnibus Bill. The Subcommittee recommends that if the proposal is not available for review by the 1989 Legislature, that it instead be reviewed by the 1990 Legislature.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Youth Center at Topeka Bill No. 2063 Bill Sec. 40
 Analyst: Piekalkiewicz Analysis Pg. No. 191 Budget Pg. No. 659

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 6,728,816	\$ 6,814,055	\$ --
General Fee Fund	171,161	171,161	--
Federal Education Aid	170,722	170,722	--
Subtotal Operating	\$ 7,070,699	\$ 7,155,938	\$
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 91,779	\$ --
TOTAL	\$ 7,070,699	\$ 7,247,717	\$
Budgeted Census	200	200	--
FTE Positions	206	206	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1989 operating expenditures of \$7,070,699.

The Governor recommends FY 1989 operating expenditures of \$7,155,938, which represents an increase of \$85,239 above the agency estimate, reflecting partial-year funding of the Phase III job rate study, an increase in shift differential costs, and a health insurance rate adjustment.

House Subcommittee Recommendation

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

1. The Subcommittee was informed that the Secretary of Social and Rehabilitation Services (SRS) directed the Youth Center at Topeka (YCAT) to hire 19 additional temporary youth service workers to achieve double staff coverage in the cottages after an AWOL incident January 1 during which a staff person was seriously injured by one of the escapees. The Subcommittee was informed that it was intended that the positions would be funded with available resources of either YCAT or SRS. The cost of the positions for six months is \$137,088. The Subcommittee identified \$26,661 in salary savings and recommends that the balance of the amount be funded through the available resources of SRS or the Subcommittee anticipates a Governor's Budget Amendment reflecting the addition of those funds.

The Subcommittee notes that Legislative Post Audit is conducting a performance audit examining the security problems at YCAT. The audit

is to be completed by the end of March. The report will examine, among other things, the staffing pattern and staffing needs of the Youth Center.

2. The Subcommittee notes that YCAT has much higher food costs than the other Youth Centers. The Youth Center at Topeka had an actual FY 1988 cost per person-day of \$3.10 compared with the Youth Center at Atchison which had a cost per person-day of \$2.71, and the Youth Center at Beloit which had a cost per person-day of \$2.48. The Subcommittee directs YCAT to examine ways to decrease food costs and submit the findings to the 1990 Legislature.
3. The Subcommittee notes that the 1988 Legislature appropriated funds for an automobile for YCAT to implement a drivers' education program. The Subcommittee has learned that no drivers' education program has been implemented, but received assurances from the Acting Superintendent that a program will be in place by July 1, 1989.

House Committee Recommendation

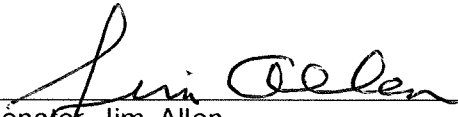
The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation


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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Jim Allen
Subcommittee Chairman



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Youth Center at Topeka Bill No. 2027 Bill Sec. 7
 Analyst: Piekalkiewicz Analysis Pg. No. 191 Budget Pg. No. 657

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 7,077,771	\$ 7,308,826	\$ (60,755)
General Fee Fund	152,333	185,964	--
Federal Education Aid	170,722	164,783	5,939
Subtotal Operating	\$ 7,400,826	\$ 7,659,573	\$ (54,816)
Capital Improvements:			
State Institutions			
Building Fund	\$ 432,600	\$ --	\$ --
Total	\$ 7,833,426	\$ 7,659,573	\$ (54,816)
Budgeted Census	210	210	--
FTE Positions	215	210	(3)

Agency Estimate/Governor's Recommendation

The agency requests FY 1990 operating expenditures of \$7,400,826, including funding for 9.0 FTE positions over the current year. In addition, the agency requests \$432,600 for capital improvements. The Governor recommends \$7,659,573 for FY 1990 operating expenditures, including three additional Youth Service Specialists I and an Alcoholism Unit Director.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with the following adjustment and comments:

1. Delete \$60,755 for three Youth Service Specialists I, pending a Legislative Post Audit report on the security problems at the Youth Center. The Subcommittee recommends that the positions be restored if it is determined in the audit that double coverage is essential in securing public and staff safety.
2. The Subcommittee was informed by YCAT officials that the audit report will also address the question if staffing will be required to patrol the fence which is being constructed around the perimeter of the Youth Center. The Subcommittee notes that in FY 1990, YCAT may require a substantial increase in both youth service workers and security personnel.
3. The Subcommittee recommends that the Department of Social and Rehabilitation Services fund the Alcoholism Unit Director (\$25,332), which the Governor recommended to be funded from the State General Fund, from federal funds. The Subcommittee received information from an

official from Alcohol and Drug Services (ADAS) that ADAS will receive an increase in federal block grant funds in FY 1990 for alcohol and drug programs, a part of which could potentially be used for the Youth Centers. The Subcommittee notes that currently \$85,000 in federal funds has been allocated from ADAS for an aftercare program for the Youth Center residents. The Subcommittee does not recommend that funding for the Alcoholism Unit Director supplant funding for the aftercare program.

- 4. Add \$5,939 from federal Chapter I funds for equipment for the Chapter I classrooms.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

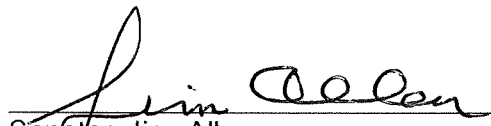
House Committee of the Whole Recommendation

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

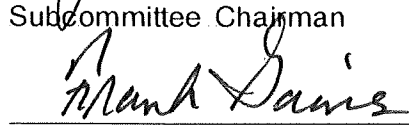
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (60,755)	\$ 7,248,071	\$ --
General Fees Fund	--	185,964	--
Federal Education Aid	5,939	170,722	--
Total	<u>\$ (54,816)</u>	<u>\$ 7,604,757</u>	<u>\$ --</u>
FTE Positions	(3)	207	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



 Senator Jim Allen
 Subcommittee Chairman



 Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Youth Center at Beloit Bill No. 2063 Bill Sec. 39
 Analyst: Piekalkiewicz Analysis Pg. No. 196 Budget Pg. No. 655

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 3,380,545	\$ 3,433,227	\$ (60,000)
General Fee Fund	64,190	64,190	--
Federal Education Aid	79,794	79,794	--
Subtotal Operating	\$ 3,524,529	\$ 3,577,211	\$ (60,000)
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 1,763	\$ --
Total	\$ 3,524,529	\$ 3,578,974	\$ (60,000)
Budgeted Census:			
Youth Center at Beloit	80	80	--
Comprehensive Screening Unit	9	9	--
FTE Positions	97.5	97.5	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1989 operating expenditures of \$3,524,529.

The Governor recommends FY 1989 operating expenditures of \$3,577,211, including \$52,682 in supplemental funding for partial year funding of the Phase III job rate study, an increase in shift differential costs, and a health insurance rate adjustment.

House Subcommittee Recommendation

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

1. Delete \$60,000 in salaries and wages to reflect increased turnover savings.

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.

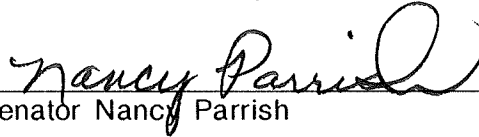
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (60,000)	\$ 3,373,227	\$ --
General Fee Fund	--	64,190	--
Federal Education Aid	--	79,794	--
Subtotal - Operating	<u>\$ (60,000)</u>	<u>\$ 3,517,211</u>	<u>\$ --</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ --	\$ --
TOTAL	<u>\$ (60,000)</u>	<u>\$ 3,517,211</u>	<u>\$ --</u>
FTE Positions	--	97.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Dave Kerr
Subcommittee Chairperson



Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Youth Center at Beloit

Bill No. 2027

Bill Sec. 8

Analyst: Piekalkiewicz

Analysis Pg. No. 196

Budget Pg. No. 655

<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	\$ 3,872,707	\$ 3,774,377	\$ (32,558)
General Fee Fund	57,771	63,862	--
Federal Education Aid	79,794	79,794	--
Subtotal Operating	<u>\$ 4,010,272</u>	<u>\$ 3,918,033</u>	<u>\$ (32,558)</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 343,800	\$ 333,900	\$ --
TOTAL	<u>\$ 4,354,072</u>	<u>\$ 4,251,933</u>	<u>\$ (32,558)</u>
Budgeted Census:			
Youth Center at Beloit	80	80	--
Comprehensive Screening Unit	9	9	--
FTE Positions	106.5	98.5	--

Agency Estimate/Governor's Recommendation

The agency requests FY 1990 operating expenditures of \$4,010,272, including funding for nine new positions, funding for an equipment and furniture emergency replacements fund, and funding for increased medical care.

The Governor's FY 1990 recommendation for operating expenditures is \$3,918,033, including funding for an Alcoholism Unit Director and funding for AIDS testing for all residents and new admissions. The Governor recommends \$333,900 for a new heating and air conditioning system for the school building.

House Subcommittee Recommendation

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

1. Delete \$7,226 in salaries and wages for reclassifications which are duplicated in Phase III.
2. Delete \$25,332 from the State General Fund for an Alcoholism Unit Director. The Subcommittee recommends that the Department of Social and Rehabilitation Services fund the position from federal funds. The Subcommittee received information from SRS that ADAS will receive an increase in federal block grant funds in FY 1990 for alcohol and drug programs, of which \$134,000 is targeted for programs for women. The Subcommittee was informed that funding for the Alcoholism Unit Director

could be funded from these funds. The Subcommittee notes that currently \$85,000 in federal funds has been allocated from ADAS for an aftercare program for the Youth Center residents. The Subcommittee does not recommend that funding for the Alcoholism Unit Director supplant funding for the aftercare program.

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.

<u>Expenditure Summary</u>	<u>House Req. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (32,558)	\$ 3,741,819	\$ --
General Fee Fund	--	63,862	--
Federal Education Aid	--	79,794	--
Subtotal -- Operating	<u>\$ (32,558)</u>	<u>\$ 3,885,475</u>	<u>\$ --</u>
Capital Improvements:			
State Institutions			
Building Fund	--	--	--
TOTAL	<u>\$ (32,558)</u>	<u>\$ 3,885,475</u>	<u>\$ --</u>
FTE Positions	--	98.5	(1.0)

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House, with the following comments:

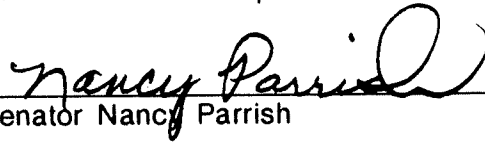
1. The Subcommittee concurs with the recommendations of the House that the Alcoholism Unit Director (\$25,332) be funded from \$135,000 of increased federal funds for FY 1990 which is targeted for programs for women, out of a total of \$598,968 in increased federal funds. The Subcommittee notes that the House appears to have approved two conflicting recommendations. The House in its recommendation for the Department of Social and Rehabilitation Services (SRS) recommended that \$317,389 of the new funding be used to establish a 15-20 bed treatment program for women and their children, \$100,000 be used for a required loan fund, and \$166,000 to establish an additional regional prevention center. The Subcommittee recommends that the position limitation authority for the Alcoholism Unit Director be transferred to Youth Services, a division of SRS, and respectively requests that the Senate Subcommittee on SRS increase the position limitation authority in Youth

Services and attach a proviso on the Alcohol and Drug Abuse and Mental Health Block Grant -- federal fund contained in H.B. 2028 requiring \$25,332 to be expended on an Alcoholism Unit Director. The Subcommittee believes that the first priority for federal funds should be substance abuse treatment for Youth Center residents. The Subcommittee was informed that at the Youth Center at Beloit approximately 60 percent of the residents are considered to have a substance abuse problem and approximately 90 percent had used alcohol and 83 percent had used drugs. The Subcommittee notes that the Youth Center does not have a staff professionally trained in the area of substance abuse treatment and prevention.

2. The Subcommittee notes that the Governor recommended \$25,019 for AIDS testing for all new admissions and residents at the Youth Center at Beloit. The Youth Center had requested funding for numerous laboratory tests in addition to AIDS testing for those residents who request it. The Subcommittee recommends that the \$25,019 be used for the requested laboratory tests and AIDS testing only to those who request it.



Senator Dave Kerr
Subcommittee Chairperson



Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Youth Center at Atchison Bill No. 2063 Bill Sec. 38
 Analyst: Piekalkiewicz Analysis Pg. No. 201 Budget Pg. No. 651

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,877,539	\$ 3,909,501	\$ (14,000)
General Fee Fund	58,093	58,093	--
Federal Education Aid	72,974	72,974	--
Subtotal Operating	<u>\$ 4,008,606</u>	<u>\$ 4,040,568</u>	<u>\$ (14,000)</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ --	\$ --
Total	<u>\$ 4,008,606</u>	<u>\$ 4,040,568</u>	<u>\$ (14,000)</u>
Budgeted Census	105	105	--
FTE Positions	118.5	118.5	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1989 operating expenditures of \$4,008,606, which includes \$699,546 for costs associated with the provision of contracted education services.

The Governor recommends FY 1989 operating expenditures of \$4,040,568, including \$28,343 in supplemental funding for partial year funding of the Phase III job rate study, an increase in shift differential costs, and a health insurance rate adjustment.

House Subcommittee Recommendation

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

1. Delete \$14,000 in salaries and wages, reflecting increased turnover savings.

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 Committee.


<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ (14,000)	\$ 3,895,501	\$ --
General Fee Fund	--	58,093	--
Federal Education Aid	--	72,974	--
TOTAL	<u>\$ (14,000)</u>	<u>\$ 4,026,568</u>	<u>\$ --</u>
FTE Positions	--	118.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Paul Feleciano

SUBCOMMITTEE REPORT

Agency: Youth Center at Atchison Bill No. 2027 Bill Sec. 9

Analyst: Piekalkiewicz Analysis Pg. No. 201 Budget Pg. No. 651

<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	\$ 4,375,536	\$ 4,291,088	\$ (58,225)
General Fee Fund	53,446	85,000	--
Federal Education Aid	72,974	72,974	--
Subtotal Operating	<u>\$ 4,501,956</u>	<u>\$ 4,449,062</u>	<u>\$ (58,225)</u>
Capital Improvements:			
State Institutions			
Building Fund	409,100	--	--
Total	<u>\$ 4,911,056</u>	<u>\$ 4,449,062</u>	<u>\$ (58,225)</u>
Budgeted Census	105	105	--
FTE Positions	128.0	122.5	(3)

Agency Estimate/Governor's Recommendation

The agency requests FY 1990 operating expenditures of \$4,501,956, which includes funding for two clerical positions, four Youth Service Workers, an Alcoholism Unit Director, a custodial worker, and a painter.

The Governor's recommendation for FY 1990 operating expenditures is \$4,449,062, including funding for two additional Youth Service Specialists I, an Office Assistant I, and an Alcoholism Unit Director.

House Subcommittee Recommendation

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

1. Delete \$40,503 for two Youth Service Specialists I, pending the Legislative Post Audit report addressing security problems at the Youth Center at Topeka, which will examine, among other things, whether double coverage is needed to insure public and staff safety.
2. Delete \$17,722 for an Office Assistant II.
3. The Subcommittee recommends that the Department of Social and Rehabilitation Services fund the Alcoholism Unit Director (\$25,332), which the Governor recommended to be funded from the State General Fund from federal funds. The Subcommittee received information from an official from Alcohol and Drug Services (ADAS) that ADAS will receive an increase in federal block grant funds in FY 1990 for alcohol and drug programs, a part of which could potentially be used for the Youth

Centers. The Subcommittee notes that currently \$85,000 in federal funds has been allocated from ADAS for an aftercare program for the Youth Center residents. The Subcommittee does not recommend that funding for the Alcoholism Unit Director supplant funding for the aftercare program.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (58,225)	\$ 4,232,863	\$ 86,057
General Fee Fund	--	85,000	--
Federal Education Aid	--	72,974	--
Total	<u>\$ (58,225)</u>	<u>\$ 4,390,837</u>	<u>\$ 86,057</u>
FTE Positions	(3)	119.5	3

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House, with the following exceptions and comments:

1. Restore \$40,503 for two Youth Service Specialists I deleted by the House.
2. Restore \$17,722 for an Office Assistant II deleted by the House.
3. Add \$19,000 for materials, parts, and supplies for facility maintenance projects. The Subcommittee notes that funding for capital improvement projects at the Youth Center has been limited in the past several years because funds have been limited in the State Institutions Building Fund (SIBF) because of transfers from the SIBF to the Corrections Institution Building Fund. The Subcommittee was informed that most of these projects could be done by the Youth Center's maintenance staff. The Subcommittee notes that some of the projects also could be done by adult inmates and suggests that the Youth Center pursue this possibility. The Subcommittee believes that the facility is in need of many repairs, especially to sidewalks and stairs, in order to maintain the facility and prevent costly replacement in the future and ensure safety of the staff and the residents.


4. Add \$8,832 for a substitute teacher. Current funding for the education contract does include a substitute teacher. The Subcommittee was informed that when a teacher is absent, his or her students cannot attend school and must spend all day in the residential living units. By funding the substitute teacher, not only will the residents be able to attend school when their regular teacher is absent, but the Youth Worker Specialists who must supervise the residents when they are in the cottages can be available to work in other areas.

5. The Subcommittee notes the following projects, pending before the Joint Committee on State Building Construction, are of critical importance to the Youth Center:

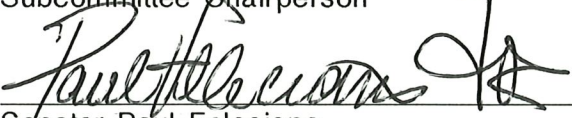
Intercom System. The agency is requesting \$43,300 to install intercoms in four cottages. The Youth Center maintains that an intercom system is necessary because it is extremely difficult to supervise the residents, especially in the Sequoia Cottage which has two floors. The Youth Center believes that the installation of intercom systems in the cottages would increase security, reduce AWOLs, and reduce vandalism to state property.

Remodeling and Addition to Bert Nash School. The agency is requesting \$72,300 in FY 1990 for final planning in the first year of a two-phase project to remodel and construct an addition to the Bert Nash School at an estimated total project cost of \$1,430,200. The Bert Nash School, constructed in 1971, was designed to serve approximately 50 to 60 students. The average daily census at the Youth Center is currently 105. Without the expansion of classroom space, the Youth Center maintains the educational needs of all the students cannot be met and the school could be decertified by the State Department of Education.

Roof Repair. The Youth Center is requesting funding for the insulation and replacement of the roof on the Bert Nash School. Funding for roof repair at the institutions is funded through a Roof Repair Program for which the Governor recommended \$531,300.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Paul Feleciano

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman Board

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 141

Budget Pg. No. 178

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 205,125	\$ 202,958	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The agency's FY 1989 estimated expenditures are \$205,125, which is equal to the approved budget, all of which is from the State General Fund. The request would support the 6.0 FTE positions currently approved.

The Governor recommends \$202,958 in FY 1989, a reduction of \$2,167 from the agency estimate of \$205,125. The entire reduction is in salaries and wages as a turnover adjustment.

House Subcommittee Recommendation

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

1. The agency has requested an additional \$1,000 for advertising for a new Ombudsman. On the basis of year-to-date expenditures, the House Subcommittee recommends that such funding be shifted from Fees-Other Services, if needed.

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.

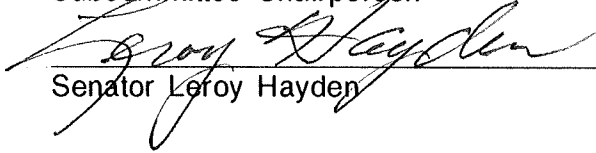
Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations: State General Fund	\$ --	\$ 202,958	\$ --
FTE Positions	--	6.0	--

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



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman
Board

Bill No. 2027

Bill Sec. 10

Analyst: Mills

Analysis Pg. No. 141

Budget Pg. No. 178

<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	\$ 240,323	\$ 221,730	\$ --
FTE Positions	7.0	6.0	--

Agency Request/Governor's Recommendation

For FY 1990, the agency requests \$240,323 for state operations, all from the State General Fund. The FY 1990 request includes funding for 7.0 FTE positions, an increase of 1.0 FTE above the FY 1989 approved budget. Salaries and wages for the new position account for \$24,240 of the requested budget increase of \$35,198. The agency has also requested the following budget increases: \$8,859 for other salaries and wages adjustments, \$450 for communication, \$200 for printing, \$420 for rents, \$262 for repairing, \$4,354 for travel, \$200 for other services, and \$625 for commodities.

The Governor recommends \$221,730 for FY 1990, a reduction of \$18,593 from the agency request of \$240,323. The Governor does not recommend the new position requested. The Governor's recommendation for FY 1990 includes \$185,927 for salaries and wages and \$35,803 for other operating expenditures. The Governor's recommendation includes reductions in salaries and wages (\$15,147), communication (\$172), printing (\$150), travel (\$2,824), and office supplies (\$300).

House Subcommittee Recommendation

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

1. The House Subcommittee notes that the Governor approved a salary increase for the 2.0 Ombudsman Associate positions from \$24,684 to \$28,056 in December, 1988. However, no additional funding was included in the FY 1990 budget recommended by the Governor. Funding of \$7,995 is needed in FY 1990 for these upgrades. The House Subcommittee recommends that this funding be made up from the vacancy savings which will occur because the Ombudsman position has been vacant since February 18, 1989. The agency estimates that the Ombudsman position will be vacant for up to three months during a national search for a new Ombudsman. This will result in vacancy savings of nearly \$9,000 which can be used to fund the Associates upgrade.
2. The House Subcommittee notes that the expanding inmate population and the opening of several new correctional facilities will impact the workload of the Board. The House Subcommittee recommends that the

new Ombudsman prepare an evaluation of the future role and staffing needs of the Board for presentation to the 1990 Legislature. Such evaluation should also include an assessment of the practicality of providing offices for the Ombudsman Associates in the Hutchinson and Lansing areas.

3. The House Subcommittee notes that H.B. 2176, which would grant jurisdiction with regard to the state youth centers to the Corrections Ombudsman Board, is currently under legislative review. Should this bill be enacted, additional staff and resources would be required by the Board.

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1990.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the House Committee recommendation for FY 1990.

Senate Subcommittee Recommendation

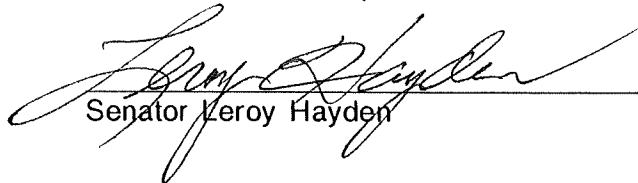
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 221,730	\$ 7,995
FTE Positions	--	6.0	--

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

1. Addition of \$7,995 to fund the salary upgrades for the two Ombudsman Association positions in FY 1990. The salary upgrades were approved by the Governor in December, 1988.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Department of Civil
Air Patrol

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 189

Budget Pg. No. 108

<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	\$ 20,120	\$ 20,181	\$ --
State General Fund	19,620	18,539	--
FTE Positions	0.5	0.5	--

Agency Request/Governor's Recommendation

The Department of Civil Air Patrol, created by the 1988 Legislature by the passage of H.B. 2700, estimates current year expenditures will total \$20,120. The current year estimate is financed by \$19,620 from the State General Fund and \$500 from donations, amounts unchanged from the budget approved by the 1988 Legislature. Major expenses anticipated in the current year include the salary of the agency's half-time Secretary I position (\$8,375), acquisition of VHF radio repeaters and other capital outlay (\$4,000), and fuel and maintenance costs for the agency's aircraft (\$3,612). All other expenses total \$4,133. The Governor recommends an FY 1989 budget of \$20,181, financed by \$18,539 from the State General Fund and \$1,642 from donations. Salaries are increased by \$120 to reflect revised health insurance rates. Travel is reduced by \$59.

House Subcommittee Recommendation

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

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.

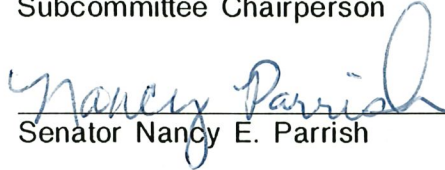
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 20,181	\$ --
State General Fund	--	18,539	--
FTE Positions	--	0.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Nancy E. Parrish

SUBCOMMITTEE REPORT

Agency: Department of Civil
Air Patrol

Bill No. 2027

Bill Sec. 11

Analyst: West

Analysis Pg. No. 189

Budget Pg. No. 108

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 28,234	\$ 21,181	\$ --
State General Fund	28,234	18,242	--
FTE Positions	0.5	0.5	--

Agency Request/Governor's Recommendation

The agency requests \$28,234 from the State General Fund in FY 1990, an increase of \$8,614 from the State General Fund and a decrease of \$500 from donations from the current year estimate. Major revisions from the current year estimate include increases for the acquisition of VHF radio repeaters (\$4,689), salaries (\$1,430), and aircraft fuel and maintenance (\$1,169). Net other changes increase total expenses by \$826. The Governor recommends an FY 1990 budget of \$21,181, reflecting an increase of \$1,297 from donations and a decrease of \$297 from the State General Fund from the current year recommendation. Revisions from the agency's request include increased salaries (\$650), and decreases in communications (\$471) and capital outlay (\$6,939). Net other changes decrease total expenditures by \$293.

House Subcommittee Recommendation

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

1. Change the expenditure limitation on the Grants and Contributions Fund to no limit for a technical adjustment to reflect the Governor's intent.

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 21,181	\$ (10,455)
State General Fund	--	18,242	(10,455)
FTE Positions	--	0.5	(0.5)

Senate Subcommittee Recommendation

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

1. Delete \$10,455 from the State General Fund and 0.5 FTE associated with the agency's clerical staff. The Subcommittee believes that the agency should be able to administer the agency's operations without state financed staff.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Nancy E. Parrish

SUBCOMMITTEE REPORT

Agency: Emergency Medical
Services Board

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 185

Budget Pg. No. 214

<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	\$ 662,304	\$ 656,198	\$ --
Aid to Local Units	154,000	154,000	--
Subtotal -- Operating	\$ 816,304	\$ 810,198	\$ --
Capital Improvements	--	102,000	--
TOTAL	\$ 816,304	\$ 912,198	\$ --
State General Fund:			
State Operations	\$ 632,129	\$ 630,221	\$ --
Aid to Local Units	154,000	154,000	--
Capital Improvements	--	102,000	--
TOTAL	\$ 786,129	\$ 886,221	\$ --
FTE Positions	15.0	15.0	--

Agency Estimate/Governor's Recommendation

FY 1989. The agency estimates FY 1989 expenditures of \$816,304 as approved by the 1988 Legislature. The estimate includes funding for 15.0 FTE positions. The FY 1989 estimated budget includes expenditure of \$786,129 from the State General Fund and \$30,175 from fee funds.

The Governor recommends expenditures of \$912,198 in FY 1989, an increase of \$95,894 from the agency estimate. The recommendation includes a reduction of \$6,106 in state operations and an increase of \$102,000 from the State General Fund for capital improvements. The Governor recommends a supplemental appropriation of \$102,000 from the State General Fund for expansion of the EMS Communications System in a nine-county area. This appropriation is included in 1989 H.B. 2040.

House Subcommittee Recommendations

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

1. Shift \$5,000 from Fees for Other Services to Capital Outlay, to permit the purchase of a microcomputer, software and supporting equipment.
2. Shift \$1,000 from salaries to Fees for Other Services for tuition for employee training in word processing and data processing.
3. Shift \$9,000 from salaries to travel to provide for the travel of three EMS Specialists who evaluate EMT classes, and three additional Board meetings.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

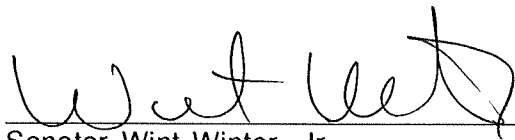
House Committee of the Whole Recommendation

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


<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 656,198	\$ --
Aid to Local Units	--	154,000	--
Subtotal Operating	\$ --	\$ 810,198	\$ --
Capital Improvements	--	102,000	--
Total	<u>\$ --</u>	<u>\$ 912,198</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 630,221	\$ --
Aid to Local Units	--	154,000	--
Capital Improvements	--	102,000	--
Total	<u>\$ --</u>	<u>\$ 886,221</u>	<u>\$ --</u>
FTE Positions	--	15.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Emergency Medical
Services Board

Bill No. 2027

Bill Sec. 12

Analyst: Howard

Analysis Pg. No. 185

Budget Pg. No. 214

<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	\$ 713,791	\$ 687,004	\$ --
Aid to Local Units	154,000	163,850	--
Subtotal -- Operating	\$ 867,791	\$ 850,854	\$ --
Capital Improvements	120,000	--	--
TOTAL	\$ 987,791	\$ 850,854	\$ --
State General Fund:			
State Operations	\$ 688,541	\$ 661,754	\$ --
Aid to Local Units	154,000	163,850	--
Capital Improvements	120,000	--	--
TOTAL	\$ 962,541	\$ 825,604	\$ --
FTE Positions	15.0	15.0	--

Agency Request/Governor's Recommendation

The agency requests FY 1990 expenditures of \$987,791, an increase of \$171,487 from the current year estimate. The request includes funding for 15.0 FTE positions, the same number as in the current year. The request includes \$962,541 from the State General Fund and \$25,250 from fee funds.

The Governor recommends expenditures of \$850,854 in FY 1990, a reduction of \$136,937 from the agency request. The recommendation includes \$163,850 for aid to local units, an increase of \$9,850 from the current year, reflecting increased costs of operating and maintaining an expanded EMS Communications System. The recommendation would maintain the current staffing of 15.0 FTE positions. The recommendation includes funding of \$825,604 from the State General Fund and \$25,250 from fee funds.

House Subcommittee Recommendations

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

1. The Subcommittee concurs with the agency's request to use \$9,914 of the \$76,280 recommended by the Governor for professional services as a consultant fee to the Kansas Highway Patrol for administrative support. The agency proposed to decrease the consulting fees recommended for a physician consultant from \$20,000 to \$10,086 and to use the remaining \$9,914 for this purpose. The agency currently uses the Highway Patrol for support services such as accounting, personnel, purchasing and computer programming. In the current year the Highway Patrol is providing these services at no charge to the Emergency Medical Services Board. The Subcommittee concurs with the agency request to continue this arrangement in FY 1990.

- Shift \$1,000 from Fees for Other Services to tuition to provide funds for employee training.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

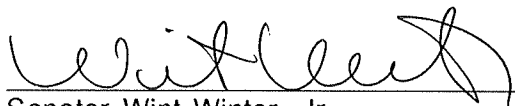
The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 687,004	\$ --
Aid to Local Units	--	163,850	--
Subtotal Operating	\$ --	\$ 850,854	\$ --
Capital Improvements	--	--	--
Total	<u>\$ --</u>	<u>\$ 850,854</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 661,754	\$ --
Aid to Local Units	--	163,850	--
Capital Improvements	--	--	--
Total	<u>\$ --</u>	<u>\$ 825,604</u>	<u>\$ --</u>
FTE Positions	--	15.0	--

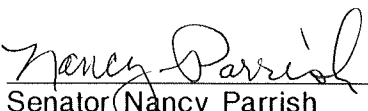
Senate Subcommittee Recommendation

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

- Add \$15,396 in travel to provide a total of \$49,396 in FY 1990. The recommendation would provide sufficient funding to allow evaluation and monitoring of attendant training classes and to allow inspections of ambulance services and communication systems.



 Senator Wint Winter, Jr.
 Subcommittee Chairperson



 Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Department of Social
and Rehabilitation Services

Bill No. 2028

Bill Sec. 2

Analyst: DeViney

Analysis Pg. No. 613

Budget Pg. No. 2-542

<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	\$ 171,671,580	\$ 154,310,746	\$ 2,380,147
Local Aid	36,636,672	29,964,037	--
Other Assistance	<u>667,273,686</u>	<u>569,195,721</u>	<u>10,960,641</u>
Subtotal - Operating	\$ 875,581,938	\$ 753,470,504	\$ 13,340,788
Capital Improvements	<u>12,697,518</u>	<u>4,593,000</u>	--
TOTAL	<u>\$ 888,279,456</u>	<u>\$ 758,063,504</u>	<u>\$ 13,340,788</u>
State General Fund			
State Operations	\$ 75,681,276	\$ 65,420,456	\$ 1,254,120
Local Aid	33,522,138	26,849,503	--
Other Assistance	<u>321,378,915</u>	<u>259,475,359</u>	<u>4,337,767</u>
Subtotal - Operating	\$ 430,582,329	\$ 351,745,318	\$ 5,591,887
Capital Improvements	<u>0</u>	<u>0</u>	--
TOTAL	<u>\$ 430,582,329</u>	<u>\$ 351,745,318</u>	<u>\$ 5,591,887</u>
Economic Development Initiatives Fund			
Other Assistance	\$ 0	\$ 50,000	\$ --
FTE Positions	3,682.1	3,250.4*	50.5

* The Governor's Budget Amendment No. 1 recommends an additional 4.0 FTE positions for Mental Health and Retardation Services, increasing the agency's position limitation from 3,246.4 FTE positions as originally recommended to 3,250.4.

Agency Estimate/Governor's Recommendation

For FY 1990, the agency requests an operating budget of \$875,581,938, an increase of 23.9 percent over the revised FY 1989 estimate. Of the total requested increase, \$104,708,820 is from the State General Fund. The FY 1990 request is based on an increase of 15.5 percent in state operations, including 538.7 new positions, an increase of 43.8 percent in aid to local units, and an increase of 25.3 percent in assistance, grants, and benefits. The agency request includes the following major items: (1) cash grant increases for AFDC and General Assistance clients of 5 percent, (2) a revised hospital reimbursement system based on diagnosis related groups (DRG), (3) a 6 percent rate increase for nursing homes, (4) rate increases for physician office visits, drug acquisition costs, and pharmacists, (5) restoration of Medicaid coverage of physical therapy, occupational therapy, and speech therapy for children, (6) funding for services to comply with the federal Nursing Home Reform Act, (7) expansion of the KanWork program to an additional seven counties, (8) increased staff for local office social services, including 49 social workers and 49 program technicians, and upgrading of current social worker and family support worker positions, (9) 100 case managers to coordinate community-based long-term care, (10) day care provider increases of 15 percent for infant care and 10

H.B. 2028

percent for other care and an additional 2,325 slots, (11) a 10 percent rate increase for foster care providers, (12) a vocational rehabilitation program for the head-injured, (13) 5 percent increases in state aid for community mental health and mental retardation centers, and (14) funding to serve an additional 324 persons in community mental retardation programs and multi-year funding to begin serving other persons from the community waiting list.

For FY 1990, the agency requests \$12,697,518 from the SIBF for capital improvements, of which \$10,632,000 is for the institutional major maintenance program.

The Governor recommends a total operating budget of \$753,470,504, an increase of \$47,875,459 of which \$28,939,654 is from the State General Fund. The Governor's recommendation includes 104 new positions, including 50 positions for the expansion of KanWork to an additional three counties and 38.5 positions for the youth screening unit being transferred from the jurisdiction of Topeka State Hospital to Youth Services. Nine positions to implement a vocational rehabilitation program for the head-injured are also recommended, as well as 4 positions to implement recommendations of a task force on mental health reform.

The Governor recommends \$29,964,037 for local aid in FY 1990, including a 6 percent increase in state aid for community mental health centers and a 5 percent increase for mental retardation centers. The Governor recommends funds to serve an additional 200 persons in community programs for the mentally retarded. \$1,600,000 is recommended for a case management program for the chronically mentally ill.

The Governor recommends \$569,195,721 for other assistance in FY 1990, including funding for the following major items: (1) a 2 percent increase for AFDC and General Assistance grants, (2) DRG method of hospital reimbursement (although providing \$9,823,490 instead of \$20,000,000 as requested), (3) a 4 percent rate increase for nursing homes, (4) a 5 percent increase for drug acquisition costs, (5) additional nurse aide training to comply with the federal Nursing Home Reform Act, (6) a 10 percent rate increase for day care providers, and (7) a 5 percent rate increase for foster care providers.

The Governor recommends \$4,593,000 from the SIBF for capital improvements in FY 1990.

House Subcommittee Recommendation

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

1. The House Subcommittee recommends that a substitute bill be introduced which will contain the budgets of the Department of Social and Rehabilitation Services and the various institutions in the same format as in past years. The Governor's bill, H.B. 2028, would appropriate all funding for the department and the mental health and mental retardation hospitals to the department.
2. The House Subcommittee recommends the deletion of 20.5 FTE positions in the Department which have been vacant for a month or more for a savings in FY 1990 of \$473,634 (\$188,346 State General Fund). Positions to be deleted include 7.5 unfilled positions in the child support enforce-

ment program, four positions in Administration, three in area offices, two in Rehabilitation Services, two income maintenance workers, and one position from Adult Services and Youth Services respectively. However, the Subcommittee recommends that until the omnibus session, the Department be permitted to submit alternative positions to the Legislature to be deleted; for example, deletion of positions from which persons are retiring.

3. The Subcommittee concurs with the Governor's recommendation of \$4,070,030 for area office rents for FY 1990. However, the Subcommittee learned that the agency's FY 1990 projection for rents exceeds the Governor's recommendation by about \$350,000. (\$86,500 of the estimated increase is based on 50 additional KanWork staff for the entire fiscal year, and could probably be reduced if expansion of KanWork is delayed until April 1990.) The agency has 26 leases which are due to expire during FY 1990 plus 45 leases that are on a month-to-month basis, and the agency is projecting increases in these leases. The Subcommittee directs SRS to submit the revised FY 1990 rent plan to the Governor for approval, revision, or rejection, and the Subcommittee expects that a Governor's Budget Amendment will be submitted to cover any additional costs prior to the omnibus session. The Subcommittee does not expect a supplemental appropriation for office rents next year.

Because of rising costs, the Subcommittee recommends that the agency develop a plan to consolidate area and local offices wherever possible, and if necessary, draft legislation for consideration by the 1990 Legislature to modify the requirement that the agency have offices in all 105 counties.

4. The Subcommittee reviewed information pertaining to the number of vacancies in field social work positions and problems which the agency has had in recruiting and retaining social workers. As of late February, the agency reported 38 field social worker vacancies. While the largest number of vacancies are in urban areas (currently 10 in Wichita and 8 in Topeka), rural areas also report difficulty in filling these positions. According to the agency, vacancies in the Wichita office are in part due to social workers transferring to the KanWork program. The Subcommittee endorses the steps that SRS has taken thus far to recruit additional social workers, including visits by the Secretary to colleges offering social work degrees and the hiring of a social worker recruiter.

The Subcommittee learned that SRS supports changes in social work licensing procedures of the Behavioral Sciences Regulatory Board. The House has passed legislation (H.B. 2434) to authorize the Board to issue temporary licenses for social workers to practice until the examination is given. Other changes sought by SRS include the development of reciprocal agreements to recognize social work licenses issued in other states and to permit substitution of experience for education for persons who have worked as social workers in other states but whose degree is not in social work. The Subcommittee also recommends that SRS consider paying the testing fee for social workers hired by the agency.

The Subcommittee recommends that, if passage of H.B. 2434 does not alleviate the agency's difficulty in filling social work positions, legislation should be introduced to remove social workers employed by SRS from the purview of the Behavioral Sciences Regulatory Board. The Subcommittee also directs SRS to develop and submit to the Legislature a plan for use of alternative job titles for positions which may require a social science, psychology or counselling background rather than a social work degree. KanWork appears to be one program in which such alternative job titles could be used effectively.

5. The House Subcommittee recommends \$547,918 (\$399,980 SGF) to establish a family preservation unit in either one large metropolitan area office or two smaller offices. The recommendation includes salaries and wages for an additional 24 FTE positions, including two Social Worker III's, ten Social Worker II's, four Family Support Workers, four Program Technicians, and four Office Assistant II's. Social workers in the family preservation unit will provide intensive, comprehensive assistance to families in crisis to avoid out-of-home placement of children. The social workers will have flexible schedules and smaller caseloads for shorter periods of time, and will be available to families on a 24 hour basis. The family support workers will provide additional in-home services, and the program technicians will provide other administrative support (e.g., record-keeping, transporting clients). The Subcommittee requests SRS to conduct an evaluation of the project to ascertain its effectiveness.
6. The Subcommittee is frustrated at the current lack of coordination among and within the various agencies involved with drug and alcohol issues, including the departments of SRS, Education, Corrections, Administration, and Transportation, the Kansas Bureau of Investigation, and the court system. This concern is not a criticism of the performance of the individual agencies. However, it is unclear what programs are already being funded and what the role of each agency is. The Subcommittee strongly recommends that the Legislature undertake an interim study to determine ways to set service priorities and coordinate programs.
7. The Subcommittee was informed that under the recently enacted Omnibus Drug bill, the agency will receive an additional \$598,968 in federal funds in FY 1990 from the alcohol and drug abuse block grant. Of that amount, \$181,579 is expected to be transferred from the Governor's Office to SRS for high risk youth prevention programs. The new federal law also requires an additional expenditure of \$134,818 for women's services and \$100,000 for a revolving loan fund for recovering persons. These additional federal funds are not included in the Governor's recommendation. The Subcommittee learned that ADAS would like to use \$317,389 of the new funding to establish a 15-20 bed treatment program for women and their children, \$100,000 for the required revolving loan fund, and \$166,000 to establish an additional regional prevention center. The Subcommittee recommends the funding of these proposals.
8. The Subcommittee recommends the removal of a proviso in the Governor's bill which requires that grants for residential treatment of juvenile substance abusers must be made to programs with taxing authority. The Subcommittee learned that this restriction has proven

cumbersome because the agency provides grants to local units of government which in turn make subgrants to providers. While the original intent was to ensure local support of these programs should federal and state funds end, the result has been additional administrative requirements for both the state and the local providers. Therefore, the Subcommittee recommends that the proviso be stricken.

9. The Subcommittee recommends the addition of 3.0 FTE limited term positions to the Division of Medical Programs, to implement additional cost recovery and cost avoidance methods. The three positions would include a Social Services Administrator IV, an Accountant III, and a clerical position. The additional cost containment methods would include increased collections from third party payers, review of drug prescribing patterns, and pre-approval of certain medical procedures and services to determine appropriateness. The additional cost of this initiative would be \$119,537 (\$44,491 SGF) for salaries and wages and overhead costs for the three positions and \$1,276,000 (\$328,450 SGF) for management information system changes and contracted medical reviewers. The Subcommittee recommends that the state share (\$372,941) for the project be financed through a reduction in funding from the State General Fund for the medical assistance program, but assumes no other reductions in ~~medical assistance costs until data are available after implementation.~~ Continuation of the project would depend upon precise tracking of savings from the initiatives and proof of cost-effectiveness.
10. The Subcommittee recommends that expansion of KanWork to an additional three counties be delayed until April 1990 when the jobs component of the new federal welfare reform law takes effect. The Subcommittee endorses the KanWork program and the progress made thus far, but recognizes that implementation delays in the current year have resulted in little data on program performance. The postponement of expansion in FY 1990 will enable the state to receive additional federal funds for the program since federal match will be available for post-employment transitional services in addition to services while participants are still receiving cash assistance. An April startup date will also give the 1990 Legislature an opportunity to review the program again prior to expansion. The Subcommittee recommends that the agency begin hiring staff in February 1990 to prepare for intake of clients beginning April 1, 1990.

The Subcommittee also notes that the Governor's recommendation for KanWork in FY 1990 is based on financing of 62 percent state funds, 38 percent federal. However, the agency currently estimates that state and federal shares of program costs will be 55 percent state, 45 percent federal. This more favorable match rate, as well as postponement of program expansion until April 1, 1990, will result in a reduction of \$3,069,930 (\$1,990,586 SGF) to the Governor's FY 1990 recommendation.

The Subcommittee recommends that for future fiscal years, KanWork should be expanded on an area office basis, *i.e.*, that the program be instituted at the same time in all counties under the jurisdiction of a particular area office(s).

11. The House Subcommittee was informed that the Governor's recommendation for the home care program would result in cutbacks in services in both FY 1989 and FY 1990. The shortfall for FY 1990 is \$983,168. The Subcommittee was informed that the agency has requested a Governor's Budget Amendment for this amount, and the Subcommittee requests that the Senate review funding for the program.
12. The Subcommittee recommends the deletion of \$71,234 State General Fund and 2 Management Analyst positions from the Economic Opportunity Program in Adult Services. The program currently receives no funding from the State General Fund.
13. The House Subcommittee recommends an appropriation of \$500,000 from the State General Fund to commission a comprehensive evaluation of the state's child protective services. The scope of the study should include (but not be limited to) the judicial process, the schools, the foster care system, and the family services system. The goal of the study is to identify needed changes in administrative structure, assignment of responsibilities, planning and decision-making processes, and funding needs. The Subcommittee recommends that the study be awarded on a request for proposal basis to a nationally recognized standard-setting organization. It is expected that the study would begin by January 1990 and could take up to two years.
14. The Subcommittee examined the proposed budget for the Comprehensive Screening Unit which is being transferred from Topeka State Hospital to Youth Services. The Subcommittee questioned the increased costs and decreased staff and bed capacity after the program is to be shifted to Youth Services. The Subcommittee was informed that the increased costs are due to the inclusion of services which will now be purchased from the hospital. The Subcommittee was informed that the fee funds in the hospital budget appear to have been increased to account for this additional revenue to the hospital. The Subcommittee also learned that, assuming legislative approval, Topeka State Hospital will retain 14.4 positions from the screening unit. (The Governor's recommendation is based on 38.5 FTE positions for the screening unit under Youth Services, instead of the current 53.2 positions.) While the Subcommittee has been told that the transfer of the screening unit to Youth Services involves no net increase to the State General Fund, the Subcommittee has concerns regarding the budget data which have been presented, and will continue to monitor the situation.
15. The Subcommittee concurs with the Governor's recommendation for \$250,000 from the State General Fund to continue a contract for private operation of the Kansas City workshop for the blind. However, the Subcommittee is concerned that the blind employees have been laid off since late January due to a lack of work. The Subcommittee suggests that this situation be reviewed later in the session, and that consideration be given to ending the contract and resuming state operation if progress has not been made in reemploying these persons. The Subcommittee also notes that there is pending legislation giving SRS the authority to sell the workshop building to the private operator, and that consideration of such legislation should be delayed until the viability of the new management is assured.

16. The Subcommittee requests that the agency develop a more coordinated method for presenting the budget for mental health and mental retardation programs, elements of which are included in MHRS, Medical Programs, Adult Services, Alcohol and Drug Abuse Services, Youth Services, and the state institutions. While there may be valid programmatic reasons for the current division of responsibilities among the divisions of the department, the Subcommittee needs to review the programs in their entirety, instead of their component parts.
17. The Subcommittee concurs with the Governor's recommendation for a 6 percent cost of living increase in state aid for mental health centers. However, with proposed legislation to revise the state's mental health system, this funding mechanism may be changed in future years to implement mental health system reform.
18. The Subcommittee concurs with the Governor's recommendation for \$1,600,000 from the State General Fund for community-based case managers for the chronically mentally ill, but notes that many key elements of this proposed program are not yet developed. The Subcommittee recommends that the agency draft guidelines, and if possible, the request for proposal that will be used to provide funds to local agencies, for further review by the Legislature before the end of the 1989 Session. The Subcommittee notes that the agency may request an additional \$800,000 for additional services that the case managers will generate.
19. The Subcommittee was informed by the agency that the project for mental health services for the hearing impaired which is currently funded through a \$50,000 special purpose grant, will be continued for FY 1990.
20. The Subcommittee considered the agency's request for multi-year funding, to be matched with county mill levy funds, to serve persons remaining on the waiting list for community mental retardation services. Multi-year funding would give local agencies more lead time to expand services, instead of the current system under which they have a few months to respond to a request for proposal. However, the Subcommittee heard no community testimony in favor of the concept. The Subcommittee believes that multi-year funding with the use of local matching funds is a laudable idea, but needs more local and community support.
21. The Subcommittee reviewed projections for caseloads for medical assistance, aid to families with dependent children, general assistance, and foster care, and recommends no changes at this time. The Governor's recommendation assumes no increase in AFDC caseloads from FY 1989 to FY 1990, based on the effect of the KanWork program operating in seven counties. The Governor's projection for AFDC is the same as the agency estimate for FY 1989 and 1 percent below the FY 1990 request. The agency's assumption is based on a four-county KanWork program instead of a seven-county program.) In both FY 1989 and FY 1990, the Governor's recommendation for General Assistance is two percent below the agency's estimate.

The Subcommittee notes that SRS has established a caseload consensus-estimating group which meets periodically to project medical assistance, public assistance and foster caseloads and costs per person. The group meets in July, prior to preparation of the agency's budget request; in November, prior to development of the Governor's budget recommendation; and in March, prior to completion of legislative budget decisions. The Subcommittee endorses this process for projecting caseloads and believes that it provides a more objective basis for decisions about public assistance policy issues. The Subcommittee also recommends that the directors of the Budget Division and of Legislative Research participate in the caseload consensus estimation.

The caseload estimating group is scheduled to revise caseload projections again in mid-March, and the Subcommittee requests the Senate to review the results at that time. This Subcommittee's recommendation to delay the expansion of KanWork until April 1990 should also be considered in the revised caseload estimates.

22. The Subcommittee learned that the shelter allowance component of public assistance grants, which varies by county, is based on 1974 data and that subsequent changes in housing costs have resulted in inequities in various parts of the state. The Subcommittee learned that legislation has been introduced to address this issue, and that SRS is evaluating several methodologies to correct the problem. The Subcommittee requests that the Senate review this issue once the analysis is completed.
23. The Subcommittee recommends that \$100,000 of the amount recommended by the Governor for the General Assistance program be used to continue legal assistance for GA recipients seeking eligibility for federal Supplemental Security Income. The Governor's recommendation did not assume continued funding for this project, even though it has resulted in cost-savings to the state and additional federally-funded benefits for the recipients. The Subcommittee assumes that the cost-savings will continue to more than offset the cost of the project. Financing the project through the General Assistance budget is not to reduce funding for benefits to recipients. The Subcommittee also recommends that the project be awarded through a request for proposal (RFP) process to an organization that can operate the project on a statewide basis. This recommendation does not reflect any dissatisfaction with the current service provider, Kansas Legal Services, but will help assure that provider performance is reviewed each year.
24. The Subcommittee recommends an additional appropriation of \$1,193,948 from oil overcharge funds for the Low Income Energy Assistance Program to maintain current funding levels for FY 1990.
25. The Subcommittee recommends an additional appropriation of \$680,381 from oil overcharge funds to maintain the Weatherization program at the current level for FY 1990. The Subcommittee recommends that, at the beginning of the next program year (which for LIEAP-funded weatherization projects is January 1990 and for Department of Energy/oil overcharge

weatherization projects is April 1990), eligibility is to be set at 125 percent of the poverty level instead of the current level of 150 percent.

26. The Subcommittee recommends that the portion of the medical assistance budget financed from the State General Fund continue to be appropriated as two line items, one for regular medical assistance and one for long-term care, instead of the one line item recommended by the Governor.
27. The House Subcommittee recommends an appropriation of \$4,951,180 (\$2,249,849 State General Fund) for the expansion of Medicaid eligibility to pregnant women and their infants (up to one year of age) with family incomes of up to 150 percent of the federal poverty level. Of the recommended amount, \$4,514,805 (\$2,031,662 SGF) is for medical assistance and \$436,375 (\$218,187 SGF) is for administrative costs. The amount for administration includes salaries and wages for 12.5 income maintenance workers and 2.5 clerical positions, an increase of 15.0 FTE to the agency's position limitation. The Subcommittee notes that this expansion of eligibility for perinatal and infant health care can provide additional financing for Maternal and Infant projects which are administered by the Kansas Department of Health and Environment and which also serve low income families. The Subcommittee directs SRS to cooperate with KDHE to maximize federal Medicaid funding for services provided through the Maternal and Infant program to pregnant women and infants whose incomes are below 150 percent of poverty.
28. The House Subcommittee recommends an appropriation of \$5,185,318 (\$2,374,101 SGF) for expansion of Medicaid eligibility to children from ages two through four (eligibility ending on the fifth birthday) in families with incomes up to 100 percent of the federal poverty level. (The program currently covers such children up to age two). Of the recommended amount, \$4,371,147 (\$1,967,016 SGF) is for medical assistance and \$814,171 (\$407,085 SGF) is for administrative costs. The administrative costs include salaries and wages for an additional 26.5 income maintenance workers and 4.5 clerical positions, an addition of 31 FTE positions to the agency's position limitation.
29. The Subcommittee concurs with the Governor's recommendation of \$9,823,490 to implement a diagnosis related group (DRG) method of hospital reimbursement under the medical assistance program. However, the Subcommittee recommends that \$1,622,252 of that amount be for additional reimbursement for psychiatric DRGs (\$422,252) and alcohol and drug abuse DRGs (\$1,200,000). The Subcommittee heard testimony that the new DRG system will severely reduce reimbursement for hospital-based alcohol, drug abuse, and psychiatric programs. The Subcommittee also learned that hospital-based programs are treating the more seriously ill patients which results in higher than average daily costs. The Subcommittee recommends that the \$1,622,252 (\$859,794 SGF) be appropriated separately so that these expenditures can be monitored.
30. The House Subcommittee recommends \$1,297,235 (\$1,210,320 State General Fund) to provide an additional 550 child care slots and to establish a regional reimbursement system which will bring the SRS rates

for each of the 17 area offices to a minimum of 75 percent of the cost of child care for that area.

31. In addition to the 5 percent rate increase for foster care providers recommended by the Governor, the Subcommittee recommends an additional 10 percent rate increase effective January 1, 1990. The cost of this additional rate increase is \$1,350,983 (\$1,107,803 SGF).

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 House Committee recommendations, with the following adjustments:

1. Make a technical adjustment to properly reflect the Committee recommendation for the KanWork program, decreasing the amount from the State General Fund by \$861,787 and increasing federal matching funds by the same amount. The decreased expenditure of \$861,787 State General Fund is comprised of a decrease of \$899,395 State General Fund for KanWork assistance and an increase of \$37,608 State General Fund for KanWork state operations.
2. Add \$1,609,500 (\$870,974 State General Fund) to increase the minimum standard shelter allowance in the AFDC and General Assistance programs to \$97 per month.
3. Add \$4,756,455 (\$2,520,921 State General Fund) to the KanWork program to expand the program to Butler, Ford, and Seward counties effective July 1, 1989 and to Douglas, Johnson, Leavenworth, and Wyandotte Counties effective October 1, 1989.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,350,896	\$ 158,661,642	\$ (1,458,699)
Local Aid	--	29,964,037	216,524
Other Assistance	<u>15,355,847</u>	<u>584,551,568</u>	<u>1,854,770</u>
Subtotal - Operating	<u>\$ 19,706,743</u>	<u>\$ 773,177,247</u>	<u>\$ 612,595</u>
Capital Improvements	--	4,593,000	--
Total	<u>\$ 19,706,743</u>	<u>\$ 777,770,247</u>	<u>\$ 612,595</u>
State General Fund:			
State Operations	\$ 2,239,494	\$ 67,659,950	\$ (625,957)
Local Aid	--	26,849,503	216,524
Other Assistance	<u>5,882,854</u>	<u>265,358,213</u>	<u>3,248,356</u>
Subtotal - Operating	<u>\$ 8,122,348</u>	<u>\$ 359,867,666</u>	<u>\$ 2,838,923</u>
Capital Improvements	--	--	--
Total	<u>\$ 8,122,348</u>	<u>\$ 359,867,666</u>	<u>\$ 2,838,923</u>
Economic Development Initiatives Fund	\$ --	\$ 50,000	\$ --
FTE Positions	50.5	3,296.9	(11.0)

Senate Subcommittee Recommendations

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

1. Restore 20.5 vacant positions deleted by the House and restore \$473,634 (\$188,346 SGF) for salaries and wages. The Senate Subcommittee is concerned that many of the positions to be deleted are in field offices.
2. Concur with the House recommendation to add \$547,918 (\$399,980) and 24 positions for social services to prevent out-of-home placement of children. However, the Senate Subcommittee recommends that distribution of these additional staff be left to the agency's discretion instead of requiring the establishment of one large or two small family preservation projects.
3. Concur with the House recommendation that the Legislature undertake an interim study of the alcohol and drug abuse treatment system and related issues, including the lack of a continuum of care for substance abusers. The Senate Subcommittee also requests that the Division of Post Audit be directed to conduct a study of the current service system.
4. Add \$1,000,000 from the State General Fund for alcohol and drug abuse after-care services, including \$750,000 for three additional reintegration

(halfway house) projects to serve about 250 clients and \$250,000 for an additional eight after-care counselors at existing treatment programs.

5. Recommend retaining the proviso that grants for residential treatment of juvenile substance abusers be made to programs with taxing authority.
6. Recommend that the KanWork program be expanded from the current four counties to an additional three counties effective April 1, 1990, when additional federal funding will be available under the new welfare reform law. This recommendation, as well as an increased projection of federal financial participation in the program, results in a reduction of \$3,496,769 SGF from the House proposal, which would expand KanWork to additional three counties on July 1, 1989 and an additional four counties on October 1, 1989. The Senate Subcommittee endorses the KanWork program but agrees with the House Committee that additional data on program performance are needed before the program is expanded. The Senate Subcommittee also recommends that selection of expansion counties be left to the agency's discretion, and that the program not necessarily be expanded on an area office basis.

The Senate Subcommittee also learned that some KanWork participants who find employment are immediately contacted by creditors to pay overdue bills. The Subcommittee recommends that the agency considering adding credit counseling to the services available to KanWork participants to encourage them to retain employment.

7. Add \$1,030,067 from the State General Fund for home care services in FY 1990, to restore services to the level as of the end of FY 1988.
8. Restore two positions in the Economic Opportunity Program which oversees the weatherization program, but not restore the amount from the State General Fund for their salaries and wages and related expenses. The House deleted the positions and the financing from the State General Fund, then added oil overcharge funds to maintain the weatherization program but did not restore the positions.
9. Delete \$500,000 from the State General Fund which was recommended by the House for a study of the state's services for children by a national organization. Such a study could be performed by the Division of Post Audit.
10. Add \$400,000 from the State General Fund for mental health services which will be generated by the case managers recommended by the House to work with chronically mentally ill persons in the community. The Senate Subcommittee recommends that this amount from the State General Fund be appropriated to the regular medical assistance program so that federal match may be obtained. With federal match, the total amount recommended for additional mental health services generated by the new case managers is \$706,215.
11. Add \$72,000 from the State General Fund to special purpose mental health grants for additional mental health services for the hearing

impaired. The Senate Subcommittee recommends that such services also be expanded to the western part of the state.

12. The Senate Subcommittee recommends that the \$1,658,115 recommended to place an additional 200 persons into community mental retardation programs also be appropriated for FY 1991, and that effective FY 1991, half of that amount (\$829,058) be set aside as 50 percent state match for new mill levy funds to serve persons from the waiting list for community mental retardation programs. The Subcommittee recommends the introduction of legislation to increase the maximum mill levy for mental retardation services from two to three mills, with the additional mill to only serve persons from the waiting list.
13. Add \$144,524 from the State General Fund to provide a 7.5 percent increase for state aid for mental retardation programs instead of the five percent recommended by the Governor.
14. Add \$1,022,138 (\$462,517 State General Fund) for a three percent grant increase in Aid to Families with Dependent Children and \$109,680 State General Fund for a three percent grant increase in General Assistance, instead of the two percent increase for these programs recommended by the Governor.
15. Add \$909,375 (\$411,492 SGF) to the Aid to Families with Dependent Children program based on a revised caseload projection of 843,000 person months. The Governor's recommendation was based on 835,500 person months.
16. Add \$636,700 SGF to the General Assistance program based on a revised caseload projection of 72,500 person months. The Governor's recommendation was based on 68,000 person months.
17. Add \$5,287,436 (\$2,514,464 State General Fund) to the medical assistance program, based on revised caseload and cost projections. The recommended increase reflects the cash assistance caseload adjustments recommended above, and increased costs for persons in adult care homes. Within certain limits, nursing homes are reimbursed at actual cost, with approximately a half-year lag.
18. Add \$2,291,186 from the State General Fund to the medical assistance program and reduce financing from the SRS fee fund by the same amount, to compensate for a projected shortfall in the fee fund. SRS fee fund revenues are derived primarily from child support enforcement collections on behalf of cash assistance recipients. Total child support enforcement collections are rising, but the proportion on behalf of cash assistance recipients is declining. The fee fund supplants financing from the State General Fund, primarily in the medical assistance program.
19. The Senate Subcommittee concurs with the House recommendation to add \$1,609,500 (\$870,974 State General Fund) to remedy inequities in the shelter component of cash assistance payments which have resulted in recipients in counties with similar housing costs receiving varying levels of assistance. However, the Senate Subcommittee recommends that


instead of setting the minimum shelter standard at \$97, thus assisting only those in the lowest two shelter categories, the agency be permitted to allocate the funds to first address the most severe inequities. For example, the agency should consider reassigning counties most out of alignment with current shelter costs to higher shelter groups.

20. Add \$248,000 from the State General Fund for a grant to Kansas Legal Services to provide legal assistance for recipients of General Assistance (a state-funded program) who are seeking eligibility for federal Supplemental Security Income. This amount would enable Legal Services to assist 2,000 persons identified by SRS as potentially eligible for federal assistance. In the current fiscal year, the project has shown a six-to-one return on investment in terms of state reimbursement and benefit cost avoidance. The Senate Subcommittee does not concur with the House recommendation that funding for the project be derived from the amount recommended by the Governor for the General Assistance program, even though significant savings to that program are expected to continue. Instead, the Subcommittee recommends that the amount be included in the appropriation for income maintenance administration. The Senate Subcommittee also does not agree with the House recommendation that a request for proposal process be used to award this grant, but recommends that it continue to be awarded to Kansas Legal Services.
21. The Senate Subcommittee concurs with the House recommendation to provide additional oil overcharge funds to maintain the weatherization program at the current level. However, the Senate Subcommittee recommends that eligibility for weatherization be continued at a maximum of 150 percent of poverty instead of being reduced to 125 percent of poverty. The Senate Subcommittee understands that within the income eligibility limit, the agency sets priorities on the basis of factors such as age, handicap and severity of need, and believes that such flexibility should continue.
22. Delete \$4,951,180 (\$2,249,849 State General Fund) recommended by the House to expand Medicaid eligibility to pregnant women and their infants in families with incomes up to 150 percent of the poverty level. The Senate Subcommittee recommends continuation of the current eligibility standard for pregnant women and their infants up to 100 percent of poverty.
23. Delete \$3,355,318 (\$1,531,601 State General Fund) from the House recommendation, and expand Medicaid eligibility to children up to age three in families below 100 percent of poverty, instead of up to age five as recommended by the House.
24. Add \$943,396 (\$500,000 State General Fund) for additional hospital reimbursement under the diagnosis related group (DRG) system. The Senate Subcommittee recommends that these funds be used for additional reimbursement for alcohol and drug and psychiatric treatment, but recommends that the agency consult with the Kansas Hospital Association. The Senate Subcommittee also recommends that the additional funds recommended by both the House and by the Senate Subcommittee not be appropriated as a separate line item, but be

included in the appropriation for regular medical assistance. However, the agency should monitor the expenditure of these additional funds and report back to the Legislature regarding the impact of the DRG reimbursement on inpatient alcohol, drug and psychiatric treatment.

25. Add \$366,250 (\$179,463 State General Fund) to the medical assistance program to increase the pharmacist dispensing fee by five percent.
26. Add \$1,290,000 (\$657,900 State General Fund) to the long-term care component of the medical assistance program to permit a five percent inflation increase instead of the four percent recommended by the Governor.
27. The Senate Subcommittee heard testimony that physicians are discouraged from participating in the medical assistance program because of inadequate reimbursement levels, complex billing procedures and other paperwork requirements which are more onerous than any other payers'. The Subcommittee recognizes that some of this red tape is due to federal mandates and the need to contain costs. However, the Subcommittee directs the agency to review its procedures, as well as those of its fiscal agent, to ensure that billing and reporting requirements are not overly complex. The Subcommittee recommends that the agency continue to work with providers to minimize any barriers to participation.
28. Delete \$704,359 (\$577,573 State General Fund) from the House recommendation and provide a 7.5 percent increase in foster care rates for the full fiscal year, instead of providing a 5 percent increase for the first half of the fiscal year and an additional 10 percent for the second half. The Senate Subcommittee also recommends that the increase not necessarily be provided across-the-board, but that the agency have the discretion to adjust the percentage increase for various levels of care, with the goal of equalizing the percentage of costs covered for all levels of care.
29. Add \$906,742 (\$427,839 State General Fund) and 2.0 FTE positions for a Medicaid waiver program to provide services for the head-injured in the community instead of in adult care homes. Of the recommended increase, \$55,678 (\$27,839 SGF) is for the two positions and related operating expenditures, and \$851,064 (\$400,000 SGF) for the cost of care.
30. Add \$100,000 from the State General Fund for a pilot program to provide services to the autistic.
31. The Senate Subcommittee recommends that a proviso be added to the bill prohibiting the use of state or federal funds for any bid-rebate reimbursement program for single-source pharmaceuticals (i.e., drugs which are still under patent).
32. The Senate Subcommittee recommends that a proviso be added to the social services clearing fund to provide separate limits for expenditures for salaries and wages versus other operating expenditures. The social

services clearing fund currently has a proviso which limits agency expenditures from all funding sources for state operations but does not distinguish between salaries and other operating expenditures.



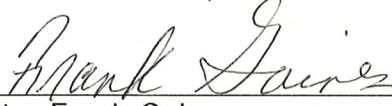
Senator August Bogina, Jr.




Senator Ross O. Doyen



Senator Wint Winter, Jr.



Senator Frank Gaines



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Department of Social and Rehabilitation Services Bill No. 2063

Bill Sec. 19

Analyst: DeViney

Analysis Pg. No. 613

Budget Pg. No. 2-542

<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	\$ 148,650,563	\$ 148,050,149	\$ (759,774)
Local Aid	25,480,159	25,480,159	--
Other Assistance	<u>532,358,956</u>	<u>532,064,737</u>	<u>(2,102,572)</u>
Subtotal - Operating	\$ 706,489,678	\$ 705,595,045	\$ (2,862,346)
Capital Improvements	<u>1,130,000</u>	<u>2,472,022</u>	<u>--</u>
TOTAL	<u>\$ 707,619,678</u>	<u>\$ 708,067,067</u>	<u>\$ (2,862,346)</u>
State General Fund:			
State Operations	\$ 60,198,137	\$ 60,349,368	\$ (423,147)
Local Aid	22,418,776	22,418,776	--
Other Assistance	<u>243,256,596</u>	<u>240,037,520</u>	<u>(1,246,415)</u>
Subtotal - Operating	\$ 325,873,509	\$ 322,805,664	\$ (1,669,562)
Capital Improvements	<u>0</u>	<u>515,200</u>	<u>--</u>
TOTAL	<u>\$ 325,873,509</u>	<u>\$ 323,320,864</u>	<u>\$ (1,669,562)</u>
 FTE Positions	 3,143.4	 3,139.4	 --

Agency Estimate/Governor's Recommendation

The FY 1989 revised operating budget of \$706,489,678 is \$9,131,552 above the approved budget. SRS requests \$13,784,118 in supplemental funding from the State General Fund, of which \$13,284,118 is for medical assistance and \$500,000 is for additional rent costs for area offices. The agency's estimate for capital improvements in FY 1989 is \$1,130,000 from the State Institutions Building Fund (SIBF), the same as the approved budget.

The Governor recommends an operating budget of \$705,595,045 in FY 1989, an increase of \$8,236,919 to the approved budget. The Governor recommends supplemental funding from the State General Fund totalling \$10,810,172. \$2,959,505 of the recommendation for funding from the State General Fund is for additional foster care placements in the current year.

	<u>SRS Request</u>	<u>Gov. Rec.</u>
Regular Medical Assistance	\$ 5,308,950	\$ 276,179
Long-Term Care	7,975,168	6,752,525
Administration	500,000	695,681
Youth Services	0	3,074,742
Other	<u>0</u>	<u>11,045</u>
TOTAL	<u>\$ 13,784,118</u>	<u>\$ 10,810,172</u>

In addition to the above recommendation for additional operating expenditures, the Governor also recommends \$2,472,022 for capital improvements in FY 1989. The Governor's recommendation includes an appropriation of \$515,200 from the State General Fund in FY 1989 to erect a fence at the Youth Center at Topeka. The SIBF amount of \$1,956,822 reflects the expenditure of \$826,822 for major maintenance and other projects which were reappropriated from FY 1988.

House Subcommittee Recommendation

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

1. The Subcommittee reviewed the Governor's recommendations for aid to families with dependent children, general assistance, medical assistance and foster care in the current fiscal year, including the recommendation for supplemental funding for medical assistance and foster care. The Subcommittee recommends no change in the Governor's recommendation at this time. The Subcommittee notes that SRS has developed a consensus caseload estimating process within the agency to develop and periodically review caseload projections for cash and medical assistance and foster care, and that the next major review of projections for FY 1989 and FY 1990 will occur in mid-March.
2. Reduce funding for the KanWork program by \$2,532,646 (\$1,392,956 State General Fund) from the level of \$8,707,490 recommended by the Governor. Startup delays of about three months occurred in Shawnee, Barton, and Finney Counties, and staff hiring in Sedgwick was not completed until January 1989. The program is now fully operational in the four pilot counties, but there are projected savings in state operations (\$630,074) and in services and assistance (\$1,902,572). The Subcommittee learned that the agency now expects the state/federal shares of financing for KanWork to be 55 percent/45 percent, instead of the 63/37 ratio assumed in the Governor's recommendations. However, this additional savings may be offset by a potential disallowance of federal funds for KanWork expenditures claimed prior to receiving the federal waiver in February, 1989. The Subcommittee requests that the Senate review this issue, should additional information become available.
3. Reduce funding for the staff development program by \$58,908 (State General Fund). The Subcommittee learned that the salaries of four trainers are being charged to the automated eligibility project and thus are receiving additional federal match.
4. Reduce funding for runaway youth grants from \$808,500 to \$608,500, a savings of \$200,000 to the State General Fund. FY 1989 is the first year of operations, and thus far, utilization of the program has been much lower than anticipated.
5. Reduce funding for salaries and wages in the Adult Services Job Preparation subprogram for Food Stamp recipients by \$70,792 (\$17,698 State General Fund) based on year-to-date expenditures.

6. The Subcommittee concurs with the Governor's recommendation for a supplemental appropriation of \$500,000 from the State General Fund in the current fiscal year for area office rents, but is concerned about the rapid escalation of these costs. The FY 1989 recommendation of \$3,913,490 is a 17 percent increase over the FY 1988 level of \$3,349,349. The Subcommittee recognizes that part of the increased cost is due to the creation of additional positions by the 1988 Legislature without additional appropriations for rent. However, the Subcommittee also learned that the agency is evaluating all of its rental space against standards such as handicapped accessibility and square feet per worker. While such enhancements are often necessary and desirable, the Subcommittee expects them to be achieved within the budget set by the Legislature. The Subcommittee also notes that the agency is considering moving the Osawatomie area office from the state hospital grounds to a location not owned by the State, and that such a move would result in a loss of \$54,170 annually to the institution's fee fund.
7. The Subcommittee learned that the agency estimates a shortfall in the SRS fee fund in the current year of \$2,168,955, of which \$1,587,002 is due to a decrease in anticipated collections of AFDC-related child support. Total child support collections are still on target, but the non-AFDC share is greater than expected. The Subcommittee expects a Governor's Budget Amendment will be submitted should this trend continue.
8. The Subcommittee also learned that Governor's Budget Amendments for several issues pertaining to mental health and retardation services may be submitted. The agency was recently notified that the state's allocation for the mental health block grant for the current fiscal year was reduced by about \$200,000, and the state may only use 5 percent instead of 10 percent for state operations. Shortfalls are also expected in funding for physicians' malpractice insurance which the agency pays for physicians at the state institutions (\$74,910), and court ordered evaluations (\$18,200).
9. The Subcommittee notes that there may be a technical error in the Governor's recommendation for the state share of medical assistance funding in the current fiscal year. The recommendation assumes federal match of \$1,795,150 for a deferral payment of \$3,500,000 to the federal government which in fact must be 100 percent state funds. A Governor's Budget Amendment is expected on this item, unless countervailing savings in the medical assistance budget should make it unnecessary.
10. The Subcommittee learned that there is a shortfall in the home care program in the current year of \$628,230 from the State General Fund. Some clients' hours of service have been cut, and intake of additional clients has been halted. The Subcommittee was informed that the agency has requested a Governor's Budget Amendment on this item.

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 House Committee recommendations.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (759,774)	\$ 147,290,375	\$ 256,303
Local Aid	--	25,480,159	--
Other Assistance	(2,102,572)	529,962,165	4,789,744
Subtotal - Operating	\$ (2,862,346)	\$ 702,732,699	\$ 5,046,047
Capital Improvements	--	2,472,022	--
TOTAL	\$ (2,862,346)	\$ 705,204,721	\$ 5,046,047
State General Fund:			
State Operations	\$ (423,147)	\$ 59,926,221	\$ 256,303
Local Aid	--	22,418,776	--
Other Assistance	(1,246,415)	238,791,105	6,277,568
Subtotal - Operating	\$ (1,669,562)	\$ 321,136,102	\$ 6,533,871
Capital Improvements	--	515,200	--
TOTAL	\$ (1,669,562)	\$ 321,651,302	\$ 6,533,871
FTE Positions	--	3,139.4	--

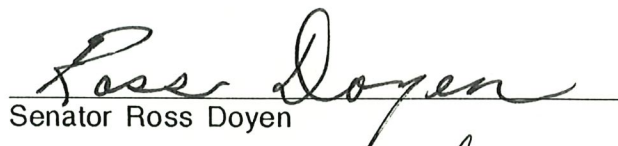
Senate Subcommittee Recommendations

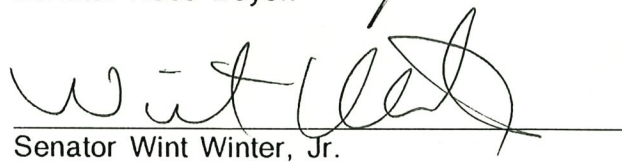
The Senate Subcommittee concurs with the recommendations of the House, with the following adjustments:

1. Add \$1,880,007 (\$1,198,531 State General Fund) to the cash assistance programs (aid to families with dependent children and general assistance), based on year-to-date expenditures and revised caseload and cost projections.
2. Reduce funding for the KanWork program by an additional \$245,000 from the State General Fund. The agency had intended to award these funds to Wichita State University to help construct a day care center. The Senate amended H.B. 2040 to provide a separate appropriation for the project to Wichita State University, subject to a contract between SRS and the University.
3. Add \$2,169,300 from the State General Fund to the medical assistance program to compensate for a shortfall in the SRS fee fund. Of the total amount, \$1,301,580 would finance regular medical assistance and \$867,720 would finance long-term care.
4. Add \$2,909,737 from the State General Fund to medical assistance for long-term care. This is to correct a technical error in the Governor's recommendation for the state share of medical assistance funding which would result in insufficient state match for the program.

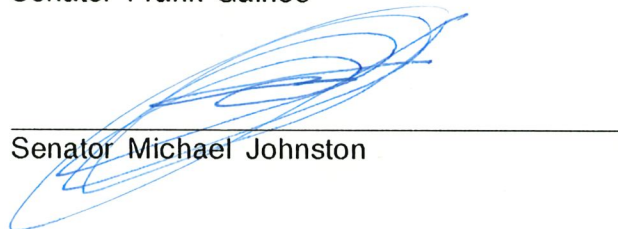
5. Add \$501,303 from the State General Fund for the home care program to restore services to the level as of the beginning of Fiscal Year 1989.


Senator Gus Bogina
Subcommittee Chairperson


Senator Ross Doyen


Senator Wint Winter, Jr.


Senator Frank Gaines


Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Kansas Neurological
Institute

Bill No. 2028

Bill Sec. 3

Analyst: Duncan

Analysis Pg. No. 555

Budget Pg. No. 386

<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	\$ 12,077,893	\$ 11,656,878 ^a	\$ (51,925)
General Fee Fund	571,648	545,970	47,646
Medicaid	9,430,849	11,757,265 ^a	--
Other Funds	227,387	226,995	--
Subtotal	<u>\$ 22,307,777</u>	<u>\$ 24,187,108</u>	<u>\$ (4,279)</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 631,200	\$ 0	\$ --
TOTAL	<u>\$ 22,938,977</u>	<u>\$ 24,187,108</u>	<u>\$ (4,279)</u>
Average Daily Census	385	385	--
FTE Positions	922.0	878.0	(1.0)

- a) Includes technical corrections itemized in Governor's Budget Amendment No. 1 (a reduction of \$559,688 from the State General Fund and addition of the same amount from Title XIX funding and an addition of \$74,480 in salaries and wages, half from the State General Fund and half from Title XIX funds).

Agency Request/Governor's Recommendation

KNI requests \$22,307,777 in state operation expenditures for FY 1990. Requested capital improvements funded from the State Institutions Building Fund total \$631,200. The total request includes approximately \$1,884,475 for the addition of 104 new positions, continuation of funding for the three federal Foster Grandparent positions, and one position reclassification.

The Governor recommends an operating budget of \$24,187,108 for KNI in FY 1990, an increase of \$1,879,331 over the agency request. The recommendation includes a salary and wage increase of \$2,080,938 above the agency request and reductions in nonsalary expenses of \$201,607.

House Subcommittee Recommendation

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

1. Add \$18,000 in state operating expenditures to correct a technical error in the special education contract.
2. Reduce salaries and wages by \$26,023 which includes \$5,072 in fringe benefits and 1.0 FTE for salaries and wages to eliminate one psychology trainee position. KNI is currently allocated four half-time psychology

trainee positions for a total of 2.0 FTE. The Subcommittee notes that 1.0 FTE psychology trainee position has been vacant since April, 1987.

3. Add \$6,000 to state operating expenditures to rent five photocopy machines.
4. Reduce salaries and wages by \$2,256 to delete the reclassification of a DTS III. This reclassification is no longer necessary due to the implementation of Phase III.
5. The Subcommittee notes the agency request for five additional Mental Retardation Specialists FTE positions, but feels that the request came too late in the Subcommittee's deliberations to make a definite decision as to the needs for these positions. The Subcommittee urges the Senate Subcommittee to look specifically at this issue.
6. Increase the expenditure limitation on the KNI Fee Fund from \$545,970 to \$593,616, an increase of \$47,646 which will reduce the Fee Fund ending balance to \$79,943. The Subcommittee recommends that the same \$47,646 be reduced from the State General Fund.
7. The Subcommittee concurs with the technical correction in Governor's Budget Amendment No. 1, adding \$74,480 from Title XIX and the State General Fund to provide salary and fringe benefits for five office assistant positions. These positions are correctly reflected in the FTE limitation.
8. The Subcommittee notes with concern the agency's difficulties in hiring qualified nurses, in particular LPNs; especially after the implementation of Phase III. An LPN position, which usually requires two years of training, is currently paid at range 15 (\$16,428 per year) while direct care workers, who receive approximately six weeks of formal training are paid at range 16 (\$17,232 per year). The Subcommittee is not only concerned with the inequities in the pay for these positions but also with the alarming number of LPN vacancies at the institutions. The Subcommittee urges SRS to make a formal written request to the Division of Personnel as soon as possible, in conformance with K.A.R. 1-5-8, to increase all entry level LPNs and upgrade existing LPN positions to Range 15, Step D which would approximately the salary of a direct care supervisor. The Subcommittee believes that unless this can be accomplished, a nursing shortage could result which could jeopardize continued certification at the mental retardation hospitals.

The Subcommittee is not including funding for LPN step increases, however, should Division of Personnel approve SRS's request, the Subcommittee recognizes that an additional \$47,840 (including fringe benefits and a 4 percent salary increase) will be needed to fund these positions. The Subcommittee notes that the inability to fill these positions could result in a loss of millions of dollars in federal Medicaid funding. The Subcommittee requests the Senate Subcommittee to carefully review this issue. If the Division of Personnel does not permit the step increases requested by SRS, consideration should be given, either in the Senate or in the omnibus bill, to providing additional money to fund nursing contracts in FY 1990.

9. The Subcommittee concurs with the Governor's Budget Amendment No. 1 which adds \$559,688 from the Title XIX fund and reduces the same amount from the State General Fund. The Subcommittee, however, strongly recommends that SRS change the current state Medicaid plan to allow recovery of prospective funds rather than continue with the current method of revising the plan at the end of each fiscal year. It is the understanding of the Subcommittee that the federal government has approved the recovery of prospective funds by other states and the Subcommittee sees no reason why Kansas is not able to do the same, which will allow the state to offset budgetary increases at the present time. A change in the state plan would enable the state to apply for "projected" status which would allow the state to receive federal funds for projected increases in operating costs, not only on an annual basis, but more frequently in response to budget changes. The Subcommittee directs SRS to research this issue and to inform the Senate Subcommittee of their findings.

10. The Subcommittee notes that the three mental retardation agencies are incorporated into H.B. 2028, the SRS bill. This bill allocates 7,991 FTE positions to SRS and does not itemize individual FTE positions for the three hospitals. The Subcommittee recommends that these three agencies be set up as a separate budget item with a separate FTE for each agency, either in the same bill or in a different budget bill detached from SRS.

House Committee Recommendation

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

House Committee of the Whole Recommendation

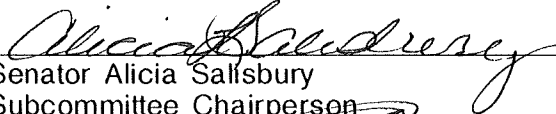
The House Committee of the Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (51,925)	\$ 11,604,953	\$ 62,252
General Fees Fund	47,646	593,616	--
Medicaid	--	11,757,265	--
Other Funds	--	226,995	--
Subtotal	<u>\$ (4,279)</u>	<u>\$ 24,182,829</u>	<u>\$ 62,252</u>
Capital Improvements:			
State Institutions			
Building Fund	--	--	--
Total	<u>\$ (4,279)</u>	<u>\$ 24,182,829</u>	<u>\$ 62,252</u>
FTE Positions	(1.0)	877	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House Committee of the Whole with the following adjustments:

1. Add \$62,252 to provide funding for the 36 existing LPN positions and the six new LPN positions recommended by the Governor. The Subcommittee believes that this increase will enable the agency to fill vacant positions; alleviating the necessity for contract nurses. KNI's current contractual nursing services will total approximately \$120,000 for FY 1989. Contract RNs cost \$26.95 per hour (approximately \$56,000 annually), and contract LPNs cost \$18.95 per hour (approximately \$39,000 annually). The Senate Subcommittee learned that SRS requested, and received permission from the Division of Personnel, to recruit and fill LPN positions to a maximum of Step D, salary range 15. Presently, LPNs are recruited at Step A of salary range 15 which pays \$16,428 annually, plus fringe benefits. The Step D increase would raise LPN salaries to \$18,996 plus fringe benefits. The Subcommittee notes that KNI has 28 RN and 36 LPN positions at this time. The Subcommittee understands that KNI is evaluating nurse staffing patterns to determine future needs and notes with approval KNI's intent to restructure its use of nurse employees at the institution. The Subcommittee applauds the new superintendent's resolve to develop more accountability for the agency's use of staff, and urges KNI to specifically consider the possibility of hiring LPNs in lieu of RNs providing HCFA certification can be maintained.
2. As requested by the House, the Senate Subcommittee reviewed the agency's request for five additional Mental Retardation Specialist FTE positions. The Senate Subcommittee learned that, due to a change in Superintendents at KNI, these new position requests have not been reviewed by the Governor. It is the Senate Subcommittee's belief however, that SRS has included the positions in their request for a Governor's Budget Amendment. The Senate Subcommittee notes that if this request is not included in a Governor's Budget Amendment, consideration should be given to adding these positions during Omnibus.
3. The Subcommittee notes with concern the apparent lack of communication and understanding between the mental retardation agencies and the Kansas Department of Health and Environment and recommends that these agencies work together to attempt to resolve manifest difficulties. In addition, the Subcommittee is extremely concerned that decertification decisions, which potentially could result in loss of millions of dollars in federal Medicaid funds, are made by Health and Environment surveyors. The Subcommittee strongly recommends that any action taken by the Kansas Department of Health and Environment which initiates the decertification process of the state mental retardation hospitals, should be a decision made only by the Secretary of Health and Environment, not by delegated staff.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen

363-90

SUBCOMMITTEE REPORT

Agency: Kansas Neurological
Institute

Bill No. 2063

Bill Sec. 23

Analyst: Duncan

Analysis Pg. No. 555

Budget Pg. No. 386

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 10,050,859	\$ 11,265,946 ^(a)	\$ 38,000
General Fee Fund	522,658	523,624	--
Medicaid	8,771,746	8,771,746	--
Other Funds	251,545	251,545 ^(a)	--
Subtotal	<u>\$ 19,596,808</u>	<u>\$ 20,812,861</u>	<u>\$ 38,000</u>
Capital Improvements:			
State Institutions			
Building Fund	121,145	18,695	--
TOTAL	<u>\$ 19,717,953</u>	<u>\$ 20,831,556</u>	<u>\$ 38,000</u>
Average Daily Census	380	380	--
FTE Positions	842	842	--

- a) Includes technical corrections itemized in the Governor's Budget Amendment No. 1 (a reduction of \$559,688 from Title XIX and an addition of the same amount from the State General Fund).

Agency Request/Governor's Recommendation

For FY 1989, the Kansas Neurological Institute (KNI) requests \$19,596,808 for operating expenditures. KNI's request includes supplemental funding in the amount of \$6,890 and three additional Foster Grandparent positions to implement a three year challenge grant received from the federal government last year.

KNI was recently surveyed by the Kansas Department of Health and Environment (KDHE) which notified the agency on September 28, 1988 that it does not meet minimum standards in providing active treatment to its clients and has a number of serious deficiencies relating to nursing and pharmacy services. To alleviate staffing deficiencies the Finance Council approved 24 new positions for the agency.

KNI is currently certified as out of compliance with active treatment. Thus, the agency has eleven months to comply with federal standards. Until such time, federal Medicaid funding will continue for current residents but will not be available for new clients. The agency will again be surveyed in the spring or summer of 1989. At that time, KDHE will make a determination as to KNI's continued certification.

The Governor recommends \$20,812,861 for operations in FY 1989, an increase of \$1,234,748 (6.3 percent) over the agency estimate. The recommendation includes a \$1,182,553 increase in salaries and wages, a \$1,500 decrease in utilities, a \$10,000 increase in maintenance and supplies, a \$3,000 increase in communications, a \$10,000 increase in professional and scientific supplies, and a \$12,000 increase in household

supplies. The Governor recommends a supplemental General Fund appropriation of \$655,399 and an expenditure limitation increase of \$559,688 on the Title XIX Fund.

House Subcommittee Recommendation

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

1. Add \$68,000 for capital outlay in state operating expenditures to fund the purchase of two butterfly physical therapy tanks and one instantaneous water heater.
2. Reduce \$30,000 from state operating expenditures for utilities due to expenditure savings to date.
3. The Subcommittee notes with concern the agency's difficulties in hiring qualified nurses, in particular LPNs; especially after the implementation of Phase III. An LPN position, which usually requires two years of training, is now paid at range 15 beginning at \$16,428 per year while direct care workers who receive approximately six weeks of formal training are paid at range 16 or \$17,232 per year. The Subcommittee is not only concerned with the inequities in the pay for these positions but also with the alarming number of LPN vacancies at these institutions. The Subcommittee urges SRS to make a formal written request to the Department of Personnel as soon as possible, in conformance with K.A.R. 1-5-8 to increase all entry level LPNs and upgrade existing LPN positions to Range 15, Step D which would approximate the salary of a direct care supervisor. The Subcommittee believes that unless this can be accomplished a nursing shortage could result which could jeopardize continued certification at the mental retardation hospitals.

The Subcommittee is not including funding for these LPN step increases at this time; however, should Division of Personnel approve the request, the Subcommittee recognizes that an additional \$15,401 which includes \$1,649 in fringe benefits will be needed to fund these positions through the remaining four months of the current fiscal year. The inability to fill these positions could result in a loss of millions of dollars in federal Medicaid funding. The Subcommittee requests the Senate Subcommittee carefully review this issue. If the Division of Personnel does not permit the step increases requested by SRS, consideration should be given, either by the Senate or in the omnibus bill, to providing additional money to fund nursing contracts in FY 1990.

4. The Subcommittee concurs with the Governor's Budget Amendment No. 1 which adds \$559,688 from the State General Fund and reduces the same amount from the Title XIX fund. The Subcommittee, however, strongly recommends that SRS change the current state Medicaid plan to allow recovery of prospective funds rather than continue with the current method of revising the plan at the end of each fiscal year. It is the understanding of the Subcommittee that the federal government has approved the recovery of prospective funds by other states and the Subcommittee sees no reason why Kansas is not able to do the same,

which will allow the state to offset budgetary increases at the present time. A change in the state plan would enable the state to apply for "projected" status which would allow the state to receive federal funds for projected increases in operating costs, not only on an annual basis, but more frequently in response to budget changes. The Subcommittee directs SRS to research this issue and to inform the Senate Subcommittee of their findings.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

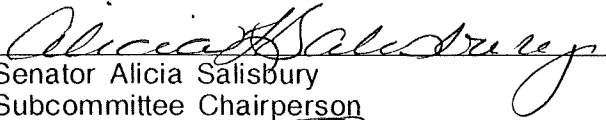
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 38,000	\$ 11,303,946	\$ 17,727
General Fees Fund	--	523,624	--
Medicaid	--	8,711,746	--
Other Funds	--	251,545	--
Subtotal	<u>\$ 38,000</u>	<u>\$ 20,850,861</u>	<u>\$ 17,727</u>
Capital Improvements:			
State Institutions			
Building Fund	--	18,695	--
Total	<u>\$ 38,000</u>	<u>\$ 20,869,556</u>	<u>\$ 17,727</u>
Average Daily Census	--	380	--
FTE Positions	--	842	--

Senate Subcommittee Recommendation

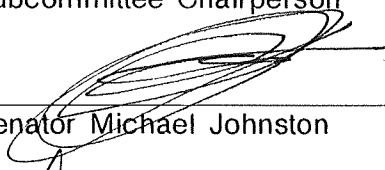
The Senate Subcommittee concurs with the House Committee of the Whole with the following adjustment:

1. Add \$17,727 to upgrade the 36 existing LPN positions to Step D, range 15, for the last four months of the current fiscal year. The Subcommittee believes that this increase will enable the agency to fill vacant positions; alleviating the necessity for contract nurses. KNI's current contractual nursing services will total approximately \$120,000 for FY 1989. Contract RNs cost \$26.95 per hour (approximately \$56,000 annually), and contract LPNs cost \$18.95 per hour (approximately \$39,000 annually). The Senate

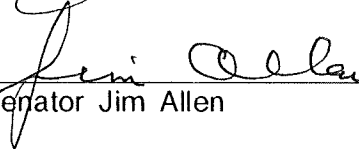
Subcommittee learned that SRS requested, and received permission from the Division of Personnel, to recruit and fill LPN positions to a maximum of Step D, salary range 15. Presently, LPNs are recruited at Step A of salary range 15 which pays \$16,428 annually, plus fringe benefits. The Step D increase would raise LPN salaries to \$18,996 plus fringe benefits.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital
and Training Center

Bill No. 2063

Bill Sec. 24

Analyst: Duncan

Analysis Pg. No. 587

Budget Pg. No. 456

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,941,754	\$ 7,736,711 ^a	\$ (57,500)
General Fee Fund	657,660	643,288	--
Medicaid	6,324,308	6,324,308 ^a	--
Other Funds	<u>40,715</u>	<u>40,715</u>	--
Subtotal	\$ 13,964,437	\$ 14,745,022	\$ (57,500)
Capital Improvements:			
State Institutions			
Building Fund	<u>261,279</u>	<u>245,870</u>	--
Total	<u>\$ 14,225,716</u>	<u>\$ 14,990,892</u>	<u>\$ (57,500)</u>
Average Daily Census	285	285	--
FTE Positions	520.5	520.5	--

- a) Includes technical corrections itemized in the Governor's Budget Amendment No. 1 (a reduction of \$347,552 in Title XIX funding and an addition of \$347,552 from the State General Fund).

Agency Request/Governor's Recommendation

Parsons estimates a revised total operating budget in FY 1989 of \$13,964,437, which is the amount authorized by the 1988 Legislature as further adjusted by the State Finance Council. The transfer was necessary due to delays in obtaining satisfactory specifications and prices on the items. Parsons was recertified by the Kansas Department of Health and Environment in July, 1988, with no major deficiencies. The institution was again surveyed in January, 1989 and was cited for violations of client rights, particularly in the area of informed consent. The agency is taking measures to correct deficiencies in this area and will be resurveyed in the spring of 1989. The population at Parsons at the beginning of FY 1989 was estimated at 307 residents and the budgeted census for FY 1989 is 285.

The Governor recommends operating expenditures of \$14,745,022 for FY 1989, an increase of \$780,585 (5.6 percent) over the agency estimate. Included in the Governor's recommendation is a \$761,258 increase in salaries and wages; a reduction of \$10,585 in communications; a reduction of \$16,087 in utilities; an increase of \$36,000 in contractual services; and an increase of \$10,000 for food. The Governor also recommends FY 1989 expenditures totaling \$245,870 from the State Institutions Building Fund. This recommendation includes reappropriation of funds from the following projects authorized by the Legislature for FY 1988: \$28,298 for renovation of Cedar cottage; \$8,058 for planning a new heating plant; \$32,307 for construction of a new heating plant; \$1,783 to replace the console on the hospital's public address system; \$164,052 for major maintenance projects; and \$11,372 for roof repair projects.

House Subcommittee Recommendation

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

1. Reduce \$50,000 from state operating expenditures for utilities due to expenditure savings to date.
2. Reduce \$13,000 from state operating expenditures for travel and subsistence based on savings accrued from a delay in the agency's rental of four vans.
3. Reduce client salaries and wages by \$22,500. The Governor allocated \$106,000 for client salaries in the current year. The agency, however, has identified \$22,500 of this amount as more than needed for their present program. The Subcommittee notes with approval Parson's efforts to allow clients to participate in such meaningful on the job training as screen printing and gardening in addition to the Deli operation and janitorial programs already in place. The Subcommittee approves of the agency's negotiations with the city of Parsons to contract for client janitorial and gardening services, noting that completion of such contract could provide an additional income source to the residents. In light of this opportunity, the Subcommittee strongly urges SRS to request a special project account to be set up for the Institution to allow Parsons to separate and manage client funds.
4. Add \$28,000 to replace the laundry folding machine. Based upon projections, it would cost over \$20,000 to repair this machine.
5. The Subcommittee notes with concern the discrepancy between the pay for LPNs and the pay for direct care workers since the implementation of Phase III. An LPN position, which usually requires two years of training, is paid at Range 15 beginning at \$16,428 per year while direct care workers who receive approximately six weeks of formal training are paid at Range 16 or \$17,232 per year. The Subcommittee urges SRS to make a formal written request to the Department of Personnel as soon as possible, in conformance with K.A.R. 1-5-8 to increase all entry level LPNs and upgrade existing LPN positions to Range 15, Step D, which would approximate the salary of a direct care supervisor. The Subcommittee believes that unless this can be accomplished, a nursing shortage could result which could jeopardize continued certification at the mental retardation hospitals, resulting in a loss of millions of dollars in federal Medicaid funds.

The Subcommittee is not including funding for these LPN step increases at this time; however, should Division of Personnel approve the request, the Subcommittee recognizes that an additional \$15,073 including \$1,614 in fringe benefits will be needed to fund these positions for the remaining four months of the current fiscal year. The Subcommittee requests the Senate Subcommittee to carefully review this issue. If the Division of Personnel does not permit the step increases requested by SRS,

consideration should be given, either by the Senate or in the omnibus bill, to providing additional money to fund nursing contracts in FY 1990.

6. The Subcommittee concurs with the Governor's Budget Amendment No. 1 which deletes \$347,552 in Title XIX funding and adds a corresponding amount from the State General fund. The Subcommittee, however, strongly recommends that SRS change the current state Medicaid plan to allow recovery of prospective funds rather than continue with the current method of revising the plan at the end of each fiscal year. It is the understanding of the Subcommittee that the federal government has approved the recovery of prospective funds by other states and the Subcommittee sees no reason why Kansas is not able to do the same, which will allow the state to receive federal funds for projected increases in operating costs, not only on an annual basis, but more frequently in response to budget changes. The Subcommittee directs SRS to research this issue and to inform the Senate Subcommittee of their findings.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

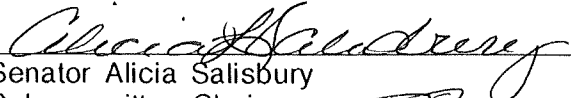
The House Committee of the Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (57,500)	\$ 7,679,211	\$ 12,448
General Fee Fund	--	643,288	--
Medicaid	--	6,324,308	--
Other Funds	--	40,715	--
Subtotal	<u>\$ (57,500)</u>	<u>\$ 14,687,522</u>	<u>\$ 12,448</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 245,870	\$ --
TOTAL	<u>\$ (57,500)</u>	<u>\$ 14,933,392</u>	<u>\$ 12,448</u>
FTE Positions	--	285	--
FTE Positions	--	520.5	--

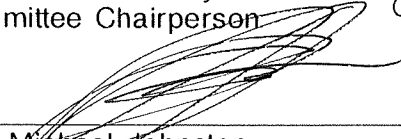
Senate Subcommittee Recommendation

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

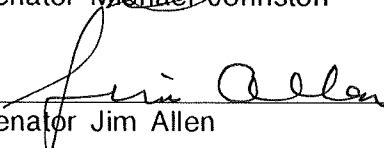
1. Add \$12,448 in salaries and wages to upgrade the 18 existing LPN positions to step D, range 15 for the last four months of the current fiscal year. The Senate Subcommittee learned that SRS requested, and received permission from the Division of Personnel, to recruit and fill LPN positions to a maximum of step D, salary range 15. Presently, LPNs are recruited at step A of salary range 15 which pays \$16,428 annually, plus fringe benefits. The step D increase would raise LPN salaries to \$18,996 plus fringe benefits.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital
and Training Center

Bill No. 2028

Bill Sec. 6

Analyst: Duncan

Analysis Pg. No. 587

Budget Pg. No. 456

<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	\$ 7,876,486	\$ 7,942,245 ^a	\$ (56,222)
General Fee Fund	575,000	551,368	45,266
Medicaid	6,544,399	7,830,846 ^a	--
Other Funds	<u>30,000</u>	<u>30,000</u>	<u>--</u>
Subtotal	\$ 15,025,885	\$ 16,354,459	\$ (10,956)
Capital Improvements:			
State Institutions			
Building Fund	<u>1,877,100</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 16,902,985</u>	<u>\$ 16,354,459</u>	<u>\$ (10,956)</u>
Average Daily Census	285	285	--
FTE Positions	549.5	524.5	2.0

a) Includes technical corrections itemized in the Governor's Budget Amendment No. 1 (a reduction of \$347,552 in the State General Fund and an addition of \$347,552 from the Title XIX fund).

Agency Request/Governor's Recommendation

The agency's FY 1990 request is \$15,025,885, of which \$7,876,486 is from the state General Fund. The total request is an increase of \$1,061,448 above the revised FY 1989 estimate. The FY 1990 request includes 29 new positions at a cost of \$494,760 including fringe benefits.

The Governor recommends operating expenditures of \$16,354,459 for FY 1990, an increase of \$1,328,574 over the agency request. The recommendation contains an increase above the agency request of \$1,524,767 for salaries and wages (including \$79,296 for four new FTE positions); a decrease of \$12,959 for communication expenses; an increase of \$1,321 in special education; a reduction of \$12,666 for utilities; a \$5,660 decrease in clothing expenditures; a \$15,802 reduction in maintenance materials; a reduction of \$3,303 for motor vehicle parts and supplies; a \$6,452 reduction in professional and scientific supplies; a decrease of \$2,630 in office supplies; a \$25,437 decrease in housekeeping supplies; and a \$112,605 decrease in capital outlay expenditures.

House Subcommittee Recommendation

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

1. Reduce salaries and wages by \$22,485 to remove reclassifications for direct care workers. These reclassifications are no longer necessary due to the implementation of Phase III.
2. Reduce client salaries and wages by \$22,500. The Governor allocated \$106,000 for client salaries in the current year. The agency, however, has identified \$22,500 of this amount as more than needed for their present program. The Subcommittee notes with approval Parson's efforts to allow clients to participate in such meaningful on the job training as screen printing and gardening in addition to the Deli operation and janitorial programs already in place. The Subcommittee approves of the agency's negotiations with the city of Parsons to contract for client janitorial and gardening services, noting that completion of such contract could provide an additional income source to the residents. In light of this opportunity, the Subcommittee strongly urges SRS to request a special project account to be set up for the Institution to allow Parsons to separate and manage client funds.
3. Add \$34,029, including \$6,705 in fringe benefits, and 2 FTE positions for two new cooks. The Subcommittee was informed that the quality of food is suffering and cleaning is not up to standards. The addition of new cooks will cure these deficiencies and allow Parsons to continue a more normal family style dining situation for the clients.
4. Increase the expenditure limitation on the Parsons Fee Fund from \$551,368 to \$596,634, an increase of \$45,266 which will reduce the fee fund ending balance to \$71,086. The Subcommittee recommends that State General Fund expenditures be reduced by \$45,266.
5. The Subcommittee notes with concern the discrepancy between the pay for LPNs and the pay for direct care workers since the implementation of Phase III. An LPN position, which usually requires two years of training, is paid at Range 15 beginning at \$16,428 per year while direct care workers who receive approximately six weeks of formal training are paid at Range 16 or \$17,232 per year. The Subcommittee urges SRS to make a formal written request to the Department of Personnel as soon as possible, in conformance with K.A.R. 1-5-8, to increase all entry level LPNs and upgrade existing LPN positions to Range 15, Step D, which would approximate the salary of a direct care supervisor. The Subcommittee believes that unless this can be accomplished a nursing shortage could result which could jeopardize continued certification at the mental retardation hospitals, possibly resulting in loss of millions of dollars in federal Medicaid funds.

The Subcommittee is not including funding for these LPN step increases at this time; however, should Division of Personnel approve the request, the Subcommittee recognizes that an additional \$40,381 including \$4,165 in fringe benefits will be needed to fund these positions. The Subcommittee requests the Senate Subcommittee to carefully review this issue. If the Division of Personnel does not permit the step increases requested by SRS, consideration should be given, either by the Senate or in the omnibus bill, to providing additional money to fund nursing contracts in FY 1990.

6. The Subcommittee concurs with the Governor's Budget Amendment No. 1 which adds \$347,552 in funding from Title XIX and deletes the same amount from the State General Fund. The Subcommittee, however, strongly recommends that SRS change the current state Medicaid plan to allow recovery of prospective funds rather than continue with the current method of revising the plan at the end of each fiscal year. It is the understanding of the Subcommittee that the federal government has approved the recovery of prospective funds by other states and the Subcommittee sees no reason why Kansas is not able to do the same, which will allow the state to offset budgetary increases at the present time. A change in the state plan would enable the state to apply for "projected" status which would allow the state to receive federal funds for projected increases in operating costs, not only on an annual basis, but more frequently in response to budget changes. The Subcommittee directs SRS to research this issue and to inform the Senate Subcommittee of their findings.

7. The Subcommittee notes that the three mental retardation agencies are incorporated into H.B. 2028, the SRS bill. This bill allocated 7,991 FTE positions to SRS and does not itemize individual FTE positions for the three hospitals. The Subcommittee recommends that these three agencies be set up as a separate budget item with a separate FTE for each agency either in the same bill or in a different budget bill detached from SRS.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

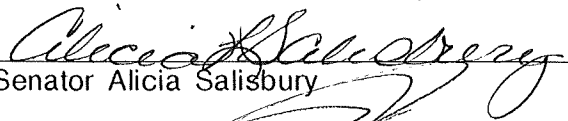
The House Committee of the Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (56,222)	\$ 7,886,023	\$ 29,907
General Fee Fund	45,266	596,634	--
Medicaid	--	7,830,846	--
Other Funds	--	30,000	--
Subtotal	<u>\$ (10,956)</u>	<u>\$ 16,343,503</u>	<u>\$ 29,907</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ --	\$ --
TOTAL	<u>\$ (10,956)</u>	<u>\$ 16,343,503</u>	<u>\$ 29,907</u>
Average Daily Census	--	285	--
FTE Positions	2.0	526.5	--

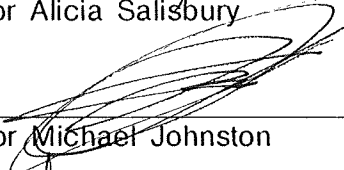
Senate Subcommittee Recommendations

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

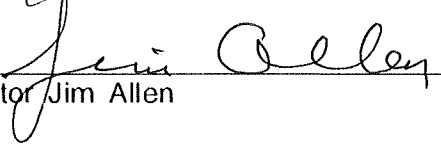
1. Make a technical adjustment in the reclassification of security staff to reflect the correct position titles. After the implementation of Phase III, the Patrol Sergeant became a Safety and Security Officer II. He should be reclassified to Safety and Security Chief. The Patrol Officer, who became a Safety and Security Officer I should be reclassified to Safety and Security Officer II. This technical change results in an additional \$313 savings in salaries and wages.
2. Make a technical adjustment to reflect a transfer of \$7,400 from the no limit Parsons State Hospital and Training Center Canteen Fund to the no limit Patient Benefit Fund.
3. Add \$30,220 in salaries and wages to continue the upgrade of the 18 LPN positions to step D, salary range 15. Presently, LPNs are recruited at step A of salary range 15 which pays \$16,428 annually, plus fringe benefits. The step D increase would raise LPN salaries to \$18,996 plus fringe benefits.
4. The Senate subcommittee notes the agency's budget request for \$184,700 to renovate Birch Cottage. It is the Subcommittee's understanding that this cottage is 30 years old and the agency's highest priority capital improvement request. Funding for this project would allow the agency to continue the cottage renovation program which began in 1982. Construction was completed on Elm Cottage in 1985 and appropriations were made during FY 1987 and FY 1988 to renovate two additional cottages. No appropriations were made for the cottage renovation project in FY 1989. The Senate Subcommittee believes that the renovation of Birch Cottage is necessary to allow the agency to maintain a less institutional and more home like environment for the clients and requests the Joint Committee on State Building Construction to seriously consider this request.
5. The Subcommittee notes with concern the apparent lack of communication and understanding between the mental retardation agencies and the Kansas Department of Health and Environment and recommends that these agencies work together to attempt to resolve manifest difficulties. In addition, the Subcommittee is extremely concerned that decertification decisions, which potentially could result in loss of millions of dollars in federal Medicaid funds, are made by Health and Environment surveyors. The Subcommittee strongly recommends that any action taken by the Kansas Department of Health and Environment, which initiates the decertification process of the state mental retardation hospitals, should be a decision made only by the Secretary of Health and Environment, not by delegated staff.



Senator Alicia Salisbury



Senator Michael Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital
and Training Center
Analyst: Duncan

Bill No. 2063
Analysis Pg. No. 604

Bill Sec. 25
Budget Pg. No. 644

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 11,341,237	\$ 14,038,880 ^a	\$ 350,646
General Fees Fund	938,919	938,919	--
Medicaid	13,111,982	13,111,982 ^a	--
Title I	61,162	61,162	--
Foster Grandparents	173,570	173,570	--
Subtotal	\$ 25,626,870	\$ 28,324,513	\$ 350,646
Capital Improvements:			
State Institutions			
Building Fund	55,549	26,297	--
Total	\$ 25,682,419	\$ 28,350,810	\$ 350,646
Average Daily Census	400	400	--
FTE Positions	985	985	985

- a) Includes technical corrections itemized in the Governor's Budget Amendment No. 1 (a reduction of \$1,468,061 from Title XIX funding and an addition of the same amount from the State General Fund; and an addition of \$10,577 in salaries and wages from the State General Fund).

Agency Request/Governor's Recommendation

For FY 1989, Winfield estimates revised expenditures of \$27,214,888 for state operations which includes two supplemental appropriations totaling \$1,867,547. Of this amount, \$279,529 appears in the agency's FY 1989 estimate in its original budget request. The supplemental request includes increases in the areas of freight (\$5,000); printing and advertising for recruitment purposes (\$2,000); rent for a chemical analyzer (\$19,529); additional money for professional contract fees (\$203,000); and increased funding for medical supplies and prescription drugs (\$50,000). Of the remaining \$1,588,018, \$1,303,793 is requested for nursing consultant services which are intended to provide nursing coverage sufficient to meet HCFA standards; \$209,696 for overtime for nursing and direct care staff; \$51,521 for additional professional and scientific supplies; \$16,681 for costs incurred in finding and repairing a broken sewer line; and \$4,047 for overtime for maintenance personnel. Not included in the state operation expenditures are two additional supplemental requests of \$7,927,553 to offset federal funds needed for the "payback" to the federal government for funds which were paid to the agency during the decertification period and \$55,549 for capital improvements.

The Governor recommends \$28,324,513 for state operating expenditures in FY 1989, an increase of \$1,109,625 over the revised agency request. Included in state operating expenditures is approximately \$1,551,724 for the two supplemental requests.

House Subcommittee Recommendation

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

1. Add \$114,000 in salaries and wages to supplement a continuing deficiency in funding for direct care trainee salaries. Although Winfield is funded \$707,616 in FY 1989 for approximately 63 trainees (due to 50 percent turnover among trainees), the agency has actually utilized and paid \$2,914,849 for 221 ongoing trainee positions throughout the current fiscal year, resulting in a budget shortfall of \$2,076,324. Direct care trainees are potential Mental Retardation Technicians I, the entry level for direct care workers. Currently, Winfield is budgeted for 489.5 direct care workers. Vacancies in direct care fluctuate on an almost daily basis between 50-90 FTE. Turnover for direct care workers in FY 1988 was 54.8 percent; FY 1989 turnover statistics show no significant improvement, although the agency projects that turnover will drop by FY 1990 due to stabilization resulting from changes in the structure of the trainee program and the recent implementation of Phase III. Direct care trainees are funded positions which are not included in the agency's FTE. These trainees are not allowed to step into the FTE position until they complete the six week course provided by the agency. Trainees receive salary and fringe benefits commensurate to direct care workers with the exclusion of health insurance and KPERS. The agency is funding the majority of the trainee positions from position vacancies.
2. Add \$158,000 for contractual nursing services. The Subcommittee learned that Winfield has 9 LPN and 11 RN position vacancies, and notes with concern the 47 percent turnover among the 32 nurses recruited in the current year. The Subcommittee recognizes the agency's difficulties in hiring qualified nurses, in particular LPNs; especially after the implementation of Phase III. An LPN position, which usually requires two years of training, is currently paid at Range 15 (\$16,428 per year) while direct care workers, who receive approximately six weeks of formal training are paid at Range 16 (\$17,232 per year). The Subcommittee is not only concerned with the inequity in the pay of these positions, but also with the alarming number of LPN vacancies at these institutions. The Subcommittee urges SRS to make a formal written request to the Division of Personnel as soon as possible, in conformance with K.S.A. 1-5-8, to increase all entry level LPNs and upgrade existing LPN positions to Range 15, Step D, which would approximate the salary of a direct care supervisor. The Subcommittee believes that unless this can be accomplished, a nursing shortage could result which would jeopardize continued certification at the mental retardation hospitals and possibly result in a loss of millions of dollars in federal Medicare funding.

The Subcommittee is not including funds for these LPN step increases, however, should Division of Personnel approve SRS's request, the Subcommittee recognizes that an additional \$23,943, which includes \$2,563 in fringe benefits, will be needed to fund these positions for the remaining four months of FY 1989. The Subcommittee requests the Senate to carefully review this issue. If the Division of Personnel does not permit the step increases requested by SRS, consideration should be

given to providing additional money to fund nursing contracts in FY 1990, either in the Senate or the omnibus bill.

3. Add \$27,600 in state operating expenditures for professional contractual services to fund an existing contract for dietitian services.
4. Add \$26,046 in state operating expenditures for professional contractual services to fund an existing contract for two half-time pharmacists. The Subcommittee recognizes that an entry level pharmacy position is paid at Range 24, \$29,923 annually, which includes \$4,471 in fringe benefits. Information obtained from the agency indicates that this pay range is not competitive with the private sector, making it difficult for Winfield to hire full-time pharmacists. The Subcommittee urges SRS to make a formal written request to the Division of Personnel as soon as possible, in conformance with K.A.R. 1-5-8, to increase all entry level pharmacy positions to enable the agency to fill the existing FTE position and to discontinue the use of contracts to fill this professional position.
5. The Subcommittee concurs with the technical correction in the Governor's Budget Amendment No. 1 adding \$10,577 in salaries and wages from the State General Fund.
6. The Subcommittee concurs with the Governor's Budget Amendment No. 1 which adds \$1,468,061 to the State General Fund and reduces the same amount from the Title XIX fund. The Subcommittee, however, strongly recommends that SRS change the current state Medicaid plan to allow recovery of prospective funds rather than continue with the current method of revising the plan at the end of each fiscal year. It is the understanding of the Subcommittee that the federal government has approved the recovery of prospective funds by other states and the Subcommittee sees no reason why Kansas is not able to do the same, which will allow the state to offset budgetary increases at the present time. A change in the state plan would enable the state to apply for "projected" status which would allow the state to receive federal funds for projected increases in operating costs, not only on an annual basis, but more frequently in response to budget changes. The Subcommittee directs SRS to research this issue and to inform the Senate Subcommittee of their findings.
7. The Subcommittee notes the agency's request that a technical correction be made to include an additional \$43,685 in Phase III funding. The Subcommittee directs SRS to review the agency's request to make a determination as to whether it should be included in a Governor's Budget Amendment.
8. The Subcommittee notes the agency's request for \$25,000 to fund the remodeling of Fern Building. The remodeled building would be used to provide day programming space for Winfield's clients. While approving of the proposed use of the building, the Subcommittee believes that a recommendation on funding should be deferred until the Joint Committee on State Building Construction has reviewed the request.

House Committee Recommendation

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

1. Add \$25,000 in state operating expenditures to fund the remodeling of the Fern Building. The remodeled building would be used to provide day programming space for Winfield's clients.

House Committee as a Whole Recommendation

The House Committee as a Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 350,646	\$ 14,389,526	\$ 26,513
General Fee Fund		938,919	
Medicaid		13,111,982	
Other Funds		61,162	
Subtotal		173,570	
	<u>\$ 350,646</u>	<u>\$ 28,675,159</u>	<u>\$ 26,513</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 26,297	\$ --
Total	<u>\$ 350,646</u>	<u>\$ 28,701,456</u>	<u>\$ 26,513</u>
Average Daily Census	--	400	--
FTE Positions	--	985	--

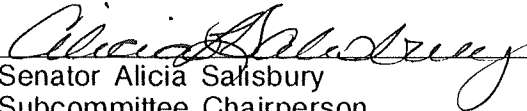
Senate Subcommittee Recommendations

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

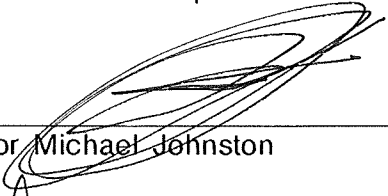
1. Add \$23,839 in salaries and wages, which includes \$2,459 in fringe benefits to upgrade the 29 LPN positions to step D, Salary Range 15 for the last four months of the current fiscal year. The Senate Subcommittee believes that this increase will enable the agency to fill vacant positions, ultimately alleviating the necessity for contract nurses. Winfield's current contractual nursing services total approximately \$1.3 million for FY 1989. Contract RNs cost \$22.80 per hour for weekday nursing, \$26.25 per hour for weekend nursing, and \$34.00 to \$39.38 per hour for overtime (approximately \$47,424 to \$81,910 annually). Contract LPNs cost \$16.90 per hour for weekday nursing, \$18.30 per hour for weekend nursing, and \$22.35 to \$27.43 per hour for overtime (approximately \$35,152 to \$57,044 annually).

The Senate Subcommittee learned that SRS requested, and received permission from the Division of Personnel, to recruit and fill LPN positions to a maximum of step D, Salary Range 15. Presently, LPNs are recruited at step A of Salary Range 15, which pays \$16,428 annually, plus fringe benefits. The step D increase would raise LPN salaries to \$18,996 plus fringe benefits.

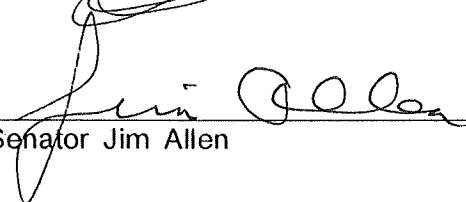
2. Add \$2,674, in salaries and wages, which includes \$308 in fringe benefits, to upgrade the two Pharmacy I positions to step D12 of Range 24, their current salary range, for the last three months of the current fiscal year. Acting upon the recommendations of the House, SRS requested and received permission from the Division of Personnel Services (DPS) to upgrade entry level pharmacy positions to enable the agency to fill pharmacy vacancies and discontinue the use of contractual pharmacy services. The Senate Subcommittee notes that DPS indicated to SRS that step D12 of Range 24 is the competitive job market rate for Pharmacist I positions in Wichita and the surrounding areas. The Senate Subcommittee also notes that Winfield has 3.5 FTE pharmacy positions (2.5 Pharmacy I positions and one Pharmacy II position) of which only the Pharmacy II position is filled. The Senate Subcommittee notes with concern that the current Pharmacist II is at step A and advances to step 1 of Range 27 on April 18, 1989. At that time, the Pharmacist II will make \$30,192 or \$2,280 less a year than the Pharmacist I positions. The Subcommittee realizes that similar inequities in pay may exist in the state classified system, but in light of Winfield's difficulty in finding eligible applicants for pharmacy positions, the Subcommittee believes that this inequity should be corrected as soon as possible to prevent the agency from losing their only filled pharmacy position, which could potentially result in decertification. The Senate Subcommittee directs SRS to make a formal written request to the DPS to seriously consider this request.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital
and Training Center

Bill No. 2028

Bill Sec. 9

Analyst: Duncan

Analysis Pg. No. 604

Budget Pg. No. 644

<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	\$ 16,574,853	\$ 12,864,647 ^a	\$ 399,755
General Fees Fund	900,000	935,173	--
Medicaid	13,111,982	16,815,400 ^a	--
Title I	61,162	61,162	--
Foster Grandparents	180,197	180,197	--
Subtotal	\$ 30,828,194	\$ 30,856,579	\$ 399,755
Capital Improvements:			
State Institutions			
Building Fund	\$ 723,300	\$ 0	\$ --
TOTAL	\$ 31,551,494	\$ 30,856,579	\$ 399,755
Average Daily Census	400	400	--
FTE Positions	1,090.5	1,005.0	(1.5)

- a) Reflects technical changes indicated in Governor's Budget Amendment No. 1 (a reduction of the State General Fund by \$1,468,061 and an addition in the same amount from Title XIX; an addition of \$8,215 in salaries and wages from the State General Fund; and an addition of \$8,214 in salaries and wages from Title XIX funds.)

Agency Request/Governor's Recommendations

The agency requests \$30,828,194 for FY 1990 for state operations, a reduction of \$4,425,345 (12 percent) from the FY 1989 revised agency estimate. Major items requested for Winfield in FY 1990 are 105.5 new positions and a continuation of nursing and professional care contracts totaling \$2,715,406.

For FY 1990, the Governor recommends \$30,856,579 for operating expenditures, an increase of \$28,385 over the agency request. Compared to the agency request, the recommendation is an increase of \$1,359,520 for salaries and wages; a \$4,398 decrease in communications; a \$9,970 decrease in printing and advertising; a 47,140 decrease in rents; a decrease of \$8,769 from the special education contract; a \$413,038 reduction in professional services; a \$4,122 increase in clothing; a \$49,945 reduction in food; an \$8,509 decrease in maintenance materials; a \$5,170 decrease in motor vehicle parts and supplies; a \$17,172 increase in professional and scientific supplies; a \$9,605 reduction in office supplies, a \$7,731 reduction in housekeeping supplies; and an \$828,154 decrease in capital outlay expenditures.

House Subcommittee Recommendations

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

1. Add \$7,100 for repairing and servicing from state operating expenditures for maintenance contracts.
2. Add \$225,167 which includes \$18,383 in fringe benefits to provide funding for 12 additional direct care trainees, bringing funding for direct care trainees to \$932,783 for approximately 75 trainee positions. The Subcommittee notes that the Commissioner of Mental Health and Retardation Services believes that 100 trainee positions are necessary to adequately fill vacancies in direct care. Current turnover rate in direct care is approximately 50 percent for trainees and 54.8 percent for direct care workers. The agency believes that 75 trainees are at the low end of the scale. It has expressed concern that it might not be able to fill position vacancies; however, the agency agrees with the Subcommittee's belief that the implementation of Phase III should have a major positive effect on direct care turnover. Therefore, the agency is willing to try to reduce its current staff of 221 trainees to 75. The Subcommittee recommends that SRS carefully study trainee turnover rates in the institutions paying particular attention to the reasons behind employee turnover. The Subcommittee notes with concern Winfield's difficulty retaining trained direct care employees and recommends that SRS implement a contract requiring employees who enroll for training to pay back some or all identifiable training costs if they leave the hospital before a certain date.
3. The Subcommittee considered the testimony at the agency hearing concerning the addition of 14 FTE Mental Retardation Technician I positions. The Subcommittee notes that between 60-90 direct care vacancies exist at the agency and it sees no reason to add new positions until it is clear that Winfield will be able to fill the existing direct care vacancies. It is the hope of the Subcommittee that the Phase III upgrade in salaries coupled with the agency's new training program will enable the agency to complete this task. The Subcommittee recommends that if current direct care vacancies are filled and the agency can demonstrate a need for these additional FTE positions, that the agency apply for a supplemental appropriation in FY 1990.
4. Add \$76,689 in salaries and wages for employee overtime. The Subcommittee agrees with Winfield's plan to lower contractual nursing costs by implementing a volunteer overtime program for staff nurses.
5. Add \$250,000 in state operating expenditures to fund contractual nursing services. The Subcommittee notes that contractual nursing services for the current fiscal year will amount to approximately \$1,300,000. The Subcommittee further notes that the Governor did not recommend any funding for contractual nursing services in FY 1990. It is the Subcommittee's understanding that the Governor purposely did not provide this funding to encourage the agency to fill their nursing position vacancies.

The Subcommittee notes with concern the agency's difficulties in hiring qualified nurses, in particular LPNs; especially after the implementation of Phase III. An LPN position, which usually requires two years of training, is currently paid at Range 15 (\$16,428 per year) while direct care workers, who receive approximately six weeks of formal training are paid at range 16 (\$17,232 per year). The Subcommittee is not only concerned with the inequities in the pay for these positions but also with the alarming number of nurse vacancies at Winfield. The Subcommittee urges SRS to make a formal written request to the Division of Personnel as soon as possible, in conformance with K.A.R. 1-5-8 to increase all entry level LPNs and upgrade existing LPN positions to Range 15, Step D, which would approximate the salary of a direct care supervisor. The Subcommittee believes that unless this can be accomplished, a nursing shortage could result which would jeopardize continued certification at the mental retardation hospitals resulting in a loss of millions of dollars in federal Medicaid funding.

Although the nursing vacancies at Winfield consist of nine LPN and 11 RN positions, the agency advised the Subcommittee that they believe all 20 positions could be filled with LPNs providing step increases are approved. The Subcommittee agrees with the hiring of LPNs for the vacant RN positions providing HCFA certification can be maintained. In addition, the hiring of staff nurses would provide a substantial savings to the institution since the current annualized cost of contractual nursing services is approximately \$60,000 per nurse; \$41,034 higher than an LPN than a range 15, step D LPN salary.

The Subcommittee is not including funds for LPN step increases, however, should Division of Personnel approve SRS's request, the Subcommittee recognizes that an additional \$71,516 (including fringe benefits and a 4 percent salary increase) will be needed to fund these positions. The Subcommittee requests the Senate Subcommittee to carefully review this issue. If the Division of Personnel approves these step increases and the agency is successful in recruiting, then Winfield may not need the \$250,000 in contract nursing services. The Subcommittee in recommending this amount is providing one quarter of \$1,000,000 the agency estimates it will need for contract nursing services in FY 1990.

6. Add \$26,046 in state operating expenditures to continue funding for the two half-time contractual pharmacists. Although the Subcommittee normally frowns upon contractual services, in this instance there is a slight savings by contracting for this service.
7. Delete \$45,170 in salaries and wages which includes \$6,992 in fringe benefits, and 1.5 FTE pharmacy positions due to extended position vacancies and an ongoing contract for pharmacy services.
8. Increase turnover from 6.23 to 6.75 resulting in a reduction of \$140,077 from the State General Fund.
9. The Subcommittee concurs with the technical correction in the Governor's Budget Amendment No. 1 which adds \$8,215 in salaries and wages from

the State General Fund and \$8,214 in salaries and wages from the Title XIX fund.

10. The Subcommittee notes the agency's request for \$25,000 to complete the remodeling of Fern Building. The remodeled building would be used to provide day programming space for Winfield's clients. While approving the proposed use of the building, the Subcommittee believes that a recommendation on funding should be deferred until the Joint Committee on State Building Construction has reviewed the request.
11. The Subcommittee is aware of the agency's difficulties in recruiting a registered dental hygienist to fill the classified position at range 16, the same range as an entry level direct care worker. The Subcommittee learned that Winfield currently, by contract, pays a dental hygienist a \$40,000 salary. The Subcommittee notes with concern the fact that this, and other similar contracts, were entered into without the approval or consent of the Legislature, however the Subcommittee is sympathetic to the agency's need to fill positions that may be critical to certification. The Subcommittee researched the issue of hygienist salaries and learned that the average dental hygienist salary in Wichita is between \$33,000 and \$36,000, not including fringe benefits. The Subcommittee recommends that the Winfield dental hygienist contract be limited to \$35,000.

The Subcommittee notes that, like LPNs, registered dental hygienists usually require two years of training to obtain their certification. The Subcommittee recommends that SRS pursue a new position classification for dental hygienists pending a market study by the Division of Personnel.

12. The Subcommittee notes that the agency's dentist is currently paid \$55,797, including \$7,809 in fringe benefits, which is at the top of range 31. The Subcommittee recommends that a separate line item be established for this position and, that because of the agency's difficulties in recruiting dentists (due in part to the type of residents at Winfield and the geographical location of the hospital) the agency offer a contract to the dentist in the amount of \$60,000.
13. The Subcommittee concurs with the Governor's Budget Amendment No. 1 which adds \$1,468,061 to the Title XIX and reduces the same amount from the State General Fund. The Subcommittee, however, strongly recommends that SRS change the current state Medicaid plan to allow recovery of prospective funds rather than continue with the current method of revising the plan at the end of each fiscal year. It is the understanding of the Subcommittee that the federal government has approved the recovery of prospective funds by other states and the Subcommittee sees no reason why Kansas is not able to do the same, which will allow the state to receive federal funds for projected increases in operating costs, not only on an annual basis, but more frequently in response to budget changes. The Subcommittee directs SRS to research this issue and to inform the Senate Subcommittee of their findings.
14. The Subcommittee requests the State Architect to survey the three unused buildings at the institution to make a recommendation as to whether the buildings should be razed or renovated. The Subcommittee

notes that a perceived struggle exists between the Department of Corrections and the Hospital over possession and use of these buildings. The Subcommittee believes that the mission of Winfield State Hospital and Training Center should not be allowed to be overshadowed by the state's quest for additional prison space.

15. The Subcommittee notes that the three mental retardation agencies are incorporated into H.B. 2028, the SRS bill. This bill allocates 7,991 FTE positions to SRS and does not itemize individual FTE positions for the three hospitals. The Subcommittee recommends that these three agencies be set up as a separate budget item with a separate FTE for each agency, either in the same bill or in a different budget bill detached from SRS.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee, with the following observation:

1. The House Committee concurs with the Joint Committee on Building Construction's recommendation that \$25,000 be funded from the SRS major maintenance fund to complete the renovation of Fern Building.

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 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 399,755	\$ 13,264,402	\$ 115,340
General Fees Fund	--	935,173	--
Medicaid	--	16,815,400	--
Title I	--	61,162	--
Foster Grandparents	--	180,197	--
Subtotal	<u>399,755</u>	<u>31,256,334</u>	<u>115,340</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ --	\$ --
TOTAL	<u>\$ 399,755</u>	<u>\$ 31,256,334</u>	<u>\$ 115,340</u>
Average Daily Census	--	400	--
FTE Positions	(1.5)	1,003.5	1.5

Senate Subcommittee Recommendations

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

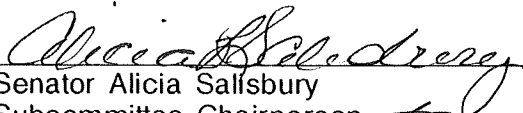
1. Add \$74,748 in salaries and wages which includes \$2,459 in fringe benefits and a 4 percent salary increase to upgrade the 29 existing LPN positions to step D of range 15, their current salary range. The Subcommittee believes that this increase will enable the agency to fill vacant positions; alleviating the necessity for contract nurses. Winfield's current contractual nursing services will total approximately \$1.3 million for FY 1989. Contract RNs cost \$22.80 per hour for weekday nursing, \$26.25 per hour for weekend nursing, and \$34.00 to \$39.38 per hour for overtime (approximately \$47,424 to \$81,910 annually). Contract LPNs cost \$16.90 for weekday nursing, \$18.30 for weekend nursing, and \$25.35 to \$27.43 per hour for overtime (approximately \$35,152 to \$57,044 annually). The Senate Subcommittee learned that SRS requested, and received permission from the Division of Personnel, to recruit and fill LPN positions to a maximum of Step D, salary range 15. Presently, LPNs are recruited at Step A of salary range 15 which pays \$16,428 annually, plus fringe benefits. The Step D increase would raise LPN salaries to \$18,996 plus fringe benefits. The Subcommittee notes that Winfield has 54 RN and 29 LPN positions at this time. The Subcommittee understands that Winfield is evaluating nurse staffing patterns to determine future needs and notes with approval Winfield's intent to restructure its use of nurse employees at the institution, in particular, its decision to use LPNs rather than RNs whenever feasible.

The Senate Subcommittee concurs with the concerns of the House regarding Winfield's 47 percent turnover among the 32 nurses recruited during the current year. The Senate Subcommittee suggests that SRS investigate the feasibility of presenting nurses with a recruitment bonus as an incentive to stay, and notes that if the Department would make such a request the Senate Subcommittee would entertain it at Omnibus. The Subcommittee recommends that SRS evaluate the reasons for nurse turnover at Winfield and strongly urges the Department to assist Winfield in their efforts to reduce agency turnover, especially in the areas of nursing and direct care which are critical to continued certification.

2. Add \$66,638 in salaries and wages (which includes \$8,220 in fringe benefits; \$9,846 to upgrade the 2.5 Pharmacy I positions to step D12 of Range 24; and a 4 percent salary adjustment) and 1.5 Pharmacy FTE to restore the positions which were deleted by the House. The Senate Subcommittee learned that the agency would prefer to fill vacant positions rather than contract for pharmacy services. Acting upon the recommendation of the House, SRS requested and received permission from the Division of Personnel Services to increase entry level pharmacy positions to enable the agency to fill pharmacy vacancies and discontinue the use of contractual pharmacy services. The Senate Subcommittee notes that Division of Personnel Services indicated to SRS that Step D12 of Range 24 is the competitive job market rate for Pharmacist I positions in Wichita and the surrounding area. The Senate Subcommittee also notes that Winfield has 3.5 FTE pharmacy positions, (2.5 Pharmacy I

positions and 1 Pharmacy II position) of which only the Pharmacy II position is filled. The Senate Subcommittee notes with concern that the current Pharmacist II is at Step A and advances to Step 1 of Range 27 on April 18, 1989. At that time the Pharmacist II will make \$30,192 or \$2,280 less a year than the Pharmacist I position. The Subcommittee realizes that similar inequities in pay may exist in the state classified system, but in light of Winfield's difficulty in finding eligible applicants for Pharmacy positions, the Subcommittee believes that this inequity should be corrected as soon as possible to prevent the agency from losing its only filled pharmacy position which could potentially result in decertification. The Senate Subcommittee directs SRS to make a formal written request to the Division of Personnel Services to upgrade the Pharmacist II position and requests DPS to seriously consider this request.

3. Reduce state operating expenditures by \$26,046 to discontinue funding for the contractual pharmacists.
4. The Subcommittee recognizes the agency's difficulties in recruiting and retaining a dentist and a registered dental hygienist. The Subcommittee notes that H.B. 2472, which unclassifies dentists at the mental retardation hospitals, was reported favorably by the House and was amended on the Senate floor to include dental hygienists. The Senate Subcommittee endorses this bill as amended by the Senate, and recommends deletion of the line item for contractual dental services as set out in Section 9 of Sub. H.B. 2028.
5. The Subcommittee notes with concern the apparent lack of communication and understanding between the mental retardation agencies and the Kansas Department of Health and Environment and recommends that these agencies work together to attempt to resolve manifest difficulties. In addition, the Subcommittee is extremely concerned that decertification decisions, which potentially could result in loss of millions of dollars in federal Medicaid funds, are made by Health and Environment surveyors. The Subcommittee strongly recommends that any action taken by the Kansas Department of Health and Environment, which initiates the decertification process of the state mental retardation hospitals, should be a decision made only by the Secretary of Health and Environment, not by delegated staff.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Mike Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health
Facility

Bill No. 2028

Bill Sec. 2

Analyst: Porter

Analysis Pg. No. 580

Budget Pg. No. 482

<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	\$ 4,343,214	\$ 4,459,995	\$ --
Capital Improvements	854,000	0	854,000
TOTAL	\$ 5,197,214	\$ 4,459,995	\$ 854,000
State General Fund:			
State Operations	\$ 2,822,273	\$ 2,825,672	\$ --
Capital Improvements	0	0	--
TOTAL	\$ 2,822,273	\$ 2,825,672	\$ --
FTE Positions	128.5	124.0	--
Average Daily Census	52	47	--

Agency Estimate/Governor's Recommendation

FY 1990. Rainbow requests an operating budget of \$4,343,214, an increase of \$324,305 over the FY 1989 estimate of \$4,018,909. Of the increase, 76.5 percent is attributable to salaries and wages, 12.4 percent to the education contract, 3.9 percent to the dietary contract, 3.2 percent to utilities, and 3.9 percent to other areas of the budget. The funding request includes \$2,822,273 from the State General Fund, \$208,465 from the hospital's fee fund, \$1,287,088 from Title XIX, and \$25,388 from federal Chapter I funds. The request reflects continuation of all existing programs and the addition of 5.5 FTE positions.

The Governor recommends \$4,459,995 for operating expenditures in FY 1990, an increase of \$116,781 over the agency's FY 1990 request and an increase of \$355,187, or 8.7 percent, over the Governor's FY 1989 recommendation. The FY 1990 recommendation includes funding for the implementation of Phase III of the Job Rate and Classification Study (\$134,179, including fringe benefits), a 4 percent salary increase for classified employees (\$101,373, including fringe benefits), and a 5.8 percent unclassified merit pool (\$26,011). The Governor's funding recommendation includes \$2,825,672 from the State General Fund, an increase of \$3,399 from the agency's FY 1990 request; a fee fund expenditure limitation of \$231,468, an increase of \$23,003 from the agency's FY 1990 request; \$1,377,467 from the Title XIX fund, an increase of \$90,379; and \$25,388 in federal Chapter I funds, as requested. The Governor recommends one new position.

House Subcommittee Recommendation

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

1. The Subcommittee expresses concern about the waiting list for the children and adolescents' programs at Rainbow. The Subcommittee

was informed that there is usually a waiting list of 15 to 20 students and that the length of the wait is usually about six months. The Subcommittee suggests that Rainbow return to treating the number of children and adolescents treated in the partial hospitalization program prior to 1988, when the capacity of the program was reduced by ten students. Any fiscal impact of this recommendation may be addressed by Rainbow before the Senate Subcommittee.

2. The Subcommittee notes that Rainbow's capital improvement request for the addition to and remodeling of the special school area was approved by the 1988 Legislature, but vetoed by the Governor due to a lack of funds in the State Institutions Building Fund. The Subcommittee requested that the Joint Committee on State Building Construction review this project and make a recommendation. The Joint Committee on State Building Construction recommended funding as requested for the project in FY 1990 and the Subcommittee concurs.
3. The Subcommittee concurs with the agency's conclusion that the Governor's recommended reduction in funding for the FY 1990 education contract will be offset by an increase in the categorical aid rate. However, the Subcommittee cautions that, if categorical aid funding is increased, the State General Fund financing for the school contract not be reduced unless the increased categorical aid funding more than offsets the reduction in funding 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 recommendation of the House Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 4,459,995	\$ 8,899
Capital Improvements	854,000	854,000	--
Total	<u>\$ 854,000</u>	<u>\$ 5,313,995</u>	<u>\$ 8,899</u>
State General Fund:			
State Operations	\$ --	\$ 2,825,672	\$ 8,899
Capital Improvements	--	--	--
Total	<u>\$ --</u>	<u>\$ 2,825,672</u>	<u>\$ 8,899</u>
FTE Positions	--	124.0	--


Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with the House that the school contract should be funded in full and that State General Fund financing should not be reduced unless the increased categorical aid funding offsets the reduction in funding recommended by the Governor. The Subcommittee recommends that the total amount requested by Rainbow from all sources, \$645,130, be included in the agency's budget. This amount includes the agency's request plus an additional \$8,283 needed to fund the administrative fee paid to the local school district. The Subcommittee contemplates that an increased categorical aid rate will fund the contract in full.
2. Add \$8,899 to the Dietary Program in FY 1990. As in FY 1989, the cost of Rainbow's food contract with the University of Kansas Medical Center will increase because of the University's increased costs due to Phase III and employee health benefits. The Subcommittee believes that this additional funding is necessary so that the quality of food served to the patients will not be compromised.
3. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for the hospital. 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 recommends that the hospital apply for second-stage oil overcharge funds to purchase vehicles, preferably one or more vans to be utilized for patient transportation.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health
Facility

Bill No. 2063

Bill Sec. 30

Analyst: Porter

Analysis Pg. No. 580

Budget Pg. No. 482

<u>Expenditure Summary</u>	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,018,909	\$ 4,104,808	\$ --
Capital Improvements	39,510	487	--
TOTAL	\$ 4,058,419	\$ 4,105,295	\$ --
State General Fund:			
State Operations	\$ 2,358,900	\$ 2,437,115	\$ --
Capital Improvements	0	0	--
TOTAL	\$ 2,358,900	\$ 2,437,115	\$ --
FTE Positions	123.0	123.0	--
Average Daily Census	47	47	--

Agency Estimate/Governor's Recommendation

FY 1989. Rainbow Mental Health Facility estimates FY 1989 expenditures of \$4,018,909, as approved by the 1988 Legislature. The budget includes financing of 123.0 FTE positions. Funding includes \$2,358,900 from the State General Fund, \$202,078 from Rainbow's fee fund, \$1,432,543 from Title XIX, and \$25,388 from federal Chapter I funds.

The Governor recommends FY 1989 expenditures of \$4,104,808, an increase of \$85,899 over the revised FY 1989 estimate of \$4,018,909. The increase reflects a \$90,212 increase in salaries and wages, including \$59,094 (with fringe benefits) for the implementation of Phase III for the last half of the fiscal year. The recommendation also reflects adjustments to fringe benefits and other budget adjustments. The recommendation includes \$2,437,115 from the State General Fund, an increase of \$78,215 over the agency's FY 1989 estimate; a fee fund expenditure limitation of \$176,753, a decrease of \$25,325 from the agency's FY 1989 estimate; a Title XIX expenditure limitation of \$1,465,552, an increase of \$33,009 from the agency's estimate; and federal Chapter I funds of \$25,388, as estimated by the agency. The recommendation includes a State General Fund supplemental appropriation of \$68,202.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

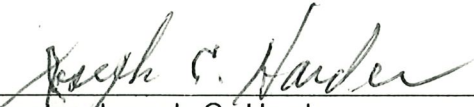
The House Committee of the Whole concurs with the recommendation of the House Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 4,104,808	\$ 3,600
Capital Improvements	--	487	--
Total	<u>\$ --</u>	<u>\$ 4,105,295</u>	<u>\$ 3,600</u>
State General Fund:			
State Operations	\$ --	\$ 2,437,115	\$ 3,600
Capital Improvements	--	--	--
Total	<u>\$ --</u>	<u>\$ 2,437,115</u>	<u>\$ 3,600</u>
FTE Positions	--	123	--


Senate Subcommittee Recommendation

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

1. Add \$3,600 to finance the dietary program for the remainder of FY 1989. Rainbow contracts with the University of Kansas Medical Center for its food. The University's food preparation costs have increased because of the costs of implementing Phase III of the Comprehensive Job Rate and Classification Study and increased employee health insurance benefits and the University has been passed along those costs to Rainbow. Rainbow has attempted to offset the increased costs by working with the University to serve less costly meals and by attempting to absorb a portion of the cost increase. The Subcommittee believes that Rainbow and its patients should not be penalized for the cost increase and that the quality of food served to Rainbow patients should not suffer.



 Senator Joseph C. Harder
 Subcommittee Chairperson



 Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Topeka State Hospital

Bill No. 2063

Bill Sec. 29

Analyst: Porter

Analysis Pg. No. 595

Budget Pg. No. 578

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
All Funds:			
State Operations	\$ 20,117,621	\$ 20,627,999	\$ (156,060)
Capital Improvements	22,637	22,637	--
TOTAL	\$ 20,140,258	\$ 20,650,636	\$ (156,060)
State General Fund:			
State Operations	\$ 15,241,898	\$ 18,015,222	\$ (166,060)
Capital Improvements	0	0	--
TOTAL	\$ 15,241,898	\$ 18,015,222	\$ (166,060)
FTE Positions	687.5	687.5	--
Average Daily Census	380	326	39

Agency Estimate/Governor's Recommendation

FY 1989. Topeka State Hospital requests an FY 1989 operating budget of \$20,117,621, the amount approved by the 1988 Legislature. The agency requests funding for 687.5 FTE positions. Funding includes \$15,241,898 from the State General Fund, \$3,037,391 from the hospital's fee fund, \$1,754,812 from Title XIX, and \$83,520 from federal Chapter I funds.

The Governor recommends an FY 1989 budget of \$20,627,999, an increase of \$510,378 over the FY 1989 estimate. The increase is reflected in capital outlay (\$52,000) and in salaries and wages (\$458,378), including \$467,473 (with fringe benefits) for the implementation of Phase III of the Job Rate and Classification Study. The recommendation also includes adjustments to employee health insurance and an increase in turnover savings from the agency's FY 1989 estimate. The Governor's recommendation includes funding of \$18,015,222 from the State General Fund, an increase of \$2,773,324 over the FY 1989 estimate; \$1,966,649 from the hospital's fee fund, a reduction of \$1,070,742 from the FY 1989 estimate; \$562,608 from the Title XIX fund, as estimated; and \$83,520 from federal Chapter I funds, as estimated. The recommendation includes a State General Fund supplemental appropriation of \$2,773,324.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following adjustment:

1. The Subcommittee recommends that the Chapter I expenditure limitation be raised by \$10,000 to an expenditure limitation of \$93,520. The Subcommittee has been informed that this funding is available and will lapse if it is not utilized by one of the state hospital schools. The

hospital proposes to use the additional funding to buy equipment for the school.

2. The Subcommittee is aware that the Governor's recommendation overstates funding for salaries and wages by \$100,000. After a careful examination of FY 1989 year-to-date expenditures, the Subcommittee concludes that the overfunding is offset by more than that amount in unbudgeted salary and wage expenses. The hospital paid approximately \$30,000 for a single retirement and experienced an unbudgeted cost of approximately \$50,000 because it began to pay its registered nurses at Step C of the applicable pay range in order to compete with other local employers. Since the retirement of the person serving in the dual capacity of superintendent and clinical director, the hospital has been paying for both a superintendent and clinical director. The superintendent position represents an additional cost of over \$23,000 to the hospital. The Subcommittee recommends no adjustment to salaries and wages as a result of this technical error.
3. After examining year-to-date expenditures, it appears to the Subcommittee that the hospital will have total budget savings of \$166,060 in FY 1989. The Subcommittee recommends that this amount be reappropriated.
4. The Subcommittee recommends an average daily census of 39 for the Comprehensive Screening Unit in FY 1989. Although the Governor recommends the transfer of the Screening Unit to the authority of the Commissioner of Youth Services in FY 1990, the unit remains a part of Topeka State Hospital in FY 1989.

House Committee Recommendation

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

House Committee of the Whole

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

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (156,060)	\$ 20,471,939	\$ 166,060
Capital Improvements	--	22,637	--
TOTAL	<u>\$ (156,060)</u>	<u>\$ 20,494,576</u>	<u>\$ 166,060</u>
State General Fund:			
State Operations	\$ (166,060)	\$ 17,849,162	\$ 166,060
Capital Improvements	--	--	--
TOTAL	<u>\$ (166,060)</u>	<u>\$ 17,849,162</u>	<u>\$ 166,060</u>
FTE Positions	--	687.5	

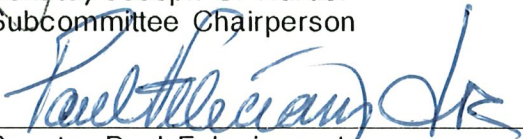
Senate Subcommittee Recommendation

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

1. Add \$166,060 from the State General Fund to the hospital's FY 1989 budget. The hospital's FY 1989 budget was reduced by this amount by the House. The Subcommittee has studied year-to-date spending and it appears that, due to increased salary and wage costs due to Phase III, employee health insurance, and a significantly lower turnover rate, the hospital will not have the savings earlier anticipated by the House in the current year. In addition to the increased salary and wage costs, the hospital has experienced increased costs in contractual services and commodities due in large part to the hospital's extensive efforts to prepare for a Health Care Financing Administration (HCFA) survey in early April. The Subcommittee further notes that any unanticipated expense, such as an extended outside hospitalization of a patient, would place the hospital in a financially precarious situation.
2. The Subcommittee notes the extensive efforts made by the hospital in its attempt to attain recertification. The Subcommittee endorses those actions and transfers deemed necessary by the hospital administration in its continuing effort to meet Joint Commission on the Accreditation of Healthcare Facilities (JCAHO) and HCFA standards.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Topeka State Hospital Bill No. 2028 Bill Sec. 2
 Analyst: Porter Analysis Pg. No. 595 Budget Pg. No. 578

<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	\$ 22,198,700	\$ 21,338,240	\$ 398,567
Capital Improvements	983,300	438,600	--
TOTAL	\$ 23,182,000	\$ 21,776,840	\$ 398,567
State General Fund:			
State Operations	\$ 13,794,024	\$ 12,297,202	\$ 230,730
Capital Improvements	0	0	--
TOTAL	\$ 13,794,024	\$ 12,297,202	\$ 230,730
FTE Positions	727.5	644.3	8.4
Average Daily Census	380	323	--

Agency Estimate/Governor's Recommendation

FY 1990. The FY 1990 operating budget request for Topeka State Hospital is \$22,198,700, an increase of 10.3 percent over the FY 1989 estimated operating budget. The request provides for 727.5 positions. The FY 1990 budget request presumes that the hospital will be certified for the entire fiscal year. Of the increase, 59.6 percent is for salaries and wages, including new positions, 21 percent is for capital outlay, 4.6 percent is for the education contract, 4.8 percent is for the Menninger contract, and 10 percent is for other items. The budget request includes 40 new positions, including 11 Licensed Mental Health Technician Is, 5 Psychologists II, 4 Social Workers I, 2 Patrol Officers, 3 Activity Therapy Aides II, and a variety of other positions.

The Governor recommends an FY 1990 operating budget of \$21,338,240, a decrease of \$860,460 from the FY 1990 request of \$22,198,700. The recommendation is an increase of \$710,241, or 3.4 percent, over the Governor's FY 1989 recommendation. The FY 1990 recommendation includes the transfer of the Comprehensive Screening Unit and its financing to the authority of the Commissioner of Youth Services. (The Screening Unit's FY 1989 recommended budget is \$1,272,229, including 52.7 positions.) The Governor's recommendation includes funding for the implementation of Phase III (\$959,432, including fringe benefits), a 4 percent increase for classified employees (\$529,737, including fringe benefits), and a 5.8 percent merit pool for unclassified employees (\$88,757, including fringe benefits). The Governor recommends the addition of 9.5 FTE positions, including four Licensed Mental Health Technicians (LMHTs), two Social Workers, a .5 Physician, a Research Analyst II, a Custodial Worker, and a Social Services Administrator I. The Governor's funding recommendation includes expenditures of \$12,297,202 from the State General Fund, a decrease of \$1,496,822 from the FY 1990 request; \$3,384,488 from the Title XIX fund, an increase of \$181,271 from the FY 1990 request; \$5,561,030 from the hospital's fee fund, an increase of \$455,091 over the FY 1990 request; and federal Chapter I funds of \$95,520, as requested.

House Subcommittee Recommendation

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

1. The Subcommittee concurs with Governor's Budget Amendment No. 1, which decreases the FTE position limitation by 1.5 to a total FTE limitation of 644.3, the correct limitation.
2. The Subcommittee notes the extensive efforts toward recertification made by the hospital administration and staff. A Medical Records Committee was reorganized to review and revise medical records policies, procedures, and format. Intensive inservice training was conducted for all Topeka State Hospital multidisciplinary treatment teams. Training included a video tape, inservice training session, weekly visits by the Patient Care Monitoring Committee, and rewriting treatment plans for all resident patients. The Patient Care Monitoring Committee initiated a publication to remind clinical staff of medical records documentation issues. The number of therapeutic groups offered by professional staff was increased and procedures regarding recording of active treatment were reviewed, revised, and re-emphasized. The Nursing Department introduced a nursing assessment format, weekly progress note format, and patient assessment form. The Nursing Department also developed a standard of care manual and distributed it to each treatment unit. The hospital established and filled one additional psychiatrist position. Through reclassification and reassignment, the hospital has increased its RN FTE positions from 81 in November, 1988 to a total of 86 positions. Of that total, 5.3 positions are currently unfilled. Quality assurance monitoring has also been initiated.

Topeka State Hospital has invited HCFA surveyors to return to the hospital on March 20, 1989 or as soon as thereafter as is possible for a reasonable assurance survey. If the results of the reasonable assurance survey are favorable, HCFA surveyors will return in 30 days for a full survey.

3. The Subcommittee recommends that addition of 8.4 FTE positions in FY 1990 and funding of \$398,567 to support the positions. Of that amount, \$230,730 is from the State General Fund, \$104,345 is from the fee fund, and \$63,492 is from the Title XIX fund. Subsequent to its budget request submission and the Governor's recommendations, the hospital reconsidered its staffing needs. The hospital requested, and the Subcommittee recommends, that the hospital retain 5.5 of the 9.5 positions recommended by the Governor (.5 FTE Physician, 1 Research Analyst II, 1 Custodial Worker, 1 Social Service Administrator I, and 2 Social Workers I). The hospital requested, and the Subcommittee recommends, that the 4 LMHT positions recommended by the Governor be deleted. In addition, the Subcommittee recommends the following positions requested by the hospital: 6 RNS III, .6 RN IV, 1 Physician, 1 Office Assistant III, 3 Psychologists, and a .8 Social Service Administrator. These positions are currently a part of the Comprehensive Screening Unit.

The Subcommittee worked extensively with the hospital in an effort to reduce the FY 1990 cost of these positions. The cost include delayed hiring and an increased rate of turnover for the nursing positions. The Subcommittee notes that both HCFA and JCAHO surveyors are expected in the spring of 1989. Although these positions will not be in place in time for the surveys, the Subcommittee was informed that, to some extent, surveyors will consider the hospital's plans for these positions. The Subcommittee believes that these positions are necessary to place the hospital in good standing for future surveys. The Subcommittee shares the confidence of hospital officials that the hospital will be recertified. The Subcommittee has been informed that, as a result of recertification, \$3,723,523 of additional funding will be generated in FY 1990.

4. The Subcommittee notes the hospital's concern that the education contract is underfunded. The Subcommittee has compared the estimated categorical aid rate used by the hospital in preparing its budget with a more recent estimate of the categorical aid rate for FY 1990. It appears to the Subcommittee that the additional funding provided by the increased categorical aid rate will be sufficient to fund the hospital's education contract in FY 1990. However, the Subcommittee cautions that, if the categorical aid rate is increased, the hospital's concerns about underfunding should be taken into account before any funding reduction is made.

House Committee Recommendation

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

House Committee of the Whole

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

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 398,567	\$ 21,736,807	\$ --
Capital Improvements	--	438,600	--
TOTAL	<u>\$ 398,567</u>	<u>\$ 22,175,407</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 230,730	\$ 12,527,932	\$ --
Capital Improvements	--	--	--
TOTAL	<u>\$ 230,730</u>	<u>\$ 12,527,932</u>	<u>\$ --</u>
FTE Positions	8.4	652.7	--


Senate Subcommittee Recommendation

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

1. The Subcommittee notes with concern that the hospital rents several buildings on its grounds to the Department of Social and Rehabilitation Services and that maintaining and repairing the buildings has, at times, presented a staffing and budgetary problem for the hospital. The hospital has also been placed in the difficult situation of weighing the maintenance and repair priorities of patient-occupied buildings against those of the rental buildings. The Subcommittee recommends that the Joint Committee on State Building Construction study the situation and consider potential solutions to this problem.
2. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for the hospital. 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 recommends that the hospital apply for second-stage oil overcharge funds to purchase vehicles, preferably one or more vans to be utilized for patient transportation.
3. The Subcommittee concurs with the House that the school contract should be funded in full and that State General Fund financing should not be reduced unless the increased categorical aid funding more than offsets the reduction in funding recommended by the Governor. The Subcommittee recommends that the total amount requested by the hospital from all sources be included in the agency's budget. The Subcommittee contemplates that an increased categorical aid rate will fund the contract in full.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Osawatomi State
Hospital
Analyst: Porter

Bill No. 2063
Analysis Pg. No. 571

Bill Sec. 28
Budget Pg. No. 450

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
All Funds:			
State Operations	\$ 18,371,450	\$ 18,830,434	\$ --
Capital Improvements	179,293	5,839	--
Total	\$ 18,550,743	\$ 18,836,273	\$ --
State General Fund:			
State Operations	\$ 14,327,105	\$ 14,691,353	\$ --
Capital Improvements	--	--	--
Total	\$ 14,327,105	\$ 14,691,353	\$ --
FTE Positions	639.5	639.5	--
Average Daily Census	345	335	10

Agency Request/Governor's Recommendation

Osawatomi State Hospital requests a total operating budget of \$18,371,450, the amount approved by the 1988 Legislature. Funding includes \$14,327,105 from the State General Fund, \$1,977,995 from the hospital's fee fund, \$2,037,939 from Title XIX, and \$28,411 from Chapter I funds.

The Governor recommends expenditures of \$18,830,434, an increase of \$458,984 over the hospital's FY 1989 estimate. The Governor's recommendation is based on a State General Fund supplemental appropriation of \$364,248, an increase of \$46,719 in fee fund financing, and an increase of \$48,017 in the Title XIX fund expenditure limit. The FY 1989 recommendation includes \$225,337, including fringe benefits, for the implementation of Phase III of the Classification and Job Rate Study for the last half of the fiscal year; adjustments to employee health care benefits; and a \$20 increase to printing and advertising. The Governor recommends expenditures of \$14,691,353 from the State General Fund, \$2,024,714 from the hospital fee fund, \$2,085,956 from the Title XIX fund, and \$28,411 from federal Chapter I funds.

House Subcommittee Recommendation

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

1. The Subcommittee recommends an average daily census of ten patients in the hospital's Medical Services Unit. The Governor did not recommend an average daily census for this unit.

House Committee Recommendation

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

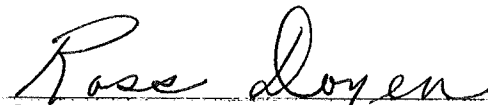
House Committee of the Whole Recommendation

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

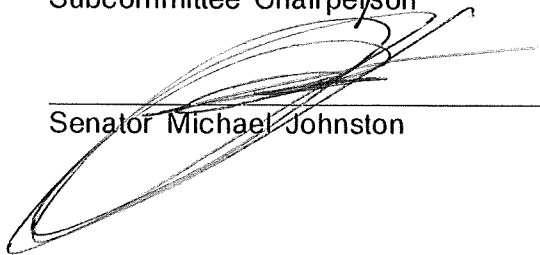
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 18,830,434	\$ --
Capital Improvements	--	5,839	--
Total	<u>\$ --</u>	<u>\$ 18,836,273</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 14,691,353	\$ --
Capital Improvements	--	--	--
Total	<u>\$ --</u>	<u>\$ 14,691,353</u>	<u>\$ --</u>
FTE Positions	--	639.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House Committee.



Senator Ross Doyen
Subcommittee Chairperson



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Osawatomi State Hospital	Bill No. 2028	Bill Sec. 2
Analyst: Porter	Analysis Pg. No. 571	Budget Pg. No. 450

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 19,711,215	\$ 20,316,757	\$ 53,555
Capital Improvements	664,900	323,000	--
Total	\$ 20,376,115	\$ 20,639,757	\$ 53,555
State General Fund:			
State Operations	\$ 19,711,215	\$ 15,890,443	\$ 53,555
Capital Improvements	--	--	--
Total	\$ 19,711,215	\$ 15,890,443	\$ 53,555
FTE Positions	662.5	643.5	--
Average Daily Census	345	339	10

Agency Request/Governor's Recommendation

The hospital requests a total operating budget of \$19,711,215 in FY 1990, an increase of \$1,339,765 (7.3 percent) over the FY 1989 estimate. Of the increase, 68.4 percent is attributable to salaries and wages, 17.9 percent to capital outlay, 7 percent to the education contract, and 6.7 percent to other operating expenditures. The request includes funding of 662.5 FTE positions, an increase of 23. The new positions requested for FY 1990 include ten Psychiatric Aides, a Social Services Administrator II and Secretary II to coordinate the hospital's quality assessment and risk management program; a Management Analyst II and Office Specialist II to develop, implement, and manage microcomputer technology; 2 Custodial Workers; a Secretary II for the hospital attorney; 2 Office Assistants III to provide relief for the ward clerks; an Activity Therapist II to coordinate and conduct activities on closed wards; a Sheltered Workshop Technician II; and 2 Alcoholism Counselors.

The Governor recommends FY 1990 expenditures of \$20,316,757, an increase of \$605,542 over the hospital's FY 1990 request of \$19,711,215 and an increase of \$1,486,323 over the Governor's FY 1989 recommendation. The recommendation includes funding for four new FTE positions, including a Social Services Administrator II and Secretary II for the hospital's quality assurance and risk management program and two custodial workers. The Governor's recommendation includes \$15,890,443 from the State General Fund, an increase of \$324,778 over the hospital's FY 1990 request and \$1,199,090 over the Governor's FY 1989 recommendation; \$1,801,342 from the hospital's fee fund, an increase of \$159,859 over the hospital's FY 1990 request and a reduction of \$223,372 from the Governor's FY 1989 recommendation; \$2,600,905 from the Title XIX fund, an increase of \$120,905 from the hospital's FY 1990 request and an increase of \$514,949 from the Governor's FY 1989 recommendation; and \$24,067 from federal Chapter I funds, the same amount requested by the hospital for FY 1990 and a reduction of \$4,344 from the Governor's FY 1989 recommendation.

House Subcommittee Recommendation

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

1. Add \$49,155 as a technical adjustment to restore the amounts requested for food, drugs, and pharmaceutical supplies for the hospital's Substance Abuse Program. Although the Governor's recommendation includes the continued operation of the Substance Abuse Program, funding for these items was omitted from the Governor's recommendation.
2. The Subcommittee recognizes the hospital's need for a ward clerk position to provide clerical services on the hospital wards. The Subcommittee recommends that the hospital reclassify a position which is currently vacant to meet this need.
3. The Subcommittee notes the hospital's concern that the education contract is underfunded. The Subcommittee has compared the estimated categorical aid rate used by the hospital in preparing its budget with a more recent estimate of the categorical aid rate for FY 1990. It appears to the Subcommittee that the additional funding provided by the increased categorical aid rate will be sufficient to fund the hospital's education contract in FY 1990. However, the Subcommittee cautions that, if the categorical aid rate is increased, the hospital's concerns about underfunding should be taken into account before any funding reduction is made.
4. The hospital requested that a portion of the rent deducted from staff salaries for staff housing be returned to the hospital for a maintenance and repair fund for the housing units. The Subcommittee understands that rent is paid by employees who live in the housing units through a payroll deduction and that an adjustment is made to salaries and wages similar to the adjustment made for turnover. The Subcommittee further understands that the units generated approximately \$44,000 of rental income in FY 1988. The Subcommittee recommends that 10 percent of the rental income from the housing units in the most recent actual fiscal year be returned to the hospital each year to be used for a maintenance and repair fund. This rental income may be segregated in a separate account dedicated to maintenance and repair of the rental units. This adjustment requires a \$4,400 adjustment to the turnover rate in FY 1990, changing the turnover rate from 4.72 percent to 4.69 percent.
5. The Subcommittee recommends an average daily census of ten patients in the hospital's Medical Services Unit. The Governor did not recommend an average daily census for this unit.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 53,555	\$ 20,370,312	\$ 237,752
Capital Improvements	--	323,000	--
Total	<u>\$ 53,555</u>	<u>\$ 20,693,312</u>	<u>\$ 237,752</u>
State General Fund:			
State Operations	\$ 53,555	\$ 15,943,998	\$ 218,322
Capital Improvements	--	--	--
Total	<u>\$ 53,555</u>	<u>\$ 15,943,998</u>	<u>\$ 218,322</u>
FTE Positions	--	339	9

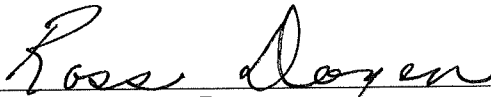
Senate Subcommittee Recommendations

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

1. Add 5 FTE Mental Health Aide positions and \$89,570 to support the positions in FY 1990. (This figure includes actual costs of \$93,790, minus a turnover rate of 4.5 percent, as recommended by the Governor.) Of that amount, \$70,140 is from the State General Fund, \$7,950 is from the Osawatomie fee fund, and \$11,480 is from the Title XIX fund. The Subcommittee was informed that three of the positions are necessary to increase the relief factor so that adequate vacation, sick leave, and weekend coverage is available. The remaining two positions would increase staffing patterns on wards which the hospital administration states are currently understaffed.
2. Add 4 FTE positions and \$148,182 from the State General Fund to establish a community support traveling team. The community support team would be comprised of a .5 FTE Psychiatrist, 1 FTE RN III, a .5 FTE Psychologist II, 1 FTE Social Worker III, and 1 FTE Secretary I who would travel to community facilities and provide follow-up, consultation, and support services to discharged patients. In addition, the community support team would consult with staff at intermediate care facilities for mental health, community mental health centers, and group homes to resolve problems and would provide in-service training to staff members of the community facilities. The Subcommittee is aware of the recommendations for increased community services made by both the Governor's Task Force on Mental Health Reform and the Special Interim Committee on Ways and Means/Appropriations and believes that the community support team would be a significant step toward providing services to persons in the community. The Subcommittee shares the

belief of the hospital's administration that the work of the community support team will result in a decrease in both the hospital's average daily census and in the hospital's readmission rate.

3. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for the hospital. 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 recommends that the hospital apply for second-stage oil overcharge funds to purchase vehicles, preferably one or more vans to be utilized for patient transportation.



Senator Ross Doyen
Subcommittee Chairperson



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Larned State Hospital

Bill No. 2063

Bill Sec. 27

Analyst: Porter

Analysis Pg. No. 562

Budget Pg. No. 410

<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	\$ 25,963,621	\$ 26,432,274	\$ 38,887
Capital Improvements	3,702,189	5,202,189	--
Total	<u>\$ 29,665,810</u>	<u>\$ 31,634,463</u>	<u>\$ 38,887</u>
State General Fund:			
State Operations	\$ 23,257,511	\$ 24,073,394	\$ 38,887
Capital Improvements	--	500,000	--
Total	<u>\$ 23,257,511</u>	<u>\$ 24,573,394</u>	<u>\$ 38,887</u>
FTE Positions	909.8	909.8	--
Average Daily Census	532	530	15

Agency Request/Governor's Recommendation

Larned State Hospital estimates FY 1989 operating expenditures to be \$25,963,621, the amount appropriated by the 1988 Legislature. Funding includes \$23,257,511 from the State General Fund, \$1,548,249 from Larned's fee fund, \$1,089,461 from federal Title XIX funds, and \$68,400 from federal Chapter I funds.

The Governor recommends a total operating budget of \$26,432,274, an increase of \$468,653 over the hospital's FY 1989 estimate. The recommendation includes funding for the implementation of Phase III of the Job Rate and Classification Study for the last half of the fiscal year (\$274,581, including fringe benefits), adjustments to employee health insurance benefits, a reduction of \$19,599 from the hospital's estimate for contractual services, and a reduction of \$9,162 from the hospital's estimate for commodities. The Governor recommends expenditures of \$24,073,394 from the State General Fund, \$1,178,558 from the hospital's fee fund, \$1,111,922 from the Title XIX fund, and \$68,400 from federal Chapter I funds. The recommendation includes a State General Fund supplemental appropriation of \$783,954.

House Subcommittee Recommendations

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

1. The Subcommittee recommends an additional supplemental appropriation of \$38,887 for utility costs in FY 1989. The Subcommittee has carefully studied year-to-date expenditures and agrees with the hospital that a shortfall in this area is likely to occur. The Subcommittee recommends that the hospital and SRS explore the possible implementation of energy-saving procedures and devices.

2. The Subcommittee is aware that the FY 1989 State General Fund supplemental appropriation appears to underfund the cost of Phase III and the increased cost of employee health insurance by \$26,677. After studying year-to-date expenditures, the Subcommittee believes that increased savings in other areas will offset the underfunding.
3. The Subcommittee recommends an average daily census of 15 patients in the Adult Admissions Unit. The Governor did not recommend an average daily census for this unit.

House Committee Recommendation

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

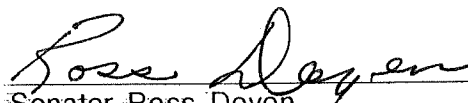
House Committee of the Whole

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

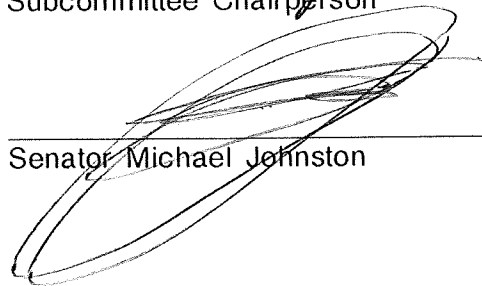
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ 38,887	\$ 26,471,161	\$ --
Capital Improvements	--	5,202,189	--
TOTAL	<u>\$ 38,887</u>	<u>\$ 31,673,350</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 38,887	\$ 24,112,281	\$ --
Capital Improvements	--	500,000	--
TOTAL	<u>\$ 38,887</u>	<u>\$ 24,612,281</u>	<u>\$ --</u>
FTE Positions	--	909.8	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.



 Senator Ross Doyen
 Subcommittee Chairperson



 Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Larned State Hospital Bill No. 2028 Bill Sec. 2
 Analyst: Porter Analysis Pg. No. 562 Budget Pg. No. 410

<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	\$ 29,849,508	\$ 28,995,469	\$ 225,522
Capital Improvements	829,900	573,500	(150,000)
Total	\$ 30,679,408	\$ 29,220,897	\$ 75,522
State General Fund:			
State Operations	\$ 23,257,511	\$ 25,719,684	\$ 190,995
Capital Improvements	--	--	--
Total	\$ 23,257,511	\$ 25,719,684	\$ 190,995
FTE Positions	1,033.0	923.8	11.3
Average Daily Census	532	530	15

Agency Request/Governor's Recommendation

The agency requests an FY 1990 operating budget of \$29,849,508, an increase of \$3,885,887, or 15 percent, over the approved FY 1989 budget. Of the increase, \$3,394,701, or 87.4 percent, is attributable to salaries and wages. The hospital requests 123.2 new positions. The new positions include 47 RN IIIs, 24 Licensed Mental Health Technician Is, 14 Psychiatric Aides, a Pharmacist I, a Pharmacy Attendant, a Dental Hygienist, an Administrative Officer III, a Management Analyst II, a Personnel Management Specialist I, a Social Services Administrator I, a Vocational Instructor, an Alcoholism Director, an Alcoholism Counselor, a Social Worker I, an Office Supervisor, 2 Office Specialists, 3 Secretary Is, 3.2 Office Assistants III, 10 Laborers, 4 General Maintenance and Repair Technicians, 2 Utility Workers, a Physical Plant Supervisor I, and a Painter.

The Governor recommends an FY 1990 total operating budget of \$28,647,397, an 8.4 percent increase over the FY 1989 recommendation. The recommendation includes funding for 14 new FTE positions (\$259,616, with fringe benefits), funding for the implementation of Phase III (\$591,952, with fringe benefits), a 4 percent increase for classified employees (\$773,302, with fringe benefits), a 5.8 percent increase for unclassified employees (\$117,138, with fringe benefits), and adjustments to employee health insurance benefits. The Governor's recommendation includes \$25,410,206 from the State General Fund, \$1,902,959 from the hospital's fee fund, \$1,265,832 from the Title XIX fund, and \$68,400 from federal Chapter I funds.

House Subcommittee Recommendations

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

1. The Subcommittee concurs with Governor's Budget Amendment No. 1, which adds \$348,072 to the recommendation for salaries and wages to

correct an error in the calculation of fringe benefits. Of that amount, \$309,478 is from the State General Fund, \$23,177 is from the Larned State Hospital Fee Fund, and \$15,417 is from the federal Title XIX Fund.

2. The Subcommittee recommends the addition of 5.5 FTE RN III positions, 4.8 FTE Mental Health Aide positions, and \$138,472 to support the positions for the final six months of FY 1990. Of that amount, \$129,277 is from the State General Fund and \$9,195 is from the Larned State Hospital Fee Fund. The Subcommittee recommends these positions to address a staffing shortfall which the hospital states will occur with the move of the current Adult Psychosocial Rehabilitation Units from Rush and Pinel Buildings, which have a combined rated bed capacity of 83 beds, to the new Adult Treatment Facility, which will have a rated bed capacity of 90. In addition to the increased bed capacity, a second reason for increased staffing is that currently there are two Adult Psychosocial Rehabilitation Units, while there will be three units in the new facility. The Subcommittee has been informed that HCFA and JCAHO surveyors study staffing levels on each unit and also look at the time it takes nursing personnel to respond if a nurse is covering more than one unit. Given the increase in bed capacity and the increased number of wards, the Subcommittee feels that these additional positions are warranted.

3. The Subcommittee acknowledges that the hospital requested 72 additional direct care positions both because of the hospital's concerns regarding certification and because of the seriousness of the psychiatric and behavioral problems of the patients at Larned State Hospital. The Subcommittee shares the hospital's concerns in these areas, but declines to make a recommendation regarding the hospital's request for additional direct care staffing pending the final results of an SRS study of systemwide nursing needs at the state mental health hospitals. The Subcommittee has inquired and has been informed that, at the present time, there are no final recommendations as a result of this study.

The Subcommittee notes that the majority of direct care positions requested would be assigned to those areas of the hospital which are not currently certified. The Subcommittee is aware that there is concern that JCAHO and HCFA could find that two levels of treatment are being provided because of the different staffing levels and could take issue with the situation. The Subcommittee is also aware that quality of treatment remains a concern and that certification is not the sole issue to be considered. However, the Subcommittee has been informed by hospital officials that the cost of the additional direct care personnel would be \$1,625,098 and that certification of the noncertified wards would generate approximately \$1,270,380 in additional federal funds.

4. The Subcommittee recommends that the Department of Social and Rehabilitation Services fund an Alcoholism Unit Director (\$25,332) for the Youth Center at Larned. The Governor recommended this position for the state's other youth centers, but not for the Youth Center at Larned. The Subcommittee was informed that Alcohol and Drug Services (ADAS) will receive an increase in federal block grant funds in FY 1990 for alcohol and drug programs, a part of which could potentially be used for the Youth Centers. The Subcommittee recommends that this position and

the required funding be placed in the Larned State Hospital budget rather than in the SRS budget.

5. The Subcommittee notes that, with the implementation of Phase III, the four range salary differential for staff of the Special Security Program was eliminated. The Subcommittee believes that the nature of the patients in this program and the conditions present may warrant a salary differential. The Subcommittee recommends that the Division of Personnel Services study this issue in its continuing Job Rate and Classification Study.
6. Add \$39,503 as a technical adjustment to restore the amounts requested for food, drugs, pharmaceutical supplies, and other commodities for the hospital's Substance Abuse Program. Although the Governor's recommendation includes the continued operation of the Substance Abuse Program, funding for these items was omitted from the Governor's recommendation.
7. Add \$22,215 for communications expenditures in FY 1990. The hospital included an estimate of \$70,000 for a telephone system for the new Adult Treatment Facility. The hospital has learned that the low bid for the telephone system is \$67,338, while the high bid is \$82,379. Addition of \$22,215 would restore the hospital to its original request.
8. The Subcommittee notes the hospital's concern that the education contract is underfunded. The Subcommittee has compared the estimated categorical aid rate used by the hospital in preparing its budget with a more recent estimate of the categorical aid rate for FY 1990. It appears to the Subcommittee that the additional funding provided by the increased categorical aid rate will be sufficient to fund the hospital's education contract in FY 1990. However, the Subcommittee cautions that, if the categorical aid rate is increased, the hospital's concerns about underfunding should be taken into account before any funding reduction is made.
9. The Subcommittee concurs with the decision of the Joint Committee on State Building Construction not to fund any projects below systemwide priority 18 in fiscal year 1990. The four razing projects recommended by the Governor in FY 1990 are systemwide priority 20 and would not be funded in FY 1990. The Subcommittee recommends that the hospital's request for an infectious waste incinerator at a cost of \$35,000 be given further consideration by the Joint Committee on State Building Construction. The Subcommittee notes that disposal of infectious waste is a safety issue and presents a potential certification issue.
10. The Subcommittee recommends an average daily census of 15 patients in the Adult Admissions unit. The Governor did not recommend an average daily census for this unit.

House Committee Recommendation

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

House Committee of the Whole

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

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ 225,522	\$ 29,220,991	\$ 124,500
Capital Improvements	(150,000)	423,500	--
TOTAL	<u>\$ 75,522</u>	<u>\$ 29,644,491</u>	<u>\$ 124,500</u>
State General Fund:			
State Operations	\$ 190,995	\$ 25,910,679	\$ 124,500
Capital Improvements	--	--	--
TOTAL	<u>\$ 190,995</u>	<u>\$ 25,910,679</u>	<u>\$ 124,500</u>
FTE Positions	11.3	935.1	4.0


Senate Subcommittee Recommendations

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

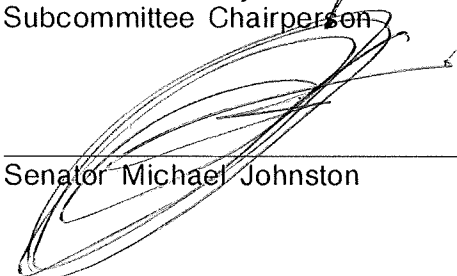
1. Add \$25,332 from the State General Fund to finance the Alcoholism Unit Director recommended by the House for the Youth Center at Larned. The House recommended that this position be financed with federal block grant funds allocated to the Department of Social and Rehabilitation Services, Alcohol and Drug Abuse Services (ADAS). State General Fund financing was recommended for this position at the other youth centers under the authority of the Commissioner of Youth Services. The Subcommittee believes that this position should be funded in a manner consistent with the other youth centers and therefore recommends State General Fund money to finance the position.
2. Add 2 FTE positions and \$55,105 from the State General Fund for a Management Analyst II and Office Specialist to plan, coordinate, and utilize the hospital's computer system. These employees would also train other staff members using computers and would provide consultation services. The Subcommittee was informed that the hospital's computer system is currently decentralized and uncoordinated and that these positions are essential for efficient usage of the current system and for planning future acquisitions and usage.
3. Add 1 FTE Office Assistant III and \$19,603 from the State General Fund for the hospital's laboratory. The Subcommittee was informed that this position is necessary to perform clerical tasks currently being performed by the laboratory's technical staff and that the addition of this position will allow the technical staff to expand services to patients and to carry out more quality control functions.

4. Add 1 FTE Office Specialist and \$24,460 from the State General Fund for the hospital's Medical Records staff. The August 1988 Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) survey noted several contingencies in the areas of medical records documentation. The hospital states that the Office Specialist will collect and screen patient care information for assessment by medical staff committees to address these contingencies.

5. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for patient transportation. The Subcommittee was informed that the U.S. Department of Energy is administering a "second-stage" oil overcharge refund program, and that approximately \$3,000,000 is available to the state for energy conservation-related projects and equipment purchases. The Subcommittee recommends that the hospital apply for second-stage oil overcharge funds to purchase vehicles, preferably one or more vans to be utilized for patient transportation.



Senator Ross Doyen
Subcommittee Chairperson



Senator Michael Johnston

SUBCOMMITTEE REPORT

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

Analyst: Efirid 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.

H.B. 2029

House Committee Recommendation

The Committee concurs with its Subcommittee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House except for the following items:

1. Add \$2.9 million in FY 1990 based on the expended homestead program in S.B. 24. A permanent enhancement to the Homestead Property Tax Refund Program in S.B. 24 increased the eligible household income from \$12,800 to \$15,000 and increased the maximum refund from \$400 to \$500. These changes are estimated by the Department of Revenue to increase refunds by approximately \$3.5 million for CY 1990.
2. Alert the Committee to an Omnibus item resulting from the temporary reappraisal circuit-breaker in S.B. 24 which is not part of the homestead program but is related. The Department of Revenue had estimated \$10.0 million in FY 1990 refunds could result from the temporary circuit-breaker which would allow payment of part of property tax increases attributable to reappraisal and classification.

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 1990</u>	<u>Senate Rec. FY 1990</u>	<u>Senate Subcommittee Adjustments</u>	<u>Senate Subcommittee Rec. FY 1990</u>
State General Fund: Other Assistance	\$ 9,000,000	\$ 9,000,000	\$ 2,900,000	\$ 11,900,000



 Senator August Bogina
 Subcommittee Chairman



 Senator Michael Johnston

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.

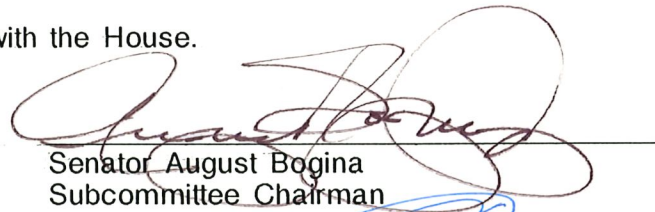
The Subcommittee recommends that the supplemental appropriation be added in H.B. 2063 since it was omitted from the original bill draft.

House Committee Recommendation

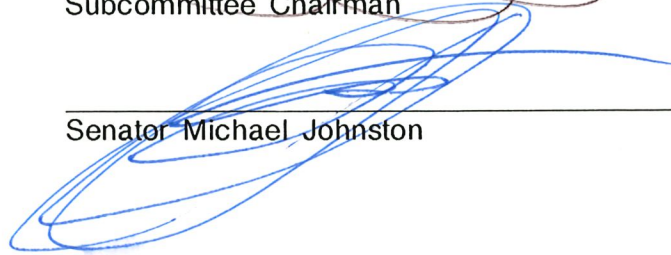
The Committee concurs with its Subcommittee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House.



Senator August Bogina
Subcommittee Chairman



Senator Michael Johnston

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.

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.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

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

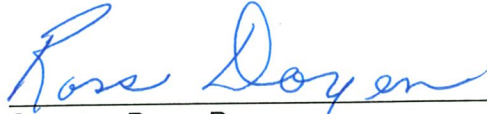
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (18,643)	\$ 33,732,480	\$ --
Other Assistance	--	167,090,890	--
Subtotal - Operating	\$ (18,643)	\$ 200,823,370	\$ --
Capital Improvements	--	160,661	--
Total	<u>\$ (18,643)</u>	<u>\$ 200,984,031</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (18,643)	\$ 1,247,034	\$ --
FTE Positions	---	884.0	--

Senate Subcommittee Recommendations

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

1. Increase the expenditure limit on the Workers Compensation Fee Fund to \$2,203,059, an increase of \$55,156, and decrease expenditures from the federal Employment Security Administration Fund by the same

amount. This is to reflect work performed by the agency's data processing unit for the Workers Compensation program.



Senator Ross Doyen
Subcommittee Chairperson



Senator LeRoy Hayden

SUBCOMMITTEE REPORT

Agency: Department of Human
Resources
Analyst: DeViney

Bill No. 2029
Analysis Pg. No. 364

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

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

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the House Committee recommendations, with the following exception:

1. Transfer \$300,000 from the special employment security fund to the State General Fund to finance operating expenditures of the Department for which appropriations are made from the State General Fund.

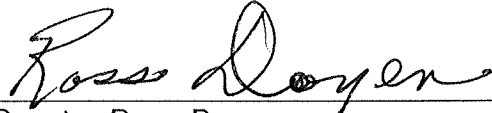
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (28,932)	\$ 34,540,909	\$ 69,319
Other Assistance	--	183,910,633	--
Subtotal - Operating	\$ (28,932)	\$ 218,451,542	\$ 69,319
Capital Improvements	--	160,661	--
Total	<u>\$ (28,932)</u>	<u>\$ 218,612,203</u>	<u>\$ 69,319</u>
General Fund:			
State Operations	\$ (59,319)	\$ 1,297,823	\$ 69,319
Other Assistance	--	0	--
Total	<u>\$ (59,319)</u>	<u>\$ 1,297,823</u>	<u>\$ 69,319</u>
FTE Positions	6.0	880.0	2.0

Senate Subcommittee Recommendations

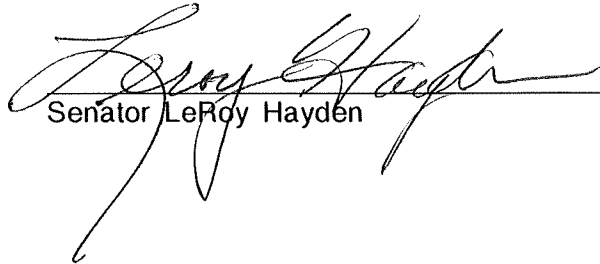
The Senate Subcommittee concurs with the recommendations of the House, with the following exceptions:

1. Increase the expenditure limit on the Workers Compensation Fee Fund to \$2,507,984, an increase of \$57,756, and decrease expenditures from the federal Employment Security Administration Fund by the same amount. This is to reflect work performed by the agency's data processing unit for the Workers Compensation program.
2. Restore \$69,319 from the State General Fund and 2.0 FTE positions for the Apprenticeship program. The Senate Subcommittee learned that Apprenticeship is not a new program, but had been moved to the Division of Policy and Management Analysis which oversees various interagency employment and training programs. The Subcommittee believes that the Apprenticeship program should continue.
3. Remove the provision added by the House to transfer \$300,000 from the special employment security fund to the State General Fund to finance operating expenditures of the Department for which appropriations are

made from the State General Fund. The Senate Subcommittee learned that the special employment security fund is funded through payments from employers and is used for emergencies and other expenditures pertaining to employment security programs. The Senate Subcommittee believes that the fund should continue to be used for that purpose.



Senator Ross Doyen
Subcommittee Chairperson



Senator LeRoy Hayden

SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 2063 Bill Sec. 20
 Analyst: DeViney Analysis Pg. No. 378 Budget Pg. No. 48

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,258,889	\$ 1,249,686	\$ (13,733)
Other Assistance	11,645,786	11,645,786	--
Total	\$ 12,904,675	\$ 12,895,472	\$ (13,733)
State General Fund:			
State Operations	\$ 668,077	\$ 665,875	\$ (7,992)
Other Assistance	1,109,814	1,109,814	--
Total	\$ 1,777,891	\$ 1,775,689	\$ (7,992)
Federal Fund:			
State Operations	\$ 588,786	\$ 581,785	\$ (5,741)
Other Assistance	10,535,972	10,535,972	--
Total	\$ 11,124,758	\$ 11,117,757	\$ (5,741)
Fees and Gifts:			
State Operations	\$ 2,026	\$ 2,026	\$ --
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.

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee, with the following adjustment:

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.

House Committee of the Whole Recommendation

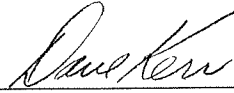
The House Committee of the Whole concurs with the House Committee recommendations.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (3,019)	\$ 1,246,667	\$
Other Assistance	--	11,645,786	--
TOTAL	<u>\$ (3,019)</u>	<u>\$ 12,892,453</u>	<u>\$</u>
State General Fund:			
State Operations	\$ (2,635)	\$ 663,240	\$
Other Assistance	--	1,109,814	--
TOTAL	<u>\$ (2,635)</u>	<u>\$ 1,773,054</u>	<u>\$</u>
Federal Fund:			
State Operations	\$ (384)	\$ 581,401	\$
Other Assistance	--	10,535,972	--
TOTAL	<u>\$ (384)</u>	<u>\$ 11,117,373</u>	<u>\$</u>
Fees and Gifts:			
State Operations	\$ ---	\$ 2,026	\$
FTE Positions	--	30.8	

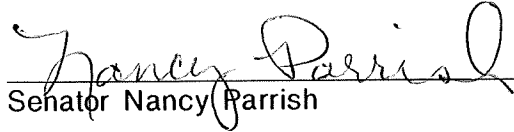
Senate Subcommittee Recommendations

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

1. Reduce salaries and wages by \$10,714 (\$5,357 State General Fund, \$5,357 federal funds) based on year-to-date expenditures. The Subcommittee recommends that these funds be reappropriated to FY 1990. The Subcommittee does not concur with the House recommendation to permit the hiring of a Public Information Officer.



Senator Dave Kerr
Subcommittee Chairman



Senator Nancy Parrish

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.

House Committee Recommendation

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

1. Reduce by \$28,746 the amount from the State General Fund recommended by the Subcommittee as additional state match for the OAA nutrition program, based on updated information from the agency.
2. Restore the Public Information Officer position, which the Subcommittee had deleted, at a cost of \$33,693 from the State General Fund.

House Committee of the Whole Recommendation

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

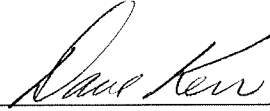
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 1,353,523	\$ (33,693)
Other Assistance	1,231,717	13,796,819	52,957
TOTAL	<u>\$ 1,231,717</u>	<u>\$ 15,150,342</u>	<u>\$ 19,264</u>
State General Fund:			
State Operations	\$ --	\$ 770,494	\$ (33,693)
Other Assistance	161,560	1,668,503	52,957
TOTAL	<u>\$ 161,560</u>	<u>\$ 2,438,997</u>	<u>\$ 19,264</u>
Economic Development Initiatives Fund:			
State Operations	\$ --	\$ --	\$ --
Other Assistance	(20,000)	--	--
TOTAL	<u>\$ (20,000)</u>	<u>\$ --</u>	<u>\$ --</u>
Federal Funds:			
State Operations	\$ --	\$ 582,238	\$ --
Other Assistance	--	11,038,159	--
TOTAL	<u>\$ --</u>	<u>\$ 11,620,397</u>	<u>\$ --</u>
Other Funds:			
State Operations	\$ --	\$ 791	\$ --
Other Assistance	1,090,157	1,090,157	--
TOTAL	<u>\$ 1,090,157</u>	<u>\$ 1,090,948</u>	<u>\$ --</u>
FTE Positions	--	31.8	(1.0)

Senate Subcommittee Recommendations

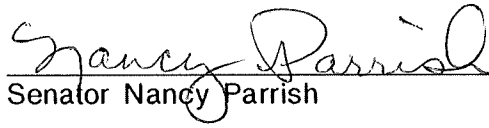
The Senate Subcommittee concurs with the recommendations of the House, with the following exceptions:

1. Delete the unclassified Public Information Officer position, a decrease of \$33,693 (State General Fund) and 1.0 FTE position.
2. Add \$34,136 from the State General Fund to maintain the current level of service at the older worker employment projects which will receive less federal funding from the Job Training Partnership Act.
3. Add \$18,821 from the State General Fund to provide grants for the Retired Senior Volunteer Program (RSVP), to pay expenses for an additional 1,298 volunteer slots.
4. The Senate Subcommittee strongly supports the concept of a pilot project for in-home services to the elderly, and concurs with the recommendation of \$250,000 from the State General Fund for the program. However, neither the House nor the Senate Subcommittee are satisfied with the level of detail which the agency has provided about the program thus far.

The agency has outlined some broad parameters, such as requiring matching funds from area agencies selected for the project and charging fees on a sliding scale basis, but many specifics are still lacking. The Senate Subcommittee directs the agency to provide the Legislature with program guidelines such as pilot site selection criteria, what local match will be required, how program participants will be selected, how their services will be coordinated, and other items pertaining to implementation.



Senator Dave Kerr
Subcommittee Chairperson



Senator Nancy Parrish

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

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

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

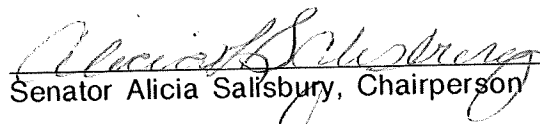
House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	23,800	1,413,234	\$ --
Other Assistance	--	52,000	--
TOTAL	<u>\$ 23,800</u>	<u>\$ 1,465,234</u>	<u>\$ --</u>
State General Fund:			
State Operations	23,800	1,353,206	\$ --
Other Assistance	--	52,000	--
TOTAL	<u>\$ 23,800</u>	<u>\$ 1,405,206</u>	<u>\$ --</u>
FTE Positions	--	58.0	

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.



Senator Alicia Salisbury, Chairperson



Senator Frank Gaines

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	\$ 1,485,957	\$ 1,537,374	\$ (44,000)
State General Fund:			
State Operations	\$ 1,384,529	\$ 1,438,454	\$ (19,000)
Other Assistance	27,000	27,000	(25,000)
TOTAL	\$ 1,411,529	\$ 1,465,454	\$ (44,000)
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.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendations.

House Committee of the Whole Recommendation

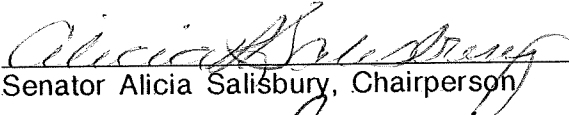
The House Committee of the Whole concurs with the House Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (19,000)	\$ 1,491,374	\$ --
Other Assistance	(25,000)	2,000	25,000
TOTAL	<u>\$ (44,000)</u>	<u>\$ 1,493,374</u>	<u>\$ 25,000</u>
State General Fund:			
State Operations	\$ (19,000)	\$ 1,419,454	--
Other Assistance	(25,000)	2,000	25,000
TOTAL	<u>\$ (44,000)</u>	<u>\$ 1,421,454</u>	<u>\$ 25,000</u>
FTE	--	58.0	--

Senate Subcommittee Recommendation

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

1. Add \$25,000 from the State General Fund and the payment of educational claims line-item to the appropriation bill (H.B. 2029) to restore funding deleted by the House in KCVA's budget for the tuition assistance program authorized by K.S.A. 73-1218. The Subcommittee believes that if funding is deleted from KCVA's budget for this program, then the Legislature should repeal the law which authorizes this program.
2. The Subcommittee recommends that a proviso be added to the appropriation bill requiring that the \$20,000 for the recommended consultants' study be released by the State Finance Council upon the State Finance Council's approval of the Request for Proposal (RFP). Further, the Subcommittee recommends that the proviso provide that, if possible, the study should be conducted by one of our Kansas colleges or universities.



Senator Alicia Salisbury, Chairperson



Senator Frank Gaines

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>
State Operations:			
State General Fund	\$ 1,056,066	\$ 1,073,767	\$ --
General Fees Fund	2,188,887	2,153,243	--
Subtotal	\$ 3,244,953	\$ 3,227,010	\$ --
Capital Improvements:			
State Institutions			
Building Fund	\$ 161,277	\$ 257,877	\$ --
Benefit Gift Fund	0	0	--
State General Fund	0	0	--
Subtotal	\$ 161,277	\$ 257,877	\$ --
GRAND TOTAL	\$ 3,406,230	\$ 3,484,887	\$ --
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.

- 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.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

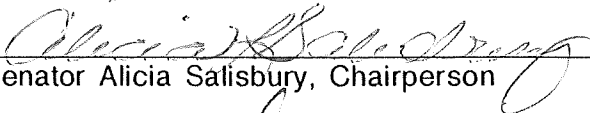
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 1,073,767	\$ --
General Fees Fund	--	<u>2,153,243</u>	--
Subtotal	<u>\$ --</u>	<u>\$ 3,227,010</u>	<u>\$ --</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 257,877	\$ --
Benefit Gift Fund	--	0	--
State General Fund	--	<u>0</u>	--
Subtotal	<u>\$ --</u>	<u>\$ 257,877</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ --</u>	<u>\$ 257,877</u>	<u>\$ --</u>
FTE Positions	--	135.8	--

Senate Subcommittee Recommendation

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

- Amend the proviso in 1988 H.B. 2719, a multiyear appropriation which provides for the repair and renovation of cottages at the Home, to allow the agency to use inmate labor, if the use of inmate labor is feasible.
- The Subcommittee notes that the census at the Soldiers Home has been higher than anticipated and that the Home will probably experience

increased operating expenditures in such area as food and pharmaceuticals; however, the Subcommittee believes that there are adequate savings in other object codes to offset the potential shortfalls. Further, the FY 1990 appropriation bill provides for an unlimited reappropriation.



Senator Alicia Salisbury, Chairperson



Senator Frank Gaines

640-8

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2029

Bill Sec. 4

Analyst: Duffy

Analysis Pg. No. 389

Budget Pg. No. 572

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

- 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.

House Committee Recommendation

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

- The House Committee recommends that an appropriate resolution be introduced in the House of Representatives to honor Bernard "Buck" Bruner, Superintendent of the Kansas Soldiers' Home, who recently passed away.

House Committee of the Whole Recommendation

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

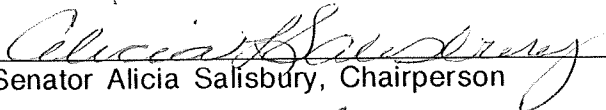
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (69,938)	\$ 1,096,554	\$ --
General Fees Fund	69,938	2,421,966	--
Subtotal	\$ 0	\$ 3,518,520	\$ --
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ 177,800	\$ --
Benefit Gift Fund	--	0	--
State General Fund	--	12,000	--
Subtotal	\$ --	\$ 189,800	\$ --
GRAND TOTAL	\$ --	\$ 3,708,320	\$ --
FTE Positions	--	135.8	--

Senate Subcommittee Recommendation


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

- The Subcommittee concurs with the House observation that if the census exceeds the current recommendation, that a supplemental appropriation may be necessary. The Subcommittee understands that currently the

nursing facility has a 93 percent veteran occupancy rate and agency officials anticipate this to increase. The agency stated that a waiting list for admission to the nursing home is possible in the near future.



Senator Alicia Salisbury, Chairperson



Senator Frank Gaines

640-90

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

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 concurs 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.

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ (10,100)	\$ 38,462,923	\$ 214,472
Aid to Local Units	--	9,952,949	--
Other Assistance	--	13,647,777	--
TOTAL	<u>\$ (10,100)</u>	<u>\$ 62,063,649</u>	<u>\$ 214,472</u>
State General Fund:			
State Operations	\$ (4,100)	\$ 16,623,068	\$ --
Aid to Local Units	--	2,877,487	--
Other Assistance	--	--	--
TOTAL	<u>\$ (4,100)</u>	<u>\$ 19,500,555</u>	<u>\$ --</u>
Economic Development Initiatives Fund:	<u>\$ --</u>	<u>\$ 1,850,000</u>	<u>\$ --</u>
FTE Positions	(4.0)	668.7	3.0

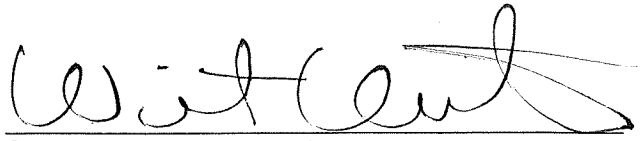
Senate Subcommittee Recommendation

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

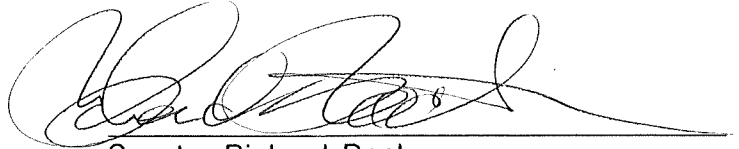
1. Add \$38,872 from federal Medicare funds and 3.0 FTE positions to allow the Department to begin to implement the 1987 federal Nursing Home Reform Act. The act requires all states to establish a nurse aide registry and home health hotline by January 1, 1989. By January 1, 1990, the act requires that states have in operation a nurse aide training program that complies with federal standards, a training course for instructors of the training programs, and a refresher course for aides reentering the field. In addition, an onsite inspection of each of the nursing home training sites is required and nursing homes will have to inquire about information on the registry prior to hiring an aide. The recommendation would fund 3.0 FTE positions for the last three months of FY 1989, including an Education Specialist, a Keyboard Operator II, and an Office Specialist. The Education Specialist is recommended to update the current training program, to develop a refresher course and an instructor training course, and to inspect training sites. The keyboard operator and office specialist would be used to update and maintain the registry, issue certificates and answer inquiries concerning the registry status of nurse aides considered for employment. There are currently 35,000 individuals who have completed the state nurse aide training program since 1978. However, at least 18,000 aides need to be added to the current list in order to make the registry current and valid. In addition, over 5,000 new aides are trained annually. Regulations issued by the Health Care Financing Administration (HCFA) require states to establish a learning center with specified equipment to be used solely for training activities. The Subcommittee would note that the total cost of implementing these provisions in the current year totals \$68,843, including \$38,872 from Medicare (Title XVIII) and \$29,972 from Medicaid (Title XIX) funds. The agency believes it has sufficient savings in the current contract with SRS

to fund the increased Medicaid amounts. The Subcommittee recommendation increases the Medicare expenditure limitation by \$38,872 in FY 1989.

2. Add \$175,600 in federal funds to increase the expenditure limitation of the Pre-National Priority List Existing Sites Federal Fund. The agency has received a larger grant award than had been anticipated at the time the 1988 Legislature reviewed the agency's budget. The federal funds are used to investigate 30 sites in Kansas that are known to be contaminated with hazardous substances, primarily sites where public water supplies have been contaminated. These include sites in Hays, Colby, McPherson, Halstead and Salina as well as contaminated private drinking water supply wells near Wichita and Topeka. The site investigations are performed in order to determine whether these sites will qualify for listing on the National Priority List and be eligible for federal Superfund dollars for remediation. The Subcommittee would note that the Governor recommended that these additional funds be expended in FY 1990 and FY 1991. The Subcommittee recommends that the funds be authorized in the current fiscal year to avoid delay of site investigations and to avert the possibility that federal funds may be lost if the U.S. Environmental Protection Agency denies reauthorization of the unused grant funds for future periods. In addition, the subcommittee would note that the existing expenditure limitation is not sufficient to pay the salaries for persons presently employed on the Pre-NPL grant for the remainder of the fiscal year.
3. The Subcommittee would note that the agency has received a federal grant totaling \$125,000 in the current fiscal year for a Healthy Families and Young Children program. The funds would be used to establish a home visitor program for at-risk children between the ages of one and five. The Subcommittee would further note that the existing Healthy Start/Home Visitor program serves pregnant women and infants up to the age of one year. The Subcommittee strongly encourages that the agency coordinate these two programs so that the new program can work with and complement the existing programs which are already operating through local health departments.
4. The Subcommittee would note that the Governor's recommendation for FY 1989 includes a supplemental appropriation of \$50,000 for genetics services. In addition, the Governor recommends \$50,000 in FY 1990 for the continuation of these services. The Subcommittee has some real concerns about the benefits which are attained from the expenditure of these funds and questions the nature of the services which are actually provided by this program. The Subcommittee recommends that the Department report back to the Subcommittee during the 1990 Session and provide specific information on the number of individuals served and the nature of services provided under the program. In addition, the Subcommittee recommends that the agency explore the possibility of the imposition of a fee structure for genetics services and include its recommendations concerning fees in its report to the Subcommittee next year.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 2029

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 341

Budget Pg. No. 252

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
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	--
TOTAL	\$ 90,911,064	\$ 65,984,972	\$ 227,820
State General Fund:			
State Operations	\$ 24,452,500	\$ 18,581,272	\$ 336,241
Aid to Local Units	6,961,607	3,241,905	241,579
Other Assistance	--	--	--
TOTAL	\$ 31,414,107	\$ 21,823,177	\$ 577,820
Economic Development Initiatives Fund:	\$ --	\$ 1,600,000	\$ --
FTE Positions	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

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 include 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 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 dedicated 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.

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 with the following adjustments:

1. Add \$10,676 from the State General Fund to provide a total of \$40,000 for the Sedgwick County Infant Mortality Project.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ (13,759)	\$ 40,633,526	\$ 141,177
Aid to Local Units	241,579	10,512,852	423,100
Other Assistance	--	15,066,414	760,000
TOTAL	<u>\$ 227,820</u>	<u>\$ 66,212,792</u>	<u>\$ 1,324,277</u>
State General Fund:			
State Operations	\$ 336,241	\$ 18,917,513	\$ 130,000
Aid to Local Units	241,579	3,483,484	423,100
Other Assistance	--	--	760,000
TOTAL	<u>\$ 577,820</u>	<u>\$ 22,400,997</u>	<u>\$ 1,313,100</u>
Economic Development Initiatives Fund:	<u>\$ --</u>	<u>\$ 1,600,000</u>	<u>\$ --</u>
FTE Positions	(4.0)	672.7	5.0

Senate Subcommittee Recommendation

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

1. Add \$130,000 from the State General Fund for costs associated with the retrieval and conversion of records to the new optical disk system recommended by the Governor. The Subcommittee was informed that the agency intends to convert records covering three critical time periods which comprise approximately 70 percent of all record requests which the Bureau of Vital Statistics currently receives, and that without the funding to convert these records to the system the optical disk system would be used only for the indexing, querying and retrieval of requests for current records. Without the total funding of \$260,000 for records conversion, the vital statistics storage and retrieval system would be functional for only approximately 30 percent of all daily requests resulting in manual searches for the remaining 70 percent of the daily requests. The Subcommittee would further note that the agency intends to increase fees for vital records to finance the optical disk system and that increased revenues generated from these fees will be deposited in the State General Fund.
2. Add \$48,125 from the State General Fund in aid to local units for child care licensing activities. The Subcommittee's recommendation provides a total of \$240,625 to reimburse county health departments for mandated child care licensing activities, an increase of 25 percent from the current level of \$192,500. KDHE contracts with local health departments, where available, for the inspection of child care facilities. Funding for this activity is provided on the basis of the number and type of facilities within the respective county. Increased funding to local units would more adequately reimburse the local health departments for expenditures incurred not only in licensure inspections, but also in complaint investigation and the processing of applications to operate registered family day care homes.
3. Add \$98,977 in federal funds and 3.0 FTE positions to continue implementation of the federal Nursing Home Reform Act. The recommendation includes \$76,168 in salaries and \$22,809 in other operating expenditures. The recommendation provides full year funding for the additional positions recommended for the last quarter of FY 1989 and associated operating expenditures. The Subcommittee would also note that the Governor's recommendation includes \$103,000 in federal Medicare funds which were authorized only to fund new activities of that program. The Subcommittee recommendation would adjust the funding between federal Medicare and Medicaid funds in order to correct this financing error. The net result of the subcommittee recommendation is to increase the expenditure limitation for the Medicaid (Title XIX) fund by \$150,252, and to reduce the expenditure limitation for federal Medicare (Title XVIII) funds by \$51,275, for a net increase of \$98,977.
4. Delete \$87,800 in federal Pre-National Priority list funds based on the Subcommittee's recommendation that the funds be expended in FY 1989.

5. Add \$134,975 to increase formula funding for local health departments to a level of \$.75 per capita, or a minimum of \$7,000 per county. The Subcommittee would commend the activities of the local health departments and believes that they are doing a good job in providing services to the citizens of the State. The Subcommittee recognizes that the local health departments have experienced increased costs in a number of areas as well as an increased demand for services. The local health departments have experienced increased demand for services in the areas of communicable diseases, sexually transmitted diseases, and other basic services, and have experienced additional costs including increasing costs of liability insurance and rising costs of nursing salaries. The Subcommittee is supportive of providing additional funding to the local health departments for these services. The Subcommittee would also note that the recommendation of \$.75 per capita brings the funding level to the statutory maximum and notes that the agency should seek legislation in the 1990 Session to increase the statutory maximum.
6. Add 2.0 FTE Sanitarians to allow the agency to expand its sanitarian services. The Subcommittee recommends that these positions be funded through fees and that the positions be filled only in the event that adequate fees are generated to support the positions. The Subcommittee received testimony that such services could be provided on a fee for service basis. The Subcommittee would further note that the 1988 Legislature authorized 3.0 FTE sanitarian positions from the State General Fund that are located in Hays, Dodge City, and Chanute. The addition of two more positions would allow the provision of sanitarian services in other parts of the state.
7. The Subcommittee would note that the House recommended the addition of \$106,579 from the State General Fund for the expansion of the Healthy Start/Home Visitor Program. The House recommendation would fund the first year of a three year program to expand the program statewide as recommended by the Governor's Commission on Children and Families. The Senate Subcommittee would note that it is our intention that these additional funds be used for direct program expansion in the counties and not for additional staffing within the Department of Health and Environment. The Subcommittee further recommends that KDHE evaluate ways to perform its training responsibilities as additional counties are added to the program without the necessity of additional staffing at the state level.
8. The Subcommittee recommends the addition of \$1,000,000 from the State General Fund for the expansion of the Women, Infants and Children (WIC) Program. The Subcommittee recommends that the funds be used to serve additional clients under the existing federal guidelines. The Subcommittee further recommends that a portion of these funds be used for concerted outreach services, and that no more than \$50,000 of these funds be used for these outreach services. The remaining funds would be expended for actual food vouchers and local administrative and nutrition services costs with no greater than 20 percent of this amount for administration and nutrition services and the remaining 80 percent for actual food packages.

The WIC program is a federally funded program which provides food and nutrition counseling to pregnant, breastfeeding and postpartum women, infants and children up to the age of five years of age. Under the current federal guidelines, to be eligible for the WIC program, a person must meet certain income guidelines and be nutritionally at risk. A person may be income eligible if their household income is less than 185 percent of the poverty level. At the current time the federally funded WIC program serves an average of 34,000 client per month in Kansas, which equates to 52 percent of the potentially eligible population. During the current fiscal year, an infant formula rebate program is expected to be implemented which will provide funding to support approximately 6,300 additional participants for a total of 40,300, or 61 percent of those eligible for the program. Federal funds for actual food packages are estimated to total \$13.3 million in FY 1989 and \$15.1 million in FY 1990.

The Subcommittee is of the opinion that additional funding for the WIC program is of the highest priority and believes that the program has been proven to be very effective and beneficial. Cost benefit studies indicate that for every dollar spent on WIC services for pregnant women, there is a projected savings of three dollars in averted medical costs for low birth weight infants. The WIC program makes a major difference in the proportion of low birthweight infants. A 1986 report by the United States Department of Agriculture based on a multi-year study found significant positive impacts on maternal and child health due to the WIC program. The report noted that women participating in WIC had fewer premature births and sought earlier prenatal care than those not participating in the program. In addition WIC participation contributed to a nationwide decline in fetal deaths, a reduction in early infant deaths and a significant increase in the head circumference of infants whose mothers received WIC during pregnancy.

The Subcommittee would note that at least 17 states have provided some General Fund dollars to enhance and expand the WIC program and the Subcommittee strongly supports the addition of these funds for this purpose. The Subcommittee would further note that testimony was received concerning the current waiting lists for the program and notes that these waiting lists are especially high in rural areas where demand for the program is often greater due in part to the increasing shortage of physicians to provide prenatal care services. The Subcommittee notes that the recommendation to add \$1,000,000 from the State General Fund would serve approximately 2,000 additional women, infants and children each month.

9. 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 an environmental contamination cost recovery unit. The Governor's recommendation includes funding for an attorney, a legal assistant and a clerical position. The team would be dedicated to recovering cleanup costs from parties responsible for environmental contamination. The Subcommittee would note that the formation of this unit is on a three-year trial basis, and is predicated on the assumption that the unit will be effective in recovering funds which would not only cover the operating costs of the unit but would provide additional

resources for remediation activities. The Subcommittee is supportive of the formation of the unit and expects that it will be self supporting. The Subcommittee further recommends that the agency report back to the Subcommittee during the 1990 Session on the progress of the unit and the status of recovered moneys in order that its effectiveness can be monitored by the Legislature.

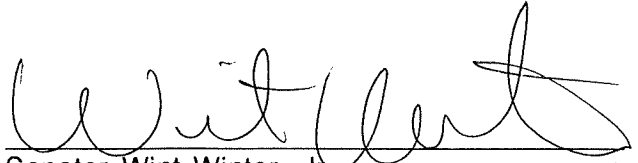
10. The Subcommittee would concur with the recommendations of the House to provide additional funding for vaccines in FY 1989 and FY 1990. The recommendations would provide a total of \$938,300 from the State General Fund in both fiscal years for the purchase of 110,000 doses of DTP vaccine for distribution to local health departments. In a little over two years the appropriation for these vaccines has risen from approximately \$300,000 to over \$900,000 due to a number of factors. The actual price of the vaccine has risen dramatically since 1984 to the current level of \$8.53 per dose. The current price includes a federal excise tax of over \$4.00 per dose. In addition to the dramatic price increase, the demand for the vaccine has also grown tremendously in the last few years. A total of 87,150 doses of DTP vaccine were made available to the local health departments in FY 1987. This increased to 96,900 in FY 1988. Current demand estimates for FY 1989 and FY 1990 are 110,000 doses of vaccine. The Subcommittee would also call to the Committee's attention the fact that the Department did in fact exhaust its supply of vaccines this fall and that without supplemental funding in the current fiscal year no additional vaccines would be available to local health departments. Many local health departments in turn ran out of vaccines. In January, anticipating a supplemental appropriation, KDHE expended operating funds to purchase additional vaccines.

The Subcommittee heard testimony that there has been a large increase in the number of patients referred to local health departments by private physicians. In many cases these individuals are covered by private insurance and should receive these services as a part of their insurance benefits. The federal government prohibits actual charges for the vaccines themselves when vaccines are purchased at a reduced cost on the federal contract. Currently, the state purchases all of its vaccines on the federal contract. Thus, local health departments can charge only a minor administrative fee, usually not greater than \$5.00 when providing these vaccines. The Subcommittee believes that it has become a customary practice for vaccinations for people from all levels of income to be provided at the local health departments and reiterates that in many cases these services have been paid for by the individuals as a part of their private insurance coverage. The Subcommittee strongly believes that local health departments should not be providing vaccines for private insurance companies and HMO's with only a minimal financial compensation and believes that at the very least the health departments should be able to recover the actual cost of the vaccine itself. In addition, the Subcommittee does not believe that it was ever the intention for local health departments to provide these vaccines to all members of the public for a minimal administrative fee, including those with adequate financial resources to pay for the cost of the vaccine. However, the Subcommittee believes that the trend towards a shifting patients from the private sector to the local health department will continue.

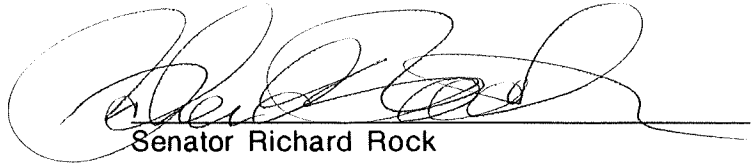
The Subcommittee recommends that a request be made for a Legislative Post Audit study of this issue and recommends that the audit address the following questions: How widespread is the practice of referrals of privately insured individuals to local health departments for vaccines? What degree of latitude is available under the current federal regulations to recover costs for services rendered by the local health departments in providing these vaccines, and is the state currently receiving the optimal return allowable under these regulations? In addition, the Post Audit report should provide recommendations for solutions to the current situation, including an examination of the feasibility of purchasing vaccines apart from the federal contract; and an examination of the possibilities of contracts between the local health departments and the private insurance companies for the provision of these services. The Subcommittee recommends that this audit be expedited in order to address this critical area.

11. The Subcommittee recommends that a request also be made for a Post Audit study of the whole area of fees for services, both within the local health departments and within the Department of Health and Environment at the state level. The Subcommittee recommends that the audit review current fee schedules to determine if these fees are adequate and appropriate and that the audit address whether fees imposed for services by local health departments should be assessed on a sliding scale based on income or whether fees should be uniformly assessed for services across all income levels. The Subcommittee recommends that the Post Audit report identify areas where fees for services should be altered or areas where additional fees for services could be imposed. The Subcommittee believes that a general survey of existing fee practices is necessary in order to adequately and appropriately address and fund services in both health and environmental areas.
12. The Subcommittee would note that the federal government will likely require the State to assume lead responsibilities for the oversight of the NIES/Furley site (now Chemical Waste Management of Kansas) in FY 1990. These added responsibilities would have a fiscal impact upon the agency and the Subcommittee notes that this will almost certainly be a budget issue during the 1990 Session, possibly as a supplemental request to the FY 1990 budget. The Subcommittee encourages the Department to plan for these expenditures and further encourages the Department to seek funding for these responsibilities from the private operators of the site.
13. The Subcommittee would note that the Governor identified \$4.2 million in additional funding for the Department of Health and Environment which he would recommend in FY 1990 if a dedicated source of funding for the State Water Plan is enacted by the 1989 Legislature. The Subcommittee expresses no opinion and makes no recommendation at this time concerning the merits of these additional projects but recommends that the merits of these items be reviewed during the Omnibus Session upon passage of H.B. 2008 or other legislation to establish dedicated funds for the State Water Plan.

14. In conformity with Committee policy, the Subcommittee recommends that the Operating Expenditures line item for the agency be split into two line items for Salaries and Wages and Other Operating Expenditures.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts Bill No. 2030 Bill Sec. 7
 Analyst: Rampey Analysis Pg. No. 27 Budget Pg. No. 250

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 988,022	\$ 923,124	\$ (66,987)
FTE Positions	19.0	19.0	(3.0)

Agency Estimate/Governor's Recommendation

FY 1990. For FY 1990, the Board requests expenditures of \$988,022. The amount includes \$52,241 for 3.0 FTE new positions and \$68,037 for capital outlay. Most of the capital outlay request (\$62,250) is for new computer equipment. The Board proposes a new program, the multiple copy prescription program, whereby copies of all prescriptions written in Kansas for certain controlled substances would be entered into a data bank. The requested new positions are associated with this program, which would have to be implemented statutorily.

Since submitting its budget, the Board has made a request directly to the Subcommittee for 4.0 FTE additional positions, at a cost of \$92,385. That amount is in addition to the requested amounts discussed thus far in this report. The positions, an Attorney, an Investigator, and two Secretaries, would be associated with increased disciplinary activities of the Board.

The Governor recommends expenditures of \$923,124 for FY 1990, a reduction of \$64,898 from the Board's request. The Governor approves the addition of the three new positions originally requested, contingent upon the passage of legislation to authorize the multiple copy prescription program. A large part of the Governor's reduction is due to shifting \$62,500 for a new computer system from FY 1990 to the current year.

House Subcommittee Recommendation

The uncertainty about the Board's computer and space needs discussed in the report for FY 1989 is compounded by the fact that the Board is proposing the implementation of a program that could require additional staff and computer capacity. Whether the proposal to track certain prescriptions is adopted adds another variable that ultimately must be taken into account when the Board's budget is set. Finally, the Board has submitted a request for four more staff in connection with its disciplinary activities. It is probably not possible to fit four more people into the space the Board presently has.

As noted earlier, the Subcommittee endorses the purchase of a new computer system and the acquisition of larger quarters. It also believes the Board's disciplinary activities should be expanded by the addition of an Attorney, an Investigator, and a Secretary (at a cost of \$73,833). But until the Board knows how much space its computer system will take, it is not possible to make a decision about new quarters. Nor is it possible to make a decision about office space when the Board's request for new positions is for 4.0 FTE now and 3.0 FTE more if the new prescription program is implemented.

A.B. 2030

The Subcommittee has no choice but to delay recommendations on major items in the Board's budget until the end of the Session when they can be considered in the Omnibus Bill. The Subcommittee's specific recommendations are the following:

FY 1990. The Subcommittee concurs with the Governor, with the following exceptions:

1. Delete \$12,869 for rent of additional office space, pending a determination of what the Board's space needs actually are.
2. Delete \$54,118 in salaries and benefits for 3.0 FTE new positions (an Office Assistant II and two Keyboard Operators) who would be associated with the multiple copy prescription program, pending the passage of legislation to implement the program.

The Legislature should be aware of the possibility that it may not have all of the information it needs to make a decision on the Board's budget during the 1989 Session. One alternative would be for the Board to go to the State Finance Council to get authority to increase its expenditure limitation. The Finance Council cannot approve an expenditure that has been rejected by the previous Session, nor can it approve an expenditure that is contrary to legislative policy.

Therefore, the Subcommittee wishes to make it clear that, if the Board finds it necessary to go to the Finance Council, the Subcommittee supports the acquisition of a new computer system, the expansion or relocation of the Board to larger quarters, the addition of an Attorney, an Investigator, and a Secretary if space can be found for them, and adequate funding to carry out the Board's disciplinary activities. With regard to the latter, the Subcommittee would support any request by the Board to increase its expenditure limitation to pay for costs associated with disciplinary actions and hearings involving licensees and registrants.

A fee fund analysis based upon the Subcommittee's recommendations for FY 1989 and FY 1990 is shown below:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 633,822	\$ 947,309	\$ 973,897
Net Receipts	<u>1,007,033</u>	<u>830,470</u>	<u>844,666</u>
Total Available	\$ 1,640,855	\$ 1,777,779	\$ 1,818,563
Less: Nonreportable Expend.	3,550	--	--
Less: Expenditures	<u>689,996</u>	<u>803,882</u>	<u>856,137</u>
Ending Balance	<u>\$ 947,309</u>	<u>\$ 973,897</u>	<u>\$ 962,426</u>

House Committee Recommendations

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (66,987)	\$ 856,137	\$ 452,783
FTE Positions	(3.0)	16.0	4.0

Senate Subcommittee Recommendations

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

1. Add \$96,674 for the salaries and benefits of the following new positions: an Attorney (\$34,967), an Investigator (\$23,283), and two Secretaries (\$19,212 each). The positions would be used in connection with the Board's disciplinary activities and would bring the Board's position limitation to 20 FTE.
2. Add \$5,758 for communications. The amount would be for telephone lines, equipment, and one-time installation charges connected with the acquisition of additional equipment and with the Board office's planned move from the Landon Office Building to new quarters. Some of the expenditure is for equipment to connect the office with its existing computer system (shared with the Board of Nursing and the Board of Pharmacy) that is in the Landon Office Building.
3. Add \$15,000 to enable the Board to move to larger quarters in another building. The amount consists of \$3,500 to pay movers, \$8,000 for Herman Miller partitions and work stations, \$3,200 for computer installation, and \$300 miscellaneous costs.
4. Add \$5,000 for rent due to the planned move to larger quarters. The Board currently leases 2,490 square feet of space in the Landon Office Building for \$11.75 per square foot, plus storage space (\$30,822 total). It has selected office space in the Commerce Bank Building for a total cost of \$35,200 for 3,200 square feet at a cost of \$11.00 per square foot.
5. Add \$90,351 for fees for professional services for impaired provider programs. The addition consists of \$4,600 for services for physician assistants and the remainder (\$85,751) is for the program provided by the Kansas Medical Society for medical doctors. Under the Subcommittee's recommendation, \$212,308 would be available to enter into contracts for services for impaired providers for the following groups: medical doctors (\$185,508), doctors of osteopathy (\$8,400), doctors of chiropractic (\$13,800), and physician assistants (\$4,600).

6. Add \$240,000 for capital outlay and associated costs for a new computer system that would be for the use of the Board and would end the shared computer arrangement with the Board of Nursing and the Board of Pharmacy. According to the Executive Director of the Board, a lower price for the computer system might result if the Board did not have to go through the state aid procedure. Therefore, the Subcommittee recommends that the purchase of the computer and accompanying software be exempt from the state's competitive bid requirement.
7. The adjustments recommended by the Senate Subcommittee amount to \$452,783, which brings the Board's total FY 1990 recommended expenditures to \$1,308,920 and reduces its ending balance at the end of FY 1990 to \$509,643. Because the Board receives most of its revenues in May and June, the balance at the end of each year must carry the Board through most of the next fiscal year. The projected balance of \$509,643 at the end of FY 1990 will not be adequate to fund the Board's operation in FY 1991. To address the projected shortfall, the Board is proposing to raise license renewal, late renewal, and reinstatement of license fees for medical doctors, doctors of osteopathy, doctors of chiropractic, and podiatrists for two years only. The purpose of the two-year increase is to generate revenues to pay for the new computer system. Once the system is purchased, the Board thinks it can lower fees again.

Although the Board has not reached the statutory maximum on some of these fees and could increase them by rules and regulations, the time it would take to develop and adopt rules and regulations makes it impossible to raise the fees this year. (Annual renewal notices are sent to licensees in May.) Legislation, on the other hand, if quickly passed and effective upon publication in the Kansas Register, would allow the Board to notify licensees of the fee increase in May and begin generating the higher revenues almost immediately. The proposed fee increases, along with planned fee increases for other groups regulated by the Board, are expected to generate \$230,792 in additional revenue in FY 1989 and FY 1990. The increase would result in an estimated ending balance of \$971,227 at the end of FY 1990.

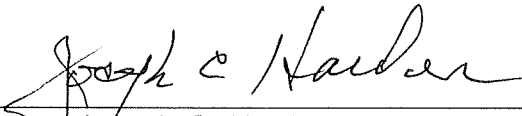
The Subcommittee recommends that the legislation be introduced. Shown below are the fees that would be affected:

	<u>Statutory Limit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
MDs, ODs, and DCs			
renewal	\$150	\$115	\$150
late renewal	500	150	200
reinstatement	150	150	250
Podiatrists			
renewal	\$150	\$ 50	\$150
late renewal	100	50	50
reinstatement	100	--	100
exempt license renewal	150	50	115

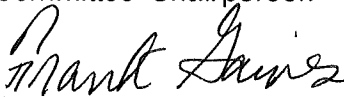
An analysis of the Board's fee fund is shown below. Two estimates are made -- one based on no fee increases and one based on the assumption that fees will be increases as requested by the Board:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89 Without Fee Increase</u>	<u>Estimated FY 90 Without Fee Increase</u>
Beginning Balance	\$ 633,822	\$ 947,309	\$ 973,897
Net Receipts	<u>1,007,033</u>	<u>830,470</u>	<u>844,666</u>
Total Available	\$ 1,640,855	\$ 1,777,779	\$ 1,818,563
Less: Nonreportable Expenditure	3,550	--	--
Less: Expenditures	<u>689,996</u>	<u>803,882</u>	<u>1,308,920</u>
Ending Balance	<u>\$ 947,309</u>	<u>\$ 973,897</u>	<u>\$ 509,643</u>

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89 With Fee Increase</u>	<u>Estimated FY 90 With Fee Increase</u>
Beginning Balance	\$ 633,822	\$ 947,309	\$ 1,204,689
Net Receipts	<u>1,007,033</u>	<u>1,061,262</u>	<u>1,075,458</u>
Total Available	\$ 1,640,855	\$ 2,008,571	\$ 2,280,147
Less: Nonreportable Expenditure	3,550	--	--
Less: Expenditures	<u>689,996</u>	<u>803,882</u>	<u>1,308,920</u>
Ending Balance	<u>\$ 947,309</u>	<u>\$ 1,204,689</u>	<u>\$ 971,227</u>



 Senator Joseph C. Harder
 Subcommittee Chairperson



 Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts Bill No. -- Bill Sec. --
Analyst: Rampey Analysis Pg. No. 27 Budget Pg. No. 250

<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	\$ 807,063	\$ 873,871	\$ (69,989)
FTE Positions	16.0	16.0	--

Agency Estimate/Governor's Recommendation

FY 1989. For FY 1989, the Board is estimating expenditures of \$807,063, the amount approved by the 1988 Legislature. The Board has money in the current year (\$7,489) to rent more space, but has made no decision about relocating because it wishes to add more people in FY 1990 and to purchase a computer system that is separate from the present system shared with the Board of Nursing and the Board of Pharmacy. Thus, the Board cannot make a decision about space until it knows the outcome of its request for more staff and the space requirements of a new computer system.

The Governor recommends expenditures of \$873,871 for FY 1989, an increase of \$66,808 over the Board's estimate. The addition consists of \$4,308 to increase staff fringe benefits and \$62,500 with which to purchase an independent computer system. (The money for the computer system had been requested for FY 1990, but the Governor recommends that the system be purchased as soon as possible.) At the present time, the Board is selecting a consultant to assess its computer needs and tell it how much a new computer system will cost.

House Subcommittee Recommendations

The Subcommittee wishes to preface its recommendations by explaining that the Board of Healing Arts is currently in a situation that makes it difficult for the Subcommittee to determine its budgetary needs for both FY 1989 and FY 1990. The Subcommittee agrees with the Board that it should purchase an independent computer system and that it needs more space to accommodate its expanding operations. The problem is that, until a consultant is selected to assess the Board's computer needs (for a consultant's fee that is presently unknown), the Board and the Subcommittee have no idea how much a new computer system will cost or in which fiscal year (FY 1989 or FY 1990) the purchase can be made. And, until it is known what the space requirements of the new computer system are, it is not possible for the Board to make a decision about relocating or renting more space.

All the Subcommittee can do at this point is to endorse the Board's plan to purchase a new computer system and to acquire more space. However, the Subcommittee has no choice but to say that most decisions about this budget will have to be postponed until the end of the Session when, it is hoped, the Board will have more information to provide the Legislature.

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

1. Delete \$7,489 for the rent of additional space until it is known how much space will be needed for the new computer system and additional staff.
2. Delete \$62,500 for computer equipment. The Subcommittee does not think anyone knows at this time what a new computer system will cost. In this connection, the Subcommittee thinks consideration should be given to the possibility of the Board recovering some of the money it has already spent on computer equipment from the Board of Nursing, which could emerge as the only agency using the system that was jointly purchased by three Boards.

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

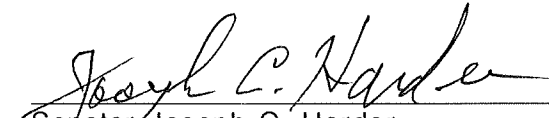
House Committee of the Whole

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

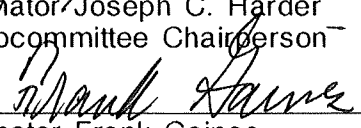
Senate Subcommittee Recommendations

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

1. After the Board of Healing Arts' budget was reviewed by the House, the Board entered into a contract with a consultant to develop a design for a new computer system. The amount of the contract is \$55,000 and the consultants' report is expected in May. The Subcommittee supports the action taken by the Board and understands that the contract can be paid in the current year within the Board's existing expenditure limitation as recommended by the House.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Frank Gaines

SUBCOMMITTEE REPORT

ON

House Bill No. 2063
FY 1989 Appropriations

and

House Bill No. 2030
FY 1990 Appropriations

Section 10 -- Kansas Dental Board

Section 14 -- Board of Nursing


Section 15 -- Board of Examiners in Optometry

Section 17 -- Kansas Real Estate Commission

Section 21 -- State Board of Veterinary Examiners



Senator Jim Allen
Subcommittee Chairperson



Senator Nancy E. Parrish

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board Bill No. -- Bill Sec. --
 Analyst: Howard Analysis Pg. No. 24 Budget Pg. No. 188

<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	\$ 145,642	\$ 135,768	\$ --
FTE Positions	1.5	1.5	--

Agency Estimate/Governor's Recommendation

FY 1989. The Dental Board estimates expenditures of \$145,642 in FY 1989 as approved by the 1988 Legislature. The Governor recommends expenditures of \$135,768 for the Dental Board in FY 1989, a reduction of \$9,874 from the agency request. The recommendation includes a reduction of \$10,337 in professional services to reflect savings in the impaired provider contract and an increase of \$463 in salaries.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 155,549	\$ 149,030
Net Receipts	<u>107,860</u>	<u>135,620</u>
Total Funds Available	\$ 263,409	\$ 284,650
Less: Expenditures	<u>114,379</u>	<u>135,768</u>
Ending Balance	<u>\$ 149,030</u>	<u>\$ 148,882</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.

<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	\$ --	\$ 135,768	\$ 2,500
FTE Positions	--	1.5	--

Senate Subcommittee Recommendation

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

1. Add \$2,500 in communications based on expenditures to date during the current fiscal year.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 155,549	\$ 149,030
Net Receipts	<u>107,860</u>	<u>135,620</u>
Total Funds Available	\$ 263,409	\$ 284,650
Less: Expenditures	<u>114,379</u>	<u>138,268</u>
Ending Balance	<u>\$ 149,030</u>	<u>\$ 146,382</u>

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SUBCOMMITTEE REPORT

Agency: Kansas Dental Board Bill No. 2030 Bill Sec. 10
 Analyst: Howard Analysis Pg. No. 24 Budget Pg. No. 188

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 159,930	\$ 143,441	\$ --
 FTE Positions	 2.0	 1.5	 --

Agency Request/Governor's Recommendation

FY 1990. The agency requests expenditures of \$159,930 in FY 1990, an increase of \$14,288 over the FY 1989 estimate. The request includes funding for 2.0 FTE positions, an increase of 0.5 FTE from the current year. The Governor recommends expenditures of \$143,441 for the Dental Board in FY 1990, a reduction of \$16,489 from the agency request. The Governor's recommendation includes funding for 1.5 FTE positions, the same number as in the current year. The Governor does not recommend funding to increase the half-time administrative staff position to a full-time position. The recommendation includes reductions of \$10,402 in salaries, \$2,638 in communications, \$3,226 in travel, and \$223 in repairing and servicing.

House Subcommittee Recommendation

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

1. Shift \$600 from professional services to communications for increased postage rates.
2. The Subcommittee would note that the Dental Board currently reprints the dental statutes every two years. The Subcommittee questions whether reprinting needs to take place so frequently and recommends that the Dental Board consider alternatives such as issuing addendums to allow the reprinting of statutes only every four or five years.

The status of the fee fund reflecting the recommendation of the Subcommittee is as follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 155,549	\$ 149,030	\$ 148,882
Net Receipts	<u>107,860</u>	<u>135,620</u>	<u>137,860</u>
Total Funds Available	\$ 263,409	\$ 284,650	\$ 286,742
Less: Expenditures	<u>114,379</u>	<u>135,768</u>	<u>143,441</u>
Ending Balance	<u>\$ 149,030</u>	<u>\$ 148,882</u>	<u>\$ 143,301</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 143,441	\$ --
FTE Positions	--	1.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

The status of the fee fund reflecting the recommendation of the Subcommittee is as follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 155,549	\$ 149,030	\$ 148,882
Net Receipts	<u>107,860</u>	<u>135,620</u>	<u>137,860</u>
Total Funds Available	\$ 263,409	\$ 284,650	\$ 286,742
Less: Expenditures	<u>114,379</u>	<u>135,768</u>	<u>143,441</u>
Ending Balance	<u>\$ 149,030</u>	<u>\$ 148,882</u>	<u>\$ 143,301</u>

SUBCOMMITTEE REPORT

Agency: Board of Nursing Bill No. 2063 Bill Sec. New
Analyst: Howard Analysis Pg. No. 35 Budget Pg. No. 446

<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	\$ 610,444	\$ 603,017	\$ (75,703)
FTE Positions	14.0	14.0	--

Agency Estimate/Governor's Recommendation

The Board of Nursing estimates expenditures of \$610,444 in FY 1989 as approved by the 1988 Legislature. The Governor recommends FY 1989 expenditures of \$603,017, a reduction of \$7,427 from the agency estimate. The recommendation includes an increase in salaries of \$6,055, and a reduction of \$13,482 in savings from the peer assistance contract.

House Subcommittee Recommendation

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

1. Delete \$33,000 in projected salary savings due to delays in filling new and vacant positions.
2. Add \$4,165 for office renovation costs to allow the Board of Nursing to modify its existing office arrangement to accommodate new staff.
3. Delete \$46,868 for the peer assistance contract. The subcommittee was informed that a contract has not yet been signed for administration of the peer assistance program for impaired nurses. The Subcommittee is in full support of the peer assistance program and believes that it should be funded in full once a contract is in place. The Subcommittee encourages the Board of Nursing to actively pursue a contract for the program. The Subcommittee further recommends that the Senate Subcommittee review the status of the contract at the time of its review later in the Session to determine if funding will be necessary during this fiscal year or that the State Finance Council authorize additional expenditures if information is not available prior to the close of this Legislature.
4. The Subcommittee recommends that the Board's expenditure limitation for FY 1989 be reduced to \$527,314 to reflect these reductions.
5. The Subcommittee would note that the Governor's recommendations project an ending balance of \$176,054 in FY 1989 and only \$56,959 in FY 1990. The Subcommittee believes that the FY 1990 ending balance is too low and could result in cash flow problems for the Board.

However, the Subcommittee expects that actual revenues will be approximately \$60,000 higher in both FY 1989 and FY 1990 than projected by the Board. Therefore, the Subcommittee does not expect any serious problems from the ending balances.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 132,281	\$ 147,815
Net Receipts	507,845	631,256
Total Funds Available	\$ 640,126	\$ 779,071
Less: Expenditures	492,311	527,314
Ending Balance	<u>\$ 147,815</u>	<u>\$ 251,757</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (75,703)	\$ 527,314	\$ 4,035
FTE Positions	--	14.0	--

Senate Subcommittee Recommendation

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

1. Add \$4,035 for office remodeling to provide a total of \$8,200 for office renovation as estimated by the Division of Architectural Services.
2. The Subcommittee would note that no funding is recommended in the current fiscal year for the impaired provider contract. The Subcommittee recommends that this item receive omnibus consideration if a contract is signed by that time and it appears that the program will be operational prior to the close of this fiscal year.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 132,281	\$ 147,815
Net Receipts	<u>507,845</u>	<u>631,256</u>
Total Funds Available	\$ 640,126	\$ 779,071
Less: Expenditures	<u>492,311</u>	<u>531,349</u>
Ending Balance	<u>\$ 147,815</u>	<u>\$ 247,722</u>

SUBCOMMITTEE REPORT

Agency: Board of Nursing Bill No. 2030 Bill Sec. 14
Analyst: Howard Analysis Pg. No. 35 Budget Pg. No. 446

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 655,484	\$ 656,005	\$ 32,922
FTE Positions	14.0	14.0	--

Agency Estimate/Governor's Recommendation

The agency requests an expenditure limitation of \$655,484 in FY 1990, an increase of \$45,040 from the current year estimate. The FY 1990 request includes \$401,095 for salaries and wages for 14.0 FTE positions, the same number as the current year, and \$254,389 for other operating expenditures. The Governor recommends expenditures of \$656,005 in FY 1990, an increase of \$521 above the agency request. The request includes funding for 14.0 FTE positions and includes \$10,000 for additional costs associated with the computer system.

House Subcommittee Recommendation

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

1. Delete \$1,508 in travel for attendance at computer training sessions. The Subcommittee would also note that it believes it is inappropriate for the Board to use its travel funding for site visits to each continuing education course which is offered, and recommends that other travel activities take precedence over these types of visits.
2. Add \$49,285 to provide a total of \$60,000 for the peer assistance contract in FY 1990. The Subcommittee assumes that a contract will be signed and a program will be operating in FY 1990 and assumes that expenses of approximately \$5,000 per month will be incurred for the program.
3. Delete \$10,000 in office supplies to provide a total of \$24,300 for office supplies in FY 1990.
4. The Subcommittee notes that the Board may have additional maintenance costs for the computer system if the Board of Healing Arts receives its own computer system. The Subcommittee recommends that the Senate Subcommittee review this item when more information is available.
5. The Subcommittee would also note that there is a need for better demographic data on the number of active licensees, location, educational preparation, employment status and employment setting of the licensees regulated by the Board. The subcommittee believes this information is very important and assumes that with the additional

programming funds recommended by the Governor for the computer system this kind of information will be generated and made available for use. The subcommittee believes that such information is necessary in determining accurate supply and demand projections in response to the projected nursing shortage in the state.

4. Delete \$4,855 in miscellaneous expenditures to provide a \$500 increase over the current year estimate. The Subcommittee understands that membership costs in the Board's national association will increase in FY 1990 and recommends that this increase be funded.

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 132,281	\$ 147,815	\$ 251,757
Net Receipts	507,845	631,256	536,910
Total Funds Available	\$ 640,126	\$ 779,071	\$ 788,667
Less: Expenditures	492,311	527,314	688,927
Ending Balance	<u>\$ 147,815</u>	<u>\$ 251,757</u>	<u>\$ 99,740</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 32,922	\$ 688,927	\$ 11,850
FTE Positions	--	14.0	--

Senate Subcommittee Recommendation

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

1. Add \$10,000 in office supplies. The Subcommittee would note that this recommendation increases funding for office supplies to a total of \$34,300 in FY 1990. The Subcommittee would further note that the agency purchases its licensure and renewal forms for a two-year period. The Subcommittee expects expenditures for office supplies to decrease significantly in FY 1991.

2. Add \$1,850 in miscellaneous expenditures to provide an increase of \$500 over the current year.
3. The Subcommittee notes that the Board of Nursing will experience additional maintenance costs for its shared computer system in the event that the Board of Healing Arts receives its own computer system. The Subcommittee recommends that this item receive consideration during the Omnibus Session.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 132,281	\$ 147,815	\$ 247,722
Net Receipts	<u>507,845</u>	<u>631,256</u>	<u>536,910</u>
Total Funds Available	\$ 640,126	\$ 779,071	\$ 784,632
Less: Expenditures	<u>492,311</u>	<u>531,349</u>	<u>700,777</u>
Ending Balance	<u>\$ 147,815</u>	<u>\$ 247,722</u>	<u>\$ 83,855</u>

SUBCOMMITTEE REPORT

Agency: Board of Optometry
Examiners
Analyst: Howard

Bill No. 2063
Analysis Pg. No. 39

Bill Sec. New
Budget Pg. No. 448

<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	\$ 33,483	\$ 28,918	\$ 4,000
FTE Positions	0.3	0.3	--

Agency Estimate/Governor's Recommendation

The agency requests FY 1989 expenditures of \$33,483, an increase of \$4,565 from the amount approved by the 1988 Legislature as adjusted by Finance Council action. Subsequent to the 1988 Session, the State Finance Council approved expenditure limitation increases totaling \$6,460, for a revised expenditure limitation of \$28,918. The State Finance Council authorized an increase of \$3,128 for expenses incurred in FY 1988 for which the Board did not have adequate funds available from its FY 1988 appropriation. The State Finance Council also authorized an expenditure limitation increase of \$3,332 for professional services, to enable the Board to complete revision of its rules and regulations and respond to major complaints relating to optometry practitioners. The Governor recommends FY 1989 expenditures of \$28,918, as approved by the Finance Council. The Governor's recommendation is a reduction of \$4,565 from the agency request. The recommendation includes reductions in professional services (\$4,107), other services (\$450), and salaries (\$8).

House Subcommittee Recommendation

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

1. Add \$4,000 for professional services for legal expenses associated with an increased number of complaints.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 65,482	\$ 55,832
Net Receipts	<u>19,741</u>	<u>18,459</u>
Total Funds Available	\$ 85,223	\$ 74,291
Less: Expenditures	<u>29,391</u>	<u>32,918</u>
Ending Balance	<u>\$ 55,832</u>	<u>\$ 41,373</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.

<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	\$ 4,000	\$ 32,918	\$ --
FTE Positions	--	0.3	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 65,482	\$ 55,832
Net Receipts	19,741	18,459
Total Funds Available	\$ 85,223	\$ 74,291
Less: Expenditures	29,391	32,918
Ending Balance	\$ 55,832	\$ 41,373

SUBCOMMITTEE REPORT

Agency: Board of Optometry
Examiners

Bill No. 2030

Bill Sec. 15

Analyst: Howard

Analysis Pg. No. 39

Budget Pg. No. 448

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 27,082	\$ 24,701	\$ 9,000
FTE Positions	0.3	0.3	--

Agency Estimate/Governor's Recommendation

The agency requests expenditures of \$27,082 in FY 1990, a reduction of \$6,401 from the revised current year request. The request would continue the present staffing of a 0.3 FTE position and continue the current level of operations.

The Governor recommends FY 1990 expenditures of \$24,701, a reduction of \$2,381 from the agency request. The recommendation includes reductions in professional services (\$2,000), travel (\$500), and other expenditures (\$76), and an increase in salaries (\$195).

House Subcommittee Recommendation

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

1. Add \$7,000 to professional services for legal fees associated with disciplinary complaints and costs associated with a Federal Trade Commission ruling concerning the practice of optometry.
2. Add \$2,000 to travel for costs associated with administering the State Board Examination and attendance at national professional conventions.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 65,482	\$ 55,832	\$ 41,373
Net Receipts	19,741	18,459	21,739
Total Funds Available	\$ 85,223	\$ 74,291	\$ 63,112
Less: Expenditures	29,391	32,918	33,701
Ending Balance	<u>\$ 55,832</u>	<u>\$ 41,373</u>	<u>\$ 29,411</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 9,000	\$ 33,701	\$ --
FTE Positions	--	0.3	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 65,482	\$ 55,832	\$ 41,373
Net Receipts	<u>19,741</u>	<u>18,459</u>	<u>21,739</u>
Total Funds Available	\$ 85,223	\$ 74,291	\$ 63,112
Less: Expenditures	<u>29,391</u>	<u>32,918</u>	<u>33,701</u>
Ending Balance	<u>\$ 55,832</u>	<u>\$ 41,373</u>	<u>\$ 29,411</u>

SUBCOMMITTEE REPORT

Agency: Real Estate Commission Bill No. 2063 Bill Sec. 6
 Analyst: West Analysis Pg. No. 44 Budget Pg. No. 486

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 500,852	\$ 500,993	\$ --
Other Assistance	25,000	25,000	--
TOTAL	\$ 525,852	\$ 525,993	\$ --
FTE Positions	13.0	13.0	--

Agency Request/Governor's Recommendation

The Real Estate Commission's FY 1989 state operations budget estimate is \$500,852, a decrease of \$750 from the budget approved by the 1988 Legislature. The current year estimate reflects a decrease in attorney fees associated with the defense of the Real Estate Recovery Revolving Fund. The Commission reports that defense of the Real Estate Recovery Revolving Fund is now being managed by the Attorney General's Office. In addition, the Commission estimates payments of \$20,000 for claims against the Real Estate Recovery Revolving Fund and a one-time grant of \$5,000 to Wichita State University as approved by the 1988 Legislature.

The Governor recommends an FY 1989 state operations budget of \$500,993, an \$141 increase from the Commission's current year estimate. Salaries and wages are increased by \$2,421 to reflect revised health insurance rates. Communication expenses are decreased by \$2,189 and travel is reduced by \$91. The Governor concurs with the Commission's estimate for other assistance payments. The Governor recommends an increase in the expenditure limitation on the Real Estate Fee Fund from \$505,852 to \$505,993.

House Subcommittee Recommendation

The House Subcommittee concurs with the FY 1989 budget 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 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	\$ --	\$ 500,993	\$ --
Other Assistance	--	25,000	--
Total	<u>\$ --</u>	<u>\$ 525,993</u>	<u>\$ --</u>
FTE Positions	--	13.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

Agency: Real Estate Commission Bill No. 2030 Bill Sec. 17
 Analyst: West Analysis Pg. No. 44 Budget Pg. No. 486

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 543,548	\$ 529,141	\$ 1,034
Other Assistance	20,000	20,000	--
TOTAL	<u>\$ 563,548</u>	<u>\$ 549,141</u>	<u>\$ 1,034</u>
FTE Positions	14.0	13.0	--

Agency Request/Governor's Recommendation

The Commission requests an FY 1990 state operations budget of \$543,548, an increase of \$42,696 or 8.5 percent from the current year estimate. Major revisions from the current year estimate include increases of \$26,359 for a new Special Investigator III position, \$1,774 to reallocate a Keyboard Operator I to Keyboard Operator III, \$10,005 for travel and subsistence, and \$3,606 for office supplies. Total printing expenses are decreased by \$8,421 to reflect the printing of a homebuyers guide in the current year (\$9,100) and printing cost increases for FY 1990 (\$679). Net other changes increase state operations expenditures by \$9,373. Other assistance payments are budgeted to decrease \$5,000 in FY 1990 to reflect a grant to WSU in the current year. An estimated \$20,000 in claims against the Real Estate Recovery Revolving Fund is included in the budget total.

The Governor recommends an FY 1990 state operations budget of \$529,141, an increase of \$28,208 from the current year recommendation and a decrease of \$14,407 from the Commission's request. The recommendation includes funding for the requested reallocation, for revised health insurance rates, and for employee pay raises and excludes the requested new position. Other revisions from the Commission's request include decreases in travel (\$5,374), and printing expenses (\$689). The Governor concurs with the Commission's estimate for claims payments.

House Subcommittee Recommendation

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

1. Add \$1,034 for a technical adjustment to salaries and wages.
2. The Subcommittee requests that the ending balances be reviewed by the agency. With the amendments to K.S.A. 58-3066 by the 1986 Legislature, a mechanism has been put in place to protect against a major claim on the agency's balances. Therefore, the Subcommittee believes the size of the balances should be reduced.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 322,269	\$ 449,328	\$ 453,403
Net Receipts	546,926	510,068	513,700
Total Funds Available	\$ 869,195	\$ 959,396	\$ 967,103
Less: Expenditures	419,867	505,993	530,175
Ending Balance	<u>\$ 449,328</u>	<u>\$ 453,403</u>	<u>\$ 436,928</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations, with the following comment:

1. The Committee notes the ending balances are relatively large, but makes no recommendation for the agency to lower fees at this time.

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 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations	\$ 1,034	\$ 530,175	\$ --
Other Assistance	--	20,000	--
TOTAL	<u>\$ 1,034</u>	<u>\$ 550,175</u>	<u>\$ --</u>
FTE Positions	--	13.0	

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

Agency: State Board of
Veterinary Examiners
Analyst: Howard

Bill No. 2063
Analysis Pg. No. 56

Bill Sec. New
Budget Pg. No. 610

<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	\$ 73,103	\$ 69,240	\$ 3,063
FTE Positions	1.8	0.8	1.0

Agency Estimate/Governor's Recommendation

FY 1989. The Board estimates FY 1989 expenditures of \$73,103, a reduction of \$3,641 from the amount approved by the 1988 Legislature. The request includes funding for 1.8 FTE positions, an increase of 1.0 FTE from the number approved by the 1988 Legislature. The 1988 Legislature authorized \$21,502 to contract for an executive director. The agency request would provide for the hiring of a 1.0 FTE executive secretary, rather than contracting for such services. The Governor recommends expenditures of \$69,240 in FY 1989, a reduction of \$3,863 from the agency request. The Governor's recommendation shifts funding from salaries to professional services for this position. The recommendation includes reductions in salaries (\$18,763), communications (\$500), and travel (\$350), and an increase in professional services (\$15,750).

House Subcommittee Recommendations

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

1. Add \$3,063 and 1.0 FTE position for the executive secretary. The subcommittee concurs with the agency's request to hire a full-time executive secretary. The subcommittee recommendation would shift \$15,750 in contractual services to salaries for this position. The recommendation provides nine-months funding in the current year.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 116,774	\$ 128,910
Net Receipts	<u>62,240</u>	<u>72,800</u>
Total Available Funds	\$ 179,014	\$ 201,710
Less: Expenditures	<u>50,104</u>	<u>72,303</u>
Ending Balance	<u>\$ 128,910</u>	<u>\$ 129,407</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.

<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	\$ 3,063	\$ 72,303	\$ --
FTE Positions	1.0	1.8	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 116,774	\$ 128,910
Net Receipts	<u>62,240</u>	<u>72,800</u>
Total Available Funds	\$ 179,014	\$ 201,710
Less: Expenditures	<u>50,104</u>	<u>72,303</u>
Ending Balance	<u>\$ 128,910</u>	<u>\$ 129,407</u>

SUBCOMMITTEE REPORT

Agency: State Board of
Veterinary Examiners
Analyst: Howard

Bill No. 2030
Analysis Pg. No. 56

Bill Sec. 21
Budget Pg. No. 610

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 75,149	\$ 67,978	\$ 8,192
FTE Positions	1.0	0.8	1.0

Agency Estimate/Governor's Recommendation

FY 1990. The agency requests expenditures of \$75,149 in FY 1990, an increase of \$2,046 from the current year estimate. The request would fund 1.0 FTE position, a reduction of 0.8 FTE from the current year revised request. The agency request includes funding for a full-time unclassified executive secretary, and deletes funding for the board secretary and clerical positions. The Governor recommends expenditures of \$67,978 in FY 1990, a reduction of \$7,171 from the agency request. The Governor's recommendation includes \$21,000 to contract for an executive director. The request would fund no positions and deletes funding for the current board secretary and clerical positions. The recommendation includes reductions in salaries (\$25,471), rents (\$2,400), and travel (\$300), and an increase in professional services (\$21,000).

House Subcommittee Recommendations

FY 1990. The House Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Add \$5,792 and 1.0 FTE position for the executive secretary. The Subcommittee recommends that \$21,000 budgeted in contractual services be shifted to salaries for total funding of \$26,792 for the executive secretary position.
2. Add \$2,400 to rents for office rental for the executive secretary.
3. The Subcommittee notes that the agency's ending balances have been increasing and recommends that the Board review its fee structure to determine if application and examination fees should be reduced. The Subcommittee would note that a proposal for a peer assistance program may be addressed by the 1989 Legislature and that funding of such a program would reduce the agency's ending balances.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 116,774	\$ 128,910	\$ 129,407
Net Receipts	<u>62,240</u>	<u>72,800</u>	<u>72,800</u>
Total Available Funds	\$ 179,014	\$ 201,710	\$ 202,207
Less: Expenditures	<u>50,104</u>	<u>72,303</u>	<u>76,170</u>
Ending Balance	<u>\$ 128,910</u>	<u>\$ 129,407</u>	<u>\$ 126,037</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 8,192	\$ 76,170	\$ --
FTE Positions	1.0	1.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 116,774	\$ 128,910	\$ 129,407
Net Receipts	<u>62,240</u>	<u>72,800</u>	<u>72,800</u>
Total Available Funds	\$ 179,014	\$ 201,710	\$ 202,207
Less: Expenditures	<u>50,104</u>	<u>72,303</u>	<u>76,170</u>
Ending Balance	<u>\$ 128,910</u>	<u>\$ 129,407</u>	<u>\$ 126,037</u>

SUBCOMMITTEE REPORT
on

HOUSE BILL NO. 2063


FY 1989 Appropriations

and

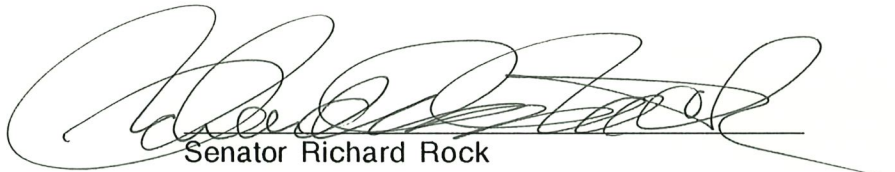
HOUSE BILL NO. 2030

FY 1990 Appropriations

Sec. 4 -- State Bank Commissioner
Sec. 9 -- State Department of Credit Unions
Sec. 13 -- Consumer Credit Commissioner
Sec. 18 -- Savings and Loan Department
Sec. 19 -- Office of the Securities Commissioner of Kansas



Senator Alicia L. Salisbury
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: State Bank Commissioner Bill No. 2063 Bill Sec. 11
 Analyst: Duncan Analysis Pg. No. 7 Budget Pg. No. 100

<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	\$ 2,492,068	\$ 2,512,825	\$ --
FTE Positions	67.0	67.0	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1989 expenditures of \$2,492,068, an amount of \$20,498 below the expenditure limitation of \$2,512,566 approved by the 1988 Legislature.

The Governor recommends FY 1989 expenditures of \$2,512,825, which includes an increase of \$17,826 in salaries and \$2,931.08 for a voucher transfer to the Department of Administration to cover payment for motor pool expenses incurred in FY 1988. The recommendation increases the agency's FY 1989 expenditure limitation from \$2,512,566 to \$2,515,497.

House Subcommittee Recommendation

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

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 280,936	\$ 288,582
Net Receipts	2,323,478	2,524,432
Total Available Funds	\$ 2,604,414	\$ 2,813,014
Less: Expenditures	2,315,832	2,509,894
Non-expense Items	0	2,931
Ending Balance	<u>\$ 288,582</u>	<u>\$ 300,189</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations: Special Revenue Fund	\$ --	\$ 2,512,825	\$ --
FTE Positions	--	67.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.

094-89

SUBCOMMITTEE REPORT

Agency: State Bank Commissioner Bill No. 2030 Bill Sec. 4
Analyst: Duncan Analysis Pg. No. 7 Budget Pg. No. 100

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,645,692	\$ 2,690,028	\$ 70,997
FTE Positions	69.0	67.0	2.0

Agency Estimate/Governor's Recommendation

The agency requests \$2,645,692 in FY 1990, an increase of \$153,624 over the current year estimated expenditures. The request would fund 69 positions, an increase of two positions. The agency's FY 1990 request would provide salary step movement and benefit adjustments for existing employees, and reclassify seven Financial Examiners III to Financial Examiners IV. The agency requests two new FTE positions be added (Financial Examiner V and Financial Examiner I) to examine trust departments and trust companies.

The Governor recommends \$2,690,028 in FY 1990, an increase of \$44,336 from the agency request. The recommendation would fund 67.0 FTE positions, a reduction of 2.0 FTE positions from the agency request. The Governor does not recommend reclassification of the 7.0 Financial Examiners III. Compared to the agency request, the recommendation provides an increase of \$52,554 in salaries and reductions of \$6,728 in travel and \$1,489 in capital outlay expenditures.

House Subcommittee Recommendation

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

1. Add \$53,583 and 2.0 FTE for one new Financial Examiner V (\$32,579) and one new Financial Examiner I (\$21,004) positions. The agency plans to utilize these two new positions to conduct trust examinations. The Subcommittee received information from the Banking Department concerning trust examination work. Currently, 133 state bank trust departments and five trust companies are authorized to provide fiduciary services in Kansas. The information indicates that the Department is only slightly exceeding its minimum examination objectives. In addition, there has been an increase of 48.6 percent in problem banks in the last year. These banks continue to require enhanced examination and monitoring. Because of the time commitment required for examining problem banks, only 28 trust examinations were conducted in FY 1988. The Subcommittee recognizes the technical nature of trust activities and the need for examiners with special expertise focused in the area of trusts. Plus, the addition of these two positions will allow other examiners to concentrate on banks.
2. Add \$9,197 in fringe benefits for the two new examiner positions.

3. Add \$6,728 in travel and subsistence to support the two new examiners.
4. Add \$1,489 for one lap top computer (\$1,299) and one printer (\$190) for use by the new examiners.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 280,936	\$ 288,582	\$ 300,189
Total Receipts	<u>2,323,478</u>	<u>2,524,432</u>	<u>2,594,979</u>
Total Available Funds	\$ 2,604,414	\$ 2,813,014	\$ 2,895,168
Less: Expenditures	2,315,832	2,509,894	2,761,025
Non-expense items	0	2,931	0
Ending Balance	<u>\$ 288,582</u>	<u>\$ 300,189</u>	<u>\$ 134,143</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 70,997	\$ 2,761,025	\$ 8,478
FTE	2.0	69.0	--

Senate Subcommittee Recommendation

1. Add \$8,478 in salaries and wages to fund the reclassification of four Financial Examiners III to Financial Examiners IV. The Subcommittee learned that these reclassifications will upgrade four Financial Examiners III who are authorized to perform and who are currently performing Financial Examiner IV work on a regular basis.

SUBCOMMITTEE REPORT

Agency: State Department of
Credit Unions

Bill No. 2063

Bill Sec. --

Analyst: Duncan

Analysis Pg. No. 21

Budget Pg. No. 182

<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	\$ 462,076	\$ 465,342	\$ 19,883
FTE Positions	11.0	11.0	

Agency Estimate/Governor's Recommendation

The agency estimates expenditures of \$462,076 in FY 1989, a reduction of \$5,540 from the expenditure limitation established by the 1988 Legislature.

The Governor recommends \$465,342 for FY 1989, an increase of \$3,266 for salaries over the agency estimate.

House Subcommittee Recommendation

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

1. Add \$19,883 for travel and subsistence; increasing the FY 1989 estimate for this object code from \$49,170 to \$69,053. The increase reflects a current year change in the examinations conducted by the agency. Formerly, three examiners were located to Lawrence and three examiners were located to Wichita. Each group of three car pooled to examination sites. For the current fiscal year, the six examiners have been relocated throughout the state, enabling the agency to more effectively cover larger examination areas.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 200,967	\$ 208,556
Net Receipts	<u>395,958</u>	<u>425,517</u>
Total Available Funds	\$ 596,925	\$ 634,073
Less: Expenditures	<u>388,369</u>	<u>485,225</u>
Ending Balance	<u>\$ 208,556</u>	<u>\$ 148,848</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 19,883	\$ 485,225	\$ --
FTE Positions	--	11.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.

SUBCOMMITTEE REPORT

Agency: State Department of
Credit Unions

Bill No. 2030

Bill Sec. 9

Analyst: Duncan

Analysis Pg. No. 21

Budget Pg. No. 182

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 502,617	\$ 501,596	\$ 16,412
FTE Positions	11.0	11.0	

Agency Estimate/Governor's Recommendation

The agency requests \$502,617 for FY 1990, an increase of \$40,541 (8.8 percent) over the current year estimated expenditures. To provide funding for this request, the agency would increase the operational fee scale by 10 percent. As adjusted, the fees would generate approximately \$599,949 with 20 percent to be credited to the State General Fund and \$479,959 to the Credit Union Fee Fund. The FY 1990 request would maintain current staffing levels of 11.0 FTE.

The Governor recommends expenditures of \$501,596 for FY 1990, a decrease of \$1,021 from the agency request. The recommendation includes a \$23,031 increase in salaries, an \$18,016 decrease in travel, and a \$6,036 decrease in capital outlay. The Governor's recommendation would continue funding for the current 11.0 FTE positions and fund reclassification of one Financial Examiner IV to Financial Examiner V.

House Subcommittee Recommendation

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

1. Add \$18,016 for travel and subsistence. The increase reflects an FY 1989 change in the agency's examination methods. Formerly, three examiners were located in Lawrence and three examiners were located in Wichita. Each group of three car pooled to examination sites. As of FY 1989, the six examiners were relocated throughout the state, enabling the agency to more effectively cover larger examination areas.
2. Delete \$1,604 for the acquisition of a compax facsimile machine. Information obtained from the agency indicates that they are currently leasing a fax machine from the federal government for \$1 per year.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 200,967	\$ 208,556	\$ 148,848
Net Receipts	<u>395,958</u>	<u>425,517</u>	<u>479,959</u>
Total Available Funds	\$ 596,925	\$ 634,073	\$ 628,807
Less: Expenditures	<u>388,369</u>	<u>485,225</u>	<u>518,008</u>
Ending Balance	<u>\$ 208,556</u>	<u>\$ 148,848</u>	<u>\$ 110,799</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations: Special Revenue Fund	\$ 16,412	\$ 518,008	\$ --
FTE Positions	--	11.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.

SUBCOMMITTEE REPORT

Agency: Consumer Credit
Commissioner

Bill No. 2030

Bill Sec. 13

Analyst: Duncan

Analysis Pg. No. 16

Budget Pg. No. 128

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 298,418	\$ 309,894	\$ --
Percentage Change	3.8%	7.4%	--
FTE Positions	7.0	7.0	--

Agency Request/Governor's Recommendation

FY 1989. The Commissioner estimates current year expenditures of \$287,408. The Governor recommends \$288,504 in FY 1989 expenditures, an increase of \$1,096 for health insurance.

FY 1990. The Commissioner requests \$298,418 for FY 1990, \$11,010 (3.8 percent) above the FY 1989 estimate. The request includes \$233,715 for salaries (\$5,155 increase), \$7,408 for communications (\$8 increase), \$16,944 for rent (\$270 decrease), \$28,207 for travel (\$2,945) increase, \$6,909 for printing and advertising (\$4,152 increase) and \$5,235 for all other costs (\$980 decrease). The Commissioner proposes a reduction in the amount of volume fees paid by retail credit grantors. The proposed reduction would take effect January 1, 1990 and would consist of a reduction from \$15 to \$10 per \$100,000 average unpaid balance outstanding. No other changes in fee receipts are expected. A nonreportable payment of \$70,000 for consumer credit education would be made in FY 1990.

The Governor recommends \$309,894 for FY 1990, an increase of \$11,476 above the Commissioner's request. The recommendation includes increases of \$6,511 for a 4 percent salary increase, \$5,785 for other salary adjustments, and an \$820 decrease in travel. The Governor recommends the payment of \$70,000 to conduct a consumer education program.

House Subcommittee Recommendation

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

FY 1990. The Subcommittee concurs with the Governor's recommendation and makes the following observations:

1. The Subcommittee notes that due to the large FY 1988 balance forward, the agency was able to reduce volume fees from \$15.00 to \$10.00 per \$100,000 outstanding, effective January 1, 1990. For FY 1990 the Commissioner was able to delete \$820 in travel expenses due to a revised estimate of FY 1989 travel expenditures. 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 \$70,000 in FY 1990 to the Kansas Council on Economic Education (KCEE), an increase of \$5,000 over the agency FY 1989 estimate. The Subcommittee notes that this one time \$5,000 increase should be reevaluated on a yearly basis in light of program accomplishments. The KCEE contract has been ongoing for the past three years and blends well with the 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.

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 280,316	\$ 327,618	\$ 363,144
Net Receipts	<u>402,473</u>	<u>389,030</u>	<u>323,240</u>
Total Funds Available	\$ 682,789	\$ 716,648	\$ 686,384
Less: Expenditures	290,171	288,504	309,894
Nonreportable			
Expenditures	<u>65,000</u>	<u>65,000</u>	<u>70,000</u>
Ending Balance	<u>\$ 327,618</u>	<u>\$ 363,144</u>	<u>\$ 306,490</u>

House Committee Recommendation

The House Committee concurs with the FY 1989 and FY 1990 recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the FY 1989 and FY 1990 recommendations.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 309,894	\$ --
FTE Positions	--	7.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Savings and Loan
Department

Bill No. 2063

Bill Sec. 8

Analyst: Duncan

Analysis Pg. No. 47

Budget Pg. No. 526

<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	\$ 208,036	\$ 209,407	\$ --
Percentage Change:	9.0%	10.6%	
FTE Positions	5.5	5.5	

Agency Estimate/Governor's Recommendation

The Savings and Loan Department's FY 1989 budget estimate is \$208,036, the amount approved by the 1988 Legislature.

The Governor recommends \$209,407 for FY 1989, an increase of \$1,371 over the agency request. The recommendation includes a \$2,521 increase in salaries and wages and a \$1,150 decrease in contractual services.

House Subcommittee Recommendation

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

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 172,615	\$ 141,488	\$ 133,681
Net Receipts	<u>158,195</u>	<u>201,600</u>	<u>221,800</u>
Total Funds Available	\$ 330,810	\$ 343,088	\$ 355,481
Less: Expenditures	<u>189,322</u>	<u>209,407</u>	<u>229,974</u>
Ending Balance	<u>\$ 141,488</u>	<u>\$ 133,681</u>	<u>\$ 125,507</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations: Special Revenue Fund	\$ --	\$ 209,407	\$ --
FTE Positions	--	5.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Savings and Loan
Department
Analyst: Duncan

Bill No. 2030
Analysis Pg. No. 47

Bill Sec. 18
Budget Pg. No. 526

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 234,712	\$ 229,974	\$ --
Percentage Change:	12.8%	9.8%	--
FTE Positions	5.5	5.5	--

Agency Estimate/Governor's Recommendation

The agency request for FY 1990 totals \$234,712, an increase of \$26,676 over current year estimated expenditures. The request would maintain the present level of staffing at 5.5 FTE positions. The request includes \$33,200 for travel and subsistence, an increase of \$15,700 from the FY 1989 estimate.

The Governor recommends \$229,974 in expenditures for FY 1990, a reduction of \$4,738 from the agency's request. The recommendation includes an increase to salaries (\$11,737), a reduction in travel (\$15,175), a reduction in communications (\$50), a reduction in freight (\$400), a reduction in servicing (\$500), and a reduction in printing and advertising (\$350).

House Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor and makes the following observation:

1. The Subcommittee acknowledges the agency's concerns regarding the \$15,175 reduction in travel from the agency's FY 1990 request. The Subcommittee notes that agency examinations are closely tied to federal savings and loan examinations. Furthermore, because transactions frequently occur between in-state savings and loans and federally chartered savings and loans which are located out of state, a significant amount of out of state travel may be required. Recognizing this need, the Subcommittee recommends that the Legislature reevaluate this object code during the next fiscal year.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 172,615	\$ 141,488	\$ 133,681
Net Receipts	<u>158,195</u>	<u>201,600</u>	<u>221,800</u>
Total Funds Available	\$ 330,810	\$ 343,088	\$ 355,481
Less: Expenditures	<u>189,322</u>	<u>209,407</u>	<u>229,974</u>
Ending Balance	<u>\$ 141,488</u>	<u>\$ 133,681</u>	<u>\$ 125,507</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Sub. Adjustments</u>
State Operations: Special Revenue Fund	\$ --	\$ 229,974	\$ --
FTE Positions	--	5.5	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendation.

SUBCOMMITTEE REPORT

Agency: Securities Commissioner Bill No. -- Bill Sec. --
Analyst: West Analysis Pg. No. 50 Budget Pg. No. 540

<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	\$ 970,719	\$ 967,561	\$ 7,750
FTE Positions	22.0	22.0	--

Agency Request/Governor's Recommendation

The Securities Commissioner's revised FY 1989 budget estimate totals \$970,719, a reduction of \$42,962 from the budget approved by the 1988 Legislature. Major revisions from the approved FY 1989 budget include decreases in salaries and wages (\$54,235), communications (\$18,221), and travel (\$9,055), and increases in capital outlay (\$19,842), equipment maintenance (\$7,956), and rents (\$5,534). Net other changes increase total expenditures by \$5,217.

The Governor recommends an FY 1989 budget of \$967,561, a reduction of \$3,158 from the agency's revised current year estimate. Salaries and wages are increased by \$5,742 to reflect revised health insurance rates and turnover savings. Reduced expenditures are recommended for equipment maintenance (\$8,419), rents (\$1,240), and printing (\$1,241). Net other changes increase total expenses by \$2,000.

House Subcommittee Recommendation

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

1. Add \$7,750 to enable the agency to purchase a five-year maintenance contract for the minicomputer system. The Subcommittee has been informed that purchasing a five-year contract will save \$3,866 over the life of the contract when compared to an annual maintenance contract.
2. The Subcommittee notes that the savings reflected in the agency's current year estimate and the Governor's recommendation may not be as great as originally anticipated and recommends that the Senate Ways and Means Subcommittee for this agency review current year expenditures further.

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
Special Revenue Fund: State Operations	\$ 7,750	\$ 975,311	\$ 17,007
FTE Positions	--	22.0	--

Senate Subcommittee Recommendation

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

1. Increase current year expenditures by \$17,007 based on a revised agency analysis of current year needs. The Subcommittee notes that the recommended budget of \$992,318 is still \$21,363 below the agency's approved FY 1989 budget of \$1,013,681.

SUBCOMMITTEE REPORT

Agency: Securities Commissioner Bill No. 2030 Bill Sec. 19
 Analyst: West Analysis Pg. No. 50 Budget Pg. No. 540

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Special Revenue Fund:			
State Operations	\$ 1,288,912	\$ 1,252,113	\$ --
FTE Positions	27.0	27.0	--

Agency Request/Governor's Recommendation

The Securities Commissioner requests \$1,288,912 in FY 190, an increase of \$318,193 from the current year estimate. The request would finance 27.0 FTE positions, and includes \$158,168 for 5.0 FTE new positions. The request also provides \$40,340 for the net cost of first year participation of Securities Investigators in the Kansas Police and Fireman's Retirement System (KP&F), should authorizing legislation be passed.

The Governor recommends an FY 1990 budget of \$1,252,113, an increase of \$284,552 from the current year recommendation and a decrease of \$36,799 from the agency's request. The Governor's recommendation would fund 27.0 FTE positions, an increase of 5.0 from the current year. The Governor does not recommend funding for participation of Securities Investigators in KP&F. Other revisions from the agency's request include reductions in travel (\$9,592) and administrative hearing costs (\$5,000).

House Subcommittee Recommendation

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

1. The Subcommittee notes that the recommended new positions are financed by the proposed fee increases on the registration of investment advisors and agents of broker/dealers.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 505,922	\$ 503,479	\$ 500,000
Net Receipts	<u>1,870,458</u>	<u>2,435,670</u>	<u>2,982,996</u>
Total Available Funds	\$ 2,376,380	\$ 2,939,149	\$ 3,482,996
Less: Expenditures	789,870	975,311	1,252,113
Transfer to SGF	<u>1,083,031</u>	<u>1,463,838</u>	<u>1,730,883</u>
Ending Balance	<u>\$ 503,479</u>	<u>\$ 500,000</u>	<u>\$ 500,000</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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund: State Operations	\$ --	\$ 1,252,113	\$ --
FTE Positions	--	27.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 505,922	\$ 503,479	\$ 500,000
Net Receipts	<u>1,870,458</u>	<u>2,435,670</u>	<u>2,982,996</u>
Total Available Funds	\$ 2,376,380	\$ 2,939,149	\$ 3,482,996
Less: Expenditures	789,870	992,318	1,252,113
Transfer to SGF	<u>1,083,031</u>	<u>1,446,831</u>	<u>1,730,883</u>
Ending Balance	<u>\$ 503,479</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

SUBCOMMITTEE REPORT

Agency: Board of Accountancy

Bill No. 2030

Bill Sec. 3

Analyst: Porter

Analysis Pg. No. 3

Budget Pg. No. 4

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 178,086	\$ 171,843	\$ 3,975
FTE Positions	3.0	3.0	--

Agency Estimate/Governor's Recommendation

The Board requests expenditure authority of \$178,086, a 4.4 percent increase over the revised estimate for FY 1989. The agency requests funding for the existing 3.0 FTE positions and proposes no major changes in the Board's operation.

The Governor recommends an expenditure limitation of \$171,843 for FY 1990.

House Subcommittee Recommendation

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

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

1. The Subcommittee notes that the Board has been notified it may be required to move to different offices within the Landon State Office Building in FY 1989 or FY 1990. The Subcommittee notes that, if the new offices are larger than the present offices, the Board will have increased rental expenses because of the increased square footage.
2. The Subcommittee recommends the addition of \$2,475 to allow the Board to purchase an additional 165 national CPA examinations from the American Institute of Certified Public Accountants.
3. The Subcommittee concurs with the Governor's recommendation of \$1,500 for court reporter and investigative services. The Subcommittee acknowledges that the Attorney General's Office no longer provides investigative services for the Board, but notes that there is no historical data upon which to base a recommendation for investigative services.
4. The Subcommittee recommends the addition of \$1,500 for travel and subsistence in FY 1990. This would allow registration fees, Board member subsistence, and in-state travel as requested. In addition, the recommendation would allow one Board member and the executive secretary to attend the National Association of State Boards of Accounting (NASBA) annual meeting, one person to attend NASBA's regional

meeting, the Board's executive secretary to attend an annual NASBA administrator's meeting, and one person to attend one additional national meeting, as requested by the Board.

- 5. The Subcommittee notes with concern that the Board's ending balance has declined in FY 1988, FY 1989, and FY 1990. This could necessitate an increase in fees charged by the Board.

Based on the House Subcommittee's recommendations the fee fund analysis is as follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 38,248	\$ 35,621	\$ 30,705
Net Receipts	155,599	162,822	168,606
Total Funds Available	\$ 193,847	\$ 198,443	\$ 199,311
Less: Expenditures	158,226	167,738	175,818
Ending Balance	<u>\$ 35,621</u>	<u>\$ 30,705</u>	<u>\$ 23,493</u>

House Committee Recommendation

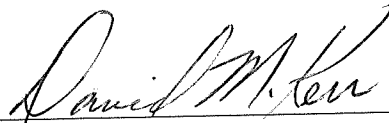
The House Committee concurs with the Subcommittee's recommendations for FY 1989 and FY 1990.

House Committee of the Whole Recommendation

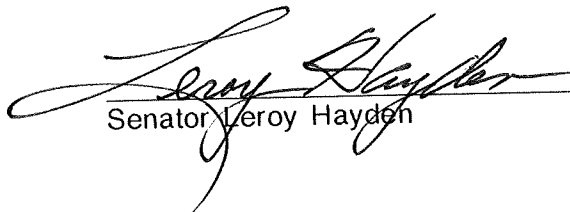
The House Committee of the Whole concurs with the House Committee's recommendations for FY 1989 and FY 1990.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the FY 1989 and FY 1990 House recommendations.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Board of Barber
Examiners

Bill No. 2063

Bill Sec. 2

Analyst: Piekalkiewicz

Analysis Pg. No. 10-11

Budget Pg. No. 103

<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	\$ 79,799	\$ 80,831	\$ 3,693
FTE Positions	2.5	2.5	--

Agency Estimate/Governor's Recommendation

The Board's FY 1989 estimate of \$79,799 is the amount approved by the 1988 Legislature.

The Governor recommends \$80,831, an increase of \$1,032 in the expenditure limitation for increased health insurance rates.

House Subcommittee Recommendation

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

1. Add \$3,693 to salaries and wages. The Governor appointed a new member to the Board and designated him as the Administrative Officer, replacing a member of the Board whose term expired two years ago. The recommended increase in salaries and wages reflects a higher salary for the new Administrative Officer whose salary was set by the Governor at a higher level than the salary of the outgoing Administrative Officer.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 47,372	\$ 47,490
Net Receipts	74,344	74,140
Total Funds Available	\$ 121,716	\$ 121,630
Less: Expenditures	73,547	84,524
Ending Balance	<u>\$ 48,169</u>	<u>\$ 37,106</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

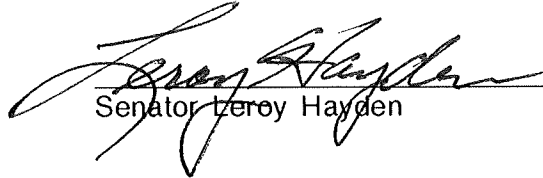
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 3,693	\$ 84,524	\$ --
FTE Positions	--	2.5	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.



Senator Dave Kerr
Subcommittee Chairman



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners Bill No. 2030

Bill Sec. 5

Analyst: Piekalkiewicz

Analysis Pg. No. 10-11

Budget Pg. No.

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 84,743	\$ 88,134	\$ --
FTE Positions	2.5	2.5	--

Agency Estimate/Governor's Recommendation

The budget request totals \$84,743, an increase of \$4,944 (6.2 percent) above the FY 1989 estimate of \$79,799. The request includes increases of \$1,843 for salaries and wages and \$2,516 for travel and subsistence, and a reduction of \$425 for printing and advertising. For FY 1990, the agency requests a fee increase.

The Governor recommends \$88,134 for FY 1990, an increase of \$3,391 above the Board's request. The recommendation includes an increase of \$4,875 in salaries and wages to reflect a 4.0 percent increase for classified employees, a 5.8 percent merit pool for the Board's Administrative Officer, and a health insurance rate adjustment; and a \$1,384 reduction in travel and subsistence and a \$100 reduction in other operating expenditures. The recommendation provides for per diem compensation for an additional Board member. The recommendation does not reflect a fee increase.

House Subcommittee Recommendation

FY 1990. The Subcommittee concurs with the Governor's recommendation with the following comments:

The Subcommittee acknowledges that the Board will need in FY 1990 an additional \$3,555 for the salary differential for the new Administrative Officer; however, the Subcommittee did not recommend this amount because of its concern for the Board's decreasing balances and pending legislation. There has been a bill introduced, S.B. 66, which would merge the administrative functions of the Board of Barber Examiners and the Board of Cosmetology. In its present form, the bill eliminates the position of the Administrative Officer for the Board of Barber Examiners and establishes one Executive Director for both Boards. This would result in a cost savings and the Board of Barber Examiners would not require the requested increase in salaries and wages.

In addition, the Subcommittee was informed that legislation will be introduced to increase the statutory maximums for fees. The Subcommittee feels it would be imprudent to include an increase in expenditures for FY 1990 without knowing if there will be an increase in fees.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 47,372	\$ 47,490	\$ 37,106
Net Receipts	<u>74,344</u>	<u>74,140</u>	<u>76,080</u>
Total Funds Available	\$ 121,716	\$ 121,630	\$ 113,186
Less: Expenditures	<u>73,547</u>	<u>84,524</u>	<u>88,134</u>
Ending Balance	<u>\$ 48,169</u>	<u>\$ 37,106</u>	<u>\$ 25,052</u>

House Committee Recommendation

The House Committee concurs.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 88,134	\$ 3,555
FTE Positions	--	2.5	--

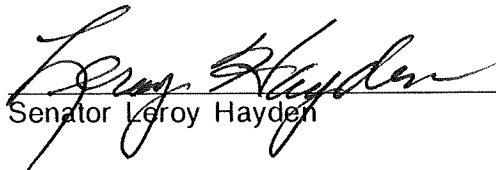
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House, with the following exception:

1. Add \$3,555 to salaries and wages for the salary differential for the new Administrative Officer. The Subcommittee's recommendation reflects the amount needed to fully fund a half-time administrative officer. The Subcommittee notes that H.B. 2466 which raises the statutory maximums for fees charged for barber, barber shop, and barber school licenses has been recommended for passage by the House Committee on Governmental Organization. The Subcommittee notes that given the estimated fee fund balance for FY 1990, the Board may have to raise fees.



Senator Dave Kerr
Subcommittee Chairman



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology Bill No. Bill Sec.
 Analyst: Piekalkiewicz Analysis Pg. No. 19-20 Budget Pg. No. 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	\$ 274,999	\$ 273,758	\$ 1,241
FTE Positions	8.0	8.0	--

Agency Estimate/Governor's Recommendation

The Board for FY 1989 estimates expenditures of \$274,999.

The Governor recommends for FY 1989 \$273,758, a reduction of \$1,241 from the Board's estimate.

House Subcommittee Recommendation

FY 1989. The Subcommittee recommends an addition of \$1,241 to the Governor's recommendation, restoring expenditures to the level estimated by the Board.

The fee fund analysis based on the Subcommittee adjustments is as follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 107,189	\$ 123,370
Net Receipts	<u>271,998</u>	<u>275,998</u>
Total Funds Available	\$ 379,187	\$ 399,368
Less: Expenditures	<u>255,699</u>	<u>274,999</u>
Ending Balance	<u>\$ 123,488</u>	<u>\$ 124,369</u>

House Committee Recommendation

The House Committee concurs.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

<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	\$ 1,241	\$ 274,999	\$ --
FTE Positions	--	8.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.



Senator Dave Kerr
Subcommittee Chairman



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Board of Cosmetology Bill No. 2030 Bill Sec. 8
 Analyst: Piekalkiewicz Analysis Pg. No. 19-20 Budget Pg. No. 181

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 288,373	\$ 292,467	\$ --
FTE Positions	8.0	8.0	--

Agency Request/Governor's Recommendation

The agency requests \$288,373 for FY 1990.

The Governor recommends FY 1990 expenditures of \$292,467, which represents an increase of \$4,094 above the Board's request. The recommendation includes a \$11,992 increase in salaries and wages, reflecting a 4.0 percent salary adjustment for classified employees, a 5.8 percent merit pool for the Board's Executive Director, and a health insurance rate adjustment. The recommendation includes reductions of \$2,425 in travel and subsistence, \$1,773 in communications, \$300 in printing and advertising, and \$400 in stationery and office supplies.

House Subcommittee Recommendation

FY 1990. The Subcommittee concurs with the Governor's recommendation.

The fee fund analysis based on the Subcommittee adjustments is as follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 107,189	\$ 123,370	\$ 124,369
Net Receipts	<u>271,998</u>	<u>275,998</u>	<u>279,998</u>
Total Funds Available	\$ 379,187	\$ 399,368	\$ 404,367
Less: Expenditures	<u>255,699</u>	<u>274,999</u>	<u>292,467</u>
Ending Balance	<u>\$ 123,488</u>	<u>\$ 124,369</u>	<u>\$ 111,900</u>

House Committee Recommendation

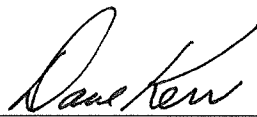
The House Committee concurs.

House Committee of the Whole Recommendation

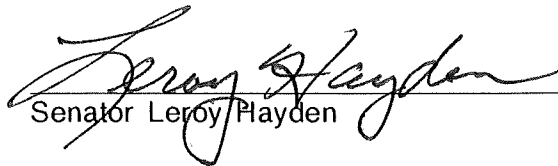
The House Committee of the Whole concurs.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs.



Senator Dave Kerr
Subcommittee Chairman



Senator Leroy Hayden

149-90

SUBCOMMITTEE REPORT

Agency: Board of Mortuary Arts Bill No. 2063 Bill Sec. 5
 Analyst: Porter Analysis Pg. No. 32 Budget Pg. No. 442

<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	\$ 120,304	\$ 121,376	\$ 1,374
State General Fund	--	--	--
FTE Positions	3.0	3.0	--

Agency Estimate/Governor's Recommendation

The Board of Mortuary Arts estimates expenditures for FY 1989 to be \$120,304, the amount approved by the 1988 Legislature.

The Governor recommends an FY 1989 expenditure limitation of \$121,376, an increase of \$1,072 over the FY 1989 Board estimate. The recommendation includes an additional \$1,241 for employee health insurance offset by a reduction of \$169 in unclassified wages.

House Subcommittee Recommendation

FY 1989. The House Subcommittee concurs with the Governor's FY 1989 recommended expenditure limitation of \$121,376, with the following adjustments:

1. Add \$136 for rents for the cost of the copier service contract. This would correct the Board's inadvertent omission of that amount from its request.
2. Add \$234 for a 5 1/4 inch disk drive for the Board's Apple computer system. The Board requested and the Governor has recommended \$202 for the disk drive in FY 1990, but the Board states that it requires the disk drive in the current year to utilize a major computer program.
3. Add \$1,004 for a hard disk drive for the Apple computer system. The hard disk drive would allow the Board to expand computer programs currently used.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 32,880	\$ 38,695	\$ 43,180
Net Receipts	<u>110,332</u>	<u>127,235</u>	<u>123,846</u>
Total Funds Available	\$ 143,212	\$ 165,930	\$ 167,026
Less: Expenditures	<u>104,517</u>	<u>122,750</u>	<u>129,318</u>
Ending Balance	<u>\$ 38,695</u>	<u>\$ 43,180</u>	<u>\$ 37,708</u>

House Committee Recommendation

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

House Committee of the Whole Recommendation

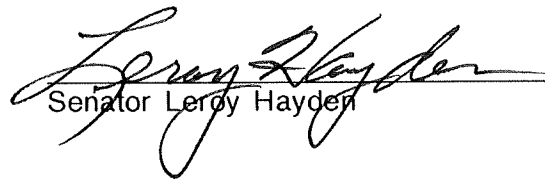
The House Committee of the Whole concurs with the House Committee's recommendations for FY 1989.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the FY 1989 House recommendations.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Board of Mortuary Arts Bill No. 2030 Bill Sec. 11
 Analyst: Porter Analysis Pg. No. 32 Budget Pg. No. 442

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 131,403	\$ 129,520	\$ (202)
State General Fund	--	--	--
FTE Positions	3.0	3.0	--

Agency Estimate/Governor's Recommendation

The Board requests expenditure authority of \$131,403, a 9.2 percent increase over the amount approved for FY 1989. The Board requests funding for the existing 3.0 FTE positions. Included in that request is a proposed increase of \$5,831 to the Executive Secretary's budgeted salary. The Board proposes no major changes in its operation.

The Governor recommends \$129,520 for FY 1990, an increase of \$9,216 over the FY 1989 estimate of \$120,304.

House Subcommittee Recommendation

FY 1990. The House Subcommittee concurs with the Governor's FY 1990 recommendation of \$129,520 with the following adjustment:

1. Delete \$202 for a 5 1/4 inch disk drive for the Board's Apple computer system. The Board stated that it needs the disk drive in the current fiscal year to utilize a major computer program, and the Subcommittee recommends funding for the purchase in FY 1989.

The fee fund analysis below reflects the House Subcommittee adjustments to expenditures in FY 1990:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 32,880	\$ 38,695	\$ 43,180
Net Receipts	<u>110,332</u>	<u>127,235</u>	<u>123,846</u>
Total Funds Available	\$ 143,212	\$ 165,930	\$ 167,026
Less: Expenditures	<u>104,517</u>	<u>122,750</u>	<u>129,318</u>
Ending Balance	<u>\$ 38,695</u>	<u>\$ 43,180</u>	<u>\$ 37,708</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations for FY 1990.

House Committee of the Whole Recommendation

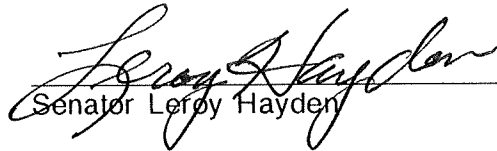
The House Committee of the Whole concurs with the House Committee's recommendations for FY 1990.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the FY 1990 House recommendations.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: State Board of Pharmacy Bill No. 2063 Bill Sec. 15

Analyst: West Analysis Pg. No. 41 Budget Pg. No. 464

<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	\$ 304,735	\$ 307,212	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Board's current year estimate of expenditures is \$304,735, a reduction of \$556 from the amount approved by the 1988 Legislature. Major internal shifts include increases for maintenance of the Board's computer system (\$3,756) and travel and subsistence expenses (\$3,639). Reductions from budgeted expenditures are estimated for the purchase of examination supplies (\$4,500), printing expenses (\$1,816), salaries and wages (\$838), and communication expenses (\$776). Net other changes increase total expenditures by \$21.

The Governor recommends an FY 1989 budget of \$307,212, an increase of \$2,477 for revised health insurance rates from the Board's estimate. The Governor recommends an increase in the expenditure limitation on the State Board of Pharmacy Fee Fund from \$305,291 to \$307,212.

House Subcommittee Recommendation

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

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

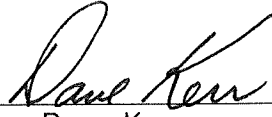
House Committee of the Whole Recommendation

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

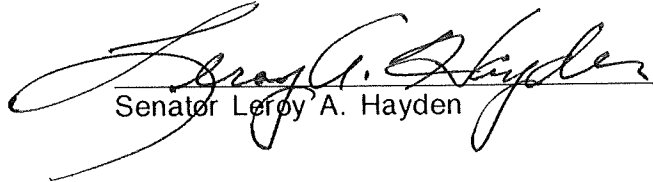
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ --	\$ 307,212	\$ --
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy A. Hayden

SUBCOMMITTEE REPORT

Agency: State Board of Pharmacy Bill No. 2030 Bill Sec. 16

Analyst: West Analysis Pg. No. 41 Budget Pg. No. 464

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 323,974	\$ 326,491	\$ 5,000
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Board requests an FY 1990 budget of \$323,974, an increase of \$19,239 or 6.3 percent from the current year estimate. The budget request includes increases of \$9,160 for the Impaired Pharmacist Program, \$4,637 for travel and subsistence, and \$4,572 for salaries and wages. Net other changes increase total expenditures by \$870.

The Governor recommends an FY 1990 budget of \$326,491, an increase of \$19,279 from the current year recommendation. Compared with the agency's FY 1990 request, the recommendation reflects an increase of \$12,721 for salaries and decreases of \$10,000 for the Impaired Provider Program and \$204 for printing from the Board's request.

House Subcommittee Recommendation

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

1. Add \$5,000 to provide a total of \$30,000 for the Impaired Provider Program, based on an analysis of current year program expenditures.
2. The Subcommittee notes that the agency is considering a new computer system to replace the system currently shared with the Board of Healing Arts and the Board of Nursing. The Subcommittee has been informed that the agency's research into the type of system desired is not complete, nor has a system analysis been performed by DISC. The Subcommittee recommends that the Senate Ways and Means Subcommittee for this agency review this item in greater detail should additional information be developed.
3. The Subcommittee notes with concern the decline in the ending balances on the agency's fee fund and urges the Board to review current fees and balances and report to the 1990 Legislature on the need for any fee increases.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 172,377	\$ 161,972	\$ 144,442
Net Receipts	<u>257,171</u>	<u>289,682</u>	<u>286,512</u>
Total Funds Available	\$ 429,548	\$ 451,654	\$ 430,954
Less: Expenditures	<u>267,576</u>	<u>307,212</u>	<u>331,491</u>
Ending Balance	<u>\$ 161,972</u>	<u>\$ 144,442</u>	<u>\$ 99,463</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.

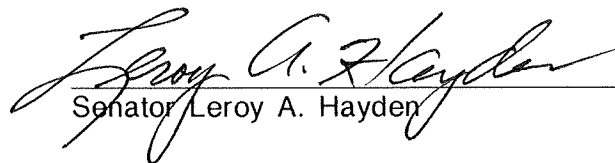
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 5,000	\$ 331,491	\$ --
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



Senator Dave Kerr
Subcommittee Chairperson



Senator Leroy A. Hayden

SUBCOMMITTEE REPORT

Agency: Board of Technical
Professions

Bill No. 2030

Bill Sec. 20

Analyst: Efird

Analysis Pg. No. 54

Budget Pg. No. 576

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 288,843	\$ 252,301	\$ --
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The Board's request is \$48,427 more than the approved FY 1989 budget for operations. The primary increase in costs is \$40,000 requested to initiate a new enforcement program during FY 1990. Other increases in the Board's request are attributed to salaries and benefits at \$2,496 and other operating costs at \$5,931. The Governor's recommendations would continue the agency at its present level of operation with no new enforcement program recommended. Net increases of \$12,988 are included in the Governor's recommended expenditures.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Fee Fund Analysis. The agency's fee fund is being depleted slowly of its carryover balance since the Board annually spends more than it collects in fees. The following table summarizes the status of the fee fund as recommended by the Governor and adjusted by the Subcommittee recommendations for FY 1989:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 266,986	\$ 225,519	\$ 205,347
Net Receipts	<u>217,378</u>	<u>217,891</u>	<u>205,466</u>
Total Available	\$ 484,364	\$ 443,410	\$ 410,813
Less: Expenditures	<u>258,845</u>	<u>238,063</u>	<u>252,301</u>
Ending Balance	<u>\$ 225,519</u>	<u>\$ 205,347</u>	<u>\$ 158,512</u>

House Committee Recommendation

The Committee concurs with its Subcommittee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House except for the following item:

1. Add \$15,000 for a proposed enforcement program. The Board indicates the program would allow civil actions against individuals who are not licensed for practice in Kansas. The Board reports that this program is needed because county attorneys may not always prosecute violations under K.S.A. 74-7029(a). The recommendation is based on three cases per year at an average cost of \$5,000 each: \$1,500 for attorney fees, \$1,500 for expert witness fees; and \$2,000 for investigation fees, deposition and trial expenses, court reporting, and other witness fees.



Senator Joseph Harder
Subcommittee Chairman



Senator Frank Gains

SUBCOMMITTEE REPORT

Agency: Board of Technical
Professions

Bill No. --

Bill Sec. --

Analyst: Efird

Analysis Pg. No. 54

Budget Pg. No. 576

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 240,416	\$ 239,313	\$ (1,250)
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The Board makes no changes in its approved budget. The Governor's recommendations reduce approved expenditures by \$1,103 in the current fiscal year, but no reduction in the Board's approved expenditure limitation is included in this year's supplemental bill.

House Subcommittee Recommendation

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

1. Make a technical change in FY 1989 fringe benefits to reflect a savings of \$1,250 based on expenditures to date.

House Committee Recommendation

The Committee concurs with its Subcommittee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House.



Senator Joseph Harder
Subcommittee Chairman



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Board of Examiners for
Hearing Aids

Bill No. 2030

Bill Sec. 12

Analyst: Rampey

Analysis Pg. No. 30

Budget Pg. No. 282

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 14,283	\$ 13,816	\$ --
FTE Positions	--	--	--

Agency Estimate/Governor's Recommendation

FY 1989. Expenditures are estimated to be \$14,003, the amount approved by the 1988 Legislature. The Governor recommends expenditures of \$12,639, a reduction of \$1,364 from the Board's estimate.

FY 1990. The Board estimates expenditures of \$14,283 for FY 1990. The Governor recommends expenditures of \$13,816, a reduction of \$467 from the Board's request.

House Subcommittee Recommendations

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

FY 1990. The Subcommittee concurs with the recommendations of the Governor.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 25,660	\$ 25,362	\$ 23,243
Net Receipts	<u>10,158</u>	<u>10,520</u>	<u>10,159</u>
Total Available	\$ 35,818	\$ 35,882	\$ 33,402
Less: Expenditures	<u>10,456</u>	<u>12,639</u>	<u>13,816</u>
Ending Balance	<u>\$ 25,362</u>	<u>\$ 23,243</u>	<u>\$ 19,586</u>

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendation of the House.



Senator Joseph Harder
Subcommittee Chairman



Senator Frank Gaines

266-90/CR

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences
Regulatory Board

Bill No. 2030

Bill Sec. 6

Analyst: DeViney

Analysis Pg. No. 12

Budget Pg. No. 104

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 281,354	\$ 211,448	\$ 13,757
FTE Positions	5.0	4.0	--

Agency Estimate/Governor's Recommendation

Currently the Board regulates social workers, Ph.D. level psychologists, masters level psychologists, and professional counselors. The FY 1990 request of \$281,354 is based on higher than anticipated workloads due to additional professional counselor registrants, and a proposal to add regulation of marriage and family therapists to the Board's responsibilities. The requested increase includes \$42,899 for one additional full-time clerical position and three intermittent positions, \$17,075 for expenditures pertaining to the proposed regulation of additional professions, and an increase of \$16,120 for professional fees pertaining to the professions already regulated.

The Governor recommends expenditures of \$211,448 in FY 1990, which is \$69,906 less than the Board's request and \$16,664 more than the Governor's recommendation for the current fiscal year. The Governor's recommendation does not include funding for new positions or for regulation of additional classes of occupations.

House Subcommittee Recommendations

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

1. Add \$11,957 in salaries and wages to hire a Social Worker II on an hourly basis, not to exceed 999 hours. The Social Worker II position is to assist the Executive Director of the Board in reviewing applications to determine eligibility for licensure and continuing education requests from sponsors and licensees. The Subcommittee received information from the Executive Director that the Department of Social and Rehabilitation Services is having difficulty filling social work positions throughout the state and is requesting the Board to process social work licensure applications in a more timely manner. Such measures include shorter filing deadlines, reducing the turnaround time for reporting exam results, and issuing licenses more quickly. The Board has also agreed to seek legislation for authority to issue temporary licenses pending passage of the social work examination. The Subcommittee notes that passage of legislation authorizing the issuance of temporary licenses would increase the Board's receipts and that the Board's FY 1990 budget may need to be revised at that time.

2. Add \$553 for a desk, chair, calculator, and file cabinet for the intermittent position.
3. Add \$1,247 for private investigator fees to the amount of \$1,053 recommended by the Governor, for a total of \$2,300 for this item in FY 1990. The Subcommittee learned that the Board is receiving increasing numbers of complaints which must be investigated.
4. The Subcommittee concurs with the Governor's recommendation not to include amounts for the regulation of marriage and family therapists, but notes that passage of such legislation would require revision of the Board's budget at that time.

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

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 62,804	\$ 78,438	\$ 66,456
Net Receipts	173,254	182,802	213,540
Total Available Funds	\$ 236,058	\$ 261,240	\$ 279,996
Less: Expenditures	157,620	194,784	225,205
Ending Balance	<u>\$ 78,438</u>	<u>\$ 66,456</u>	<u>\$ 54,791</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations with the following observation: the Committee believes that legislation should be introduced to permit the Behavioral Sciences Regulatory Board to issue temporary licenses for social workers pending passage of the examination.

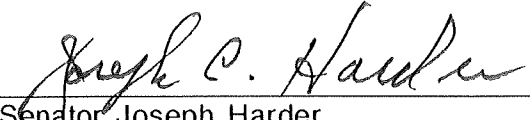
House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 225,205	\$ --
State General Fund	--	--	--
FTE Positions	--	4.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.



Senator Joseph Harder
Subcommittee Chairperson



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences
Regulatory Board

Bill No. 2063

Bill Sec. 3

Analyst: DeViney

Analysis Pg. No. 12

Budget Pg. No. 104

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
Special Revenue Fund	\$ 192,998	\$ 194,784	\$ --
FTE Positions	4.0	4.0	--

Agency Estimate/Governor's Recommendation

The Behavioral Sciences Regulatory Board estimates expenditures of \$192,998 in FY 1989, \$752 less than the budget approved by the 1988 Legislature. The Governor recommends expenditures of \$194,784, an increase of \$1,034 to the current expenditure limit. The recommended increase is for additional health insurance costs.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendation.

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

Resource Estimate	Actual FY 88	Estimated FY 89
Beginning Balance	\$ 62,804	\$ 78,438
Net Receipts	<u>173,254</u>	<u>182,802</u>
Total Available Funds	\$ 236,058	\$ 261,240
Less: Expenditures	<u>157,620</u>	<u>194,784</u>
Ending Balance	<u>\$ 78,438</u>	<u>\$ 66,456</u>

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendations.

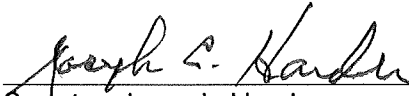
House Committee of the Whole Recommendation

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

<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	\$ --	\$ 194,784	\$ --
State General Fund	--	--	--
FTE Positions	--	4.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendation.



Senator Joseph Harder
Subcommittee Chairperson



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Abstracters Board of
Examiners

Bill No. 2063

Bill Sec. 12

Analyst: Efird

Analysis Pg. No. 1

Budget Pg. No. 2

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 15,822	\$ 16,062	\$ --
FTE Positions	--	--	--

FY 1989 Agency Request/Governor's Recommendation

No change is requested by the Board in the approved expenditure limitation of \$15,822. The Governor's recommendations include a net increase of \$525 in the expenditure limitation to finance fringe benefits as adjusted for new rates. Reductions of \$285 in contractual services are recommended.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for a \$525 increase in the Board's expenditure limitation.

House Committee Recommendation

The Committee concurs with its Subcommittee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House.



Senator Joseph Harder
Subcommittee Chairman



Senator Frank Gains

SUBCOMMITTEE REPORT

Agency: Abstracters Board of
Examiners

Bill No. 2030

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 1

Budget Pg. No. 2

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 15,677	\$ 16,899	\$ --
FTE Positions	--	--	--

FY 1990 Agency Request/Governor's Recommendation

The Board's request of \$15,677 is a reduction of \$145 from its current year estimate. The Governor recommends \$837 of increased expenditures next fiscal year to fund higher fringe benefits and salary adjustments of the Board's part-time staff.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for FY 1990 expenditures of \$16,899. To finance Board expenses and to avoid a possible cashflow problem in FY 1991, the Board should raise its fees by at least \$10 per licensee, effective January 1, 1990. The Subcommittee is concerned about possible cashflow problems in FY 1990 prior to when most license fees are collected beginning in December of 1989. Several technical adjustments are made in the status of the fee fund to reflect the agency's current patterns of expenses and receipts as well as the impact of increased receipts in FY 1990 due to higher license fees.

Fee Fund Analysis. The agency's fee fund is being depleted of its carryover balance since the agency annually spends more than it collects in fees. 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 rule and regulation. The Governor's revenue estimates for FY 1989 and FY 1990 assume license fees of \$25 each fiscal year. The following table summarizes the status of the fee fund as recommended by the Governor and adjusted by the Subcommittee to reflect \$5,720 of higher license fees in FY 1990, a \$98 technical adjustment reducing FY 1989 salary and fringe benefits, and \$85 of additional FY 1989 revenue not included in the Governor's estimate.

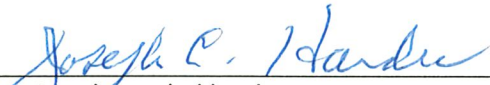
<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Estimated FY 89</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 11,520	\$ 9,391	\$ 6,852
Net Receipts	<u>13,000</u>	<u>13,425</u>	<u>19,060</u>
Total Available	\$ 24,520	\$ 22,816	\$ 25,912
Less: Expenditures	<u>15,129</u>	<u>15,964</u>	<u>16,899</u>
Ending Balance	<u>\$ 9,391</u>	<u>\$ 6,852</u>	<u>\$ 9,013</u>

House Committee Recommendation

The Committee concurs with its Subcommittee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the House.



Senator Joseph Harder
Subcommittee Chairman



Senator Frank Gains

SUBCOMMITTEE REPORT

Agency: Kansas Department of
Transportation
Analyst: Rothe

Bill No. 2031
Analysis Pg. No. 85

Bill Sec. 2
Budget Pg. No. 582

<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	\$ 170,273,213	\$ 171,978,015*	\$ --
Aid to Local Units	83,785,184	86,653,484	--
Other Assistance	<u>200,000</u>	<u>200,000</u>	--
Operating Expend.	<u>\$ 254,258,397</u>	<u>\$ 258,831,499</u>	<u>\$ --</u>
Capital Improvements	<u>244,418,996</u>	<u>252,490,859</u>	<u>(19,899,846)</u>
Total	<u>\$ 498,677,393</u>	<u>\$ 511,322,358</u>	<u>\$ (19,899,846)</u>
State General Fund	\$ 54,400,000	\$ 69,769,000	\$ (13,934,000)
FTE Positions	3,256.0	3,156.0	--

* As amended by Governor's Budget Amendment No. 1 to make a technical adjustment (reduction of \$582,325 from salaries in the regular maintenance subprogram).

Agency Request/Governor's Recommendations

KDOT's state operations request for FY 1990 totals \$170,273,213 from the State Highway Fund, an increase of \$19,073,289 above the revised FY 1989 estimate. The increase includes \$1,524,739 for the salaries of 50 FTE new positions recommended in a management study (for a total of 2174.7 FTE positions). The increase also includes \$11,198,000 for additional substantial maintenance contracts, \$1,661,380 for other capital outlay, \$1,500,000 to enhance the agency's Preconstruction Management Information System, \$1,147,670 for maintenance materials, and \$2,041,500 for other operating budget increases. The Governor recommends \$171,978,015 (as amended by Governor's Budget Amendment No. 1) for state operations in FY 1990, an increase of \$1,704,802 above the agency's request. The increase includes \$2,567,384 for salaries, and reductions of \$568,085 from capital outlay and \$294,497 from all other expenditures. The Governor recommends \$507,000 for the salaries of 15 FTE new computer positions, \$2,050,000 to finance a 4 percent salary increase, and \$850,000 for other salary benefit adjustments.

The agency requests \$328,404,180 for expenditures other than state operations, including \$83,785,184 for Aid to Local Units, \$200,000 for other assistance, and \$244,418,996 for capital improvements. The capital improvements request would finance 1081.3 FTE positions, including 5 FTE new positions (\$156,727) in the Major Modifications program and 61 FTE new positions (\$1,858,786) for a proposed highway initiative. FY 1990 initiative expenditures total \$7,877,226. The Governor recommends \$339,344,343 for expenditures other than state operations, an increase of \$10,940,163 above the agency's request. The Aid to Local Units recommendation of \$86,653,484 reflects an increase of \$2,868,300 reflecting November consensus estimates. A total of \$252,490,859 is recommended for capital improvements, an increase of \$8,071,863 above the request. The increase includes \$1.2 million for a 4 percent salary increase, \$1.2 million for maintenance of park roads, and \$14,749,089 for other major modification projects. The Governor does not recommend highway initiative expenditures. Recommended capital improvement financing includes an increase of \$14,689,000 from the State General Fund above the

H.B. 2031

agency's request, \$13,934,000 of which reflects the Governor's recommendation to increase to 100 percent the demand transfer to the State Highway Fund of sales tax receipts on new and used vehicles. Currently, 71.4 percent of such receipts are transferred to the State Highway Fund.

House Subcommittee Recommendations

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

1. Delete \$5,965,846 from State Highway Fund expenditures for capital improvements -- buildings pending a recommendation from the Joint Committee on State Building Construction.
2. The Subcommittee recommends that the agency's appropriations bill (H.B. 2031) be adjusted to include expenditure limitations by divisions. Until the 1989 Session, KDOT appropriations included separate expenditure limitations for the Divisions of Administration, Planning and Development, Engineering and Design, Operations, and Aviation. Due to an internal budget reorganization, the agency's appropriation bill combines those expenditures into one line item listed as "Agency Operations". Because the agency has maintained the five divisions internally, the Subcommittee would prefer that they continue to be identified separately within the appropriations bill.
3. Correct a technical error in the FY 1990 appropriations bill (H.B. 2031) by making substantial maintenance a "no limit" line item under the State Highway Fund. Contracted substantial maintenance (financed from the State Highway Fund) has historically been subject to a "no limit" expenditure limitation because of a relatively substantial variance in expenditures from year to year. The recommendation reflects the Governor's intent.
4. The Subcommittee notes that expenditures for state operations have increased from \$126.4 million in FY 1988 to \$172.6 million recommended by the Governor for FY 1990. Most of the growth is due to an increase from \$35 million to \$64 million in substantial maintenance (resurfacing and repair) contracted by the agency. The Subcommittee also notes that the increase in capital improvement expenditures from \$218.8 million in FY 1988 to \$287.2 million in FY 1989 is due to the shift of two major highway reconstruction projects from FY 1988 to FY 1989.
5. Delete \$13,934,000 from State General Fund expenditures for major modification projects. The Subcommittee notes that it is the Governor's intent to appropriate \$13.9 million for undesignated major modification projects, an amount equivalent to increasing to 100 percent the demand transfer to the State Highway Fund of sales tax receipts on new and used vehicles. Currently, 71.4 percent of such receipts are transferred to the State Highway Fund (\$44.6 million for FY 1990). While the Governor does not actually recommend a statutory increase in the sales tax transfer rate (pending action on H.B. 2014, the highway program initiative), his recommendation appropriates the equivalent of such a rate increase

from the State General Fund to the Kansas Department of Transportation (\$13.9 million).

The Subcommittee concurs with the need for additional major modification expenditures, and to maintain an adequate level of maintenance. The Subcommittee uses the example of a theoretical program whereby the workload to maintain a minimum acceptable serviceability level would total \$1 billion over a ten-year period. If that work is delayed by one year or more, the same level of work would cost \$5 billion. As a consequence, the deferred agency cost would be \$4 billion.

The Subcommittee notes that the Governor's recommendation to make an appropriation from the State General Fund to the Department of Transportation for major modification expenditures is a significant policy change. If the intent is to increase the sales tax transfer to 100 percent of the 9.19 percent statutory rate, a bill should first be introduced. Pursuant to passage of such legislation, the Subcommittee deletes the \$13,934,000 appropriation from the State General Fund. The Subcommittee does not intend that this deletion be construed as a savings to the State General Fund, recognizing the potential need for additional State General Fund expenditures with the likely passage of a highway program.

House Committee Recommendation

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

1. Shift \$1.2 million from the State Highway Fund from state park and road construction projects to major modifications (capital improvements).

House Committee of the Whole Recommendation

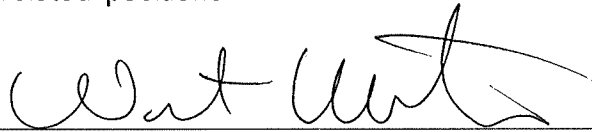
The House Committee of the Whole concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 171,978,015	\$ --
Aid to Local Units	--	86,653,484	--
Other Assistance	--	200,000	--
Operating Expend.	\$ --	\$ 258,831,499	\$ --
Capital Improvements	(19,899,846)	232,591,013	--
Total	\$ (19,899,846)	\$ 491,422,512	\$ --
State General Fund	\$ (13,934,000)	\$ 55,835,000	\$ --
FTE Positions	--	3,156.0	--

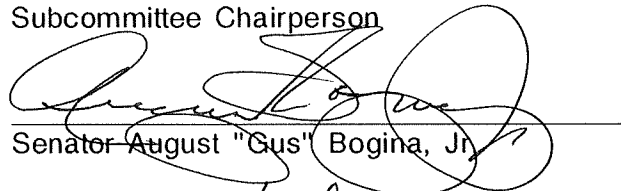
Senate Subcommittee Recommendation

FY 1990. The Senate Subcommittee concurs with the recommendation of the House, with the following adjustments:

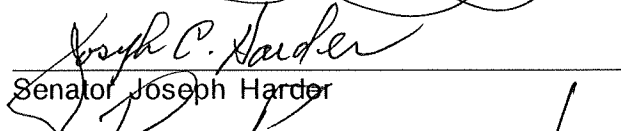
1. The Subcommittee notes the need for increased highway maintenance in Kansas and the resulting need for additional funding sources. In the event the Legislature does not enact a measure to provide more user-based revenues for maintenance, the Subcommittee believes the need for additional maintenance funding will lead to reconsideration of the \$13,934,000 appropriation from the State General Fund (deleted by the House) in the Omnibus Bill. The Subcommittee further recommends that if no additional income stream is provided to the agency, KDOT should develop a contingency plan for operating and maintenance expenditures.
2. The Subcommittee reviewed the computer system upgrade recommended in the Peat Marwick "KDOT Management and Productivity Study" and recommends that KDOT obtain the final approval of the Division of Information Systems and Communications (DISC) as soon as possible. The Subcommittee concurs with the Governor's recommendation of \$1.5 million for a computer system upgrade as well as \$507,000 for the salaries of 15 FTE new computer-related positions.



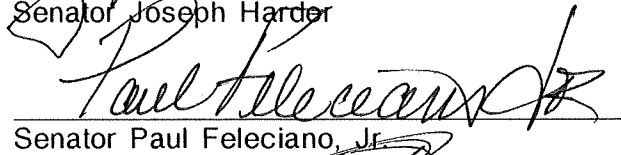
Senator Wint Winter, Jr.
Subcommittee Chairperson



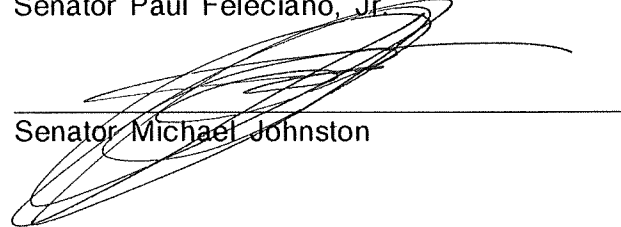
Senator August "Gus" Bogina, Jr.



Senator Joseph Harder



Senator Paul Feleciano, Jr.



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Kansas Department of
Transportation

Bill No. 2063

Bill Sec. 41

Analyst: Rothe

Analysis Pg. No. 85

Budget Pg. No. 582

<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	\$ 151,199,924	\$ 151,913,178	\$ (764,000)
Aid to Local Units	83,984,183	85,674,517	--
Other Assistance	200,000	200,000	--
Operating Expend.	\$ 235,384,107	\$ 237,787,695	\$ (764,000)
Capital Improvements	286,360,451	287,200,333	764,000
Total	<u>\$ 521,744,558</u>	<u>\$ 524,988,028</u>	<u>\$ --</u>
State General Fund	\$ 43,000,000	\$ 43,741,000	\$ --
FTE Positions	3,140.0	3,140.0	--

Agency Estimate/Governor's Recommendations

KDOT's revised FY 1989 state operations budget estimate is \$151,199,924, an increase of \$17,688,675 to the approved budget of \$133,511,249. The revised estimate includes an internal shift of \$700,000 to finance the first phase of an enhanced computer system recommended in a recently completed management study, a reduction of \$34,976 from other expenditures, and a shift of \$17,723,651 from capital improvements to state operations. The agency's budget structure was reorganized for FY 1990 resulting in a substantial shift in expenditures attributed to existing and new programs. The Governor recommends \$151,913,178 in FY 1989 for state operations, an increase of \$713,254 above the agency's revised estimate. The recommendation includes a reduction of \$1,526 in communications, and an increase of \$714,780 for salary benefit adjustments, mainly health insurance.

The local aid estimate of \$83,984,183 is \$2,167,137 above the approved amount due to an increase in available federal safety funds (\$876,900), railroad assistance (\$125,854) and technological grants (\$125,000), and state aid through the Special City and County Highway Fund because of a revised estimate of motor fuel receipts (\$1,747,550). Decreases include \$627,621 from estimated Urban Mass Transit Assistance funds and \$80,546 from Metropolitan Planning Aid funds. The Governor's recommendation for local aid of \$85,674,517 is an increase of \$1,690,334 above the agency's revised estimate to reflect November consensus estimates on motor carrier property tax and motor fuel tax receipts. The increased expenditures include \$287,000 from the State General Fund and \$1,403,334 from the Special City and County Highway Fund.

The agency's estimate of \$286,360,451 for capital improvements is an increase of \$33,077,517 above the amount approved due to delays in the letting of major modification projects originally scheduled for FY 1988. The Governor recommends \$287,200,333 for capital improvements, an increase of \$839,882 above the agency's revised estimate to be utilized for undesignated construction projects in the Major Modification subprogram. The increase includes \$454,000 from the State General Fund (reflecting the November consensus estimate on the sales tax transfer) and \$385,882 from the State

Highway Fund. The recommendation includes \$2,050 for the half-year reclassification of 8 FTE custodial workers (Phase III).

House Subcommittee Recommendations

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

1. Increase the salary shrinkage (turnover) rate from 1.9 percent to 2.8 percent in FY 1989 to match the rate recommended by the Governor for FY 1990. The Subcommittee recommends that the additional turnover savings of \$764,000 be shifted from state operations to major modifications (capital improvements). The Subcommittee notes that the agency currently has 148 vacancies, including 29 which have been vacant for over one year and 28 which have been vacant for six to 12 months.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

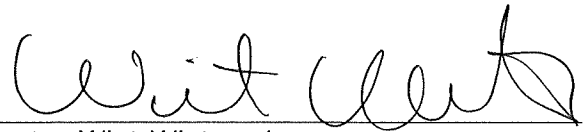
House Committee of the Whole Recommendation

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

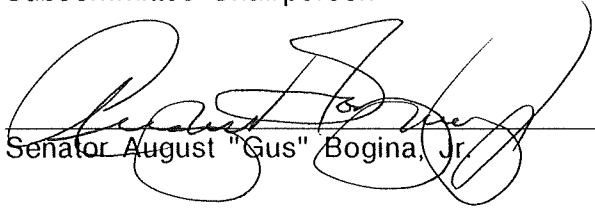
<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (764,000)	\$ 151,149,178	\$ --
Aid to Local Units	--	85,674,517	--
Other Assistance	--	200,000	--
Operating Expend.	\$ (764,000)	\$ 237,023,695	\$ --
Capital Improvements	\$ 764,000	\$ 287,964,333	\$ --
Total	\$ --	\$ 524,988,028	\$ --
State General Fund	\$ --	\$ 43,741,000	\$ --
FTE Positions	--	3,140.0	--

Senate Subcommittee Recommendation

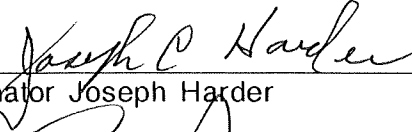
FY 1989. The Senate Subcommittee concurs with the recommendations of the House.



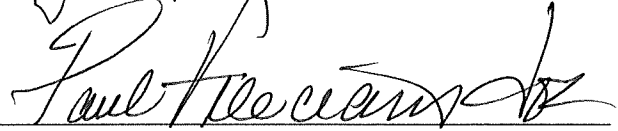
Senator Wint Winter, Jr.
Subcommittee Chairperson



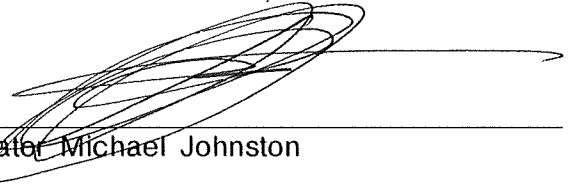
Senator August "Gus" Bogina, Jr.



Senator Joseph Harder



Senator Paul Feleciano, Jr.

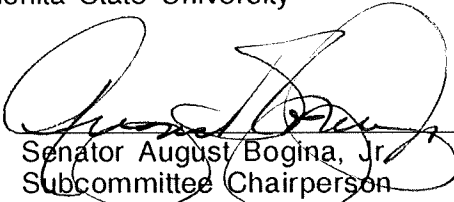


Senator Michael Johnston

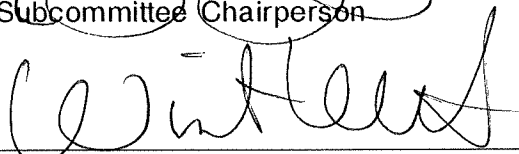
SUBCOMMITTEE REPORT
ON
HOUSE BILL NO. 2040

FY 1989 and FY 1990
Appropriations

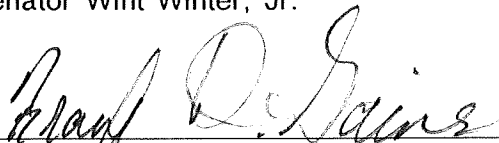
- Section 2 -- Department of Administration
- Section 3 -- Kansas Soldiers' Home
- Section 4 -- Department of Social and Rehabilitation Services
- New Section -- Youth Center at Topeka
- Section 5 -- State Historical Society
- Section 6 -- Fort Hays State University
- Section 7 -- University of Kansas
- Section 8 -- University of Kansas
- Section 9 -- Kansas State University
- Section 10 -- Adjutant General
- Section 11 -- Department of Corrections
- Section 12 -- State Industrial Reformatory
- Section 13 -- Emergency Medical Services Board
- Section 14 -- Youth Center at Topeka
- Section 15 -- Youth Center at Beloit
- Section 16 -- Youth Center at Atchison
- Section 17 -- Winfield State Hospital and Training Center
- Section 18 -- Norton State Hospital
- Section 19 -- Parsons State Hospital and Training Center
- Section 20 -- Kansas Neurological Institute
- Section 21 -- Osawatomie State Hospital
- Section 22 -- Rainbow Mental Health Facility
- Section 23 -- Larned State Hospital
- Section 24 -- Department of Wildlife and Parks
- New Section -- Wichita State University



Senator August Bogina, Jr.
Subcommittee Chairperson



Senator Wint Winter, Jr.



Senator Frank D. Gaines

SUBCOMMITTEE REPORT
HOUSE BILL NO. 2040

Section 2 -- Department of Administration

Governor's Recommendation

The Governor recommends an FY 1989 supplemental appropriation from the State General Fund of \$2,126,160 to renovate elevators in the Landon and Docking State Office Buildings. The agency proposed that debt financing be used to finance the elevator renovation and requested \$273,576 for this project in FY 1990 from the State Building Depreciation Fund for the first years' payment.

House Subcommittee Recommendation

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

1. Add \$168,820 from the State General Fund in FY 1989 for additional Dome repair projects, as recommended by the Joint Committee on State Building Construction.

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, with the following adjustment:

1. Add a subsection recognizing that funding for the elevator renovations is to be repaid from the State Buildings Depreciation Fund when funds are available.

Senate Subcommittee Recommendation

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

1. Add \$4,500 from the State General Fund in FY 1989 for a study of the Statehouse dome. The Subcommittee does not recommend placing a statue on top of the dome, but believes a study of the dome's structural integrity is important.

Section 3 -- Kansas Soldiers' Home

Governor's Recommendation

The Governor recommends \$20,000 from the State Institutions Building Fund (SIBF) in FY 1989 to install air conditioning in the auditorium. The agency requested \$20,000 from the State Institutions Building Fund in FY 1990 for this project.

The Governor recommends \$37,000 from the SIBF in FY 1989 to supplement previously appropriated funds to replace the electrical board at the Soldiers' Home. The agency requested \$37,000 from the State Institutions Building Fund in FY 1990 for this project.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 4 -- Department of Social and Rehabilitation Services

Governor's Recommendation

The Governor recommends \$515,200 from the State General Fund for FY 1989 to construct a fence around the perimeter of the Youth Center at Topeka. Planning has already begun on the project using Major Maintenance funds. The State General Fund recommendation of \$515,200 is intended to be used to reimburse the Major Maintenance funds. The Governor, in addition, recommends that any unencumbered balance in SIBF accounts for already completed capital improvement projects be lapsed.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustment:

1. Add appropriation language to authorize grants in FY 1989 for capital costs associated with child care centers providing that any such grants to Wichita State University shall not exceed \$245,000.

House Committee Recommendation

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

1. Delete the lapse of funding for two capital improvement projects, at the request of the agency.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendation of the Committee, with the following adjustment:

1. Add a proviso which restricts State General Fund expenditures for the fence at the Youth Center at Topeka until the post audit report on security procedures at the Center is presented to the Legislative Post Audit Committee.

Senate Subcommittee Recommendation

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

1. Delete the appropriation language regarding child care centers and provide a separate State General Fund appropriation to Wichita State University, subject to a contract between the Department and the University. It is the intent of the Subcommittee to increase the amount lapsed from the KanWork appropriation to cover the appropriation to the University when the SRS budget is reviewed by the Senate.
2. Delete the proviso which restricts State General Fund expenditures for the fence at the Youth Center at Topeka until the post audit report on security procedures at the Center is presented to the Legislative Post Audit Committee.
3. Add \$828,400 from the State General Fund for a total project cost of \$1,343,600 for the fence to be constructed around the perimeter of the Youth Center at Topeka.

New Section -- Youth Center at Topeka

1. Add \$394,535 for FY 1990 for 19 FTE Youth Service Specialists I to provide double coverage for the residential living units during the night shift.
2. Add \$211,956 for FY 1990 for ten FTE security positions to staff and patrol, around the clock, the fence to be constructed around the perimeter of the Youth Center. The ten positions would include a Patrol Lieutenant, two Patrol Sergeants, and seven Patrol Officers.

Section 5 -- State Historical Society

Governor's Recommendation

The Governor recommends an increase of \$120,770 for FY 1989 from the State General Fund from the agency estimate of \$859,973 for capital improvements. The additional recommended funding includes \$25,000 for maintenance projects at the historic properties, \$44,437 for continued restoration of the Funston Home, and \$51,333 for the continued restoration of Constitution Hall.

House Subcommittee Recommendation

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

1. Add \$7,500 from the State General Fund in FY 1989 for drainage repairs at the Kansas Museum of History.
2. Delete \$95,700 from the State General Fund in FY 1989 for preservation and development of historic properties. The Subcommittee has been informed that the Society could not spend the money in the current year.

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, with the following adjustment:

1. Add an additional \$17,500 from the State General fund for drainage repairs, based on revised estimates from the Division of Architectural Services.

Senate Subcommittee Recommendation

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

1. The Subcommittee strongly recommends that the State Architect pursue any possible recourse for recovery of damages due to the apparent improper design work at the Museum and to report back to the Legislature regarding the results.

Section 6 -- Fort Hays State University

Governor's Recommendation

The Governor recommends that the \$1,500,000 in FY 1989 and the \$2,162,000 in FY 1990, both which were previously appropriated from the Educational Building Fund be lapsed for the Sheridan Coliseum renovation project. The Governor further recommends that \$3,900,000 in FY 1989 and \$2,162,000 in FY 1990 be appropriated for the renovation project from the State General Fund. The Governor also recommends that the State General Fund resources in FY 1989 and FY 1990 should not be released unless \$387,000 in private funds are available in FY 1989 and \$863,000 in FY 1990. Bids received for Phase II of the project in February, 1988 were approximately \$2.1 million above the architect's estimate. Total cost of the project would be \$8,412,000 instead of the currently authorized \$6,012,000 or an increase of \$2,400,000. The agency had requested \$2,400,000 in additional funds for the project, but financed with \$1,200,000 from the Educational Building Fund and \$1,200,000 from private gift funds. The 1988 Legislature had directed the agency to raise at least \$1,825,000 in additional gift funds to complete the project.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 7 -- University of Kansas

Governor's Recommendation

The Governor recommends shifting \$1,890,000 in previously appropriated Educational Building Funds from FY 1990 to FY 1989 for the new Science Library construction project. Current law provides for Educational Building Fund appropriations of \$5,490,900 in FY 1989 and \$3,129,200 in FY 1990. The Governor's recommendation would not change the total cost of the project, but would provide \$7,380,900 in FY 1989 and \$1,239,200 in FY 1990. According to the agency, the contractor is ahead of schedule.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 8 -- University of Kansas

Governor's Recommendation

The Governor recommends that \$2,000,000 from the State General Fund in FY 1989 be transferred to the University of Kansas for construction and debt service for a new Regents Center in Overland Park. The total construction cost of the project would be \$6,000,000. The Governor recommends \$1,000,000 for construction and \$1,000,000 for debt service for the project. The Center would contain approximately 53,000 gross square feet and service approximately 1,800 students. This section also lapses Educational Building Fund balances in two accounts which are no longer needed.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustment:

1. Delete funding for the Regents Center in FY 1989, pending further review of the project by the Joint Committee on State Building Construction.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 9 -- Kansas State University

Governor's Recommendation

The Governor recommends \$298,000 from the Educational Building Fund in FY 1990 for construction of plant science greenhouses (Phase IIA). The funds will permit the full state match of \$1,358,000 in federal funds which the Governor recommends for expenditure in FY 1989. The federal funds are recommended for the planning, construction, and equipping of Plant Sciences -- Phase IIB (preliminary planning on the building and construction of greenhouses). The agency had requested the \$298,000 for preliminary planning of the Plant Sciences -- Phase IIA building. The Phase IIA building has a total cost of \$12,350,000. Greenhouses for Phase IIA of the project have been previously appropriated by the Legislature. The section also lapses two existing Educational Building Fund accounts that are no longer needed.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

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, with the following adjustment:

1. Authorize in FY 1990 the preliminary planning of the Plant Sciences -- Phase IIA building from the \$298,000 Educational Building Fund appropriation.

Senate Subcommittee Recommendation

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

1. Shift the FY 1990 appropriation of \$298,000 from the Educational Building Fund to the State General Fund.

Section 10 -- Adjutant General

Governor's Recommendation

The Governor recommends an FY 1989 supplemental State General Fund appropriation of \$25,000 for site preparation for a regional training center. Construction of the Center is to be financed by the federal government at an estimated cost of \$1,591,000.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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, with the following adjustment:

1. Clarify that the appropriation is for FY 1989.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

Section -- Kansas Highway Patrol

Governor's Recommendation

The Governor recommends an FY 1989 supplemental expenditure of \$1,290,781 from the Motor Carrier Inspection Fund (financed by a transfer from the State Highway Fund) to complete the construction of motor carrier inspection weight enforcement facilities at Liberal (\$115,381) and Belleville (\$1,175,400). Although \$191,869 was approved during the 1988 Session for the Liberal facility, an additional \$115,381 is recommended due to unforeseen cost increases.

House Subcommittee Recommendation

The Subcommittee deletes this section pending further project review by the Joint Committee on State Building Construction.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 11 -- Department of Corrections

Governor's Recommendation

The Governor recommends FY 1989 supplemental appropriations from the State General Fund of \$2,185,000 to accelerate the bond payment on the Ellsworth Correctional Facility; of \$500,000 for major repairs, special maintenance, and remodeling at correctional institutions; and of \$2,900,000 for planning for a new correctional facility. Also, the Governor recommends an FY 1989 authorization and appropriation from the Correctional Industries Fund of \$235,000 to rebuild the paint factory at the Kansas State Penitentiary.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustment:

1. Delete the funding recommended for payment for the Ellsworth Correctional Work Facility debt service, pending a comparison of possible cost savings on early payments for Ellsworth and utilizing the funds for construction of a new prison.

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, with the following adjustment:

1. Mandate that the Department of Corrections appeal the recent federal court decision requiring that the state be bound by the standards of the American Correctional Association for prison facilities.

Senate Subcommittee Recommendation

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

1. Restore \$2,185,000 from the State General Fund in FY 1989 to accelerate the bond payment on the Ellsworth Correctional Facility.
2. Delete the proviso requiring the Department to appeal the federal court decision regarding the use of American Correctional Association standards.
3. The Subcommittee makes no judgments on the need for a new state prison but recommends the deletion of the \$2,900,000 for final planning on a new prison pending the approval of a final program statement for any such facility.

Section 12 -- State Industrial Reformatory

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of \$40,000 from the Correctional Industries Building Fund appropriation of \$238,000 for electrical improvements to the food service, kitchen, education, and paint shop areas at the Reformatory.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 13 -- Emergency Medical Services Board

Governor's Recommendation

The Governor recommends \$102,000 in FY 1989 from the State General Fund for the expansion of the emergency medical services communications system into the Wolf Creek area. The project would establish a uniform radio communications system for a nine-county area. The agency requested funding for the project in FY 1990.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 14 -- Youth Center at Topeka

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balance on a completed capital improvement project financed from the SIBF.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 15 -- Youth Center at Beloit

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balance on a completed capital improvement project financed from the SIBF.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 16 -- Youth Center at Atchison

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of \$310 from an SIBF financed capital improvement project.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 17 -- Winfield State Hospital

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balances on two SIBF financed capital improvement projects.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following adjustment:

1. Delete the lapse of the Holly Kitchen washing machine, based on updated information from the agency.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 18 -- Norton State Hospital

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balance on a SIBF financed capital improvement project.

House Subcommittee Recommendation

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

1. Lapse the unencumbered balance in FY 1989 in the rotary oven account.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 19 -- Parsons State Hospital

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balance on a SIBF financed capital improvement project.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 20 -- Kansas Neurological Institute

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balance on a SIBF financed capital improvement project.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 21 -- Osawatomie State Hospital

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balances on two SIBF financed capital improvement projects.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 22 -- Rainbow Mental Health Facility

Governor's Recommendation

The Governor recommends the lapse in FY 1989 of the unencumbered balances on several SIBF financed capital improvement projects.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 23 -- Larned State Hospital

Governor's Recommendation

For FY 1989, the Governor recommends \$500,000 from the State General Fund and \$1,000,000 from the State Institutions Building Fund to construct and equip the new treatment facility to replace Pinel and Rush buildings. Construction on the facility is proceeding more rapidly than was originally planned because of unseasonably warm weather. The recommendation would make available in FY 1989 \$1,500,000 that was appropriated for FY 1990 and would lapse \$1,500,000 from \$1,923,500 appropriated for FY 1990.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section 24 -- Department of Wildlife and Parks

Governor's Recommendation

The Governor recommends a supplemental State General Fund appropriation of \$200,000 in FY 1989 for the construction of displays at the Milford Education Center. The Governor also recommends that lapse of the unencumbered balance of several special revenue financed projects in FY 1989.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

The Senate Subcommittee concurs with the recommendations of the House.

Section -- Legislative Coordinating Council

House Committee of the Whole Recommendation

The House adds \$100,000 from the State General Fund in FY 1989 for legal services associated with an appeal of the recent federal court decision on the Department of Corrections.

Senate Subcommittee Recommendation

The Senate Subcommittee recommends the deletion of this section.

New Section -- Wichita State University

Senate Subcommittee Recommendation

The Senate Subcommittee recommends the appropriation of \$245,000 from the State General Fund in FY 1989 to assist in the financing of a daycare center at Wichita State University to be utilized by the University and the KanWork program. The Subcommittee further recommends that this appropriation be subject to a proviso requiring a signed contract between the University and the Department of Social and Rehabilitation Services regarding the daycare center prior to expenditure. The Senate Subcommittee also recommends that the Senate Subcommittee for the Department review current year funding needs for KanWork.

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs) Bill No. 2064

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 549

Budget Pg. No. 390

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,266,393	\$ 2,903,995	\$ --
Aid to Local Units	39,706,436	38,002,502	--
Other Assistance	159,017,859	159,017,859	--
Total	\$ 201,990,688	\$ 199,924,356	\$ --
State General Fund:			
Aid to Local Units	\$ 39,706,436	\$ 38,002,502	\$ --
FTE Positions	65.5	64.0	--

Agency Request/Governor's Recommendation

The KPERs operating budget request for FY 1990 totals \$201,990,688. The agency request for state operations of \$3,266,393 is a 13.1 percent increase above the agency's FY 1989 estimate. In state operations the agency is proposing 1.5 additional FTE positions, a computer software interface package, a special actuary "comfort audit," and additional computer equipment. An increase of 8.1 percent is reflected in the local aid amount for public school employers' contributions for an anticipated growth in the public school employee covered payroll in FY 1990. Public employees retirement and disability benefits are estimated to increase by 7.4 percent or \$10,927,214.

For FY 1990 the Governor recommends a total budget of \$199,924,356 or \$2,066,332 below the agency's request. The Governor's recommendation for state operations is \$2,903,995 or \$326,398 less than the agency requested. The Governor does not recommend any additional staff, but does recommend a partial computer upgrade in FY 1990. The Governor recommends \$38,002,502 or \$1,703,934 less than the agency request for public school employers' contributions. The FY 1990 recommendation is based on budget limitations of 2.0 percent to 4.0 percent and an employer contribution rate of 3.1 percent. The Governor concurs with the agency request of \$159,017,859 for public employee retirement and disability payments.

House Subcommittee Recommendations

FY 1990. The House Subcommittee concurs with the Governor's recommendation in the budget year.

House Committee Recommendations

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendations

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

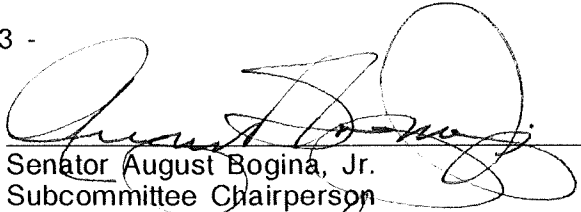
H.B. 2064

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 2,903,995	\$ 151,500
Aid to Local Units	--	38,002,502	--
Other Assistance	--	159,017,859	--
Total	<u>\$ --</u>	<u>\$ 199,924,356</u>	<u>\$ 151,500</u>
State General Fund:			
Aid to Local Units	\$ --	\$ 38,002,502	\$ --
FTE Positions	--	64.0	1.0

Senate Subcommittee Recommendations

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

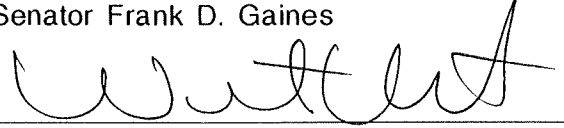
1. Add \$1,500 for Board member travel. The Subcommittee believes the Board should have the resources available if the Trustees should need to travel out-of-state to interview prospective investment managers.
2. Add \$150,000 for various data processing expenses based on the latest estimates for the budget year. The recommended additional funds would allow the Division of Information Systems and Communications (DISC) of the Department of Administration to complete development of the agency's claims data processing system. The system will record, monitor, and verify claim payments by the retirement system. The development of the claims system had been estimated to be completed by December 31, 1989, but now is projected to not be completed until June 30, 1991.
3. Add 1.0 FTE position for a computer systems development analyst and shift \$27,000 from data processing fees to salaries and wages. The position has recently been participating on the Division of Information Systems and Communications (DISC) of the Department of Administration as an intern on the KPERS project team. The Subcommittee believes that since the individual is knowledgeable of the KPERS project that the position should continue on a full-time basis until the project design is completed. The Subcommittee notes that the latest estimates call for the KPERS project design to be completed by the end of FY 1990. The Subcommittee recommends that position be deleted at the end of FY 1990.



Senator August Bogina, Jr.
Subcommittee Chairperson



Senator Frank D. Gaines



Senator Wint Winter, Jr.

365-90

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs) Bill No. 2063 Bill Sec. 9
 Analyst: Conroy Analysis Pg. No. 549 Budget Pg. No. 390

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,888,973	\$ 2,880,283	\$ --
Aid to Local Units	36,729,342	36,453,239	--
Other Assistance	<u>148,090,645</u>	<u>148,090,645</u>	<u> </u>
Total	<u>\$ 187,708,960</u>	<u>\$ 187,424,167</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 6,000	\$ 6,000	\$ --
Aid to Local Units	<u>36,729,342</u>	<u>36,453,239</u>	<u> </u>
Total	<u>\$ 36,735,342</u>	<u>\$ 411,307,573</u>	<u>\$ --</u>
FTE Positions	64.0	64.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 revised estimate totals \$187,708,960. The revised FY 1989 estimate for operating expenses is \$2,888,973, the same amount as originally approved. The agency's FY 1989 estimate for state estimate for state aid to local units of government for public schools employers' contributions of \$36,729,342 reflects a State General Fund supplemental request of \$276,103. The FY 1989 revised estimate for other assistance of public employee benefits is \$148,090,645 or \$11,449,490 above the original FY 1989 amount.

The Governor's recommendation for FY 1989 is \$187,424,167 which includes a reduction of \$8,690 for state operations below the agency's request. However, the Governor does recommend an increase in the limitation on the salaries and wages subaccount by \$13,265 for increased health insurance costs. The Governor recommends \$36,453,239 for state aid to local units of government for public schools employers' contributions in the current year and therefore does not recommend any supplemental funds. The Governor concurs with the agency's revised estimate of \$148,090,645 for employee benefits.

House Subcommittee Recommendations

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

1. Express concern over the apparent shortfall in the FY 1989 approved State General Fund amount of \$36,453,239 for state aid to local units of government for public schools employers' contributions. Based on the available information it appears that a supplemental appropriation from the State General Fund for public school employers' contributions will be required in FY 1989. The higher than anticipated public school salary increases in the current year, with higher than anticipated credit hour production for community colleges are two major factors in precipitating

the apparent need for supplemental funds. The Governor is currently considering the shortfall for possible inclusion in a Governor's Budget Amendment. The Subcommittee urges the Senate Ways and Means Committee to consider the supplemental funds once additional information is available from the agency and the Governor has dealt with the issue.

2. Encourage the agency to conduct a special "comfort audit" on the validity of the actuarial assumptions being used by the KPERS actuary. The Subcommittee notes that the last "comfort audit" was conducted in 1983 and that the 1983 Legislature suggested that a "comfort audit" be conducted approximately every five years. The Subcommittee believes that the agency has available resources to fund the \$15,000 cost to conduct the audit in the current year.

3. Express dismay that the agency was recently informed by the Division of Information Systems and Communications (DISC), Department of Administration that an additional \$65,000 will be needed in the current year to meet DISC charges to the agency. The Subcommittee is extremely frustrated that DISC has not provided clear and concise information to the agency for the additional charges or a clear statement for routine charges billed to the agency. The Subcommittee does not recommend any additional funds for DISC charges in the current year until such time as DISC can respond to the billing concerns of the agency. The Subcommittee recommends that the Senate Ways and Means Committee review the issue once DISC has clarified and justified the computer billings to the agency.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation


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

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 2,880,283	\$ 74,347
Aid to Local Units	--	36,453,239	662,000
Other Assistance	--	148,090,645	--
Total	<u>\$ --</u>	<u>\$ 187,424,167</u>	<u>\$ 736,347</u>
State General Fund:			
State Operations	\$ --	\$ 6,000	\$ --
Aid to Local Units	--	36,453,239	662,000
Total	<u>\$ --</u>	<u>\$ 36,459,239</u>	<u>\$ 662,000</u>
FTE Positions	--	64.0	--


Senate Subcommittee Recommendations

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

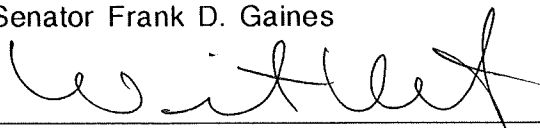
1. Add \$662,000 (State General Fund) for state aid to local units of government for public school employers' contributions. The latest estimates of covered school payrolls are higher than anticipated during the last legislative session. In addition, credit hour production at the community college level is also higher than anticipated. Both of these factors impact the amount of state payments for public school employers' contributions.
2. Add \$1,500 for Board member travel in the current year. The Subcommittee believes the Board should have the resources available if the Trustees should need to travel out-of-state to interview prospective investment managers.
3. Add \$2,847 for utilities based on the latest budget information. The Subcommittee notes the agency is required to pay its pro-rata share of its building utility expenses.
4. Add \$70,000 for various data processing expenses based on the most current information to date. Of the recommended amount, \$65,000 is for services performed by the Division of Information Systems and Communications (DISC) of the Department of Administration. The remaining \$5,000 is for maintenance costs on the agency's computer.
5. The Subcommittee recommends that the requested "comfort audit" on the validity of the actuarial assumptions being used by the system's actuary be completed in FY 1989.



Senator August Bogina, Jr.
Subcommittee Chairperson



Senator Frank D. Gaines



Senator Wint Winter, Jr.

SUBCOMMITTEE REPORT

Agency: State Finance Council

Bill No. 2064

Bill Sec. 7

Analyst: Duffy

Analysis Pg. No. 534

Budget Pg. No. 228

<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	\$ 5,084	\$ 3,329	\$ --
Special Revenue Fund	--	--	--
FTE Positions	0.0	0.0	--

Agency Request/Governor's Recommendation

The agency submits an estimate for FY 1989 of \$1,600 and for FY 1990 of \$5,084 for compensation and travel of legislative members of the State Finance Council. The FY 1990 request provides funding for four meetings of the Finance Council. Actual FY 1988 expenditures were \$1,500. The agency's request also includes an FY 1989 transfer of \$5,000 from the State General Fund to the State Emergency Fund. This transfer would restore the balance of the State Emergency Fund to \$750,000.

The Governor concurs with the agency's request of \$1,600 in FY 1989 and recommends expenditures of \$3,329 in FY 1990. The FY 1990 recommendation includes \$1,302 for salaries and wages, \$678 less than the agency's request; and \$2,027 for other contractual services, \$1,077 less than the agency's request. The Governor's FY 1989 recommendation includes a transfer of \$5,000 from the State General Fund to the State Emergency Fund. The transfer is intended to restore the balance in the State Emergency Fund to \$750,000.

House Subcommittee Recommendation

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

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

1. The House Subcommittee notes that in recent years a number of State Finance Council meetings have been all or impart telephone meetings. Also, State Finance Council meetings have been held when legislative members are present in Topeka for other legislative committee business, in which case no costs are incurred by the State Finance Council budget. The State Finance Council has experienced decreased expenditures. Actual FY 1988 expenditures were \$1,500. The House Subcommittee endorses this coordination between State Finance Council meetings and other legislative committee business and encourages the continuation of these cost-saving practices.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

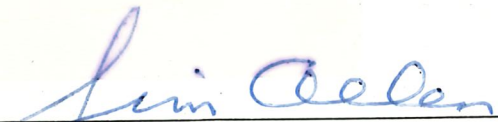
House Committee of the Whole Recommendation

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

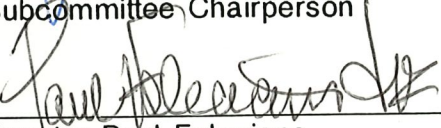
<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 3,329	\$
Special Revenue Fund	--	--	
FTE Positions	--	0.0	

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.



 Senator Jim Allen
 Subcommittee Chairperson



 Senator Paul Feleciano

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2063

Bill Sec. 14

Analyst: Duffy

Analysis Pg. No. 507

Budget Pg. No. 22

<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	\$ 20,398,990	\$ 20,584,887	\$ (98,000)
Aid to Local Units	1,667,572	1,782,807	--
Other Assistance	32,000	32,000	--
Subtotal - Operating	\$ 22,098,562	\$ 22,399,694	\$ (98,000)
Capital Improvements	1,132,133	3,258,293	--
TOTAL	\$ 23,230,695	\$ 25,657,987	\$ (98,000)
State General Fund:			
State Operations	\$ 19,187,965	\$ 19,375,047	\$ (98,000)
Other Assistance	--	--	--
Subtotal - Operating	\$ 19,187,965	\$ 19,375,047	\$ (98,000)
Capital Improvements	1,132,133	3,258,293	--
TOTAL	\$ 20,320,098	\$ 22,633,340	\$ (98,000)
FTE Positions (Reportable Budget)			
	434.0	434.0	--
FTE Positions (Nonreportable Budget)			
	496.0	496.0	--

* In addition to this reportable budget, the Department of Administration has total nonreportable budget estimates of \$63,171,868 in FY 1989. The Governor recommends a total nonreportable budget of \$62,846,295 in FY 1989. Expenditures are included in the reportable operating budget of user agencies. Those expenditures would represent a duplication, if they were also included as reportable expenditures in the Department of Administration.

Agency Estimate/Governor's Recommendation

Revised FY 1989 Reportable Expenditure Summary. The revised FY 1989 State General Fund operating budget estimate of \$19,187,965 is a reduction of \$52,622 from the authorized General Fund operating budget of \$19,240,587. Also included in the FY 1989 operating budget is the estimated expenditure of \$2,931,191 from special revenue funds, a reduction of \$20,594 from the approved expenditure level.

The Governor recommends a State General Fund FY 1989 operating budget of \$19,375,047, an increase of \$134,460 over the approved General Fund operating budget of \$19,240,587. Also for the FY 1989 operating budget, the Governor recommends \$3,024,647 from special revenue funds. The Governor recommends \$3,258,293 from the State General Fund for capital improvements, \$2,126,160 more than the agency's estimate. This recommendation requires a State General Fund supplemental appropriation of \$2,126,160 and would provide for the renovation of elevators in the Landon and Docking State Office buildings.

Revised FY 1989 Nonreportable Expenditure Summary. The revised FY 1989 nonreportable operating budget estimate of \$59,842,518 reflects an increase of \$2,063,247 over the approved nonreportable operating budget of \$57,779,271.

The Governor recommends an FY 1989 nonreportable operating budget of \$59,775,106, an increase of \$1,995,835 over the approved nonreportable operating budget of \$57,779,271. The Governor's FY 1989 recommendation for the nonreportable operating budget is \$67,412 less than the amount estimated by the Department.

House Subcommittee Recommendation

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

1. Delete \$53,000 from the State General Fund for Accounting and Reporting Services, based upon the Subcommittee's review of salary and wage expenditures during the first seven months of FY 1989. The Subcommittee notes that this would eliminate the Governor's recommendation for a state general fund supplemental for this division and the remainder of the savings would be reappropriated as an offset to the FY 1990 appropriation.
2. Delete \$45,000 from the State General Fund for Personnel Services, based upon the Subcommittee's review of salary and wage expenditures during the first seven months of FY 1989. The Subcommittee recommends that these savings be reappropriated as an offset to the FY 1990 appropriation.
3. The Subcommittee reviewed the FY 1989 state general fund supplemental appropriation of \$172,834 recommended by the Governor for Architectural Services and Planning. The Subcommittee concludes that a serious backlog of projects exists and that the supplemental appropriation is necessary to address the current backlog of projects. The Subcommittee expects that this supplemental appropriation will correct the problem and notes that this area should be reviewed carefully by the 1990 Legislature.
4. Reduce FY 1989 expenditures from the Motor Pool Service Fund by \$72,775, a nonreportable budget item, based on the Subcommittee's review of current year operating expenditures. The Subcommittee's recommendation would reduce the supplemental increase in expenditures recommended by the Governor from \$156,493 to \$83,718. The Subcommittee is aware of the increases in the motor pool rates in FY 1989 and FY 1990 and anticipates that these recognized savings, as well as other saving experience by the motor pool in FY 1989 will be reflected in revised FY 1990 motor pool rates.
5. The Subcommittee recommends additional expenditures of \$10,663 from the Motor Pool Service Fund in FY 1989 for the outright purchase of computer equipment to reconstruct the computer operations of the motor pool. The agency requested and the Governor recommended financing the requested equipment with certificates of participation over a three year period. The Subcommittee believes that the balances in the motor pool depreciation fund are adequate to accommodate this purchase.

6. Reduce FY 1989 expenditures from the Information Technology Fund by \$100,000, a nonreportable budget item, based on the Subcommittee's review of current year operating expenditures. The Subcommittee anticipates that these recognized savings, as well as other savings experienced by DISC in FY 1989 will be reflected in revised FY 1990 rates.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary*</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (98,000)	\$ 20,486,887	\$ --
Aid to Local Units	--	1,782,807	--
Other Assistance	--	32,000	--
Subtotal Operating	\$ (98,000)	\$ 22,301,694	\$ --
Capital Improvements	--	3,258,293	--
Total	<u>\$ (98,000)</u>	<u>\$ 25,559,987</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (98,000)	\$ 19,277,047	\$ --
Other Assistance	--	--	--
Subtotal Operating	\$ (98,000)	\$ 19,277,047	\$ --
Capital Improvements	--	3,258,293	--
Total	<u>\$ (98,000)</u>	<u>\$ 22,535,340</u>	<u>\$ --</u>
FTE Positions (Reportable Budget)	--	434.0	--
FTE Positions (Nonreportable Budget)	--	496.0	--

* In addition to this reportable budget, the Department of Administration has total nonreportable budget estimates of \$63,171,868 in FY 1989. The Governor recommends a total nonreportable budget of \$62,846,295 in FY 1989. The House concurs with the Governor's recommendation, except for the reduction of \$98,000 based on current year expenditures.

State General Fund:			
State Operations	\$ (3,478,209)	\$ 18,209,074	\$ --
Other Assistance	--	--	--
Subtotal - Operating	\$ (3,478,209)	\$ 18,209,074	\$ --
Capital Improvements	(350,000)	894,630	--
TOTAL	\$ (3,828,209)	\$ 19,103,704	\$ --

FTE Positions (Reportable Budget)	--	433.0	--
FTE Positions (Nonreportable Budget)	--	501.0	--

* In addition to this reportable budget, the Department of Administration has a total nonreportable budget request of \$65,982,120 in FY 1990. The Governor recommends a total nonreportable budget of \$66,407,711 in FY 1990.

The House concurs with the Governor's recommendation for the nonreportable budget.

Senate Subcommittee Recommendation

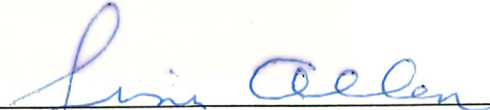
The Senate Subcommittee concurs with the House recommendation with the following adjustments:

- The Subcommittee supports the reorganization proposal set forth by the Secretary of Administration to create a separate Division of Facilities Management. The Subcommittee understands that the new division would assume responsibilities for maintenance and operation of state-owned buildings in Topeka, capital improvement planning, space planning, lease negotiations, and related activities. The Subcommittee recommends the creation of the facilities management account in the FY 1990 appropriation bill and makes the following adjustments in the bill:

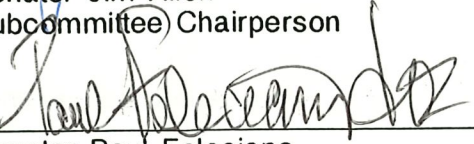
<u>State General Fund</u>	<u>Current</u>	<u>Recommended</u>
General Administration	\$ 847,876	\$ 845,876
Architectural Services and Planning	1,861,055	1,653,200
Buildings and Grounds	2,110,337	0
Facilities Management	0	2,320,192
Total - SGF	<u>\$ 4,819,268</u>	<u>\$ 4,819,268</u>

- The Subcommittee received testimony from the Manhattan Coalition for Pay Equity concerning the Comprehensive Classification and Job Rate Study. The Coalition made several recommendations to the Subcommittee, including (1) the establishment of a statewide commission to plan and oversee implementation of a uniform system of job evaluation for all job classes in the state civil service system; (2) a comprehensive analysis using standardized criteria to compare female-dominated job classes in the state classified system with male-dominated job classes

in the state classified system. Further, the analysis would compare this information to similar job classes in states that have initiated pay equity. The Subcommittee requests that the Director of Personnel Services respond to the Subcommittee in writing and address these two specific recommendations as well as other information forwarded to the Director regarding pay equity.



Senator Jim Allen
Subcommittee Chairperson



Senator Paul Feleciano

173-90

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2064

Bill Sec. 6

Analyst: Duffy

Analysis Pg. No. 507

Budget Pg. No. 22

<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	\$ 22,246,545	\$ 21,687,283	\$ (3,478,209)
Aid to Local Units	1,233,834	1,366,894	--
Other Assistance	32,000	32,000	--
Subtotal - Operating	\$ 23,512,379	\$ 23,086,177	\$ (3,478,209)
Capital Improvements	1,297,030	1,270,430	--
TOTAL	\$ 24,809,409	\$ 24,356,607	\$ (3,478,209)
State General Fund:			
State Operations	\$ 21,180,567	\$ 20,625,010	\$ (3,478,209)
Other Assistance	--	--	--
Subtotal - Operating	\$ 21,180,567	\$ 20,625,010	\$ (3,478,209)
Capital Improvements	1,271,230	1,244,630	--
TOTAL	\$ 22,451,797	\$ 21,869,640	\$ (3,478,209)
FTE Positions (Reportable Budget)			
	454.0	433.0	--
FTE Positions (Nonreportable Budget)			
	517.0	501.0	--

* In addition to this reportable budget, the Department of Administration has a total nonreportable budget request of \$65,982,120 in FY 1990. The Governor recommends a total nonreportable budget of \$66,407,711 in FY 1990. Expenditures are included in the reportable operating budget of user agencies. Those expenditures would represent a duplication, if they were also included as reportable expenditures, in the Department of Administration.

Agency Request/Governor's Recommendation

Reportable Budget Summary. The FY 1990 reportable operating request of \$23,512,379 is an increase of 6.4 percent or \$1,413,817, over the FY 1989 revised operating request of \$22,098,562. The operating request includes \$22,246,545 for state operations, \$1,233,834 for aid to local units and \$32,000 for other assistance, grants, and benefits. The FY 1990 salary and wage request of \$13,846,965 would support 454.0 FTE positions. The Department requests \$701,415, including fringe benefits, for 24.0 new FTE positions and deletes 4.0 FTE positions for a net increase in the on budget position limitation of 20.0 FTE positions. The agency requests other operating expenditures in FY 1990 of \$8,399,580. The agency requests expenditures for capital improvements of \$1,297,030, of which \$1,271,230 is from the State General Fund and \$25,800 is from special revenue funds.

The Governor recommends \$23,086,178 for the FY 1990 reportable operating budget, a decrease of \$426,202 from the agency's request. The Governor's recommendation for reportable operating expenditures includes \$21,687,283 for state operations, \$1,366,894 for aid to local units, and \$32,000 for other assistance. The FY 1990 salary

and wage request of \$13,981,525 would support 433.0 FTE positions. The FY 1990 salary and wage budget includes net funding for new positions (\$39,721, including fringe benefits); a 4 percent salary increase for classified employees (\$466,824, including fringe benefits); a 5.8 percent merit pool for unclassified employees (\$51,074, including fringe benefits); implementation of Phase III (\$25,471, including fringe benefits); step movement salary increases for eligible employees; a 3.1 percent turnover rate (a reduction of \$452,735 from gross salaries and wages); and increased expenditures for employee health insurance. The Governor recommends \$7,705,759 for other operating expenditures in FY 1990, \$693,821 less than the agency's request. The Governor recommends expenditures of \$1,244,630 from the State General Fund and \$25,800 from special revenue funds for capital improvements.

Nonreportable Budget Summary. The FY 1990 nonreportable operating request of \$64,596,767 is a 7.9 percent increase over the FY 1989 estimated revised operating request of \$59,842,517. The FY 1990 salary and wage request of \$13,281,773 would support 517.0 FTE positions, an increase of 21.0 FTE over the 496.0 approved for FY 1989. The Department requests \$770,992, including fringe benefits, for 26.0 FTE positions and deletes 5.0 FTE positions for a net increase in the off budget positions of 21.0 FTE positions. The agency requests other operating expenditures in FY 1990 of \$46,025,554. The operating request includes \$59,307,327 for state operations and \$5,289,440 for other assistance, grants and benefits. The agency requests expenditures for capital improvements of \$1,385,353.

The Governor recommends \$64,189,294 for the FY 1990 nonreportable operating budget, a decrease of \$407,473 from the agency's request. The Governor's recommendation includes \$58,889,854 for state operations and \$5,289,440 for assistance, grants and benefits. The FY 1990 salary and wage budget recommendation includes net funding for 5.0 additional FTE positions (\$353,008, including fringe benefits); a 4 percent salary increase for classified employees (\$453,816); a 5.8 percent merit pool for unclassified employees (\$22,275); implementation of Phase III (\$77,126, including fringe benefits); step movement salary increases for eligible employees; a turnover rate of 3.5 percent (a reduction of \$504,213 to gross salaries and wages); and increased expenditures for employee health insurance. The Governor recommends \$45,155,649 for other operating expenditures in FY 1990, \$869,905 less than the agency's request. The Governor recommends expenditures for capital improvements of \$2,218,477.

House Subcommittee Recommendation

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

1. At the request of the Chairman of Appropriations, the Subcommittee recommends that the line items in the appropriation bill for DISC (i.e., Information Technology Fund, Information Technology Reserve Fund, Central Mail Services Fund), and the State General Fund line-item (i.e., Central Management Information System and Computing Operations) be removed from the FY 1990 appropriation bill until the Chairman's further review.
2. The Subcommittee notes that the agency requested 2 Office Assistants III (\$37,908) to perform the presorting of mail from Shawnee County based state agencies to the U.S. Post Office. Mail presorting saves the state 2.7 cents per letter and currently is performed by a private contractor. The current contract for presorting is for an annual cost of

\$72,500. In response to the Subcommittee's inquiry, the Department responded that at the present time there is not space available for the presorting. It is the Subcommittee's opinion that this is a potential area for cost savings and that the Department should pursue space to accommodate such an operation.

3. The Subcommittee recommends that the Joint Committee on State Building Construction review the current law pertaining to the Construction Defects Recovery Fund (K.S.A. 75-3785). The Subcommittee is supportive of a change in the existing law which would provide greater flexibility to allow the use of proceeds in the fund for certain capital improvement projects other than those currently covered under the existing law.
4. A final technical matter, the Subcommittee recommends that the balance of \$125 in the gifts for the sculpture for the supreme court building fund be transferred to the State General Fund. The project for which the receipts were received has been completed.

House Committee Recommendations

The House Committee concurs with the House Subcommittee's recommendation.

House Committee of the Whole Recommendations

The House Committee of the Whole concurs with the House Committee's recommendation with the following adjustments:


1. Delete \$350,000 from the State General Fund for the Capital plaza area capital improvements. The project involves the removal of the existing fire lane and construction of a main drive entrance. The modifications include landscaping, lighting, constructing a storm sewer, and creating a pedestrian entry court at the north steps of the Statehouse.
2. Add a proviso to the State General Fund line item for personnel services to provide for the completion, prior to FY 1992, of all phases of the classification and job rate study and the respective pay plan adjustments, pursuant to a schedule to be adopted by the director of personnel services.

<u>Expenditure Summary*</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (3,478,209)	\$ 18,209,074	\$ --
Aid to Local Units	--	--	--
Other Assistance	--	--	--
Subtotal - Operating	\$ (3,478,209)	\$ 18,209,074	\$ --
Capital Improvements	(350,000)	920,430	--
TOTAL	<u>\$ (3,828,209)</u>	<u>\$ 19,129,504</u>	<u>\$ --</u>

Senate Subcommittee Recommendation

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

1. Adjust the FY 1990 appropriation bill to reflect the House and Senate Subcommittee recommendation to reappropriate FY 1989 savings in Accounting and Reporting Services and Personnel Services as an offset to the FY 1990 appropriation.



Senator Jim Allen
Subcommittee Chairperson



Senator Paul Feleciano

SUBCOMMITTEE REPORT

Agency: Public Disclosure
Commission

Bill No. 2064

Bill Sec. 3

Analyst: Piekalkiewicz

Analysis Pg. No. 535

Budget Pg. No. 478

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 225,606	\$ 211,532	\$ 80
Special Revenue Fund	--	--	22,775
TOTAL	\$ 225,606	\$ 211,532	\$ 22,855
FTE Positions	6.0	5.0	1.0

Agency Request/Governor's Recommendation

The Commission requests a FY 1990 budget of \$225,606, including one additional position -- a Report Examiner. The Governor's recommendation for FY 1990 is \$211,532, which represents an increase of \$15,590 above the FY 1989 recommendation. Of the increase, \$8,415 is attributable to salaries and wages and \$2,318 for a microcomputer and a printer. The recommendation does not include the requested Report Examiner.

House Subcommittee Recommendation

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

1. Add \$80 for technical adjustment to the \$2,318 recommended for a microcomputer and printer.
2. The Subcommittee recommends the introduction and passage of legislation which would establish an annual registration fee of \$100 to be paid by political action committees on July 1, 1989 and on every July 1 thereafter. There are approximately 250 political action committees currently registered in Kansas. The fees would be deposited in the Public Disclosure Commission Fee Fund.
3. The Subcommittee recommends the addition of a Report Examiner position (\$22,775) to be funded by the Public Disclosure Commission Fee Fund, which would have receipts of approximately \$25,000. The Report Examiner would be responsible for reviewing reports and conducting audits on reports on campaign finance, lobbying, and substantial interest activities. The Subcommittee notes that in FY 1988 the Commission staff was able to conduct only 4 audits out of a total of 456 candidate reports (from the 1986 election), 250 political action committee reports, 191 county committee reports, 525 lobbyist reports, and 5,500 statements of substantial interest reports (each group files three reports). The Commission maintains that audits should be conducted on 10 percent of all reports to ensure compliance with campaign finance, lobbying, and

conflict of interest provisions. The agency stated that with the additional position it could conduct a minimum of 20 audits.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation, with the following adjustment.

1. Delete Report Examiner position pending passage of the legislation to be introduced to establish an annual registration on political action committees.

House Committee of the Whole Recommendation

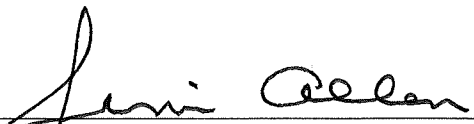
The House Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 80	\$ 211,612	\$ 22,775
FTE Positions	--	5.0	

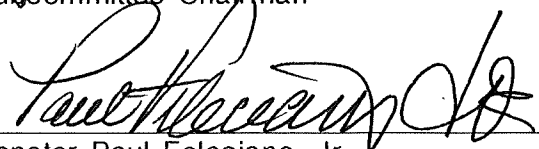
Senate Subcommittee Recommendation

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

1. Add \$22,775 from the State General Fund for a Report Examiner.



Senator Jim Allen
Subcommittee Chairman



Senator Paul Feleciano, Jr.

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SUBCOMMITTEE REPORT

Agency: Public Disclosure Commission Bill No. 2063 Bill Sec. 16

Analyst: Piekalkiewicz Analysis Pg. No. 535 Budget Pg. No. 478

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 194,925	\$ 195,942	\$ --
FTE Positions	5.0	5.0	--

Agency Request/Governor's Recommendation

The Commission estimates FY 1989 expenditures to be \$194,925 from the State General Fund, as approved by the 1988 Legislature. Of the total \$149,138 is for salaries and wages, \$13,350 for legal services, \$10,248 for rent, \$7,300 for communications, and \$14,889 for other operating expenditures.

The Governor recommends FY 1989 expenditures of \$195,942, including supplemental funding of \$1,017 to reflect a health insurance rate adjustment and a \$160 reduction in other operating expenditures.

House Subcommittee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole

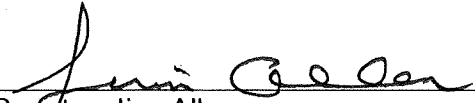
The House Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 195,942	\$ 5,000
FTE Positions	--	5.0	--

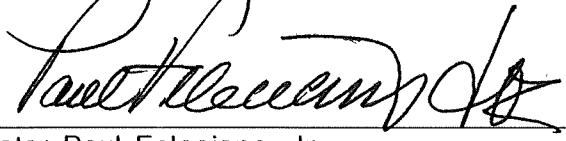
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House, with the following exception:

1. Add \$5,000 for legal services which the Commission will need to cover its legal expenses for the rest of the fiscal year. The Commission throughout the current year has been involved in litigation.



Senator Jim Allen
Subcommittee Chairman



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Civil Rights

Bill No. 2063

Bill Sec. 10

Analyst: Rothe

Analysis Pg. No. 545

Budget Pg. No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 926,641	\$ 937,224	\$ --
Special Revenue Funds	441,910	442,609	--
TOTAL	<u>\$ 1,368,551</u>	<u>\$ 1,379,833</u>	<u>\$ --</u>
FTE Positions	40.0	40.0	--

Agency Estimate/Governor's Recommendations

The 1988 Legislature approved an FY 1989 operating budget of \$1,371,845 for the Commission, including \$928,931 from the State General Fund, \$441,910 from federal funds and \$1,004 from the sale of equipment. The Commission's FY 1989 estimate of \$1,368,551 is \$3,294 below the amount approved and includes \$926,641 from the State General Fund and \$441,910 from federal funds. The budget provides funding for 40 FTE positions, as approved.

The Governor's FY 1989 recommendation of \$1,379,833 is an increase of \$11,282 above the agency's estimate due to health insurance adjustments. The recommendation results in a supplemental State General Fund appropriation of \$10,583 and an increase of \$699 in the federal fund expenditure limitation.

House Subcommittee Recommendations

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

1. Make a technical adjustment in the supplemental bill (H.B. 2063) to reflect the Governor's intent. The adjustment includes reducing the supplemental State General Fund appropriation by \$696 and increasing the federal fund expenditure limitation by \$699.

2. **Federal Fund Analysis.** The Subcommittee makes no adjustments to the Governor's estimates for federal fund expenditures (which finance 32.1 percent of agencywide expenditures for FY 1989 and 28.8 percent for FY 1990). The federal fund ending balance has been spent down from \$724,402 in FY 1985 to \$43,547 in FY 1989 and an estimated \$655 in FY 1990 to lessen the burden on the State General Fund. The Subcommittee learned that due to a significant financing decrease in the FY 1989 federal Equal Employment Opportunity Commission (EEOC) contract, the ending balance could actually be a deficit of \$6,053 in FY 1989 and a deficit of \$48,945 by the end of FY 1990. The agency has received word from the EEOC that an upward modification will be made in the FY 1989 contract, but the amount will not be available until March, 1989. The Subcommittee urges the Senate Subcommittee to address the declining federal fund balance upon receipt of updated contract amounts. The resource estimate, based upon the Governor's recommendation, follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Gov. Rec. FY 89</u>	<u>Gov. Rec. FY 90</u>
Beginning Balance	\$ 140,380	\$ 100,123	\$ 42,848
Net Receipts	<u>379,312</u>	<u>385,334</u>	<u>378,750</u>
Total Available	\$ 519,692	\$ 485,457	\$ 421,598
Less: Expenditures	<u>419,569</u>	<u>442,609</u>	<u>420,943</u>
Ending Balance	<u>\$ 100,123</u>	<u>\$ 42,848</u>	<u>\$ 655</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.

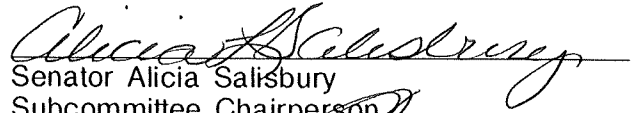
<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 937,224	\$ 6,053
Special Revenue Funds	--	442,609	--
TOTAL	<u>\$ --</u>	<u>\$ 1,379,833</u>	<u>\$ 6,053</u>
FTE Positions	--	40.0	--

Senate Subcommittee Recommendation

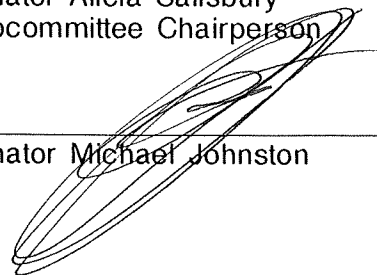
FY 1989. The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

1. Add \$6,053 from the State General Fund to offset federal fund expenditures and to ensure a surplus federal fund ending balance in FY 1989. The Subcommittee reviewed the House recommendation and notes that the remaining federal grant amount for FY 1989 will not be known until May. Unless additional federal funds are received, the agency could conclude FY 1989 with a federal fund deficit of \$6,053 and FY 1990 with a deficit of \$43,547. The potential deficit should serve as a harbinger to the increasing unreliability of the flow of federal funds to this agency and others. The Subcommittee encourages the agency to develop a contingency plan for expenditure reductions in case federal receipts from the Equal Employment Opportunity Commission are reduced for FY 1990.
2. The Subcommittee notes with regret the death of Charles Scott, the Hearing Examiner for the Kansas Commission on Civil Rights. Although the difference in salary savings and separation pay results in FY 1989 savings of \$4,476, the agency expects additional expenditures of approximately \$3,500 for contractual pro tem hearing examiners. The

Subcommittee recommends that the agency utilize the \$1,000 difference to purchase case law books to keep its law library up to date.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston

058-89/SR

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Civil Rights

Bill No. 2064

Bill Sec. 4

Analyst: Rothe

Analysis Pg. No. 545

Budget Pg. No. 110

<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	\$ 1,032,932	\$ 1,039,953	\$ --
Special Revenue Funds	372,297	420,943	--
TOTAL	<u>\$ 1,405,229</u>	<u>\$ 1,460,896</u>	<u>\$ --</u>
FTE Positions	40.0	40.0	--

Agency Estimate/Governor's Recommendations

The agency requests \$1,405,229 for FY 1990 for the salaries of 40 FTE positions and other operating costs. The request represents a 2.7 percent increase above the revised FY 1989 estimate and includes \$1,032,932 from the State General Fund and \$372,297 from federal funds. The portion of the budget financed from federal funds would decrease from 32.3 percent to 26.5 percent to enable the agency to maintain a \$50,000 federal fund ending balance.

The Governor recommends \$1,460,896 for FY 1990 expenditures, an increase of \$55,667 above the agency's request. The recommendation includes \$46,595 for a 4 percent salary increase for classified employees and a merit pool for unclassified employees, and \$24,786 for other salary adjustments. The Governor recommends reductions of \$9,659 from contractual services, \$3,050 from commodities, and \$3,015 from capital outlay. The recommendation includes \$1,039,953 from the State General Fund (an increase of \$7,021) and \$420,943 from federal funds (28.8 percent of the total, an increase of \$48,656). The Governor recommends a federal fund ending balance of \$655.

House Subcommittee Recommendations

FY 1990. The House Subcommittee concurs with the Governor's recommendation, but urges the Senate Subcommittee to address the federal fund ending balances. The agency expects an upward modification in its federal contract, but the amount will not be known until March. The resource estimate, as recommended by the Governor, follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Gov. Rec. FY 89</u>	<u>Gov. Rec. FY 90</u>
Beginning Balance	\$ 140,380	\$ 100,123	\$ 42,848
Net Receipts	<u>379,312</u>	<u>385,334</u>	<u>378,750</u>
Total Available	\$ 519,692	\$ 485,457	\$ 421,598
Less: Expenditures	<u>419,569</u>	<u>442,609</u>	<u>420,943</u>
Ending Balance	<u>\$ 100,123</u>	<u>\$ 42,848</u>	<u>\$ 655</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

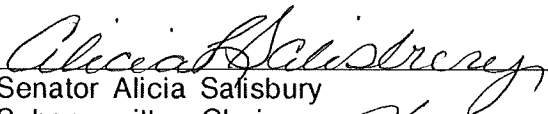
The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 1,039,953	\$ --
Special Revenue Funds	--	420,943	--
TOTAL	<u>\$ --</u>	<u>\$ 1,460,896</u>	<u>\$ --</u>
FTE Positions	--	40.0	--

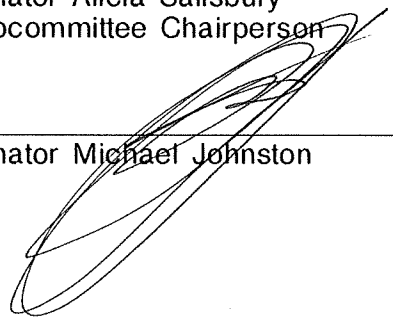
Senate Subcommittee Recommendation

FY 1990. The Senate Subcommittee concurs with the recommendation of the House with the following observation:

1. The Subcommittee notes that the Governor's recommendation reduces the agency's request for stationery and office supplies from \$9,187 to \$6,937 for FY 1990. Estimated FY 1989 expenditures are \$10,208 and actual FY 1988 costs were \$8,724. The Subcommittee makes no adjustments at this time, but will review year-to-date expenditures during the 1990 Legislative Session.



 Senator Alicia Safisbury
 Subcommittee Chairperson



 Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Kansas Corporation
Commission

Bill No. 2063

Bill Sec. 4

Analyst: Howard

Analysis Pg. No. 538

Budget Pg. No. 130

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 9,661,430	\$ 9,564,434	\$ --
Other Assistance	3,107,304	3,107,304	--
TOTAL	<u>\$ 12,768,734</u>	<u>\$ 12,671,738</u>	<u>\$ --</u>
FTE Positions	238.0	235.0	--

Agency Estimate/Governor's Recommendation

The agency estimates current year expenditures of \$12,768,734, including \$9,661,430 for state operations and \$3,107,304 for other assistance. The request reflects the amount approved by the 1988 Legislature and a subsequent adjustment by the State Finance Council. The Finance Council approved an expenditure limitation increase of \$286,401 to the federal Underground Injection Control (UIC) Class II fund.

The Governor recommends FY 1989 expenditures of \$12,671,738 for the Corporation Commission, a reduction of \$96,996 from the agency estimate. The recommendation includes funding for 235.0 FTE positions, and includes the reduction of 3.0 FTE vacant positions. The recommendation includes reductions in salaries (\$26,316), communications (\$16,876), travel (\$4,878), professional and other services (\$32,754) and other expenditures (\$16,172).

House Subcommittee Recommendation

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

1. Make technical adjustments to H.B. 2063 to accurately reflect the Governor's FY 1989 recommendations for the Corporation Commission. The technical adjustments involve including language in the bill to reduce the expenditure limitations for the Public Service Regulation Fund and the Conservation Fee Fund, and to increase the expenditure limitation for the Motor Carrier License Fees Fund.

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 89</u>	<u>House Rec. FY 89</u>	<u>Senate Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ --	\$ 9,564,434	\$ --
Other Assistance	--	3,107,304	--
Total	<u>\$ --</u>	<u>\$ 12,671,738</u>	<u>\$ --</u>
FTE Positions	--	235.0	--

Senate Subcommittee Recommendation

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

1. The Subcommittee would note that the agency will be requesting financing modifications in its current year budget during the Omnibus Session. The Commission has experienced a shortfall in its Utilities Division consulting budget due to the demands of the Citizens' Utility Ratepayers Board and an unanticipated audit of Union Gas Management. The Commission has forced savings within other areas of its budget to fund these items but these actions will require funding shifts within the agency's current expenditure authority. The Subcommittee recommends consideration of this item during the Omnibus Session.



Senator Joseph Harder
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Kansas Corporation
Commission

Bill No. 2064

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 538

Budget Pg. No. 130

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 10,333,989	\$ 10,401,192	\$ (11,591)
Other Assistance	2,934,130	2,838,362	--
TOTAL	<u>\$ 13,268,119</u>	<u>\$ 13,239,554</u>	<u>\$ (11,591)</u>
FTE Positions	237.0	235.0	--

Agency Estimate/Governor's Recommendation

The agency requests a total budget of \$13,268,110 for FY 1990, of which \$10,333,989 is for state operations and \$2,934,130 is for other assistance. The request includes funding for 237.0 FTE positions, a net reduction of 1.0 FTE from the current year estimate.

The Governor recommends FY 1990 expenditures of \$13,239,554, a reduction of \$28,565 from the agency request. The recommendation would fund 235.0 FTE positions, the same number as in the current year recommendation. The recommendation includes \$10,401,192 in state operations and \$2,838,362 in other assistance. The recommendation is an increase of \$67,203 in state operations and a reduction of \$95,768 in other assistance from the agency request.

House Subcommittee Recommendation

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

1. Delete \$4,500 from the Public Service Regulation Fund for professional services for the Citizens' Utility Ratepayers Board (CURB). The Governor's recommendation included \$154,500 in professional services for CURB, including \$10,000 for consultant fees for an estimated 15 rate cases and \$4,500 for inflation. The Subcommittee recommendation deletes the amount budgeted for inflation, leaving \$150,000 in professional services for the Citizens' Utility Ratepayers Board.
2. Delete \$7,091 in DISC fees in FY 1990. The agency recently purchased and installed an IBM AS400 minicomputer and is in the process of connecting microcomputers to the minicomputer. The agency request included funding for a full year of DISC fees in FY 1990 to allow another fiscal year of transition before removing its programs from the DISC mainframe. The Subcommittee believes that this transition can take place in a shorter time period and deletes funding for these DISC fees for the last half of FY 1990. The Subcommittee would note that if additional problems and delays are encountered, the Commission could request

supplemental funding for these fees for the last half of FY 1990. The recommendation includes a reduction of \$4,467 from the Public Service Regulation Fund, \$1,206 from the Conservation Fee Fund, and \$1,418 from the Motor Carrier License Fees Fund.

3. The Subcommittee was informed of the status of oil overcharge settlements from price violations involving refined petroleum products. After direct restitution is made to individual consumers who can prove they were injured, a second stage of indirect restitution for unclaimed refined product moneys takes place. Currently, over \$3,000,000 is available in five accounts at the U.S. Department of Energy for the use of the state of Kansas. Funds are available upon submission of a plan meeting the criteria of the Department of Energy. In 1987, the Office of Hearings and Appeals at the U.S. Department of Energy suggested that the state may "wish to include proposals for transportation-related conservation projects" in future requests for these second state moneys. The Subcommittee recommends that the House Subcommittee considering the budget of the Department on Aging consider the use of a portion of these funds for replacements vans for the meals programs operated by the area agencies on aging. The Subcommittee was informed that other states have used some portion of oil overcharge funds for such purchases.
4. The Subcommittee would note that the Corporation Commission is currently leasing several photocopiers and believes that the purchase of necessary equipment would be more cost effective than the current leasing arrangement. The Subcommittee was informed that the agency had attempted to purchase certain equipment in 1985 but was unable to reach agreement with the Division of Purchasing. The Subcommittee urges the Commission to actively pursue the purchase of appropriate equipment and to seek a resolution to the impasse with the Division of Purchasing.
5. The Subcommittee was informed that a potential shortfall in LIEAP funding may exist in FY 1990. The Subcommittee did not have the opportunity to pursue this issue but recommends that the Senate Subcommittee investigate the possibility of a shortfall and whether additional oil overcharge funds should be appropriated for the LIEAP program.

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.

<u>Expenditure Summary</u>	<u>House Adj. FY 90</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ (11,591)	\$ 10,389,601	\$ 7,091
Other Assistance	--	2,838,362	--
Total	<u>\$ (11,591)</u>	<u>\$ 13,227,963</u>	<u>\$ 7,091</u>
FTE Positions	--	235.0	--

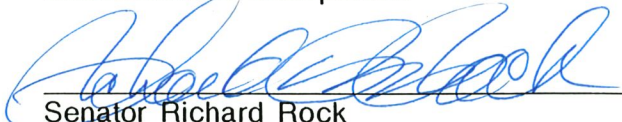
Senate Subcommittee Recommendation

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

1. Add \$7,091 in DISC fees to provide full-year funding for DISC fees in FY 1990. The agency has purchased a minicomputer and will be converting its data processing from the state mainframe to its own minicomputer. However, the agency has experienced delays in making the minicomputer operational and is currently working with DISC and IBM to resolve the system problems. However, the Subcommittee believes that full year funding for DISC fees will be necessary in FY 1990 prior to full conversion of the Commission's functions to its own minicomputer. Significant design and programming will need to be completed before this conversion can take place.
2. The Subcommittee recommends that three federal energy funds be established as "No Limit" funds. The three federal energy funds to be designated as "No Limit" are the Energy Extension Service Act, the Institutional Conservation Program, and the Energy Conservation Plan. The Subcommittee would note that several other federal funds within the agency are currently designated as "No Limit" funds.
3. The Subcommittee would also note that the agency will be requesting a Governor's Budget Amendment for additional expenditure authority in FY 1990 for consulting services within the utilities division. The Governor's recommendation includes funding of \$100,000 for consulting fees. The Commission estimates additional needs in FY 1990 totaling up to \$150,000 in additional consulting costs. Several factors have contributed to the need for additional consulting fees including a study in the current year which has been delayed to FY 1990 in order to provide funding in the current year for the Union Gas management audit, additional costs for federal representation before the Federal Energy Regulatory Commission and some desire on the part of the Commission to contract for random audits of various utilities. The Subcommittee recommends that this item be considered during the Omnibus Session upon receipt of a Governor's Budget Amendment.



Senator Joseph Harder
Subcommittee Chairperson



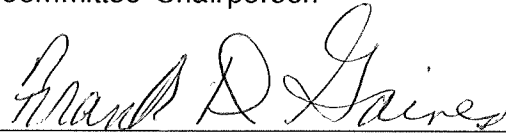
Senator Richard Rock

SENATE WAYS AND MEANS
SUBCOMMITTEE REPORT

ON

RETIREMENT BILLS AND ISSUES

Senator August Bogina, Jr.
Subcommittee Chairperson



Senator Frank D. Gaines

Senator Wint Winter, Jr.

7594

SUBCOMMITTEE REPORT

Agency: Retirement Issues

Bill No. 216

Bill Sec. --

Analyst: Conroy/Ryan

Analysis Pg. No. --

Budget Pg. No. --

Based on the available information, the Committee recommends the following changes to the state retirement systems and that all of these changes be combined in Senate Bill No. 216 to form an omnibus retirement bill.

KPERS EMPLOYER CONTRIBUTION RATES

The Subcommittee recommends several enhancements for the Kansas Public Employees Retirement System (KPERS), the Kansas Police and Fire Retirement System (KP&F), and the Kansas Judges' Retirement System. The employer contribution rates certified for FY 1991 for KPERS-State are 3.2 percent, KPERS-Local, 2.6 percent, and for Judges' is 5.4 percent. The following table reflects the additional employer contributions, which will first be reflected in FY 1992, which will be required to finance the recommended improvements.

	Additional Employer Contributions	Additional State Employer Contribution		Additional Local Employer Contributions
		SGF	All Funds	
KPERS -- State	0.35%	\$ 3,793,248	\$ 6,896,816	\$ --
KPERS -- Local	0.35	--	--	1,203,192
KP&F -- State	2.50	1,076,243*	1,076,243	--
KP&F -- Local	0.40	--	--	341,500
Judges	0.20	21,000	21,000	--
Grand Total		<u>\$ 4,890,491</u>	<u>\$ 7,994,059</u>	<u>\$ 1,544,692</u>

* Estimate reflects maximum cost.

BENEFIT ENHANCEMENTS

The Committee also recommends numerous enhancements, many of which have no actuarial cost, for retirants and active members of KPERS, Kansas Police and Fire (KP&F), and the Judge's Retirement System.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

1. Amend the provisions of the state special elected official class that was enacted by the 1988 Legislature. All elected state officials who have exercised their

election for special provisions (special members) will have their election continue in effect until the end of their current term. At the end of their current term, their retirement status will revert to that prior to the election. Any rights and benefits accruing prior to the end of the term under the special provisions would remain in effect. At the commencement of a new term, elected state officials may elect to be subject to the special provisions (special members). Those so electing will make employee contributions in the amount certified by KPERS on the advice of the actuary needed to pay the additional cost of benefits to be earned under the special provision, and the employer contribution rate will be the same as for all other KPERS employees.

Such elections must be made within 30 days of taking the oath of office and will remain in effect until written cancellation or the end of service as an elected official. All new elected officials who first take office after the effective date may elect the special provisions, but will pay all additional costs. Any present special members electing the special provisions who are purchasing service credit by double or triple deductions would pay only the additional amount required under current law. Persons who elected to be special members and who are no longer elected officials will not be affected by the changes within this section. Actuarial cost would reflect a savings to the state in reduced employer contributions, however the exact amount is not able to be calculated at this time. (Contained in H.B. 2416).*

2. Increase the retirement benefits by 4 percent for all individuals who retired prior to July 1, 1988. The fiscal impact of this enhancement is 0.1 percent in additional employers' contributions, which would first be reflected in FY 1992, or a total of \$2,298,519 (\$1,970,519 to the State for both School and State Nonschool, of which \$1,083,785 would be from the State General Fund, and \$328,000 to local units of government -- calendar year 1992). The Subcommittee notes that this is the sixth consecutive annual post-retirement increase for KPERS retirants which have a combined percentage increase of 31.2 percent. (Contained in H.B. 2408).*

3. Increase the maximum amount of optional group life insurance an individual may purchase from \$100,000 to \$200,000. No actuarial cost. (Contained in H.B. 2405).*

4. Waive the statute of limitations for filing of amended Kansas Income Tax returns by TIAA/CREF retirants for annuities received after January 1, 1975. The amended returns must be filed prior to July 1, 1990. In 1988, the Department of Revenue issued a ruling stipulating that benefits received under TIAA/CREF are exempt from state income tax. Although this had been the position of the Department for several years, there were a number of taxpayers that were not aware of the provision. Upon the issuance of the ruling, many taxpayers filed amended returns for prior years to receive refunds. The current statute of limitations only allows for refunds up to four years. No actuarial cost to KPERS; unknown amount of revenue loss to the State. (S.B. 216).*

5. Remove all provisions relating to post-retirement work restrictions for those who retired after July 1, 1988 unless the retirant is employed by the same employer for whom they worked during the last two years of KPERS participation. In such cases, retirants could receive benefits until earnings equal \$6,000 in a calendar year. At that point, retirants may elect to terminate employment and continue to receive benefits; continue employment and have benefits suspended; or revoke their retirement and again become a participating KPERS member. Substitute teaching and services as an elected official, including officers, employees, and appointees of the Legislature, are excluded from all provisions of post-retirement work restrictions. No actuarial cost. (Contained in H.B. 2403).*

Currently, a KPERS participating employer must reimburse KPERS for the amount of retirement benefits paid to a retiree employed more than 30 days in calendar year. This applies only to people who retire after June 30, 1988, but substitute teachers and officers, employees, appointees, and members of the Legislature are exempt.

6. Provide for full retirement benefits after 40 years of service or the completion of 35 years and attainment of age 60. This enhancement would make permanent the current early retirement "window". The reduction factor for early retirement between age 60 and 65 would remain at 0.3 per month rather than going to 0.2 per month on August 1, 1989. Currently, during the period July 1, 1986 through July 1, 1989, individuals who retire at age 60 with 35 years of service or who have 40 years of service regardless of age may receive full benefits. The fiscal impact of this enhancement is 0.15 percent in additional state employer's contributions and 0.1 percent in additional local employers' contributions, which would first be reflected in FY 1992, or a total of \$3,393,374 (\$2,955,778 to the State for both School and State Nonschool, of which \$1,625,678 is from the State General Fund, and \$437,596 to local units of government -- calendar year 1992).

7. Beginning in calendar year 1991 the definition of compensation would include all amounts tax sheltered under sections 457, 403, 125, and other sections in the Internal Revenue Code. Under current law, members can exclude or defer compensation under the aforementioned IRS provisions until the four years immediately preceding retirement at which time these exclusions or deferrals may be taken in cash, thus included in compensation for retirement purposes. No actuarial cost. (Contained in H.B. 2410).*

8. Designate the Kansas Advocacy Board as an eligible KPERS employer. The Kansas Advocacy Board is a public corporation which assists in the appointment of guardians for individuals. The allowance for this organization (18 staff members) to affiliate with KPERS would be similar to the KPERS affiliation for the Kansas High School Activities Association. No actuarial cost.

9. Permit double or triple deductions for the purchase of military service credit any time up to five years prior to retirement. Present law requires that the decision to purchase military service credit through double or triple deductions must be made within four years of joining KPERS. No actuarial cost.

10. Amend the definition of children or child of a KPERS member from under 18 to include those who are under 23 who are full-time students. This provision would be similar to benefit provisions of the federal retirement system and other state retirement systems. No actuarial cost.

11. Permit Board of Regents faculty members to remain covered for group insurance while on leave of absence if they elect at start of the leave and reimburse the employer for the cost. Currently, faculty members who are on a leave of absence cannot continue to participate in the KPERS group death and disability benefit program. No actuarial cost. (Contained in S.B. 391).*

12. Increase the participating service rate to 1.5 percent for future service performed by individuals with 20 or more years of credited service. The increased participating service rate would apply only to those years of service beyond 20 earned after the effective date of the act. The existing rate is 1.25 percent for each year of participating service; 1.4 percent for service credited after June 30, 1982; 1.4 percent for all years of participating service for members who retire on or after August 1, 1987 with at least 10 years of such service; and 1.5 percent for all years of participating service for

those who retire on or after August 1, 1987 with 35 years of credited service. The fiscal impact of this enhancement is 0.1 percent in additional employers' contributions, which would first be reflected in FY 1992, or a total of \$2,408,000 (\$1,970,519 to the State for both School and State Nonschool, of which \$1,083,785 would be from the State General Fund, and \$437,596 to local units of government -- calendar year 1992).

13. Provide a full year of KPERS prior service for each nine month teaching appointment for prospective TIAA KPERS retirees. No actuarial cost. (Contained in S.B. 391).*

14. Permits the Board of Regents to make technical changes relating to TIAA KPERS members. No actuarial cost. (Contained in S.B. 391).*

KANSAS POLICE AND FIRE RETIREMENT SYSTEM

1. Increase the retirement benefits by four percent for all individuals who retired prior to July 1, 1988. The fiscal impact of this enhancement is 0.1 percent for the State and 0.75 percent for local units of government in additional employer's contributions, which would first be reflected in FY 1992, is a total of \$86,750. The state share of increased costs would be \$18,250 and the local units of government share would be \$68,500. (Contained in H.B. 2408).*

2. Provide for normal retirement at age 50 with the completion of 25 years of service or age 60 with the completion of 15 years of service. The existing requirements of age 55 with 20 years of service for retiring with full benefits would continue in place. Currently, KP&F members may retire early at age 50 after 20 years of service. The fiscal impact of this enhancement is 0.1 percent in additional employers' contributions, which would first be reflected in FY 1992, or a total of \$109,000. The state share of increased costs would be \$18,000 and the local units of government share would be \$91,000.

3. Reduce the vesting requirement from 20 to 15 years of credited service. No actuarial cost.

4. Remove the distinction between service-connected and nondisability duty benefits. Disability benefits to be 50 percent of a member's final average salary. Service credit granted during a period of disability. Disability benefits convert to a retirement benefit at the earliest date that the member is eligible for an unreduced retirement. For all disabilities occurring after January 1, 1990, an offset of \$1.00 for each \$2.00 earned after the first \$10,000 of earnings. The fiscal impact of this enhancement is 0.2 in additional employers' contributions, which would first be reflected in FY 1992, or a total of \$218,500. The state share of increased costs would be \$36,500 and the local units of government share would be \$182,000. (Contained in H.B. 2400).*

5. Effective July 1, 1990 all correction officers may elect to either retain the current special provisions or become members of the Kansas Police and Fire Retirement System for future service only. Correction officers hired after that date would be members of the Kansas Police and Fire Retirement System. Currently, selected state correctional employees are special members of KPERS and have a normal retirement age of 55 and an early retirement option of age 50 (unit team personnel, correctional officers and supervisors) or a normal retirement age of 60 and an early retirement option of age 60 (power plant operators, correctional industries personnel, food service employees and

maintenance supervisors, who have regular contact with inmates). The maximum fiscal impact of this enhancement to the state is \$1,003,493, all from the State General Fund. The exact amount is not able to be calculated due to the permissiveness of the provisions. (Contained in H.B. 2402.)*

6. Amend the definition of children or child of the member from under 18 to include those who are under 23 who are full-time students. This provision would be similar to benefit provisions of the federal retirement system and other state retirement systems. No actuarial cost.

7. Permit crediting of all service as a police officer or fire fighter with police and fire employers for members with 20 or more years of credited service. No actuarial cost.

KANSAS JUDGES' RETIREMENT SYSTEM

1. Increase the retirement benefits by four percent for all individuals who retired prior to July 1, 1988. The fiscal impact of this enhancement to the state is 0.1 percent in additional employer's contributions, which would first be reflected in FY 1992, or \$10,500. (Contained in H.B. 2408).*

2. Increase the maximum amount of optional group life insurance an individual may purchase from \$100,000 to \$200,000. No actuarial cost. (Contained in H.B. 2405).*

3. Reduce the early retirement eligibility from age 62 with 10 years of service to age 60 with 10 years of service. The fiscal impact of this enhancement is 0.1 percent in additional employer's contributions, which would first be reflected in FY 1992, or \$10,500. (Contained in H.B. 2407).*

4. Permit early retirement at age 55 with 10 years of service with a full actuarial reduction (0.6 percent per month) between age 55 and 60. This benefit would be similar to the early retirement provisions of KPERS. No actuarial cost. (Contained in H.B. 2407).

5. Permit judges who are defeated in an election to continue participation, at their cost, in the Judges' System until they have 10 years credit under the Judges' System. Currently, once a judge is defeated in an election he or she can no longer participate in the Judges' Retirement System. No actuarial cost. (Contained in S.B. 208).

6. Amend the definition of children or child of the member from under 18 to include those who are under 23 who are full-time students. This provision would be similar to benefit provisions of the federal retirement system and other state retirement systems. No actuarial cost.

* References to Senate Bills and House Bills indicate only that the subject is contained in the bill. Subjects above may or may not reflect the actual provisions of the bills.